

**SPECIAL REVENUE FUND FOR SALINITY**

**OFFSET PROGRAM**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Peter C. Knudson**

House Sponsor: David Ure

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**LONG TITLE**

**General Description:**

This bill creates a restricted special revenue fund entitled the "Salinity Offset Fund."

**Highlighted Provisions:**

This bill:

- ▶ creates the Salinity Offset Fund, which is a restricted special revenue fund; and
- ▶ provides fund sources and allowed distributions from the fund.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**4-2-8.5**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **4-2-8.5** is enacted to read:

**4-2-8.5. Salinity Offset Fund.**

(1) As used in this section, "Colorado River Salinity Offset Program" means a program, administered by the Division of Water Quality, allowing oil, gas, or mining companies and other entities to provide funds to finance salinity reduction projects in the Colorado River Basin by purchasing salinity credits as offsets against discharges made by the

30 company under permits issued by the Division of Water Quality.

31 (2) (a) There is created a restricted special revenue fund known as the "Salinity Offset  
32 Fund."

33 (b) The fund shall consist of:

34 (i) monies received from the Division of Water Quality that have been collected as part  
35 of the Colorado River Salinity Offset Program;

36 (ii) grants from local governments, the state, or the federal government;

37 (iii) grants from private entities; and

38 (iv) interest on fund monies.

39 (2) Any unallocated balance in the fund at the end of a fiscal year is nonlapsing.

40 (3) (a) The department shall:

41 (i) subject to the rules established under Subsection (3)(a)(ii), distribute fund monies to  
42 farmers, ranchers, mutual irrigation companies, and other entities in the state to assist in  
43 financing irrigation, rangeland, and watershed improvement projects that will, in accordance  
44 with the Colorado River Salinity Offset Program, reduce salinity in the Colorado River; and

45 (ii) in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
46 make rules establishing:

47 (A) a project funding application process;

48 (B) project funding requirements;

49 (C) project approval criteria; and

50 (D) standards for evaluating the effectiveness of funded projects in reducing salinity in  
51 the Colorado River.

52 (b) The department may require entities seeking fund monies to provide matching  
53 funds.

54 (c) The department shall submit to the Water Quality Board's executive secretary  
55 proposed funding projects for the executive secretary's review and approval.

56 (4) The department may use fund monies for the administration of the fund, but this  
57 amount may not exceed 10% of the annual receipts to the fund.

