

HB0232S02 compared with HB0232S01

~~text~~ shows text that was in HB0232S01 but was deleted in HB0232S02.

text shows text that was not in HB0232S01 but was inserted into HB0232S02.

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Representative Brady Brammer proposes the following substitute bill:

UTAH LAKE AUTHORITY

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

Senate Sponsor: ~~_____~~ Michael K. McKell

LONG TITLE

General Description:

This bill enacts provisions relating to the Utah Lake Authority.

Highlighted Provisions:

This bill:

- ▶ creates the Utah Lake Authority;
- ▶ defines the status of the Utah Lake Authority and provides for the Authority's purposes, powers, duties, policies, and objectives;
- ▶ establishes a board to govern the Utah Lake Authority and provides for board membership, appointment, terms, duties, and responsibilities;
- ▶ authorizes the board to appoint nonvoting members, board officers, and advisory committees;
- ▶ prohibits certain individuals from serving as a member of the board or executive

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director and prohibits board members and the executive director from receiving certain benefits;

- ▶ requires the authority board to adopt and implement a management plan for Utah Lake;
- ▶ authorizes the authority to enter into an agreement for the improvement of Utah Lake;
- ▶ provides for the hiring of an executive director, defines the executive director's role, and provides for the qualifications and duties of the executive director;
- ▶ requires the attorney general to provide legal services to the lake authority;
- ▶ provides a process for the adoption and amendment of a project area plan and a project area budget;
- ▶ provides for the Utah Lake Authority to be paid certain sales tax revenue and other sources of revenue, and provides for the allowable uses of revenue;
- ▶ authorizes the Utah Lake Authority to issue bonds and includes provisions related to bonds;
- ▶ requires the Utah Lake Authority board to adopt an annual budget and provides a process for preparing and adopting or amending a budget;
- ▶ requires the Utah Lake Authority to provide reports and requires the Authority to comply with audit requirements; and
- ▶ provides limits on the dissolution of the Utah Lake Authority and requirements if a dissolution occurs.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-205, as last amended by Laws of Utah 2021, Chapter 281

63J-1-602.2, as last amended by Laws of Utah 2021, Chapters 179, 344, 412, 421, and 424

ENACTS:

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11-65-101, Utah Code Annotated 1953
11-65-102, Utah Code Annotated 1953
11-65-103, Utah Code Annotated 1953
11-65-201, Utah Code Annotated 1953
11-65-202, Utah Code Annotated 1953
11-65-203, Utah Code Annotated 1953
11-65-204, Utah Code Annotated 1953
11-65-205, Utah Code Annotated 1953
11-65-206, Utah Code Annotated 1953
11-65-301, Utah Code Annotated 1953
11-65-302, Utah Code Annotated 1953
11-65-303, Utah Code Annotated 1953
11-65-304, Utah Code Annotated 1953
11-65-305, Utah Code Annotated 1953
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11-65-401, Utah Code Annotated 1953
11-65-402, Utah Code Annotated 1953
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11-65-501, Utah Code Annotated 1953
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11-65-506, Utah Code Annotated 1953
11-65-601, Utah Code Annotated 1953
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11-65-604, Utah Code Annotated 1953
11-65-605, Utah Code Annotated 1953

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11-65-606, Utah Code Annotated 1953

11-65-701, Utah Code Annotated 1953

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

Section 1. Section 11-65-101 is enacted to read:

CHAPTER 65. UTAH LAKE AUTHORITY ACT

Part 1. General Provisions

11-65-101. Definitions.

As used in this chapter:

- (1) "Adjacent political subdivision" means a political subdivision of the state with a boundary that abuts the lake authority boundary or includes lake authority land.
- (2) "Board" means the lake authority's governing body, created in Section 11-65-301.
- (3) "Lake authority" means the Utah Lake Authority, created in Section 11-65-201.
- (4) "Lake authority boundary" means the boundary:
 - (a) defined by recorded boundary settlement agreements between private landowners and the Division of Forestry, Fire, and State Lands; and
 - (b) that separates privately owned land from Utah Lake sovereign land.
- (5) "Lake authority land" means land on the lake side of the lake authority boundary.
- (6) "Management" means work to coordinate and facilitate the improvement of Utah Lake, including work to enhance the long-term viability and health of Utah Lake and to produce economic, aesthetic, recreational, environmental, and other benefits for the state, consistent with the strategies, policies, and objectives described in this chapter.
- (7) "Management plan" means a plan to conceptualize, design, facilitate, coordinate, encourage, and bring about the management of the lake authority land to achieve the policies and objectives described in Section 11-65-203.
- (8) "Nonvoting member" means an individual appointed as a member of the board under Subsection 11-65-302(6) who does not have the power to vote on matters of lake authority business.
- (9) "Project area" means an area that is identified in a project area plan as the area where the management described in the project area plan will occur.
- (10) "Project area budget" means a multiyear projection of annual or cumulative

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revenues and expenses and other fiscal matters pertaining to a project area.

(11) "Project area plan" means a written plan that, after the plan's effective date, manages activity within a project area within the scope of a management plan.

(12) "Public entity" means:

(a) the state, including each department, division, or other agency of the state; or

(b) a county, city, town, metro township, school district, local district, special service district, interlocal cooperation entity, community reinvestment agency, or other political subdivision of the state.

(13) "Publicly owned infrastructure and improvements":

(a) means infrastructure, improvements, facilities, or buildings that:

(i) benefit the public; and

(ii) (A) are owned by a public entity or a utility; or

(B) are publicly maintained or operated by a public entity;

(b) includes:

(i) facilities, lines, or systems that provide:

(A) water, chilled water, or steam; or

(B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy, microgrids, or telecommunications service; and

(ii) streets, roads, curbs, gutters, sidewalks, walkways, solid waste facilities, parking facilities, and public transportation facilities.

(14) "Sovereign land" means land:

(a) lying below the ordinary high water mark of a navigable body of water at the date of statehood; and

(b) owned by the state by virtue of the state's sovereignty.

(15) "Utah Lake" includes all waters of Utah Lake and all land, whether or not submerged under water, within the lake authority boundary.

(16) "Voting member" means an individual appointed as a member of the board under Subsection 11-65-302(2).

Section 2. Section **11-65-102** is enacted to read:

11-65-102. Severability.

If a court determines that any provision of this chapter, or the application of any

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provision of this chapter, is invalid, the remainder of this chapter shall be given effect without the invalid provision or application.

Section 3. Section **11-65-103** is enacted to read:

11-65-103. Nonlapsing funds.

Money the lake authority receives from legislative appropriations is nonlapsing.

Section 4. Section **11-65-201** is enacted to read:

Part 2. Utah Lake Authority

11-65-201. Creation of Utah Lake Authority -- Status and purposes.

(1) Under the authority of Utah Constitution, Article XI, Section 8, there is created the Utah Lake Authority.

(2) The lake authority is:

(a) an independent, nonprofit, separate body corporate and politic, with perpetual succession;

(b) a political subdivision of the state; and

(c) a public corporation, as defined in Section 63E-1-102.

(3) (a) The statewide public purpose of the lake authority is to work in concert with applicable federal, state, and local government entities, property owners, owners of water rights, private parties, and stakeholders to encourage, facilitate, and implement the management of Utah Lake.

(b) The duties and responsibilities of the lake authority under this chapter are beyond the scope and capacity of any local government entity, which has many other responsibilities and functions that appropriately command the attention and resources of the local government entity, and are not functions of purely local concern but are matters of regional and statewide concern, importance, interest, and impact, due to multiple factors, including:

(i) the importance and benefit to the region and state of a healthy, vibrant, and ecologically sound Utah Lake; and

(ii) the enormous potential for regional and statewide economic, aesthetic, environmental, recreational, and other benefit that can come from the management of Utah Lake.

(c) The lake authority is the mechanism the state chooses to focus resources and efforts on behalf of the state to ensure that the regional and statewide interests, concerns, and purposes

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described in this Subsection (3) are properly addressed from more of a statewide perspective than any local government entity can provide.

(4) (a) The lake authority supplants and replaces the Utah Lake Commission, established by interlocal agreement.

(b) The Utah Lake Commission shall:

(i) cooperate with the lake authority to transition, as soon as practicable, Utah Lake Commission functions to the lake authority, to the extent consistent with this chapter; and

(ii) take all necessary actions to dissolve the Utah Lake Commission no later than May 1, 2023.

(c) The lake authority may, by majority vote of the board, succeed to the position of the Utah Lake Commission in any contract in which the Utah Lake Commission is a party.

(d) (i) As part of the transition from the Utah Lake Commission to the lake authority, the lake authority shall offer an employee of the Utah Lake Commission employment with the lake authority in the same or a comparable position and with the same or comparable compensation as the employee had as an employee of the Utah Lake Commission.

(ii) Subsection (4)(d)(i) may not be construed to affect the at-will status of an individual who becomes an employee of the lake authority.

(e) After the authority board is constituted, an advisory or technical committee established by the Utah Lake Commission shall continue to function under the direction of the board as a subcommittee of the lake authority until the board modifies or discontinues the subcommittee.

Section 5. Section **11-65-202** is enacted to read:

11-65-202. Lake authority powers and duties.

(1) (a) The lake authority has land use authority over publicly owned land within the lake authority boundary.

(b) The lake authority shall work with other government entities with jurisdiction over sovereign land and the watershed affecting Utah Lake water to improve the quality of water flowing into and out of Utah Lake, subject to and consistent with Title 19, Environmental Quality Code, and Title 73, Water and Irrigation.

(c) The lake authority may make recommendations and provide advice to an adjacent political subdivision relating to issues affecting both the lake authority and the adjacent

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political subdivision.

(d) The lake authority has no jurisdictional control or power over:

(i) another political subdivision, except as provided in an agreement between the lake authority and the other political subdivision;

(ii) the regulation of water quality;

(iii) water rights;

(iv) water collection, storage, or delivery;

(v) a project for water collection, storage, or delivery; and

(vi) water facilities that the lake authority does not own.

(2) The lake authority may coordinate the efforts of all applicable state and local government entities, property owners, owners of water rights, and other private parties, and other stakeholders to:

(a) develop and implement a management plan for Utah Lake, including:

(i) an environmental sustainability component, developed in conjunction with the Department of Environmental Quality and the Division of Wildlife Resources incorporating strategies and best management practices to meet applicable federal and state standards, including:

(A) water quality monitoring and reporting; and

(B) strategies that use the best available technology and practices to mitigate environmental impacts from management and uses on Utah Lake;

(ii) strategies that enhance the aesthetic qualities and recreational use and enjoyment of Utah Lake; and

(iii) strategies that enhance economic development in communities adjacent to Utah Lake;

(b) plan and facilitate the management of Utah Lake uses; and

(c) manage any land owned or leased by the lake authority that is not sovereign land.

(3) The lake authority has primary responsibility and authority for the management of Utah Lake, subject to and in accordance with this chapter.

(4) The lake authority may:

(a) engage in education efforts to encourage and facilitate:

(i) the improvement of water and environmental quality;

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(ii) the use of Utah Lake for recreation;

(iii) the improvement of economic development on Utah Lake; and

(iv) other management of Utah Lake consistent with the policies and objectives

described in Subsection (2);

(b) facilitate and provide funding for the management of Utah Lake, including the development of publicly owned infrastructure and improvements and other infrastructure and improvements on or related to Utah Lake;

(c) engage in marketing activities and efforts to encourage and facilitate management of Utah Lake;

(d) as determined by the board appropriate to accomplish or further the policies and objectives described in Subsection (2):

(i) take all necessary actions to acquire any grants or other available funds from federal or other governmental or private entities, including providing matching funds;

(ii) award grants of lake authority funds; or

(iii) provide waivers of financial obligations to the lake authority;

(e) as the lake authority considers necessary or advisable to carry out any of the lake authority's duties or responsibilities under this chapter:

(i) buy, obtain an option upon, or otherwise acquire any interest in real or personal property;

(ii) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real property that is not sovereign land or any interest in personal property; or

(iii) enter into a lease agreement on real or personal property, either as lessee or lessor;

(f) sue and be sued;

(g) enter into contracts generally;

(h) provide funding for the development of publicly owned infrastructure and improvements or other infrastructure and improvements on or related to Utah Lake;

(i) exercise powers and perform functions under a contract, as authorized in the contract;

(j) accept financial or other assistance from any public or private source for the lake authority's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;

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(k) borrow money, contract with, or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of the loan, contract, or assistance;

(l) issue bonds to finance the undertaking of any management objectives of the lake authority, including bonds under this chapter, bonds under Chapter 17, Utah Industrial Facilities and Development Act, bonds under Chapter 42, Assessment Area Act, and bonds under Chapter 42a, Commercial Property Assessed Clean Energy Act;

(m) hire employees, including contract employees;

(n) transact other business and exercise all other powers provided for in this chapter;

(o) engage one or more consultants to advise or assist the lake authority in the performance of the lake authority's duties and responsibilities;

(p) work with adjacent political subdivisions and neighboring property owners and communities to mitigate potential negative impacts from the management of Utah Lake;

(q) help to facilitate development in a municipality or community reinvestment agency whose boundary abuts the lake authority boundary if the development also benefits the lake authority or the management of Utah Lake;

(r) subject to Subsection (5)(a), manage one or more marina facilities if the lake authority considers the lake authority managing the marina facility to be necessary or desirable;

(s) subject to Subsection (5)(b), own and operate publicly owned infrastructure and improvements in a project area outside the lake authority land; and

(t) exercise powers and perform functions that the lake authority is authorized by statute to exercise or perform.

(5) (a) Notwithstanding Subsection (4)(r), the lake authority may not interfere with or replace the management of a privately operated marina.

(b) Notwithstanding Subsection (4)(s), the lake authority may not provide service through publicly owned infrastructure and improvements to an area outside the lake authority boundary.

(c) The lake authority may not impair or affect:

(i) a right to store, use, exchange, release, or deliver water under a water right and associated contract; or

(ii) a project or facility to store, release, and deliver water.

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(6) The lake authority may consult, coordinate, enter into agreements, or engage in mutually beneficial projects or other activities with a municipality, community reinvestment agency, or adjacent political subdivision, as the board considers appropriate.

(7) The lake authority shall:

(a) no later than December 31, 2022, prepare an accurate digital map of the lake authority boundary, subject to any later changes to the boundary enacted by the Legislature; and

(b) maintain the digital map of the lake authority boundary that is easily accessible by the public.

(8) (a) The lake authority may establish a community enhancement program designed to address the impacts that management or uses within the lake authority boundary have on adjacent communities.

(b) (i) The lake authority may use lake authority money to support the community enhancement program and to pay for efforts to address the impacts described in Subsection (8)(a).

(ii) Lake authority money designated for use under Subsection (8)(b)(i) is exempt from execution or any other process in the collection of a judgment against or debt or other obligation of the lake authority arising out of the lake authority's activities with respect to the community enhancement program.

(c) On or before October 31, 2023, the lake authority shall report on the lake authority's actions under this Subsection (8) to:

~~(i) the Infrastructure and General Government Appropriations Subcommittee of the Legislature;~~

~~(ii) the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee of the Legislature; and~~

~~(iii) the Natural Resources, Agriculture, and Environment Interim Committee of the Legislature.~~

~~(9) (a) As used in this Subsection (9):~~

~~(i) "Collecting authority" means the entity that collects charges from sewer connection owners for sewer service provided to the sewer connection owner's property;~~

~~(ii) (A) "Elective member" means a member of the board appointed under Section 11-65-302 who holds an elective office in Utah County or in a municipality within Utah~~

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County:

~~—— (B) "Elective member" includes a member of the Senate or House of Representatives appointed under Subsection 11-65-302(2)(b) or (c):~~

~~—— (iii) "Sewer connection" means a connection to a sewer system that allows the sewer system to collect sewage from the property connected to the sewer system for transportation and treatment.~~

~~—— (iv) "Sewer connection owner" means the person that owns the property from which sewage is collected through a sewer connection:~~

~~—— (v) "Sewer system" means a system:~~

~~—— (A) for the collection, transportation, and treatment of sewage from a sewer connection located in Utah County; and~~

~~—— (B) that discharges the system's effluent into Utah Lake or into a stream that flows into Utah Lake:~~

~~—— (b) (i) Subject to Subsections (9)(b)(ii) and (iii), the lake authority may impose on and collect from a sewer connection owner a charge of no more than \$2 per month for each sewer connection:~~

~~—— (ii) The lake authority may not impose a charge under Subsection (9)(b)(i) or increase the amount of an already imposed charge without the affirmative vote of:~~

~~—— (A) a majority of all members of the board; and~~

~~—— (B) a majority of all members of the board who are elective members:~~

~~—— (iii) The lake authority may not impose a charge under Subsection (9)(b)(i) if the Legislature has appropriated at least \$3,000,000 per year in ongoing funds for the lake authority's use:~~

~~—— (c) A collecting authority:~~

~~—— (i) shall collect and transmit to the lake authority all charges that the lake authority imposes under Subsection (9)(b); and~~

~~—— (ii) may retain, as an administrative fee, 1% of charges that the collection authority collects under this Subsection (9)(c).}~~

Section 6. Section **11-65-203** is enacted to read:

11-65-203. Policies and objectives of the lake authority -- Additional duties of the lake authority.

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(1) The policies and objectives of the lake authority are to:

(a) protect and improve:

(i) the quality of Utah Lake's water, consistent with the Clean Water Act, 33 U.S.C.

Sec. 1251 et seq., and Title 19, Chapter 5, Water Quality Act;

(ii) the beneficial and public trust uses of Utah Lake;

(iii) Utah Lake's environmental quality; and

(iv) the quality of Utah Lake's lakebed and sediments;

(b) enhance the recreational opportunities afforded by Utah Lake;

(c) enhance long-term economic benefits to the area, the region, and the state;

(d) respect and maintain sensitivity to the unique natural environment of areas in and around the lake authority boundary;

(e) improve air quality and minimize resource use;

(f) comply with existing land use and other agreements and arrangements between property owners and applicable governmental authorities;

(g) promote and encourage management and uses that are compatible with or complement the public trust and uses in areas in proximity to Utah Lake;

(h) take advantage of Utah Lake's strategic location and other features that make Utah Lake attractive:

(i) to residents for recreational purposes;

(ii) for tourism and leisure; and

(iii) for business opportunities;

(i) encourage the development and use of cost-efficient renewable energy in project areas;

(j) as consistent with applicable public trust, support and promote land uses on land within the lake authority boundary and land in adjacent political subdivisions that generate economic development, including rural economic development;

(k) respect and not interfere with water rights or the operation of water facilities or water projects associated with Utah Lake;

(l) respect and maintain sensitivity to the unique Native American history, historical sites, and artifacts within and around the lake authority boundary; and

(m) protect the ability of the Provo airport to operate and grow, consistent with

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applicable environmental regulations, recognizing the significant state investment in the airport and the benefits that a thriving airport provides to the quality of life and the economy.

(2) In fulfilling the lake authority's duties and responsibilities relating to the management of Utah Lake and to achieve and implement the management policies and objectives under Subsection (1), the lake authority shall:

(a) work to identify funding sources, including federal, state, and local government funding and private funding, for capital improvement projects in and around Utah Lake;

(b) review and identify land use and zoning policies and practices to recommend to land use policymakers and administrators of adjoining municipalities that are consistent with and will help to achieve the policies and objectives stated in Subsection (1);

(c) consult and coordinate with other applicable governmental entities to improve and enhance transportation and other infrastructure and facilities in order to maximize the potential of Utah Lake to attract, retain, and service users who will help enhance the long-term economic benefit to the state; and

(d) pursue policies that the board determines are designed to avoid or minimize negative environmental impacts of management.

(3) The lake authority shall respect:

(a) a permit issued by a governmental entity applicable to Utah Lake;

(b) a governmental entity's easement or other interest affecting Utah Lake;

(c) an agreement between governmental entities, including between a state agency and the federal government, relating to Utah Lake; and

(d) the public trust doctrine as applicable to land within the lake authority boundary.

(4) (a) The lake authority may use lake authority money to encourage, incentivize, fund, or require development that:

(i) mitigates noise, air pollution, light pollution, surface and groundwater pollution, and other negative environmental impacts;

(ii) includes building or project designs that minimize negative impacts to the June Sucker, avian species, and other wildlife;

(iii) mitigates traffic congestion; or

(iv) uses high efficiency building construction and operation.

(b) In consultation with the municipality in which management is expected to occur

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and applicable state agencies, the lake authority shall establish minimum mitigation and environmental standards for management occurring on land within the lake authority boundary.

Section 7. Section **11-65-204** is enacted to read:

11-65-204. Management plan.

(1) (a) The board shall prepare, adopt, and, subject to Subsection (1)(b), implement a management plan.

(b) The lake authority may not begin to implement a management plan until April 1, 2023.

(2) In preparing a management plan, the board shall:

(a) consult with and seek and consider input from the legislative or governing body of each adjacent political subdivision;

(b) work cooperatively with and receive input from the Division of Forestry, Fire, and State Lands; and

(c) consider how the interests of adjacent political subdivisions would be affected by implementation of the management plan.

(3) A management plan shall:

(a) describe in general terms the lake authority's:

(i) vision and plan for achieving and implementing the policies and objectives stated in Section 11-65-203; and

(ii) overall plan for the management of Utah Lake, including an anticipated timetable and any anticipated phases of management;

(b) accommodate and advance, without sacrificing the policies and objectives stated in Section 11-65-203, the compatible interests of adjacent political subdivisions;

(c) describe in general terms how the lake authority anticipates cooperating with adjacent political subdivisions to pursue mutually beneficial goals in connection with the management of Utah Lake;

(d) identify the anticipated sources of revenue for implementing the management plan; and

(e) be consistent with management planning conducted by the Division of Forestry, Fire, and State Lands, to pursue the objectives of:

(i) improving the clarity and quality of the water in Utah Lake;

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(ii) not interfering with water rights or with water storage or water supply functions of Utah Lake;

(iii) removing ~~invading~~invasive plant and animal species, including phragmites and carp, from Utah Lake;

(iv) improving littoral zone and other plant communities in and around Utah Lake;

(v) improving and conserving native fish and other aquatic species in Utah Lake;

(vi) cooperating in the June Sucker Recovery Implementation Program;

(vii) increasing the suitability of Utah Lake and Utah Lake's surrounding areas for shore birds, waterfowl, and other avian species;

(viii) improving navigability of Utah Lake;

(ix) enhancing and ensuring recreational access to and opportunities on Utah Lake; and

(x) otherwise improving the use of Utah Lake for residents and visitors.

(4) A management plan may not interfere with or impair:

(a) a water right;

(b) a water project; or

(c) the management of Utah Lake necessary for the use or operation of a water facility associated with Utah Lake.

(5) (a) Before adopting a management plan, the board shall:

(i) provide a copy of the proposed management plan to:

(A) the executive director of the Department of Natural Resources;

(B) the executive director of the Department of Environmental Quality;

(C) the state engineer; and

(D) each adjacent political subdivision; and

(ii) post a copy of the proposed management plan on the Utah Public Notice Website created in Section 63A-16-601.

(b) Comments or suggestions relating to the proposed management plan may be submitted to the board within the deadline established under Subsection (5)(c).

(c) The board shall establish a deadline for submitting comments or suggestions to the proposed management plan that is at least 30 days after the board provides a copy of the proposed management plan under Subsection (5)(a)(i).

(d) Before adopting a management plan, the board shall consider comments and

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suggestions that are submitted by the deadline established under Subsection (5)(c).

Section 8. Section **11-65-205** is enacted to read:

11-65-205. Project for the improvement of Utah Lake -- Role of the Division of Forestry, Fire, and State Lands -- Allowing the use of Utah Lake in exchange for the implementation of an improvement project.

(1) As used in this section:

(a) "Division" means the Division of Forestry, Fire, and State Lands created in Section 65A-1-4.

(b) "Improvement project" means a project for the improvement of Utah Lake as determined by the board.

(c) "Improvement project agreement" means an agreement under which an improvement project contractor agrees to undertake an improvement project.

(d) "Improvement project contractor" means a person who executes a legally binding improvement project agreement with the lake authority.

(2) (a) Subject to Subsection (2)(b), the lake authority is substituted in the place of the division with respect to the management of Utah Lake.

(b) Subsection (2)(a) does not affect the division's role and responsibility relating to:

(i) the administration and issuance of permits, leases, rights of entry, or easements; or

(ii) the disposal of lake authority land.

(3) The lake authority may enter into an improvement project agreement if:

(a) the lake authority finds that the improvement project will fulfill the purposes listed in Subsection 11-65-202(4)(a);

(b) the proposed improvement project is consistent with the public trust doctrine and the provisions of this chapter;

(c) the improvement project contractor obtains necessary permitting authorization from the division to construct or implement the improvement project on lake authority land; and

(d) at least 30 days before entering into the improvement project agreement, the lake authority provides notice of the lake authority's intention to enter into the improvement project agreement to each person that has requested notice under Subsection 11-65-402(2)(c) of the lake authority's intention to enter into the improvement project agreement.

(4) (a) An improvement project agreement may include a provision allowing the

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division to permit a use of Utah Lake, consistent with the public trust doctrine, in exchange for the implementation of the improvement project agreement, as provided in this Subsection (4).

(b) (i) If provided for in an improvement project agreement, the lake authority may recommend that the division allow the use of Utah Lake in exchange for the implementation of the improvement project agreement.

(ii) In making a recommendation under Subsection (4)(b)(i), the lake authority shall consider:

(A) the potential benefit to the citizens of the state from execution of an improvement project, the desirability of the proposed use of Utah Lake and the surrounding areas as a result of the improvement project, and the enhancement of the usability and enjoyment of Utah Lake and lake authority land that will accrue to the public because of the improvement project;

(B) the potential detriment to appropriated water rights in Utah Lake, in upstream tributaries, and downstream of Utah Lake;

(C) the potential that the improvement project presents for additional revenue to state and local government entities;

(D) the enhancement to state property resulting from the proposed use of Utah Lake allowed to be used in exchange for the execution of the improvement project;

(E) the proposed timetable for completion of the improvement project;

(F) the ability of the improvement project contractor to execute and complete the improvement project satisfactorily; and

(G) the effects of the improvement project on lake ecology, including the ability to avoid or mitigate negative impacts to wetlands and to migratory birds, fish species, and other wildlife.

(c) The division shall issue a permit for the use of Utah Lake in accordance with a recommendation under Subsection (4)(b)(i) if:

(i) the authority makes a recommendation under Subsection (4)(b)(i); and

(ii) the division finds the proposed use to be consistent with:

(A) management plans applicable to Utah Lake; and

(B) the public trust doctrine.

(d) Nothing in this Subsection (4) may be construed to allow the disposition of title to any land within the lake authority boundary in exchange for the implementation of an

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improvement project.

Section 9. Section **11-65-206** is enacted to read:

11-65-206. Applicability of other law -- Cooperation of state and local governments -- Authority of other agencies not affected -- Attorney general to provide legal services.

(1) The lake authority is subject to and governed by Sections 63E-2-106, 63E-2-107, 63E-2-108, 63E-2-109, 63E-2-110, and 63E-2-111, but is not otherwise subject to or governed by Title 63E, Independent Entities Code.

(2) A department, division, or other agency of the state and a political subdivision of the state is encouraged, upon the board's request, to cooperate with the lake authority to provide the support, information, or other assistance reasonably necessary to help the lake authority fulfill the lake authority's duties and responsibilities under this chapter.

(3) Nothing in this chapter may be construed to affect or impair:

(a) the authority of the Department of Environmental Quality, created in Section 19-1-104, to regulate under Title 19, Environmental Quality Code, consistent with the purposes of this chapter; or

(b) the authority of the Division of Wildlife Resources, created in Section 23-14-1, to regulate under Title 23, Wildlife Resources Code of Utah, consistent with the purposes of this chapter.

(4) In accordance with Utah Constitution, Article XVII, Section 1, nothing in this chapter may be construed to override, supersede, interfere with, or modify:

(a) any water right in the state;

(b) the operation of a water facility or project; or

(c) the role or authority of the state engineer.

(5) (a) Except as otherwise explicitly provided, nothing in this chapter may be construed to authorize the lake authority to interfere with or take the place of another governmental entity in that entity's process of considering an application or request for a license, permit, or other regulatory or governmental permission for an action relating to water of Utah Lake or land within the lake authority boundary.

(b) The lake authority shall respect and, if applicable and within the lake authority's powers, implement a license, permit, or other regulatory or governmental permission described

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in Subsection (5)(a).

(6) Nothing in this chapter may be construed to allow the authority to:

(a) consider an application for the disposal of land within the lake authority boundary under Title 65A, Chapter 15, Utah Lake Restoration Act; or

(b) issue bonding or other financing for a project under Title 65A, Chapter 15, Utah Lake Restoration Act.

(7) The attorney general shall provide legal services to the ~~{lake authority and }~~board.

Section 10. Section **11-65-301** is enacted to read:

Part 3. Lake Authority Board

11-65-301. Utah Lake Authority board -- Delegation of power.

(1) The lake authority shall be governed by a board which shall manage and conduct the business and affairs of the lake authority and shall determine all questions of lake authority policy.

(2) All powers of the lake authority are exercised through the board or, as provided in Section 11-65-305, the executive director.

(3) The board may by resolution delegate powers to lake authority staff.

(4) To consult with and advise the board in the performance of the board's duties in fulfilling the purposes of the lake authority, the board shall appoint:

(a) one or more advisory committees;

(b) one or more technical committees;

(c) one or more local government groups; and

(d) one or more stakeholder groups.

Section 11. Section **11-65-302** is enacted to read:

11-65-302. Number of board members -- Appointment -- Vacancies.

(1) The lake authority's board shall consist of 15 members, as provided in Subsection (2).

(2) (a) The governor shall appoint two board members, at least one of whom shall be from the Governor's Office of Economic Opportunity.

(b) The president of the Senate shall appoint as one board member an individual who holds office as a member of the Senate and whose Senate district includes an area within Utah County.

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(c) The speaker of the House of Representatives shall appoint as one board member an individual who holds office as a member of the House of Representatives and whose House of Representatives district includes an area within Utah County.

(d) The legislative body of Utah County shall appoint a member of the legislative body of Utah County as a board member.

(e) (i) The Utah County Council of Governments shall appoint eight board members, at least one of whom shall be an individual selected from among individuals designated by chambers of commerce in Utah County, each of which may recommend an individual for appointment to the board.

(ii) A member appointed by the Utah County Council of Governments, except a member appointed as designated by a chamber of commerce in Utah County, shall hold an elective office in Utah County or a municipality within Utah County.

(iii) At least four of the members appointed by the Utah County Council of Governments shall be elected officials from municipalities immediately adjacent to the lake authority boundary.

(iv) The initial members appointed by the Utah County Council of Governments shall include:

(A) an individual designated by the legislative body of the city of Lehi;

(B) an individual designated by the legislative body of the city of Lindon;

(C) an individual designated by the legislative body of the city of Spanish Fork;

(D) an individual who is an elected officer of the city of Provo, designated by the mayor of the city of Provo;

(E) an individual who is an elected officer of the city of Orem, designated by the legislative body of the city of Orem;

(F) an individual who is an elected officer of the city of Vineyard, designated by the legislative body of the city of Vineyard; and

(G) an individual who is an elected officer of the city of Saratoga Springs, designated by the legislative body of the city of Saratoga Springs.

(f) The executive director of the Department of Natural Resources shall appoint one board member.

(g) The executive director of the Department of Environmental Quality shall appoint

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one board member.

(3) Appointments required under Subsection (2) shall be made no later than June 1, 2022.

(4) (a) A vacancy in the board shall be filled in the same manner under this section as the appointment of the member whose vacancy is being filled.

(b) An individual appointed to fill a vacancy shall serve the remaining unexpired term of the member whose vacancy the individual is filling.

(5) A member of the board appointed by the governor, president of the Senate, or speaker of the House of Representatives serves at the pleasure of and may be removed and replaced at any time, with or without cause, by the governor, president of the Senate, or speaker of the House of Representatives, respectively.

(6) The lake authority may appoint nonvoting members of the board and set terms for those nonvoting members.

(7) Upon a vote of a majority of all board members, the board may appoint a board chair and any other officer of the board.

(8) The board:

(a) may appoint one or more advisory committees that may include individuals from impacted public entities, community organizations, environmental organizations, business organizations, or other organizations or associations; and

(b) shall appoint an advisory committee to advise on:

(i) water rights, water projects, and water facilities associated with Utah Lake; and

(ii) recreation and avian and other wildlife activities on Utah Lake.

Section 12. Section **11-65-303** is enacted to read:

11-65-303. Term of board members -- Quorum -- Compensation.

(1) The term of a board member appointed under Subsection 11-65-302(2) is four years, except that the initial term is two years for:

(a) one of the two members appointed under Subsection 11-65-302(2)(a), as designated by the governor;

(b) four of the eight members appointed under Subsection 11-65-302(2)(e), as designated by the Utah County Council of Governments; and

(c) the members appointed under Subsections 11-65-302(2)(f) and (g).

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(2) Each board member shall serve until a successor is duly appointed and qualified.

(3) A board member may serve multiple terms if duly appointed to serve each term under Subsection 11-65-302(2).

(4) A majority of board members constitutes a quorum, and the action of a majority of a quorum constitutes action of the board.

(5) (a) A board member who is not a legislator may not receive compensation or benefits for the member's service on the board, but may receive per diem and reimbursement for travel expenses incurred as a board member as allowed in:

(i) Sections 63A-3-106 and 63A-3-107; and

(ii) rules made by the Division of Finance according to Sections 63A-3-106 and 63A-3-107.

(b) Compensation and expenses of a board member who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

Section 13. Section **11-65-304** is enacted to read:

11-65-304. Limitations on board members and executive director.

(1) As used in this section:

(a) "Direct financial benefit":

(i) means any form of financial benefit that accrues to an individual directly, including:

(A) compensation, commission, or any other form of a payment or increase of money;

and

(B) an increase in the value of a business or property; and

(ii) does not include a financial benefit that accrues to the public generally.

(b) "Family member" means a parent, spouse, sibling, child, or grandchild.

(2) An individual may not serve as a voting member of the board or as executive director if the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, private company, or other private entity that the individual reasonably believes is likely to participate in or receive a direct financial benefit from the management of Utah Lake.

(3) Before taking office as a voting member of the board or accepting employment as executive director, an individual shall submit to the lake authority a statement verifying that the individual's service as a board member or employment as executive director does not violate

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Subsection (2).

(4) (a) A voting member or nonvoting member of the board or an employee of the lake authority may not receive a direct financial benefit from the management of Utah Lake.

(b) For purposes of Subsection (4)(a), a direct financial benefit does not include:

(i) expense reimbursements;

(ii) per diem pay for board member service, if applicable; or

(iii) an employee's compensation or benefits from employment with the lake authority.

(5) Nothing in this section may be construed to affect the application or effect of any other code provision applicable to a board member or employee relating to ethics or conflicts of interest.

Section 14. Section **11-65-305** is enacted to read:

11-65-305. Executive director.

(1) (a) The director of the Utah Lake Commission shall be the initial full-time executive director of the authority.

(b) Subsection (1)(a) does not affect the status of the executive director as an at-will employee.

(2) (a) The executive director is the chief executive officer of the lake authority.

(b) The role of the executive director is to:

(i) manage and oversee the day-to-day operations of the lake authority;

(ii) fulfill the executive and administrative duties and responsibilities of the lake authority; and

(iii) perform other functions, as directed by the board.

(3) The executive director shall have the education, experience, and training necessary to perform the executive director's duties in a way that maximizes the potential for successfully achieving and implementing the strategies, policies, and objectives stated in Section 11-65-203.

(4) An executive director is an at-will employee who serves at the pleasure of the board and may be removed by the board at any time.

(5) The board shall establish the duties, compensation, and benefits of an executive director.

Section 15. Section **11-65-306** is enacted to read:

11-65-306. Development of standards and criteria to measure progress toward

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achieving lake authority policies and objectives -- Annual report.

(1) The board shall develop standards and criteria by which to measure:

(a) the condition of Utah Lake as of 2022; and

(b) the extent to which efforts of the lake authority improve the condition of Utah Lake

and achieve the policies and objectives of Section 11-65-203.

(2) In developing the standards and criteria, the board shall consult with and consider recommendations by:

(a) the Department of Environmental Quality;

(b) the ~~Department~~ Division of Water Quality;

(c) the Division of Forestry, Fire, and State Lands;

(d) the Division of Wildlife Resources;

(e) the Division of State Parks;

(f) the Division of Recreation;

(g) the Division of Water Resources;

(h) the Division of Water Rights; and

(i) the Department of Agriculture and Food.

(3) Beginning in 2023, the board shall produce an annual report that explains the degree to which efforts of the lake authority are improving the condition of Utah Lake and achieving the policies and objectives of Section 11-65-203, in accordance with the standards and criteria developed under this section.

Section 16. Section **11-65-401** is enacted to read:

Part 4. Project Area Plan and Budget

11-65-401. Preparation of project area plan -- Required contents of project area plan.

(1) (a) The lake authority board's adoption of a project area plan is governed by this part.

(b) In order to adopt a project area plan, the lake authority board shall:

(i) prepare a draft project area plan;

(ii) give notice as required under Subsection 11-65-402(2);

(iii) hold the public meetings required under Subsection 11-65-402(1) at least 30 days apart; and

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(iv) after holding the required public meetings and subject to Subsection (1)(c), adopt the draft project area plan as the project area plan.

(c) (i) The lake authority board may not adopt the project area plan until at least 30 days after the last public meeting under Section 11-65-402.

(ii) Before adopting a draft project area plan as the project area plan, the lake authority board may make modifications to the draft project area plan that the board considers necessary or appropriate.

(d) (i) A lease or development agreement that the lake authority enters before the creation of a project area shall provide that the board is not required to create a project area.

(ii) The lake authority may not be required to pay any amount or incur any loss or penalty for the board's failure to create a project area.

(2) Each project area plan and draft project area plan shall contain:

(a) a legal description of the boundary of the project area that is the subject of the project area plan;

(b) the lake authority's purposes and intent with respect to the project area;

(c) a description of any management proposed to occur within the project area; and

(d) the board's findings and determination that:

(i) there is a need to effectuate a public purpose;

(ii) there is a public benefit to the proposed management project;

(iii) it is economically sound and feasible to adopt and carry out the project area plan;

and

(iv) carrying out the project area plan will promote the purposes of the lake authority, as stated in Section 11-65-203.

Section 17. Section **11-65-402** is enacted to read:

11-65-402. Public meeting to consider and discuss draft project area plan -- Notice -- Adoption of plan.

(1) The lake authority board shall hold at least two public meetings to:

(a) receive public comment on the draft project area plan; and

(b) consider and discuss the draft project area plan.

(2) At least 10 days before holding a public meeting under Subsection (1), the lake authority board shall:

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(a) (i) post notice of the public meeting on the Utah Public Notice Website created in Section 63F-1-701; and

(ii) maintain the posting on the Utah Public Notice Website until the day of the public meeting;

(b) provide notice of the public meeting to a public entity that has entered into an agreement with the lake authority for sharing property tax revenue; and

(c) provide email notice of the public meeting to each person who has submitted a written request to the board to receive email notice of a public meeting under this section.

(3) Following consideration and discussion of the project area plan, the board may adopt the draft project area plan as the project area plan.

Section 18. Section **11-65-403** is enacted to read:

11-65-403. Notice of project area plan adoption -- Effective date of plan --

Contesting the formation of the plan.

(1) Upon the board's adoption of a project area plan, the board shall provide notice as provided in Subsection (2) by publishing or causing to be published legal notice as required by Section 45-1-101.

(2) (a) A notice under Subsection (1) shall include:

(i) the board resolution adopting the project area plan or a summary of the resolution; and

(ii) a statement that the project area plan is available for general public inspection and the hours for inspection.

(b) The statement required under Subsection (2)(a)(ii) may be included in the board resolution or summary described in Subsection (2)(a)(i).

(3) The project area plan becomes effective on the date designated in the board resolution adopting the project area plan.

(4) The lake authority shall make the adopted project area plan available to the general public at the lake authority's office during normal business hours.

(5) Within 10 days after the day on which a project area plan is adopted that establishes a project area, or after an amendment to a project area plan is adopted under which the boundary of a project area is modified, the lake authority shall send notice of the establishment or modification of the project area and an accurate map or plat of the project area to:

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(a) the State Tax Commission;

(b) the Utah Geospatial Resource Center created in Section 63A-16-505; and

(c) the assessor and recorder of each county where the project area is located.

(6) A legal action or other challenge to a project area plan or a project area described in a project area plan is barred unless brought within 90 days after the effective date of the project area plan.

Section 19. Section **11-65-404** is enacted to read:

11-65-404. Amendment to a project area plan.

(1) The lake authority may amend a project area plan by following the same procedure under this part as applies to the adoption of a project area plan.

(2) The provisions of this part apply to the lake authority's adoption of an amendment to a project area plan to the same extent as they apply to the adoption of a project area plan.

(3) An amendment to a project area plan does not affect the base taxable value determination for property already within the project area before the amendment.

Section 20. Section **11-65-405** is enacted to read:

11-65-405. Project area budget.

(1) Before the lake authority may use authority funds to implement the management plan, the authority board shall prepare and adopt a project area budget.

(2) The lake authority board may amend an adopted project area budget as and when the lake authority board considers an amendment appropriate.

(3) If the lake authority adopts a budget under Part 6, Lake Authority Budget, Reporting, and Audits, that also meets the requirements of this part, the lake authority need not separately adopt a budget under this part.

Section 21. Section **11-65-501** is enacted to read:

Part 5. Lake Authority Bonds

11-65-501. Resolution authorizing issuance of lake authority bonds --

Characteristics of bonds.

(1) The lake authority may not issue bonds under this part unless the board first adopts a resolution authorizing issuance of the bonds.

(2) (a) As provided in the lake authority resolution authorizing the issuance of bonds under this part or the trust indenture under which the bonds are issued, bonds issued under this

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part may be issued in one or more series and may be sold at public or private sale and in the manner provided in the resolution or indenture.

(b) Bonds issued under this part shall bear the date, be payable at the time, bear interest at the rate, be in the denomination and in the form, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be subject to the terms of redemption or tender, with or without premium, be payable in the medium of payment and at the place, and have other characteristics as provided in the lake authority resolution authorizing the issuance of the bonds or the trust indenture under which the bonds are issued.

(3) Upon the board's adoption of a resolution providing for the issuance of bonds, the board may provide for the publication of the resolution as required in Section 45-1-101.

(4) In lieu of publishing the entire resolution, the board may publish notice of bonds that contains the information described in Subsection 11-14-316(2).

(5) For a period of 30 days after the publication, any person in interest may contest:

(a) the legality of the resolution or proceeding;

(b) any bonds that may be authorized by the resolution or proceeding; or

(c) any provisions made for the security and payment of the bonds.

(6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified written complaint, within 30 days after the publication under Subsection (5), in the district court of the county in which the person resides.

(b) A person may not contest the matters set forth in Subsection (5), or the regularity, formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for contesting provided in Subsection (6)(a).

Section 22. Section **11-65-502** is enacted to read:

11-65-502. Sources from which bonds may be made payable -- Lake authority powers regarding bonds.

(1) The principal and interest on bonds issued by the lake authority may be made payable from:

(a) the income and revenues of the projects financed with the proceeds of the bonds;

(b) the income and revenues of certain designated projects whether or not they were financed in whole or in part with the proceeds of the bonds;

(c) the income, proceeds, revenues, property, and funds the lake authority derives from

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or holds in connection with the lake authority's undertaking and carrying out management of lake authority land;

(d) lake authority revenues generally;

(e) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of the lake authority; or

(f) funds derived from any combination of the methods listed in Subsections (1)(a) through (e).

(2) In connection with the issuance of lake authority bonds, the lake authority may:

(a) pledge all or any part of the lake authority's gross or net rents, fees, or revenues to which the lake authority then has the right or to which the lake authority may thereafter acquire a right;

~~(b) encumber by mortgage, deed of trust, or otherwise all or any part of the lake authority's real or personal property, then owned or thereafter acquired;~~ and

~~(c) make the covenants and take the action that may be necessary, convenient, or desirable to secure the lake authority's bonds, or, except as otherwise provided in this chapter, that will tend to make the bonds more marketable, even though such covenants or actions are not specifically enumerated in this chapter.~~

Section 23. Section **11-65-503** is enacted to read:

11-65-503. Purchase of lake authority bonds.

(1) Any person, firm, corporation, association, political subdivision of the state, or other entity or public or private officer may purchase bonds issued by the lake authority under this part with funds owned or controlled by the purchaser.

(2) Nothing in this section may be construed to relieve a purchaser of lake authority bonds of any duty to exercise reasonable care in selecting securities.

Section 24. Section **11-65-504** is enacted to read:

11-65-504. Those executing bonds not personally liable -- Limitation of obligations under bonds -- Negotiability.

(1) A member of the board or other person executing a lake authority bond is not liable personally on the bond.

(2) (a) A bond issued by the lake authority is not a general obligation or liability of the state or any of the state's political subdivisions and does not constitute a charge against the

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general credit or taxing powers of the state or any of the state's political subdivisions.

(b) A bond issued by the lake authority is not payable out of any funds or properties other than those of the lake authority.

(c) The state and the state's political subdivisions are not and may not be held liable on a bond issued by the lake authority.

(d) A bond issued by the lake authority does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

(3) A bond issued by the lake authority under this part is fully negotiable.

Section 25. Section **11-65-505** is enacted to read:

11-65-505. Obligee rights -- Board may confer other rights.

(1) In addition to all other rights that are conferred on an obligee of a bond issued by the lake authority under this part, and subject to contractual restrictions binding on the obligee, an obligee may:

(a) by mandamus, suit, action, or other proceeding, compel the lake authority and the lake authority's board, officers, agents, or employees to perform every term, provision, and covenant contained in any contract of the lake authority with or for the benefit of the obligee, and require the lake authority to carry out the covenants and agreements of the lake authority and to fulfill all duties imposed on the lake authority by this part; and

(b) by suit, action, or proceeding in equity, enjoin any acts or things that may be unlawful or violate the rights of the obligee.

(2) (a) In a board resolution authorizing the issuance of bonds or in a trust indenture, mortgage, lease, or other contract, the board may confer upon an obligee holding or representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or other contract, and to be exercised by suit, action, or proceeding in any court of competent jurisdiction.

(b) (i) The rights that the board may confer under Subsection (2)(a) are the rights to:

(A) cause possession of all or part of a development project to be surrendered to an obligee;

(B) obtain the appointment of a receiver of all or part of a lake authority's development project and of the rents and profits from it; and

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(C) require the lake authority and the lake authority's board and employees to account as if the lake authority and the board and employees were the trustees of an express trust.

(ii) If a receiver is appointed through the exercise of a right granted under Subsection (2)(b)(i)(B), the receiver:

(A) may enter and take possession of the development project or any part of the development project, operate and maintain the development project, and collect and receive all fees, rents, revenues, or other charges arising from the development project after the receiver's appointment; and

(B) shall keep money collected as receiver for the lake authority in separate accounts and apply the money pursuant to the lake authority obligations as the court directs.

Section 26. Section **11-65-506** is enacted to read:

11-65-506. Bonds exempt from taxes -- Lake authority may purchase its own bonds.

(1) A bond issued by the lake authority under this part is issued for an essential public and governmental purpose and is, together with interest on and income from the bond, exempt from all state taxes except the corporate franchise tax.

(2) The lake authority may purchase the lake authority's own bonds at a price that the board determines.

(3) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the lake authority on the lake authority's rents, fees, grants, properties, or revenues.

Section 27. Section **11-65-601** is enacted to read:

Part 6. Lake Authority Budget, Reporting, and Audits

11-65-601. Annual lake authority budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file annual budget.

(1) The board shall prepare and adopt for the lake authority an annual budget of revenues and expenditures for each fiscal year.

(2) An annual lake authority budget shall be adopted before June 22, except that the lake authority's initial budget shall be adopted as soon as reasonably practicable after the organization of the board and the beginning of lake authority operations.

(3) The lake authority's fiscal year shall be the period from July 1 to the following June

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(4) (a) Before adopting an annual budget, the board shall hold a public hearing on the annual budget.

(b) The lake authority shall provide notice of the public hearing on the annual budget by publishing notice on the Utah Public Notice Website created in Section 63F-1-701, for at least one week immediately before the public hearing.

(c) The lake authority shall make the annual budget available for public inspection at least three days before the date of the public hearing.

(5) The state auditor shall prescribe the budget forms and the categories to be contained in each lake authority budget, including:

(a) revenues and expenditures for the budget year;

(b) legal fees; and

(c) administrative costs, including rent, supplies, and other materials, and salaries of lake authority personnel.

(6) Within 30 days after adopting an annual budget, the board shall file a copy of the annual budget with the auditor of each county in which lake authority land is located, the State Tax Commission, and the state auditor.

Section 28. Section **11-65-602** is enacted to read:

11-65-602. Amending the lake authority annual budget.

(1) The board may by resolution amend an annual lake authority budget.

(2) An amendment of the annual lake authority budget that would increase the total expenditures may be made only after a public hearing following notice published as required for initial adoption of the annual budget.

(3) The lake authority may not make expenditures in excess of the total expenditures established in the annual budget as the budget is adopted or amended.

Section 29. Section **11-65-603** is enacted to read:

11-65-603. Lake authority report.

Before November 30 of each year, the board shall present a report to the Executive Appropriations Committee of the Legislature, as the Executive Appropriations Committee directs, that includes:

(1) an accounting of how lake authority funds have been spent, including funds spent

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on the environmental sustainability component of the lake authority management plan under Subsection 11-65-202(2)(a);

(2) an update about the progress of the management and implementation of the lake authority management plan under Subsection 11-65-202(2)(a), including the development and implementation of the environmental sustainability component of the plan; and

(3) an explanation of the lake authority's progress in achieving the policies and objectives described in Section 11-65-203.

Section 30. Section **11-65-604** is enacted to read:

11-65-604. Audit requirements.

The lake authority shall comply with the audit requirements of Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

Section 31. Section **11-65-605** is enacted to read:

11-65-605. Audit report.

(1) The lake authority shall, within 180 days after the end of the lake authority's fiscal year, file a copy of the audit report with the county auditor and the state auditor.

(2) Each audit report under Subsection (1) shall include:

(a) the outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with the lake authority's projects; and

(b) the actual amount expended for:

(i) acquisition of property;

(ii) site improvements or site preparation costs;

(iii) installation of public utilities or other public improvements; and

(iv) administrative costs of the lake authority.

Section 32. Section **11-65-606** is enacted to read:

11-65-606. Lake authority chief financial officer is a public treasurer -- Certain lake authority funds are public funds.

(1) The lake authority's chief financial officer:

(a) is a public treasurer, as defined in Section 51-7-3; and

(b) shall invest the lake authority funds specified in Subsection (2) as provided in that subsection.

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(2) Notwithstanding Subsection 63E-2-110(2)(a), appropriations that the lake authority receives from the state:

(a) are public funds; and

(b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.

Section 33. Section **11-65-701** is enacted to read:

Part 7. Lake Authority Dissolution

11-65-701. Dissolution of lake authority -- Restrictions -- Notice of dissolution -- Disposition of lake authority property -- Lake authority records -- Dissolution expenses.

(1) The lake authority may not be dissolved unless the lake authority has no outstanding bonded indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding contractual obligations with persons or entities other than the state.

(2) Upon the dissolution of the lake authority:

(a) the Governor's Office of Economic Opportunity shall publish a notice of dissolution as required in Section 45-1-101; and

(b) all title to property owned by the lake authority vests in the state.

(3) The books, documents, records, papers, and seal of the dissolved lake authority shall be deposited for safekeeping and reference with the state auditor.

(4) The lake authority shall pay all expenses of the deactivation and dissolution.

Section 34. Section **59-12-205** is amended to read:

59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.

(1) To maintain in effect sales and use tax ordinances adopted pursuant to Section 59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:

(a) within 30 days of the day on which the state makes an amendment to an applicable provision of Part 1, Tax Collection; and

(b) as required to conform to the amendments to Part 1, Tax Collection.

(2) Except as provided in Subsections (3) through (5) and subject to Subsection (6):

(a) 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the percentage that the population of the county, city, or town bears to the total population of all counties, cities, and towns in the

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state; and

(b) (i) except as provided in Subsections (2)(b)(ii) [~~and~~], (iii), and (iv), 50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

(ii) 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201; [~~and~~]

(iii) 50% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201[~~;~~]; and

(iv) 50% of each dollar collected from the sales and use tax authorized by this part within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter following the creation of the Utah Lake Authority.

(3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall distribute annually to a county, city, or town the distribution required by this Subsection (3) if:

(i) the county, city, or town is a:

(A) county of the third, fourth, fifth, or sixth class;

(B) city of the fifth class; or

(C) town;

(ii) the county, city, or town received a distribution under this section for the calendar year beginning on January 1, 2008, that was less than the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007;

(iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President,

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(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), the city or town had located within the city or town for one or more days during the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget; and

(iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1; or

(B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a city or town for one or more days during the calendar year beginning on January 1, 2008, was not the holder of a direct payment permit under Section 59-12-107.1.

(b) The commission shall make the distribution required by this Subsection (3) to a county, city, or town described in Subsection (3)(a):

(i) from the distribution required by Subsection (2)(a); and

(ii) before making any other distribution required by this section.

(c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

(ii) For purposes of Subsection (3)(c)(i):

(A) the numerator of the fraction is the difference calculated by subtracting the distribution a county, city, or town described in Subsection (3)(a) received under this section for the calendar year beginning on January 1, 2008, from the distribution under this section that the county, city, or town received for the calendar year beginning on January 1, 2007; and

(B) the denominator of the fraction is \$333,583.

(d) A distribution required by this Subsection (3) is in addition to any other distribution required by this section.

(4) (a) As used in this Subsection (4):

(i) "Eligible county, city, or town" means a county, city, or town that:

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(A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b) equal to the amount described in Subsection (4)(b)(ii); and

(B) does not impose a sales and use tax under Section 59-12-2103 on or before July 1, 2016.

(ii) "Minimum tax revenue distribution" means the total amount of tax revenue distributions an eligible county, city, or town received from a tax imposed in accordance with this part for fiscal year 2004-05.

(b) An eligible county, city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this part equal to the greater of:

(i) the payment required by Subsection (2); or

(ii) the minimum tax revenue distribution.

(5) (a) For purposes of this Subsection (5):

(i) "Annual local contribution" means the lesser of \$200,000 or an amount equal to 1.8% of the participating local government's tax revenue distribution amount under Subsection (2)(a) for the previous fiscal year.

(ii) "Participating local government" means a county or municipality, as defined in Section 10-1-104, that is not an eligible municipality or grant eligible entity certified in accordance with Section 35A-16-307.

(b) For revenue collected from the tax authorized by this part that is distributed on or after January 1, 2019, the commission, before making a tax revenue distribution under Subsection (2)(a) to a participating local government, shall:

(i) subtract one-twelfth of the annual local contribution for each participating local government from the participating local government's tax revenue distribution under Subsection (2)(a); and

(ii) deposit the amount described in Subsection (5)(b)(i) into the Homeless Shelter Cities Mitigation Restricted Account created in Section 35A-16-304.

(c) For a participating local government that qualifies to receive a distribution described in Subsection (3) or (4), the commission shall apply the provisions of this Subsection (5) after the commission applies the provisions of Subsections (3) and (4).

(6) (a) Population figures for purposes of this section shall be based on the most recent official census or census estimate of the United States Bureau of the Census.

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(b) If a needed population estimate is not available from the United States Bureau of the Census, population figures shall be derived from the estimate from the Utah Population Committee.

(c) The population of a county for purposes of this section shall be determined only from the unincorporated area of the county.

Section 35. Section **63J-1-602.2** is amended to read:

63J-1-602.2. List of nonlapsing appropriations to programs.

Appropriations made to the following programs are nonlapsing:

- (1) The Legislature and the Legislature's committees.
- (2) The State Board of Education, including all appropriations to agencies, line items, and programs under the jurisdiction of the State Board of Education, in accordance with Section 53F-9-103.
- (3) The Percent-for-Art Program created in Section 9-6-404.
- (4) The LeRay McAllister Critical Land Conservation Program created in Section 11-38-301.
- (5) The Utah Lake Authority created in Section 11-65-201.
- ~~[(5)]~~ (6) Dedicated credits accrued to the Utah Marriage Commission as provided under Subsection 17-16-21(2)(d)(ii).
- ~~[(6)]~~ (7) The Trip Reduction Program created in Section 19-2a-104.
- ~~[(7)]~~ (8) The Division of Wildlife Resources for the appraisal and purchase of lands under the Pelican Management Act, as provided in Section 23-21a-6.
- ~~[(8)]~~ (9) The emergency medical services grant program in Section 26-8a-207.
- ~~[(9)]~~ (10) The primary care grant program created in Section 26-10b-102.
- ~~[(10)]~~ (11) Sanctions collected as dedicated credits from Medicaid provider under Subsection 26-18-3(7).
- ~~[(11)]~~ (12) The Utah Health Care Workforce Financial Assistance Program created in Section 26-46-102.
- ~~[(12)]~~ (13) The Rural Physician Loan Repayment Program created in Section 26-46a-103.
- ~~[(13)]~~ (14) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.
- ~~[(14)]~~ (15) Funds that the Department of Alcoholic Beverage Control retains in

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accordance with Subsection 32B-2-301(9)(a) or (b).

~~[(15)]~~ (16) The General Assistance program administered by the Department of Workforce Services, as provided in Section 35A-3-401.

~~[(16)]~~ (17) The Utah National Guard, created in Title 39, Militia and Armories.

~~[(17)]~~ (18) The State Tax Commission under Section 41-1a-1201 for the:

(a) purchase and distribution of license plates and decals; and

(b) administration and enforcement of motor vehicle registration requirements.

~~[(18)]~~ (19) The Search and Rescue Financial Assistance Program, as provided in Section 53-2a-1102.

~~[(19)]~~ (20) The Motorcycle Rider Education Program, as provided in Section 53-3-905.

~~[(20)]~~ (21) The Utah Board of Higher Education for teacher preparation programs, as provided in Section 53B-6-104.

~~[(21)]~~ (22) The Medical Education Program administered by the Medical Education Council, as provided in Section 53B-24-202.

~~[(22)]~~ (23) The Division of Services for People with Disabilities, as provided in Section 62A-5-102.

~~[(23)]~~ (24) The Division of Fleet Operations for the purpose of upgrading underground storage tanks under Section 63A-9-401.

~~[(24)]~~ (25) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.

~~[(25)]~~ (26) Appropriations to the Division of Technology Services for technology innovation as provided under Section 63A-16-903.

~~[(26)]~~ (27) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.

~~[(27)]~~ (28) The Colorado River Authority of Utah, created in Title 63M, Chapter 14, Colorado River Authority of Utah Act.

~~[(28)]~~ (29) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

~~[(29)]~~ (30) Appropriations to fund the Governor's Office of Economic Opportunity's Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.

~~[(30)]~~ (31) Appropriations to fund programs for the Jordan River Recreation Area as

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described in Section 65A-2-8.

~~[(31)]~~ (32) The Division of Human Resource Management user training program, as provided in Section 63A-17-106.

~~[(32)]~~ (33) A public safety answering point's emergency telecommunications service fund, as provided in Section 69-2-301.

~~[(33)]~~ (34) The Traffic Noise Abatement Program created in Section 72-6-112.

~~[(34)]~~ (35) The money appropriated from the Navajo Water Rights Negotiation Account to the Division of Water Rights, created in Section 73-2-1.1, for purposes of participating in a settlement of federal reserved water right claims.

~~[(35)]~~ (36) The Judicial Council for compensation for special prosecutors, as provided in Section 77-10a-19.

~~[(36)]~~ (37) A state rehabilitative employment program, as provided in Section 78A-6-210.

~~[(37)]~~ (38) The Utah Geological Survey, as provided in Section 79-3-401.

~~[(38)]~~ (39) The Bonneville Shoreline Trail Program created under Section 79-5-503.

~~[(39)]~~ (40) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and 78B-6-144.5.

~~[(40)]~~ (41) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense Commission.

~~[(41)]~~ (42) The program established by the Division of Facilities Construction and Management under Section 63A-5b-703 under which state agencies receive an appropriation and pay lease payments for the use and occupancy of buildings owned by the Division of Facilities Construction and Management.