

INFRASTRUCTURE RELATED TO WATER

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses financing of water infrastructure.

Highlighted Provisions:

This bill:

- ▶ diverts a portion of the uniform fee on watercraft to fund boating related grants;
- ▶ creates the Watercraft Infrastructure Fund to address impacts of recreational users of certain bodies of water;
- ▶ provides for the administration of a grant program related to the Watercraft Infrastructure Fund by the Division of Water Resources;
- ▶ creates the Utah Boating Grant Account;
- ▶ provides for the administration of a grant program by the Office of Outdoor Recreation related to the Utah Boating Grant Account;
- ▶ imposes an additional fee on entrance to certain state parks when certain conditions are met; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



28 AMENDS:

29 **59-2-405**, as last amended by Laws of Utah 2008, Chapter 210

30 **79-4-203**, as last amended by Laws of Utah 2022, Chapter 68

31 **79-4-402**, as last amended by Laws of Utah 2022, Chapter 48

32 ENACTS:

33 **73-10-38**, Utah Code Annotated 1953

34 **73-18-22.3**, Utah Code Annotated 1953

35

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

37 Section 1. Section **59-2-405** is amended to read:

38 **59-2-405. Uniform fee on tangible personal property required to be registered**
39 **with the state -- Distribution of revenues -- Appeals.**

40 (1) The property described in Subsection (2), except Subsection (2)(b)(ii), is exempt
41 from ad valorem property taxes pursuant to Utah Constitution Article XIII, Section 2,
42 Subsection (6).

43 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
44 statewide uniform fee in lieu of the ad valorem tax on:

45 (i) motor vehicles required to be registered with the state that weigh 12,001 pounds or
46 more;

47 (ii) motorcycles as defined in Section **41-1a-102** that are required to be registered with
48 the state;

49 (iii) watercraft required to be registered with the state;

50 (iv) recreational vehicles required to be registered with the state; and

51 (v) all other tangible personal property required to be registered with the state before it
52 is used on a public highway, on a public waterway, on public land, or in the air.

53 (b) The following tangible personal property is exempt from the statewide uniform fee
54 imposed by this section:

55 (i) aircraft;

56 (ii) state-assessed commercial vehicles;

57 (iii) tangible personal property subject to a uniform fee imposed by:

58 (A) Section **59-2-405.1**;

59 (B) Section [59-2-405.2](#); or

60 (C) Section [59-2-405.3](#); and

61 (iv) personal property that is exempt from state or county ad valorem property taxes
62 under the laws of this state or of the federal government.

63 (3) Beginning on January 1, 1999, the uniform fee is 1.5% of the fair market value of
64 the personal property, as established by the commission.

65 (4) Notwithstanding Section [59-2-407](#), property subject to the uniform fee that is
66 brought into the state and is required to be registered in Utah shall, as a condition of
67 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
68 the state of origin have been paid for the current calendar year.

69 (5) (a) ~~[The]~~ Except as provided in Subsection (6), the revenues collected in each
70 county from the uniform fee shall be distributed by the county to each taxing entity in which
71 the property described in Subsection (2) is located in the same proportion in which revenue
72 collected from ad valorem real property tax is distributed.

73 (b) Each taxing entity shall distribute the revenues received under Subsection (5)(a) in
74 the same proportion in which revenue collected from ad valorem real property tax is
75 distributed.

76 (6) The commission shall deposit 50% of the revenue collected from the statewide
77 uniform fee on a watercraft required to be registered with the state into the Utah Boating Grant
78 Account created in Section [73-18-22.3](#). The remaining 50% is subject to the requirements of
79 Subsection (5).

80 ~~[(6)]~~ (7) An appeal relating to the uniform fee imposed on the tangible personal
81 property described in Subsection (2) shall be filed pursuant to Section [59-2-1005](#).

82 Section 2. Section **73-10-38** is enacted to read:

83 **73-10-38. Watercraft Infrastructure Fund.**

84 (1) As used in this section:

85 (a) "Division" means the Division of Water Resources.

86 (b) "Fund" means the Watercraft Infrastructure Fund created in this section.

87 (c) "Periodic payment" means the payment made on a periodic basis to a water entity of
88 an amount determined under Subsection (6)(b)(ii).

89 (d) "State park water body" means a body of water located in whole or in part within a

90 state park.

91 (e) "Water entity" means:

92 (i) a water users association;

93 (ii) an irrigation or reservoir company;

94 (iii) a water conservancy district; or

95 (iv) an entity similar to one described in Subsections (1)(e)(i) through (iii).

96 (2) There is created an expendable special revenue fund known as the "Watercraft

97 Infrastructure Fund" that consists of:

98 (a) fees deposited into the fund under Section [79-4-203](#);

99 (b) contributions, grants, gifts, transfers, bequests, and donations to the fund accepted
100 by the division and specifically directed to the fund;

101 (c) legislative appropriations; and

102 (d) interest and earnings from the fund.

103 (3) (a) The division shall fund a grant issued to a water entity under this section from a
104 fee imposed under this section and Section [79-4-203](#).

105 (b) The division shall notify the Division of State Parks:

106 (i) that a grant has been approved by the division requiring the collection of a fee at the
107 state park where the state park water body specified in the grant application is located;

108 (ii) the amount of the fee to be collected; and

109 (iii) when the Division of State Parks shall begin to collect the fee, which may not be
110 sooner than 30 days after receiving notice under this Subsection (3)(b).

111 (c) The division shall notify the Division of State Parks when a grant expires or is
112 terminated so that the fee described in this Subsection (3) may not be collected after the day
113 specified in the notice under this Subsection (3)(c), which may not be sooner than 30 days after
114 receiving notice under this Subsection (3)(c).

115 (4) To obtain a grant under this section, a water entity shall apply with the division:

116 (a) specifying the state park water body for which the grant is being sought;

117 (b) verifying that the applicant owns or operates a dam or reservoir related to the
118 specified state park water body;

119 (c) stating the purposes for the grant money, which shall be directly related to the
120 specified state park water body;

- 121 (d) stating the amount of money sought from the fund;
- 122 (e) stating the length of time for which the grant money will be needed;
- 123 (f) stating whether the water entity will provide matching money;
- 124 (g) stating whether the grant money is to be used to pay costs of a bond; and
- 125 (h) including additional information that the division requires.
- 126 (5) An eligible use of grant money is to fund efforts to mitigate the impacts of
- 127 recreational users on bodies of water, dams, and reservoirs located within state parks.
- 128 (6) Subject to Subsections (7) and (8), if the division decides to issue a grant to a water
- 129 entity, the division shall:
- 130 (a) determine the fee amount to be imposed under Subsection (3) in accordance with
- 131 Section [63J-1-504](#);
- 132 (b) determine:
- 133 (i) the total amount to be paid to the water entity over the life of the grant; and
- 134 (ii) the frequency and amount of a periodic payment to be paid to the water entity; and
- 135 (c) enter into an agreement with the water entity that is consistent with this section and
- 136 provides for periodic payments to transfer money from the fund that is derived from the fee at
- 137 the state park in which the state park water body is located.
- 138 (7) The division shall pay a water entity grant money as follows:
- 139 (a) the division shall wait to make the first payment under the grant until such time that
- 140 there is enough money in the fund designated for the grant to make a periodic payment;
- 141 (b) during a five-year period beginning the day on which the division firsts pays the
- 142 water entity under a grant issued under this section, the division shall:
- 143 (i) pay the periodic payment from the money in the fund that is designated for the
- 144 grant; and
- 145 (ii) retain in the fund any amount collected from the fee above the periodic payment;
- 146 and
- 147 (c) after the five-year period described in Subsection (7)(b), the division shall:
- 148 (i) pay the periodic payment to the extent that there is money in the fund designated for
- 149 the grant; and
- 150 (ii) have transferred to the Division of State Parks any amount above the periodic
- 151 payment amount that is collected under Subsection [79-4-203](#)(11) to be used for purposes

152 described in Section 79-4-203.

153 (8) Notwithstanding the other provisions of this section, a grant issued under this
154 section may not obligate the division to pay a water entity an amount greater than the amount
155 collected under Subsection 79-4-203(11).

156 Section 3. Section 73-18-22.3 is enacted to read:

157 **73-18-22.3. Utah Boating Grant Account -- Grant program administered by the**
158 **Division of Outdoor Recreation.**

159 (1) There is created within the General Fund a restricted account known as the "Utah
160 Boating Grant Account."

161 (2) The Utah Boating Grant Account shall consist of:

162 (a) revenue deposited into the Utah Boating Grant Account under Subsection
163 59-2-405(6) from the statewide uniform fee on a watercraft required to be registered with the
164 state;

165 (b) legislative appropriations;

166 (c) contributions, grants, gifts, transfers, bequests, and donations specifically directed
167 to the Utah Boating Grant Account; and

168 (d) interest and earnings on the Utah Boating Grant Account.

169 (3) An entity eligible for a grant funded through the Utah Boating Grant Account is:

170 (a) the federal government;

171 (b) a state agency;

172 (c) a county; or

173 (d) a municipality, as defined in Section 10-1-104.

174 (4) Subject to appropriation, money in the Utah Boating Grant Account may be used
175 for:

176 (a) construction, repair, and replacement of a publicly owned boating facility, including
177 a boat ramp, courtesy dock, or parking lot;

178 (b) resource protection of waterway shorelines to prevent or minimize erosion created
179 by vessel wave action;

180 (c) drought access mitigation;

181 (d) alternative access development for non-motorized vessels to decrease conflicts,
182 congestion, and safety concerns on existing motorboat access ramps;

183 (e) search and rescue equipment; and

184 (f) the payment of the administrative costs of the Division of Outdoor Recreation in
185 administering a grant under this section.

186 (5) The Division of Outdoor Recreation shall administer the grants under this section
187 pursuant to rules made, after notifying the Outdoor Adventure Commission, in accordance with
188 Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

189 (6) The Division of Outdoor Recreation shall consult with the advisory committee
190 described in Section [73-18-3.5](#) before issuing a grant under this section.

191 Section 4. Section **79-4-203** is amended to read:

192 **79-4-203. Powers and duties of division.**

193 (1) As used in this section, "real property" includes land under water, upland, and all
194 other property commonly or legally defined as real property.

195 (2) The Division of Wildlife Resources shall retain the power and jurisdiction
196 conferred upon the Division of Wildlife Resources by law within state parks and on property
197 controlled by the Division of State Parks with reference to fish and game.

198 (3) The division shall permit multiple use of state parks and property controlled by the
199 division for purposes such as grazing, fishing, hunting, camping, mining, and the development
200 and utilization of water and other natural resources.

201 (4) (a) The division may acquire real and personal property in the name of the state by
202 all legal and proper means, including purchase, gift, devise, eminent domain, lease, exchange,
203 or otherwise, subject to the approval of the executive director and the governor.

204 (b) In acquiring any real or personal property, the credit of the state may not be pledged
205 without the consent of the Legislature.

206 (5) (a) Before acquiring any real property, the division shall notify the county
207 legislative body of the county where the property is situated of the division's intention to
208 acquire the property.

209 (b) If the county legislative body requests a hearing within 10 days of receipt of the
210 notice, the division shall hold a public hearing in the county concerning the matter.

211 (6) Acceptance of gifts or devises of land or other property is at the discretion of the
212 division, subject to the approval of the executive director and the governor.

213 (7) The division shall acquire property by eminent domain in the manner authorized by

214 Title 78B, Chapter 6, Part 5, Eminent Domain.

215 (8) (a) The division may make charges for special services and use of facilities, the
216 income from which is available for park purposes.

217 (b) The division may conduct and operate those services necessary for the comfort and
218 convenience of the public.

219 (9) (a) The division may lease or rent concessions of all lawful kinds and nature in state
220 parks and property to persons, partnerships, and corporations for a valuable consideration upon
221 the recommendation of the board.

222 (b) The division shall comply with Title 63G, Chapter 6a, Utah Procurement Code, in
223 selecting concessionaires.

224 (10) The division shall proceed without delay to negotiate with the federal government
225 concerning the Weber Basin and other recreation and reclamation projects.

226 (11) The division shall collect a fee required under Section 73-10-38 for a person to
227 enter a state park and deposit the fee into the Watercraft Infrastructure Fund in accordance with
228 Section 73-10-38.

229 Section 5. Section 79-4-402 is amended to read:

230 **79-4-402. State Park Fees Restricted Account.**

231 (1) There is created within the General Fund a restricted account known as the "State
232 Park Fees Restricted Account."

233 (2) (a) Except as provided in Subsection (2)(b), the account shall consist of revenue
234 from:

235 (i) contributions deposited into the account in accordance with Section 41-1a-422;

236 (ii) ~~aff~~ charges allowed under Section 79-4-203, except as provided in Subsection
237 79-4-203(11);

238 (iii) proceeds from the sale or disposal of buffalo under Subsection 79-4-1001(2)(b);
239 ~~and~~

240 (iv) civil damages collected under Section 76-6-206.2~~[-]; and~~

241 (v) money transferred to the division from the Watercraft Infrastructure Fund under
242 Subsection 73-10-38(7)(c)(ii).

243 (b) The account shall not include revenue the division receives under Section 79-4-403
244 and Subsection 79-4-1001(2)(a).

245 (3) The division shall use [~~funds~~] money in this account for the purposes described in
246 Section [79-4-203](#).