

## SB0034S01 compared with SB0034

~~{deleted text}~~ shows text that was in SB0034 but was deleted in SB0034S01.

inserted text shows text that was not in SB0034 but was inserted into SB0034S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Daniel McCay proposes the following substitute bill:

### WATER INFRASTRUCTURE FUNDING STUDY

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Daniel McCay**

House Sponsor: Walt Brooks

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#### LONG TITLE

~~{Committee Note:~~

~~—The Revenue and Taxation Interim Committee recommended this bill.~~

~~—Legislative Vote: 13 voting for 0 voting against 5 absent~~

~~{General Description:~~

This bill addresses the use of property tax revenue for water.

#### Highlighted Provisions:

This bill:

- ▶ directs the Department of Natural Resources (department) to ~~{~~:
  - study the use of property tax revenue to fund water infrastructure, treatment, and delivery; and
  - make recommendations for future funding; and
- ▶ requires the department to submit a written report to the Natural Resources,

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Agriculture, and Environment Interim Committee and the Revenue and Taxation Interim Committee.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**63I-2-279**, as last amended by Laws of Utah 2022, Chapter 68

ENACTS:

**79-2-407**, Utah Code Annotated 1953

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

Section 1. Section **63I-2-279** is amended to read:

**63I-2-279. Repeal dates: Title 79.**

(1) Section 79-2-206, Transition, is repealed July 1, 2024.

(2) Section 79-2-407, ~~{Study of the Use of Property Tax Revenue for Water}~~ which directs the Department of Natural Resources to study funding for water infrastructure costs, is repealed July 1, 2025.

~~[(2) Title 79, Chapter 6, Part 8, Voluntary Home Energy Information Pilot Program Act, is repealed January 1, 2022.]~~

Section 2. Section **79-2-407** is enacted to read:

**79-2-407. Study of ~~{the Use of Property Tax Revenue}~~ funding for {Water} water infrastructure costs.**

(1) The department shall:

(a) study the use of property tax revenue for payment of costs related to supplying drinking and irrigation water, including infrastructure, treatment, and delivery;

(; and

(b) make recommendations for funding of the costs described in Subsection (1)(a).

(2) As part of the study and to prepare the recommendations described in Subsection (1), the department shall:

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(a) analyze the use of tax revenue for water infrastructure in other states with similar climate and water supply challenges as the state of Utah:

~~(f)a)b~~ review ~~flocal governments~~ the use of property tax revenue for construction, operation, maintenance, repair, and replacement of water facilities, including facilities related to:

~~(i) diversion, treatment, and storage of drinking and irrigation water; and~~

~~(ii) the delivery of drinking and irrigation water to end users;~~

~~(f)b)c~~ ~~fanalyze and develop~~ investigate policies that would ~~fensure~~ address tax exempt ~~fentities contribute equally~~ entities' lack of contribution to the cost of water infrastructure paid for with property tax revenue;

~~(f)c)d~~ ~~fdevelop one or more~~ identify methods of developing tiered water rate structures that promote water conservation and ensure reasonable revenue stability;

~~(f)d)e~~ analyze the effect of eliminating or reducing property tax revenue as a funding source for costs related to water infrastructure, treatment, or delivery, including:

~~(i) the effect on retail water rates and retail customer water use and demand;~~

~~(ii) wholesale water suppliers' ability to prepare for anticipated local and regional water demand; and~~

~~(iii) water development costs associated with new growth.~~

~~(3) (a); and~~

(f) identify and study any water conservancy district or special service district that levies a property tax for a purpose described in Subsection (1)(a) but does not provide water service.

(3) The department shall convene a working group consisting of a wide range of stakeholders with diverse interests, including those with expertise in water development and delivery, tax policy, and water funding, to help the department conduct the study and develop the recommendations described in this section.

~~(b) The department shall invite the following individuals to participate in the working group:~~

~~(i) one or more state legislators;~~

~~(ii) a representative of the Governor's Office of Planning and Budget;~~

~~(iii) the director of the Division of Water Resources;~~

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- ~~— (iv) a representative of the Kem C. Gardner Policy Institute;~~
- ~~— (v) a representative of a water trust created under Section 65A-16-301;~~
- ~~— (vi) a representative of a non-profit corporation or other entity with a physical presence in at least five counties within the state;~~
- ~~— (vii) a representative of the Utah School Boards Association;~~
- ~~— (viii) a representative of the Utah Association of Counties;~~
- ~~— (ix) a representative of the Utah League of Cities and Towns;~~
- ~~— (x) a representative of the Utah Association of Special Districts;~~
- ~~— (xi) a representative of a qualified water conservancy district as defined in Section 17B-2a-1010;~~
- ~~— (xii) a representative of a large municipal drinking water system as defined in Section 10-8-22;~~
- ~~— (xiii) a representative of an association of homebuilders in the state;~~
- ~~— (xiv) a representative of an association of manufacturers in the state; and~~
- ~~— (xv) a representative of a chamber of commerce of a first or second class county.‡~~

(4) On or before October 30, 2024, the department shall provide a written report of the department's findings, including any recommended legislative action, to the Natural Resources, Agriculture, and Environment Interim Committee and the Revenue and Taxation Interim Committee.