GREAT SALT LAKE REVISIONS		
2024 GENERAL SESSION		
STATE OF UTAH		
Chief Sponsor: Casey Snider		
Senate Sponsor:		
LONG TITLE		
General Description:		
This bill addresses actions affecting the Great Salt Lake.		
Highlighted Provisions:		
This bill:		
 modifies provisions related to severance taxes; 		
 exempts challenges to a distribution management plan from the Administrative 		
Procedures Act;		
addresses mineral lease and royalty agreement provisions, including:		
 setting production limits; 		
 providing for the loss of certain rights for failure to use; 		
 providing for royalty discounts under certain circumstances; and 		
 providing for small projects; 		
• enacts the Great Salt Lake Preservation Act, including:		
defining terms;		
 addressing management responsibilities; 		
 requiring certain provisions within royalty agreements; 		
 providing for acquisition of property interests or mineral estates, including 		
through eminent domain;		
 requiring payment of royalties; and 		
 addressing the Great Salt Lake as a multiple mineral development area; 		



28	enacts the Great Salt Lake Distribution Management chapter, including:
29	 directing the state engineer to develop a Great Salt Lake distribution
30	management plan related to water rights;
31	 providing for challenges to a distribution management plan;
32	 addressing the measurement of the volume and quality of water; and
33	 addressing the scope of the chapter;
34	 modifies provisions related to local watershed councils and the Great Salt Lake
35	Advisory Council;
36	addresses rulemaking;
37	 addresses eminent domain; and
38	makes technical and conforming changes.
39	Money Appropriated in this Bill:
40	This bill appropriates in fiscal year 2025:
41	 to Department of Natural Resources - Forestry, Fire, and State Lands - Project
42	Management as a one-time appropriation:
43	 from the General Fund Restricted - Great Salt Lake Account, One-time,
44	\$500,000
45	Other Special Clauses:
46	This bill provides a special effective date.
47	Utah Code Sections Affected:
48	AMENDS:
49	59-5-202, as last amended by Laws of Utah 2023, Chapter 208
50	59-5-203, as last amended by Laws of Utah 2019, Chapter 466
51	63G-4-102, as last amended by Laws of Utah 2023, Chapter 329
52	65A-5-1, as last amended by Laws of Utah 2023, Chapters 205, 208 and 358
53	65A-6-4, as last amended by Laws of Utah 2023, Chapter 208
54	73-3-8, as last amended by Laws of Utah 2023, Chapter 253
55	73-3-30, as last amended by Laws of Utah 2023, Chapters 34, 253
56	73-10g-306, as enacted by Laws of Utah 2020, Chapter 309
57	73-32-204, as enacted by Laws of Utah 2023, Chapter 205
58	73-32-303, as last amended by Laws of Utah 2023, Chapter 208 and renumbered and

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59
     amended by Laws of Utah 2023, Chapter 205
60
            78B-6-501, as last amended by Laws of Utah 2023, Chapter 34
61
            78B-6-502, as renumbered and amended by Laws of Utah 2008, Chapter 3
62
     ENACTS:
63
            65A-17-101, Utah Code Annotated 1953
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            65A-17-103, Utah Code Annotated 1953
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            65A-17-301, Utah Code Annotated 1953
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            65A-17-302, Utah Code Annotated 1953
67
            65A-17-303, Utah Code Annotated 1953
            65A-17-304, Utah Code Annotated 1953
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69
            73-33-101, Utah Code Annotated 1953
70
            73-33-102, Utah Code Annotated 1953
71
            73-33-201, Utah Code Annotated 1953
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            73-33-202, Utah Code Annotated 1953
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            73-33-203, Utah Code Annotated 1953
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     RENUMBERS AND AMENDS:
75
            65A-17-102, (Renumbered from 65A-10-202, as enacted by Laws of Utah 2023,
76
     Chapter 208)
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            65A-17-201, (Renumbered from 65A-10-203, as last amended by Laws of Utah 2023,
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     Chapter 205 and renumbered and amended by Laws of Utah 2023, Chapter 208)
79
            65A-17-202, (Renumbered from 65A-10-204, as enacted by Laws of Utah 2023,
80
     Chapter 208)
            65A-17-203, (Renumbered from 65A-10-205, as enacted by Laws of Utah 2023,
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82
     Chapter 208)
83
     REPEALS:
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            65A-10-201, as enacted by Laws of Utah 2023, Chapter 208
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     Be it enacted by the Legislature of the state of Utah:
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            Section 1. Section 59-5-202 is amended to read:
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            59-5-202. Severance tax -- Rate -- Computation -- Annual exemption.
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            (1) A person engaged in the business of mining or extracting metalliferous minerals in
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this state shall pay to the state a severance tax equal to 2.6% of the taxable value of all metals or metalliferous minerals sold or otherwise disposed of.

- (2) If the metals or metalliferous minerals are shipped outside the state, this constitutes a sale, and the finished metals or the recoverable units of finished metals from the metalliferous minerals shipped are subject to the severance tax. If the metals or metalliferous minerals are stockpiled, the tax is not applicable until they are sold or shipped out of state. For purposes of the tax imposed by this chapter, uranium concentrates shall be considered to be finished metals. The owner of the metals or metalliferous minerals that are stockpiled shall report to the commission annually, in a form acceptable to the commission, the amount of metalliferous minerals so stockpiled. Metals or metalliferous minerals that are stockpiled for more than two years, however, are subject to the severance tax.
- (3) An annual exemption from the payment of the tax imposed by this chapter upon the first \$50,000 in gross value of the metalliferous mineral is allowed to each mine.
- (4) These taxes are in addition to all other taxes provided by law and are delinquent, unless otherwise deferred, on June 1 next succeeding the calendar year when the metalliferous mineral is produced and sold or delivered.
 - (5) (a) As used in this Subsection (5):

- (i) "Great Salt Lake extraction operator" means a person who:
- (A) is engaged in the business of mining or extracting metalliferous minerals from the brine of the Great Salt Lake; and
- (B) enters into a mineral lease with the Division of Forestry, Fire, and State Lands on or after May 3, 2023, or as of July 1, 2020, had a mineral lease with the Division of Forestry, Fire, and State Lands, but not a royalty agreement for a metalliferous mineral, chloride compound, or salt.
- (ii) "Metalliferous compound" means a metalliferous mineral or a chloride compound or salt containing a metalliferous mineral.
- (b) Notwithstanding the exclusion for chloride compounds or salts from the definition of metalliferous minerals under Section 59-5-201, beginning with calendar year 2024, a Great Salt Lake extraction operator shall pay to the state a severance tax in accordance with this part for the mining of a metalliferous compound.
- (c) A Great Salt Lake extraction operator shall pay to the state a severance tax equal to

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121 7.8% of the taxable value of the metalliferous compounds in a year in which the Division of 122 Forestry, Fire, and State Lands has submitted to the commission an order under Section 123 65A-17-302 indicating that the Great Salt Lake extraction operator has failed to pay a royalty 124 rate in violation of Section 65A-17-302. 125 [(c)] (d) This Subsection (5) may not be interpreted to: 126 (i) excuse a person from paying a severance tax in accordance with the other provisions 127 of this part; or 128 (ii) void a mineral lease or royalty agreement. 129 [(d)] (e) A person extracting metalliferous minerals, including a metalliferous compound, from the brine of the Great Salt Lake is subject to the payment of a royalty 130 131 agreement under Section 65A-6-4 and the payment of a severance tax under this part. 132 Section 2. Section **59-5-203** is amended to read: 59-5-203. Determining taxable value. 133 134 (1) Except as provided in Subsection (3), the basis for computing the gross proceeds, 135 prior to those deductions or adjustments specified in this chapter, in determining the taxable 136 value of the metals or metalliferous minerals sold or otherwise disposed of, in the order of 137 priority, is as follows: (a) If the metals or metalliferous mineral products are actually sold, the value of those 138 139 metals or metalliferous mineral products shall be the gross amount the producer receives from that sale, provided that the metals or metalliferous mineral products are sold under a bona fide 140 contract of sale between unaffiliated parties. In the case of a sale of uranium concentrates. 141 142 gross proceeds shall be the gross amount the producer receives from the sale of processed uranium concentrate or "yellowcake," provided that the uranium concentrate is sold under a 143 144 bona fide contract of sale between unaffiliated parties. (b) If metals or metalliferous minerals are not sold, but are otherwise disposed of, the 145 146 gross proceeds shall be the multiple of the recoverable units of finished or unfinished metals, or of the finished or unfinished metals contained in the metalliferous minerals shipped, and the 147 148 average daily price per unit of contained metals as quoted by an established authority for

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market prices of metals for the period during which the tax imposed by this chapter is due. The

established authority or authorities shall be designated by the commission by rule adopted in

accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

[(b)] (c) If the metals or metalliferous mineral products are not actually sold but are shipped, transported, or delivered out of state, the gross proceeds shall be the multiple of the recoverable units of finished metals, or of the finished metals contained in the metalliferous minerals shipped, and the average daily price per unit of contained metals as quoted by an established authority for market prices of metals for the period during which the tax imposed by this chapter is due. The established authority or authorities shall be designated by the commission by rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

- [(c)] (d) In the case of metals or metalliferous minerals not sold, but otherwise disposed of, for which there is no established authority for market prices of metals for the period during which the tax imposed by this chapter is due, gross proceeds is determined by allocating to the state the same proportion of the producer's total sales of metals or metalliferous minerals sold or otherwise disposed of as the producer's total Utah costs bear to the total costs associated with sale or disposal of the metal or metalliferous mineral.
- [(d)] (e) In the event of a sale of metals or metalliferous minerals between affiliated companies which is not a bona fide sale because the value received is not proportionate to the fair market value of the metals or metalliferous minerals or in the event that Subsection [(1)(a), (b), or (c)] (1)(a), (b), (c), or (d) are not applicable, the commission shall determine the value of such metals or metalliferous minerals in an equitable manner by reference to an objective standard as specified in a rule adopted in accordance with the provisions of Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (2) For all metals except beryllium, the taxable value of the metalliferous mineral sold or otherwise disposed of is 30% of the gross proceeds received for the metals sold or otherwise disposed of by the producer of the metal.
- (3) Notwithstanding Subsection (1) or (4), the taxable value of beryllium sold or otherwise disposed of by the producer of the beryllium is equal to 125% of the direct mining costs incurred in mining the beryllium.
- (4) Except as provided in Subsection (3), if the metalliferous mineral sold or otherwise disposed of is sold or shipped out of state in the form of ore, then the taxable value is 80% of the gross proceeds.
 - Section 3. Section **63G-4-102** is amended to read:

63G-4-102. Scope and applicability of chapter.

- (1) Except as set forth in Subsection (2), and except as otherwise provided by a statute superseding provisions of this chapter by explicit reference to this chapter, the provisions of this chapter apply to every agency of the state and govern:
- (a) state agency action that determines the legal rights, duties, privileges, immunities, or other legal interests of an identifiable person, including agency action to grant, deny, revoke, suspend, modify, annul, withdraw, or amend an authority, right, or license; and
 - (b) judicial review of the action.
 - (2) This chapter does not govern:
 - (a) the procedure for making agency rules, or judicial review of the procedure or rules;
- (b) the issuance of a notice of a deficiency in the payment of a tax, the decision to waive a penalty or interest on taxes, the imposition of and penalty or interest on taxes, or the issuance of a tax assessment, except that this chapter governs an agency action commenced by a taxpayer or by another person authorized by law to contest the validity or correctness of the action;
- (c) state agency action relating to extradition, to the granting of a pardon or parole, a commutation or termination of a sentence, or to the rescission, termination, or revocation of parole or probation, to the discipline of, resolution of a grievance of, supervision of, confinement of, or the treatment of an inmate or resident of a correctional facility, the Utah State Hospital, the Utah State Developmental Center, or a person in the custody or jurisdiction of the Office of Substance Use and Mental Health, or a person on probation or parole, or judicial review of the action;
- (d) state agency action to evaluate, discipline, employ, transfer, reassign, or promote a student or teacher in a school or educational institution, or judicial review of the action;
- (e) an application for employment and internal personnel action within an agency concerning its own employees, or judicial review of the action;
- (f) the issuance of a citation or assessment under Title 34A, Chapter 6, Utah Occupational Safety and Health Act, and Title 58, Occupations and Professions, except that this chapter governs an agency action commenced by the employer, licensee, or other person authorized by law to contest the validity or correctness of the citation or assessment;
 - (g) state agency action relating to management of state funds, the management and

214	disposal of school and institutional trust land assets, and contracts for the purchase or sale of
215	products, real property, supplies, goods, or services by or for the state, or by or for an agency of
216	the state, except as provided in those contracts, or judicial review of the action;
217	(h) state agency action under Title 7, Chapter 1, Part 3, Powers and Duties of
218	Commissioner of Financial Institutions, Title 7, Chapter 2, Possession of Depository Institution
219	by Commissioner, Title 7, Chapter 19, Acquisition of Failing Depository Institutions or
220	Holding Companies, and Chapter 7, Governmental Immunity Act of Utah, or judicial review of
221	the action;
222	(i) the initial determination of a person's eligibility for unemployment benefits, the
223	initial determination of a person's eligibility for benefits under Title 34A, Chapter 2, Workers'
224	Compensation Act, and Title 34A, Chapter 3, Utah Occupational Disease Act, or the initial
225	determination of a person's unemployment tax liability;
226	(j) state agency action relating to the distribution or award of a monetary grant to or
227	between governmental units, or for research, development, or the arts, or judicial review of the
228	action;
229	(k) the issuance of a notice of violation or order under Title 26B, Chapter 4, Part 1,
230	Utah Emergency Medical Services System, Title 19, Chapter 2, Air Conservation Act, Title 19,
231	Chapter 3, Radiation Control Act, Title 19, Chapter 4, Safe Drinking Water Act, Title 19,
232	Chapter 5, Water Quality Act, Title 19, Chapter 6, Part 1, Solid and Hazardous Waste Act,
233	Title 19, Chapter 6, Part 4, Underground Storage Tank Act, or Title 19, Chapter 6, Part 7, Used
234	Oil Management Act, or Title 19, Chapter 6, Part 10, Mercury Switch Removal Act, except
235	that this chapter governs an agency action commenced by a person authorized by law to contest
236	the validity or correctness of the notice or order;
237	(l) state agency action, to the extent required by federal statute or regulation, to be
238	conducted according to federal procedures;
239	(m) the initial determination of a person's eligibility for government or public
240	assistance benefits;
241	(n) state agency action relating to wildlife licenses, permits, tags, and certificates of
242	registration;

(o) a license for use of state recreational facilities;

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(p) state agency action under Chapter 2, Government Records Access and Management

245	Act, except as provided in Section 63G-2-603;
246	(q) state agency action relating to the collection of water commissioner fees and
247	delinquency penalties, or judicial review of the action;
248	(r) state agency action relating to the installation, maintenance, and repair of headgates
249	caps, values, or other water controlling works and weirs, flumes, meters, or other water
250	measuring devices, or judicial review of the action;
251	(s) the issuance and enforcement of an initial order under Section 73-2-25;
252	(t) (i) a hearing conducted by the Division of Securities under Section 61-1-11.1; and
253	(ii) an action taken by the Division of Securities under a hearing conducted under
254	Section 61-1-11.1, including a determination regarding the fairness of an issuance or exchange
255	of securities described in Subsection 61-1-11.1(1);
256	(u) state agency action relating to water well driller licenses, water well drilling
257	permits, water well driller registration, or water well drilling construction standards, or judicial
258	review of the action;
259	(v) the issuance of a determination and order under Title 34A, Chapter 5, Utah
260	Antidiscrimination Act;
261	(w) state environmental studies and related decisions by the Department of
262	Transportation approving state or locally funded projects, or judicial review of the action;
263	(x) the suspension of operations under Subsection 32B-1-304(3); [or]
264	(y) the issuance of a determination of violation by the Governor's Office of Economic
265	Opportunity under Section 11-41-104[-]; or
266	(z) a challenge to an aspect of a distribution management plan under Section
267	<u>73-33-202.</u>
268	(3) This chapter does not affect a legal remedy otherwise available to:
269	(a) compel an agency to take action; or
270	(b) challenge an agency's rule.
271	(4) This chapter does not preclude an agency, prior to the beginning of an adjudicative
272	proceeding, or the presiding officer during an adjudicative proceeding from:
273	(a) requesting or ordering a conference with parties and interested persons to:
274	(i) encourage settlement;
275	(ii) clarify the issues;

276	(iii)	simplify the	he evidence;

277 (iv) facilitate discovery; or

- (v) expedite the proceeding; or
- (b) granting a timely motion to dismiss or for summary judgment if the requirements of Rule 12(b) or Rule 56 of the Utah Rules of Civil Procedure are met by the moving party, except to the extent that the requirements of those rules are modified by this chapter.
- (5) (a) A declaratory proceeding authorized by Section 63G-4-503 is not governed by this chapter, except as explicitly provided in that section.
- (b) Judicial review of a declaratory proceeding authorized by Section 63G-4-503 is governed by this chapter.
- (6) This chapter does not preclude an agency from enacting a rule affecting or governing an adjudicative proceeding or from following the rule, if the rule is enacted according to the procedures outlined in Chapter 3, Utah Administrative Rulemaking Act, and if the rule conforms to the requirements of this chapter.
- (7) (a) If the attorney general issues a written determination that a provision of this chapter would result in the denial of funds or services to an agency of the state from the federal government, the applicability of the provision to that agency shall be suspended to the extent necessary to prevent the denial.
- (b) The attorney general shall report the suspension to the Legislature at its next session.
- (8) Nothing in this chapter may be interpreted to provide an independent basis for jurisdiction to review final agency action.
- (9) Nothing in this chapter may be interpreted to restrict a presiding officer, for good cause shown, from lengthening or shortening a time period prescribed in this chapter, except the time period established for judicial review.
- (10) Notwithstanding any other provision of this section, this chapter does not apply to a special adjudicative proceeding, as defined in Section 19-1-301.5, except to the extent expressly provided in Section 19-1-301.5.
- (11) Subsection (2)(w), regarding action taken based on state environmental studies and policies of the Department of Transportation, applies to any claim for which a court of competent jurisdiction has not issued a final unappealable judgment or order before May 14,

307	2019.
308	Section 4. Section 65A-5-1 is amended to read:
309	65A-5-1. Sovereign Lands Management Account.
310	(1) There is created within the General Fund a restricted account known as the
311	"Sovereign Lands Management Account."
312	(2) The Sovereign Lands Management Account shall consist of the following:
313	(a) the revenues derived from sovereign lands, except for revenues deposited into the
314	Great Salt Lake Account under Section 73-32-304;
315	(b) that portion of the revenues derived from mineral leases on other lands managed by
316	the division necessary to recover management costs;
317	(c) revenues derived from the Great Salt Lake Preservation support special group
318	license plate described in Sections 41-1a-418 and 41-1a-422;
319	(d) fees deposited by the division; and
320	(e) amounts deposited into the account in accordance with Section 59-23-4.
321	(3) (a) The expenditures of the division relating directly to the management of
322	sovereign lands shall be funded by appropriation by the Legislature from the Sovereign Lands
323	Management Account or other sources.
324	(b) Money in the Sovereign Lands Management Account may be used only for the
325	direct benefit of sovereign lands, including the management of sovereign lands.
326	(c) In appropriating money from the Sovereign Lands Management Account, the
327	Legislature shall prefer appropriations that benefit the sovereign land from which the money is
328	derived unless compelling circumstances require that money be appropriated for sovereign land
329	other than the sovereign land from which the money is derived.
330	(4) The division shall use the amount deposited into the account under Subsection
331	(2)(d) for the Great Salt Lake as described in Section [65A-10-203] 65A-17-201 as directed by
332	the Great Salt Lake Advisory Council created in Section 73-32-302.
333	Section 5. Section 65A-6-4 is amended to read:
334	65A-6-4. Mineral leases Multiple leases on same land Rentals and royalties
335	Lease terms Great Salt Lake.
336	(1) As used in this section:
337	(a) "Great Salt Lake element or mineral" means:

338	(i) a rare earth element;
339	(ii) a trace element or mineral; or
340	(iii) a chemical compound that includes a rare earth element or trace element or
341	mineral.
342	(b) "Rare earth element" is one of the following ores, minerals, or elements located in
343	the brines or the sovereign lands of the Great Salt Lake:
344	(i) lanthanum;
345	(ii) cerium;
346	(iii) praseodymium;
347	(iv) neodymium;
348	(v) samarium;
349	(vi) europium;
350	(vii) gadolinium;
351	(viii) terbium;
352	(ix) dysprosium;
353	(x) holmium;
354	(xi) erbium;
355	(xii) thulium;
356	(xiii) ytterbium;
357	(xiv) lutetium; and
358	(xv) yttrium.
359	(c) "Trace element or mineral" means an element or mineral that is located in the brines
360	or the sovereign lands of the Great Salt Lake that is not in production by July 1, 2020, and for
361	which the state has not received a royalty payment by July 1, 2020.
362	(2) (a) Mineral leases, including oil, gas, and hydrocarbon leases, may be issued for
363	prospecting, exploring, developing, and producing minerals covering any portion of state lands
364	or the reserved mineral interests of the state.
365	(b) (i) Leases may be issued for different types of minerals on the same land.
366	(ii) If leases are issued for different types of minerals on the same land, the leases shall
367	include stipulations for simultaneous operations, except that for leases related to the Great Salt
368	Lake the leases shall include stipulations for simultaneous operations that will not interfere

with, impede, limit, or require changes to pre-existing rights.

- (c) No more than one lease may be issued for the same resource on the same land.
- (d) The division shall require a separate royalty agreement for extraction of <u>Great Salt</u> <u>Lake elements or minerals from brines of the Great Salt Lake when:</u>
- (i) a mineral lease, a royalty agreement, or both that are in effect before the operator seeks to extract a particular [mineral or mineral compound] Great Salt Lake element or mineral do not expressly include the right to extract the particular [mineral or mineral compound] Great Salt Lake element or mineral; or
- (ii) the proposed operation will use brines from the Great Salt Lake, but will not occupy sovereign lands for the direct production of [minerals] Great Salt Lake elements or minerals other than for incidental structures such as pumps and intake and outflow pipelines.
- (3) (a) Each mineral lease issued by the division shall provide for an annual rental of not less than \$1 per acre per year, except that a mineral lease issued by the division involving the extraction of [mineral] a Great Salt Lake element or mineral from brines in the Great Salt Lake shall provide for an annual rental of not less than \$100 per acre per year.
- (b) However, a lease may provide for a rental credit, minimum rental, or minimum royalty upon commencement of production, as prescribed by rule.
 - (4) The primary term of a mineral lease may not exceed:
 - (a) 20 years for oil shale and tar sands; and
 - (b) 10 years for oil and gas and any other mineral.
- (5) (a) [Subject] In addition to the requirements of Chapter 17, Part 3, Mineral or Element Extraction, and subject to the other provisions of this Subsection (5), for a mineral lease or royalty agreement involving the extraction of [minerals] Great Salt Lake elements and minerals from brines in the Great Salt Lake, the division shall ensure that the following terms, as applicable, are included:
- (i) an extraction operation or extraction method shall adhere to commercially viable technologies that minimize water depletion;
- (ii) an extraction operation or extraction method shall mitigate for the total amount of water depleted <u>directly from the Great Salt Lake</u> by providing water back into the Great Salt Lake that approximates the total volume of water depleted;
 - (iii) a provision authorizing the division to curtail or limit Great Salt Lake element or

mineral production at any time the condition of the Great Salt Lake reaches the emergency trigger, as defined in Section [65A-10-201] 65A-17-101;

- (iv) a provision authorizing the division to withdraw lands, operations, extraction methods, or technologies from <u>Great Salt Lake element or mineral production or Great Salt Lake element or mineral operations; [and]</u>
- (v) a provision allowing the division to require an existing operator to use commercially viable, innovative technologies to minimize water depletions caused by the planned mineral extraction as a condition of continued operations[-];
- (vi) a provision authorizing the division to set and modify a production limit on the extraction of a Great Salt Lake element or mineral for an operator to prevent the depletion of a Great Salt Lake element or mineral in a naturally occurring reserve; and
- (vii) a provision that provides for the reductions of the following after the primary term of a mineral lease or royalty agreement:
- (A) the acreage subject to the mineral lease by the acreage the operator does not use to extract a Great Salt Lake element or mineral during the primary term of the mineral lease under conditions that do not constitute waste; and
- (B) the volume of water that the operator may divert from the Great Salt Lake, by the volume of water that the operator does not use during the longer of the primary term of the mineral lease or seven years if the operator fails to use the volume of water for the beneficial uses for which the water rights were granted, except if the failure to use the volume of water is as a result of a reduction of water usage under Section 73-33-201.
- (b) If as of May 3, 2023, an operator has a mineral lease but not a royalty agreement involving the extraction of Great Salt Lake element or minerals from brines in the Great Salt Lake, the extraction operation or extraction method shall mitigate the total water depleted as provided in Subsection (5)(a)(ii) only to the extent that the extraction operation or extraction method increases total depletions as compared to an estimated 10-year average of depletions as estimated by the Division of Water Resources' water budget model beginning on January 1, 2013, and ending on December 31, 2022.
- (c) If under Subsection (5)(a)(v) the division requires an existing operator to use a commercially viable, innovative technology, the division may not require use of a technology not yet proven to be commercially viable on the Great Salt Lake and may not require

431	implementation of the technology to begin until after a reasonable period determined by the
432	division not to exceed [five] seven years.
433	(d) (i) If the volume of water that the operator may divert from the Great Salt Lake is
434	reduced under Subsection (5)(a)(vii), the division shall pursue a judicial action to declare all or
435	a portion of the water right forfeited under Subsection 73-1-4(2).
436	(ii) If the division secures the reduction or forfeiture of a water right under this
437	Subsection (5)(d), the division shall petition the state engineer to order a reversal of the
438	application approval in accordance with the terms of the reduction or forfeiture of the water
439	<u>right.</u>
440	(e) The division may issue a royalty agreement for scientific, demonstration, or a
441	small-scale pilot production facility using technology determined by the division to be
442	commercially viable without compliance of Subsection (5)(a) if the agreement:
443	(i) has a term of nine months or less; and
444	(ii) limits use of brines from the Great Salt Lake to a maximum of five acre-feet during
445	the term of the agreement.
446	(6) (a) Upon nomination from a prospective operator, the division shall by rule, made
447	in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establish a
448	royalty rate and calculation methodology for a Great Salt Lake element or mineral that:
449	(i) provides for a full and fair return to the state from the production of the Great Salt
450	Lake element or mineral;
451	(ii) is consistent with market royalty rates applicable to the production of the Great Salt
452	Lake element or mineral or of the production of oil and gas;
453	(iii) provides a base royalty rate;
454	(iv) provides a reduced royalty rate from the royalty rate under Subsection (6)(a)(iii) if
455	the royalty agreement:
456	(A) relates to a non-evaporative method of producing the Great Salt Lake element or
457	mineral; or
458	(B) provides an incentive to use commercially viable, innovative technology to
459	minimize water depletion and evaporation as determined by the division; [and]
460	(v) provides a reduced royalty rate from the royalty rate under Subsection (6)(a)(iii) if
461	the prospective operator for the extraction of lithium demonstrates to the satisfaction of the

462	division that the prospective operator has an agreement with a person who will process or
463	manufacture an end product in this state using the lithium extracted by the prospective
464	operator; and
465	[(v)] (vi) subject to Subsection (6)(e), provides for a royalty rate that is based on the
466	highest market value prevailing at the time of the sale or disposal of the following:
467	(A) the Great Salt Lake element or mineral; or
468	(B) a product the lessee produces from the Great Salt Lake element or mineral.
469	(b) Before entering into a royalty agreement permitting the extraction of Great Salt
470	Lake elements or minerals, the operator shall:
471	(i) demonstrate commercial viability;
472	(ii) certify before operation begins that the operator is not negatively impacting the
473	biota or chemistry of the Great Salt Lake; and
474	(iii) obtain the approval of the division and the Department of Environmental Quality
475	that the certification supports a finding that the operation will not negatively impact the biota of
476	chemistry of the Great Salt Lake.
477	(c) A new mineral lease for a Great Salt Lake element or mineral in production in the
478	Great Salt Lake as of May 3, 2023, is subject to new royalty rates due to emergent
479	technologies.
480	(d) An operator who as of July 1, 2020, had a mineral lease with the division but not a
481	royalty agreement and who is subject to a severance tax under Subsection 59-5-202(5) shall pay
482	a royalty under this section in addition to the severance tax.
483	(e) The royalty rate described in Subsection (6)(a)(vi) may not be reassessed during the
484	primary term of an initial royalty agreement issued under this section, but may be reassessed
485	upon the conclusion of the primary term.
486	(f) The division may issue a royalty agreement for scientific, demonstration, or a
487	small-scale pilot production facility using technology determined by the division to be
488	commercially viable without compliance of Subsection (5)(a) if the agreement:
489	(i) has a term of nine months or less; and
490	(ii) limits use of brines from the Great Salt Lake to a maximum of five acre-feet during
491	the term of the agreement.
492	(7) (a) [An] Except as provided in Subsection (7)(b), an operator who extracts a Great

493	Salt Lake element or mineral from tailings from the production of Great Salt Lake elements or
494	minerals from brines in the Great Salt Lake is subject to this section to the same extent as an
495	operator producing a Great Salt Lake element or mineral from brines in the Great Salt Lake.
496	(b) An operator that, as of May 3, 2023, has an agreement to recover a Great Salt Lake
497	element or mineral from existing tailings, discarded material, end-use products, or waste
498	products produced from the evaporation and processing of Great Salt Lake brines is not subject
499	to this section, except as to the payment of royalties set by the division under Subsection (6)(a).
500	The division shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
501	Rulemaking Act, regarding the issuance and termination of a royalty agreement for mineral
502	extraction from tailings, discarded material, end-use products, or waste products produced from
503	the evaporation and processing of Great Salt Lake brines.
504	(c) An operator that, as of May 3, 2023, has an underlying agreement to recover a Great
505	Salt Lake element or mineral shall obtain an additional agreement for any additional Great Salt
506	Lake element or mineral produced from the tailings, discarded material, end-use products, or
507	waste products newly produced under the underlying agreement. The additional agreement is
508	subject to this section.
509	(8) The division shall annually report to the Natural Resources, Agriculture, and
510	Environmental Quality Appropriations Subcommittee regarding the amount of money collected
511	under this section from royalties provided for in Subsection (6).
512	(9) (a) In the issuance of royalty agreements for the extraction of lithium from the
513	Great Salt Lake, the division shall prioritize applicants that:
514	[(a)] (i) do not use evaporative concentration of Great Salt Lake brines in any stage of
515	the extractive process; and
516	[(b)] (ii) use commercially viable extractive processes.
517	(b) The division may make rules, in accordance with Title 63G, Chapter 3, Utah
518	Administrative Rulemaking Act, creating a process for implementing this Subsection (9).
519	(10) Except in relationship to mineral leases related to the Great Salt Lake, the division
520	shall make rules regarding the continuation of a mineral lease after the primary term has
521	expired, which shall provide that a mineral lease shall continue so long as:
522	(a) the mineral covered by the lease is being produced in paying quantities from:
523	(i) the leased premises;

524	(ii) lands pooled, communitized, or unitized with the leased premises; or
525	(iii) lands constituting an approved mining or drilling unit with respect to the leased
526	premises; or
527	(b) (i) the lessee is engaged in diligent operations, exploration, research, or
528	development which is reasonably calculated to advance development or production of the
529	mineral covered by the lease from:
530	(A) the leased premises;
531	(B) lands pooled, communitized, or unitized with the leased premises; or
532	(C) lands constituting an approved mining or drilling unit with respect to the leased
533	premises; and
534	(ii) the lessee pays a minimum royalty.
535	(11) For the purposes of Subsection (10), diligent operations with respect to oil, gas,
536	and other hydrocarbon leases may include cessation of operations not in excess of 90 days in
537	duration.
538	(12) (a) The division shall study and analyze each mineral lease and mineral royalty
539	agreement issued on the Great Salt Lake and compare and evaluate whether the mineral leases
540	and royalty agreements are representative of current market conditions. As part of this study,
541	the division shall:
542	(i) make the following determinations for mineral leases:
543	(A) whether the entire surface area described within the mineral lease is being used;
544	and
545	(B) whether the annual lease payments are representative of current market conditions
546	and
547	(ii) for royalty agreements, perform studies and comparative analyses to determine
548	whether the state is receiving royalty rates consistent with current market conditions.
549	(b) By no later than the 2023 November interim meeting, the division shall report the
550	division's findings of the study required by this Subsection (12) to the Natural Resources,
551	Agriculture, and Environment Interim Committee.
552	(13) The provisions in this section related to extraction of a Great Salt Lake element of
553	mineral under a mineral lease or royalty agreement apply to a mineral lease or royalty
554	agreement in effect on May 1, 2024, and any mineral lease or royalty agreement entered into

555	after May 1, 2024.
556	Section 6. Section 65A-17-101 is enacted to read:
557	CHAPTER 17. GREAT SALT LAKE PRESERVATION ACT
558	Part 1. General Provisions
559	<u>65A-17-101.</u> Definitions.
560	As used in this chapter:
561	(1) "Adaptive management berm" means a berm installed in the UP causeway breach
562	to manage salinity to protect the ecosystem of Gilbert Bay.
563	(2) "Common source of supply" means the mineral or element estate contained within
564	the entirety of the Great Salt Lake within the Great Salt Lake meander line.
565	(3) "Correlative right" means the opportunity of each commercially viable owner to
566	extract a portion of a common source of supply, subject to the state's sovereign lands
567	management responsibilities, without the occurrence of waste.
568	(4) "Emergency trigger" means the salinity levels of the Gilbert Bay of the Great Salt
569	Lake do not satisfy the ecological conditions required for healthy brine shrimp and brine fly
570	reproduction.
571	(5) "Great Salt Lake" means the area within the Great Salt Lake meander line.
572	(6) "Great Salt Lake elevation" means the elevation of the Great Salt Lake as measured
573	by the United States Geological Survey gauging station 10010000 located at Saltair Boat
574	Harbor, Utah.
575	(7) "Great Salt Lake meander line" means the official meander line, completed in 1966,
576	of the Great Salt Lake unless otherwise established by court order or negotiated boundary
577	settlement.
578	(8) "Great Salt Lake salinity" means the salinity of the Great Salt Lake as measured by
579	the United States Geological Survey in Gilbert Bay.
580	(9) "Healthy physical and ecological condition" means that Gilbert Bay of the Great
581	Salt Lake has sustained salinity levels that satisfy the ecological conditions required for healthy
582	brine shrimp and brine fly reproduction.
583	(10) "Mineral or element" means:
584	(a) a rare earth element;
585	(b) a trace element or mineral;

586	(c) a chemical compound that includes a rare earth element or trace element or mineral;
587	<u>or</u>
588	(d) a mineral or element that is attached, embedded to, or is a by-product of another
589	mineral or element.
590	(11) "Mitigation plan" means an agreement entered into on or after May 1, 2024,
591	among the operators and the division for resolving issues arising from concurrent operations.
592	(12) "Multiple mineral development area" means an area involving the management of
593	various surface and sub-surface resources so that they are used in the combination that will best
594	meet present and future needs.
595	(13) "Natural resources of the Great Salt Lake" means the biota, water resources, water
596	quality, the fishery and recreational resources, the wetlands and wildlife resources, and any
597	other naturally occurring resource on the Great Salt Lake.
598	(14) "Operator" means a qualified person pursuing the extraction of minerals or
599	elements from the Great Salt Lake.
600	(15) "UP causeway breach" means a breach in the 21-mile Union Pacific Railroad
601	causeway across the Great Salt Lake that separates the Great Salt Lake into Gunnison Bay and
602	Gilbert Bay.
603	(16) "Waste" means:
604	(a) the failure of an operation to provide the state with a full and fair return on each
605	separately identified mineral or element;
606	(b) an unnecessary depletion, diminishment, or reduction of the quantity or quality of a
607	mineral or element; or
608	(c) imprudent and uneconomical operations.
609	Section 7. Section 65A-17-102, which is renumbered from Section 65A-10-202 is
610	renumbered and amended to read:
611	[65A-10-202]. <u>65A-17-102.</u> Legislative findings.
612	The Legislature finds that:
613	(1) under Section 65A-10-1 the division, as the manager of sovereign lands, has a duty
614	to serve the public interest in managing the Great Salt Lake;
615	(2) the Great Salt Lake is a critical resource owned and managed by the state;
616	(3) the lake levels of the Great Salt Lake have reached historic lows, requiring action

617	by the state to address significant risks and minimize dangers to protect the ecological integrity
618	of the Great Salt Lake, the state's environment in general, and the welfare of the state's citizens;
619	and
620	(4) the management of the Great Salt Lake under this [part] chapter, especially if the
621	emergency trigger is reached, is reasonable and necessary to serve important public purposes
622	and no reasonable alternative meets the interests described in Subsection (3).
623	Section 8. Section 65A-17-103 is enacted to read:
624	65A-17-103. Application of chapter.
625	This chapter applies to a mineral lease or royalty agreement in effect on May 1, 2024, or
626	the mineral or element extraction process engaged in on May 1, 2024, and any mineral lease or
627	royalty agreement entered into after May 1, 2024, or mineral or element extraction process
628	engaged in after May 1, 2024.
629	Section 9. Section 65A-17-201, which is renumbered from Section 65A-10-203 is
630	renumbered and amended to read:
631	Part 2. Management
632	[65A-10-203]. 65A-17-201. Great Salt Lake Management responsibilities
633	of the division.
634	The division has the following powers and duties:
635	(1) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah
636	Administrative Rulemaking Act, for the management of the Great Salt Lake that recognize
637	<u>public trust responsibility</u> and balance the following [public trust values and] public interest
638	benefits and policies:
639	(a) strategies to effectively and efficiently manage the Great Salt Lake based on the
640	Great Salt Lake's fluctuating lake levels;
641	(b) development of the Great Salt Lake that balances, in a manner that promotes a
642	healthy physical and ecological condition:
643	(i) migratory and shorebirds habitats;
644	(ii) wetlands;
645	(iii) brines, minerals or elements, chemicals, and petro-chemicals;
646	(iv) brine shrimp;
647	(v) the protection of wildlife and wildlife habitat;

648	(vi) the protection of recreational access and facilities; and
649	(vii) search and rescue efforts;
650	(c) promote water quality management for the Great Salt Lake and the Great Salt
651	Lake's tributary streams;
652	(d) public access to the Great Salt Lake for recreation, hunting, and fishing;
653	(e) temperature moderation, a stable role in the water cycle, and dust mitigation;
654	(f) maintain the Great Salt Lake's flood plain as a hazard zone;
655	(g) maintain the Great Salt Lake and the marshes as important shorebirds, waterfowl,
656	and other waterbird flyway system;
657	(h) promote and maintain recreation areas on and surrounding the Great Salt Lake;
658	[and]
659	(i) maintain and protect state, federal, and private marshlands, rookeries, and wildlife
660	refuges[-]; and
661	(j) work to improve the conditions of wetlands and protect wildlife habitat.
662	(2) (a) The division shall prepare and maintain a comprehensive management plan for
663	the Great Salt Lake that is consistent with:
664	(i) the public trust values and public interest benefits described in Subsection (1) [and];
665	(ii) policies established by rule made under Subsection (1); and
666	(iii) the Great Salt Lake strategic plan adopted under Section 73-32-204.
667	(b) The comprehensive management plan described in this section shall integrate the
668	land within the Great Salt Lake meander line regardless of whether the land has been excluded
669	from water within the Great Salt Lake because of a berm or other infrastructure on sovereign
670	land associated with the Great Salt Lake.
671	(c) The division shall prepare the comprehensive management plan in consultation
672	with the Great Salt Lake commissioner.
673	(3) The division may employ personnel and purchase equipment and supplies that the
674	Legislature authorizes through appropriations for the purposes of this chapter and Chapter 10,
675	Management of Sovereign Lands.
676	(4) The division may initiate studies of the Great Salt Lake and the Great Salt Lake's
677	related resources.
678	(5) The division may publish scientific and technical information concerning the Great

679	Salt Lake.
680	(6) The division shall define the Great Salt Lake's flood plain.
681	(7) The division may qualify for, accept, and administer grants, gifts, or other funds
682	from the federal government and other sources, for carrying out any functions under this
683	chapter and Chapter 10, Management of Sovereign Lands.
684	(8) The division shall determine the need for public works and utilities for the lake
685	area.
686	(9) The division may implement the comprehensive plan described in Subsection (2)
687	through state and local entities or agencies.
688	(10) The division shall coordinate the activities of the various divisions within the
689	Department of Natural Resources with respect to the Great Salt Lake.
690	(11) The division shall retain and encourage the continued activity of the Great Salt
691	Lake technical team.
692	(12) The division shall administer Chapter 16, Great Salt Lake Watershed
693	Enhancement Program.
694	(13) The division shall administer Section [65A-10-204] 65A-17-202 when the Great
695	Salt Lake emergency trigger is reached.
696	(14) (a) The division shall manage the adaptive management berm in the UP causeway
697	breach to [manage salinity to protect the ecosystem of Gilbert Bay. Unless salinity conditions
698	in Gilbert Bay warrant raising the adaptive management berm, the policy of the state is to keep
699	the UP causeway breach open so as to allow the exchange of water between Gilbert and
700	Gunnison Bays.] keep salinity of Gilbert Bay within target ranges, raising and lowering the
701	adaptive management berm as needed to achieve that goal.
702	(b) In pursuing the goal described in Subsection (14)(a), the division shall:
703	(i) consider and weigh the other management objectives enumerated in this section,
704	including the preservation of Gunnison Bay;
705	(ii) raise the adaptive management berm if the Great Salt Lake elevation is 4,190 feet
706	or lower; and
707	(iii) comply with a plan and schedule required by Subsection (14)(c).

(c) Before raising the adaptive management berm in the UP causeway breach, the

division shall have a plan and schedule to lower the adaptive management berm by no later

710	than nine months after raising the adaptive management berm, with an objective of equalizing
711	the elevations of Gilbert Bay and Gunnison Bay to be within six feet of each other.
712	(d) The division will consult with the Great Salt Lake commissioner:
713	(i) before modifying the adaptive management berm; and
714	(ii) concerning the adoption of the plan and schedule described in Subsection (14)(c).
715	(15) Notwithstanding a statute to the contrary and except for activities that interfere
716	with the authority granted the state engineer under Title 73, Water and Irrigation, the division
717	may construct, operate, modify, or maintain infrastructure related to protecting the Great Salt
718	Lake and may engage in planning and provide staff to manage the infrastructure.
719	[(15)] (16) The division may perform acts other than those described in Subsections (1)
720	through [(14)] (15) that are reasonably necessary to carry out this chapter and Chapter 10,
721	Management of Sovereign Lands.
722	(17) The division shall complete an analysis to determine the infrastructure and
723	engineering needs related to salinity management and the improvement of hydrology within
724	the Great Salt Lake meander line.
725	(18) The division shall consult with the Division of Wildlife Resources to identify
726	projects on sovereign lands that benefit wildlife habitat through the improved flow of water and
727	management of both native and invasive plant species.
728	[(16)] (19) This [part] chapter may not be interpreted to override, supersede, or modify
729	any water right within the state, or the role and authority of the state engineer.
730	Section 10. Section 65A-17-202, which is renumbered from Section 65A-10-204 is
731	renumbered and amended to read:
732	[65A-10-204]. 65A-17-202. Emergency management responsibilities of the
733	division.
734	(1) When the Great Salt Lake reaches the emergency trigger, the division:
735	(a) may construct, operate, modify, and maintain the adaptive management berm;
736	(b) may construct, operate, modify, and maintain one or more additional berms, dikes,
737	structures, or management systems consistent with the authority granted in this title;
738	(c) may enter into agreements as necessary to provide for all or a portion of a berm,
739	dike, system, or structure;
740	(d) is exempt from Title 63G, Chapter 6a, Utah Procurement Code, when acting to

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- manage the Great Salt Lake under this section;
 - (e) is not liable for a third-party claim resulting from the division's actions to manage the Great Salt Lake under this section;
 - (f) may decline to issue a new permit, authorization, or agreement and may curtail mineral <u>or element</u> production for leases that contain provisions contemplating curtailment or similar contractual remedies;
 - (g) may implement mineral lease withdrawal over one or more of the following:
- 748 (i) portions of the Great Salt Lake;
- 749 (ii) specific methods of extraction; or
- 750 (iii) specific Great Salt Lake elements or minerals as defined in Section 65A-6-4; and
- 751 (h) may require the implementation of one or more of the following:
- 752 (i) extraction methods that are non-depletive in nature;
- 753 (ii) mitigation to offset depletion; or
- 754 (iii) innovative extraction technologies.
 - (2) The division shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, providing for the procedures the division shall follow in taking an action described in Subsection (1).
 - Section 11. Section **65A-17-203**, which is renumbered from Section 65A-10-205 is renumbered and amended to read:

760 [65A-10-205]. 65A-17-203. Force majeure.

- (1) For purposes of managing the Great Salt Lake, the division may treat the fact that the Great Salt Lake has reached the emergency trigger as a triggering event for the purposes of invoking a force majeure provision in a contract, mineral lease, or royalty agreement.
- (2) In addition to the standard mechanisms whereby performance is excused by invocation of a force majeure provision, the division shall include language in a contract, mineral lease, or royalty agreement whereby the division may curtail or prohibit mineral or element production that results in a net depletion of water.
- (3) The division shall allow an operator to continue processing brines that have already been extracted from the Great Salt Lake that are residing in the operator's process, and selling products derived from brines that have already been extracted at the time the force majeure is invoked.

772	(4) The division shall include standard mechanisms to promptly waive force majeure
773	once salinity conditions improve by declining below the emergency trigger threshold.
774	(5) If the division invokes a force majeure provision in a contract, mineral lease, or
775	royalty agreement, the effected operator is relieved from performance of any contractual
776	provision requiring production to hold the contract, mineral lease, or royalty agreement for a
777	maximum of two years. If the conditions creating the emergency trigger persist beyond a
778	two-year period, the division shall terminate the contract, mineral lease, or royalty agreement
779	and require the operator to engage in new contractual agreements whereby the operator
780	represents and warrants that future operations will not amount to a net depletion of water.
781	Section 12. Section 65A-17-301 is enacted to read:
782	Part 3. Mineral or Element Extraction
783	65A-17-301. General royalty agreement provisions State action regarding
784	evaporation ponds and leaseholds.
785	(1) In addition to the requirements of Section 65A-6-4, the division shall ensure that a
786	royalty agreement:
787	(a) obligates the lessee to prevent waste to the common source of supply;
788	(b) obligates the lessee to extract minerals or elements in a manner that avoids waste to
789	any natural resources of the Great Salt Lake;
790	(c) contains terms and conditions wherein the lessee agrees to preserve and conserve
791	ecological integrity and healthy salinity levels; and
792	(d) contains terms and conditions wherein the lessee represents and warrants full
793	compliance, at the lessee's sole expense, with the management decisions and instructions of the
794	division and director for preservation of minerals or elements and natural resources of the
795	Great Salt Lake.
796	(2) The division may acquire the property interest in land or a mineral estate for a solar
797	evaporation pond on sovereign lands and an improvement, property, easement, or right-of-way
798	appurtenant to the solar evaporation pond by any lawful means, including eminent domain, as
799	described in Sections 78B-6-501 and 78B-6-502.
800	Section 13. Section 65A-17-302 is enacted to read:
801	65A-17-302. Minerals or elements extracted from the Great Salt Lake subject to
802	royalty rate.

803	(1) An operator who removes or extracts a mineral or element from the Great Salt Lake
804	and does not return the mineral or element to the Great Salt Lake shall compensate the division
805	for the value of the mineral or element at the royalty rate established by the division by rule
806	made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if a
807	royalty rate has been established, except that this Subsection (1) only applies to the extent that
808	the mineral or element could be extracted in paying quantities through commercially viable
809	technology available at the time of extraction.
810	(2) (a) The division shall require an operator that removes or extracts a mineral or
811	element from the Great Salt Lake to annually certify to the division by no later than May 1
812	whether the operator is in compliance with Subsection (1). The certification by the operator
813	<u>shall:</u>
814	(i) state the operator's name and taxpayer identification number;
815	(ii) list the amount of each mineral or element that the operator has removed or
816	extracted from the Great Salt Lake in the previous calendar year; and
817	(iii) include other information as determined by the division by rule made in
818	accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
819	(b) The operator shall submit the certificate on a form provided by the division and
820	approved by the State Tax Commission.
821	(3) (a) If the division finds that an operator has violated Subsection (1), the division
822	shall issue the operator an order that:
823	(i) finds that the operator is in violation of Subsection (1);
824	(ii) states the mineral or element for which the operator has failed to pay the royalty
825	<u>rate;</u>
826	(iii) states the amount of the mineral or element that was removed or extracted but for
827	which the operator failed to pay the royalty rate;
828	(iv) orders the payment of the applicable royalty; and
829	(v) provides the taxable value of the mineral or element, as described in Subsection
830	<u>59-5-203(1)(b).</u>
831	(b) The operator may appeal an order issued under this Subsection (3) in accordance
832	with Title 63G, Chapter 4, Administrative Procedures Act.
833	(4) Within 15 days of the day on which the division issues an order described in

834	Subsection (3), the division shall submit a copy of the order to the State Tax Commission.
835	(5) The division may withdraw an order if the division finds that the operator is in
836	compliance with this section.
837	(6) The division may take an enforcement action against an operator in violation of this
838	section.
839	Section 14. Section 65A-17-303 is enacted to read:
840	65A-17-303. Multiple mineral development area Cooperative agreements
841	Correlative right protection Withdrawn from or incapable of mineral development.
842	(1) (a) The division shall manage the Great Salt Lake below the Great Salt Lake
843	meander line as a multiple mineral development area to:
844	(i) prevent waste;
845	(ii) ensure the greatest ultimate recovery of minerals or elements;
846	(iii) protect correlative rights of owners having rights to a common source of supply
847	and the state's duty to manage public trust assets; and
848	(iv) encourage new and emergent technologies to protect the Great Salt Lake's overall
849	ecological integrity while ensuring the greatest possible recovery for operators and the state.
850	(b) An operator shall conduct operations to comply with rules made in accordance with
851	Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
852	(i) governing individual operations; and
853	(ii) made for the multiple mineral development area.
854	(2) (a) As a condition of the division issuing a lease or royalty agreement and of
855	continued operations, the division shall require an operator to enter into and maintain a
856	cooperative agreement with the persons with correlative rights in a common source of supply
857	for a mineral or element in the Great Salt Lake.
858	(b) After submitting an application with the division to obtain a lease or royalty
859	agreement, a person shall:
860	(i) obtain a list from the division of all operators existing at the time of application; and
861	(ii) notify each operator on the list of the person's intention to enter into a cooperative
862	agreement.
863	(c) A cooperative agreement shall meet the requirements of Subsection 65A-17-304(1),
864	shall provide that the rights and obligations contained in the cooperative agreement are subject

indirectly, or through waste; and

865	to the public trust, and shall address:
866	(i) how the operators can conduct concurrent or simultaneous operations without
867	unreasonably interfering with existing and separate operations while also preventing undue
868	waste;
869	(ii) recognition of other operator's vested mineral or element interests so that
870	operations may be conducted in a manner that will result in the maximum recovery of minerals
871	or elements with the minimum adverse effect on the ultimate maximum recovery of other
872	minerals or elements;
873	(iii) terms and conditions for establishing a mitigation plan for when one operator,
874	either intentionally or unintentionally, interferes with or damages the mineral or element rights
875	or mineral or element interests of another operator;
876	(iv) terms and conditions for establishing a mitigation plan with the division for when
877	one operator, either intentionally or unintentionally, interferes with or damages the mineral or
878	element rights or mineral or element interests of another operator;
879	(v) terms and conditions for establishing a mitigation plan with the division that would
880	limit unreasonable mineral estate interference, waste, or negative impacts to Great Salt Lake
881	natural resources;
882	(vi) the protection of the natural resources of the Great Salt Lake without unnecessary
883	cost to the operations of another operator, unless there is compensation for increased
884	operational costs;
885	(vii) the extent and limits of liability when one operator interferes with or damages the
886	mineral or element rights or mineral or element interests of another operator;
887	(viii) the coordination and locations of access to operations;
888	(ix) any assessment of costs resulting from concurrent operations within the Great Salt
889	<u>Lake;</u>
890	(x) the mitigation of surface impacts, including:
891	(A) the location of a mineral or element extraction intake or discharge facility;
892	(B) phased or coordinated surface occupancy to each operator to access and develop
893	the operator's respective mineral or element estate or mineral or element interest with the least
894	disruption of operations and damage to minerals or elements or natural resources directly,

896	(C) limitations of mineral or element operations in areas where impacts to correlative
897	rights or to natural resources of the Great Salt Lake are significant or most acute, as determined
898	by the operators or the division;
899	(xi) the mitigation of impacts to a subsurface or hydrologically connected aquifer
900	including, use of any underground well or aquifer in any portion of extraction or processing;
901	(xii) the scope and extent of how geological, engineering, product, and water use data
902	is disclosed or exchanged;
903	(xiii) how any joint reclamation obligation or plan is to be achieved or coordinated;
904	(xiv) how bonding will be obtained and coordinated on any lands impacted, disturbed,
905	or developed in relation to mineral or element extraction and processing activities;
906	(xv) terms and conditions indemnifying the state, the division, and any of the state's or
907	division's directors, officers, agents, or employees from any and all damage or liability of any
908	kind resulting from any stage or mineral or element extraction operations or any stage of
909	mineral or element processing;
910	(xvi) terms and conditions obligating the operators to plan and implement the plan for
911	the protection of the ecological integrity and healthy salinity levels of the Great Salt Lake;
912	(xvii) terms and conditions for the full compliance with a royalty rate reduction to
913	which an operator is entitled;
914	(xviii) a schedule of how the operators plan to collectively curtail production if the
915	emergency trigger is reached and a curtailment of production is required; and
916	(xix) any other term or condition outlining cooperative efforts consistent with the
917	multiple mineral development area and plans or rules of the division, made in accordance with
918	Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
919	(d) The parties to a cooperative agreement described in Subsection (2)(a) shall present
920	the cooperative agreement to the division and the director may approve the agreement if the
921	cooperative agreement:
922	(i) is in the public interest;
923	(ii) increases ultimate recovery of minerals or elements and prevention of waste of
924	minerals or elements;
925	(iii) protects the correlative rights of each owner; and
926	(iv) meets the requirements of Subsection 65A-17-304(1).

927	(e) On the director's approval of the cooperative agreement, the division becomes a
928	signator to the cooperative agreement.
929	(f) A cooperative agreement described in this Subsection (2) may not be held or
930	construed to violate a statute relating to trusts, monopolies, or contracts and combinations in
931	restraint of trade, if the agreement is approved by the director.
932	(g) The failure to submit an agreement to the division for approval may not for that
933	reason imply or constitute evidence that the agreement or operations conducted pursuant to the
934	agreement are in violation of laws relating to trusts, monopolies, or restraint of trade.
935	(h) An operator may not obstruct the ability of another operator to enter into a
936	cooperative agreement.
937	(i) A mitigation plan with the division shall be implemented in conjunction with the
938	Division of Water Rights.
939	(3) The division may at any time determine that certain areas within the multiple
940	mineral development area are withdrawn from mineral development or incapable of mineral
941	development.
942	Section 15. Section 65A-17-304 is enacted to read:
943	65A-17-304. Concurrent operations Breach, disagreement, or conflict
944	Disputes.
945	(1) Two or more operators may conduct concurrent operations on the Great Salt Lake
946	under a cooperative agreement upon stipulation and agreement that the operations can be:
947	(a) conducted simultaneously without unreasonably interfering with the value of the
948	resources being produced;
949	(b) conducted simultaneously without unreasonably interfering with natural resources
950	of the Great Salt Lake; and
951	(c) conducted without unreasonably interfering with, or unnecessarily raising the cost
952	of operations of another operator, unless the other affected operator is compensated for
953	increased costs or diminished returns.
954	(2) The division shall make rules, in accordance with Title 63G, Chapter 3, Utah
955	Administrative Rulemaking Act, providing for the procedures the division and parties to a
956	cooperative agreement shall follow in the case of a breach of a mitigation plan or continued
957	disagreement or conflict regarding continued negative impacts to biota or chemistry due to

958 continuing concurrent operations. 959 (3) The division may resolve disputes between operators with respect to concurrent 960 operations. 961 Section 16. Section 73-3-8 is amended to read: 962 73-3-8. Approval or rejection of application -- Requirements for approval --963 Application for specified period of time -- Filing of royalty contract for removal of salt or 964 minerals -- Request for agency action. 965 (1) (a) It shall be the duty of the state engineer to approve an application if there is 966 reason to believe that: 967 (i) for an application to appropriate, there is unappropriated water in the proposed 968 source; 969 (ii) the proposed use will not impair existing rights or interfere with the more 970 beneficial use of the water; 971 (iii) the proposed plan: 972 (A) is physically and economically feasible, unless the application is filed by the 973 United States Bureau of Reclamation; and 974 (B) would not prove detrimental to the public welfare; 975 (iv) the applicant has the financial ability to complete the proposed works: 976 (v) the application was filed in good faith and not for purposes of speculation or 977 monopoly; and 978 (vi) if applicable, the application complies with a groundwater management plan 979 adopted under Section 73-5-15. 980 (b) If the state engineer, because of information in the state engineer's possession 981 obtained either by the state engineer's own investigation or otherwise, has reason to believe that 982 an application will interfere with the water's more beneficial use for irrigation, municipal and 983 industrial, domestic or culinary, stock watering, power or mining development, or 984 manufacturing, or will unreasonably affect public recreation or the natural stream environment, 985 or will prove detrimental to the public welfare, the state engineer shall withhold approval or 986 rejection of the application until the state engineer has investigated the matter.

- (c) If an application does not meet the requirements of this section, it shall be rejected.
- (2) (a) An application to appropriate water for industrial, power, mining development,

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manufacturing purposes, agriculture, or municipal purposes may be approved for a specific and certain period from the time the water is placed to beneficial use under the application, but in no event may an application be granted for a period of time less than that ordinarily needed to satisfy the essential and primary purpose of the application or until the water is no longer available as determined by the state engineer.

- (b) At the expiration of the period fixed by the state engineer the water shall revert to the public and is subject to appropriation as provided by this title.
- (c) No later than 60 calendar days before the expiration date of the fixed time period, the state engineer shall send notice by mail or by any form of electronic communication through which receipt is verifiable, to the applicant of record.
- (d) Except as provided by Subsection (2)(e), the state engineer may extend any limited water right upon a showing that:
 - (i) the essential purpose of the original application has not been satisfied;
- (ii) the need for an extension is not the result of any default or neglect by the applicant; and
 - (iii) the water is still available.
- (e) An extension may not exceed the time necessary to satisfy the primary purpose of the original application.
- (f) A request for extension of the fixed time period must be filed in writing in the office of the state engineer on or before the expiration date of the application.
- (3) (a) Before the approval of any application [for the appropriation of] to divert water from navigable lakes or streams of the state that contemplates the recovery of salts and other minerals or elements, as defined in Section 65A-17-101, therefrom by precipitation or otherwise, the applicant shall file with the state engineer a copy of:
 - (i) a contract for the payment of royalties to the state[-]; and
 - (ii) any mineral lease.
- (b) The approval of an application shall be [revoked] reversed if the applicant fails to comply with terms of the royalty contract or mineral lease.
 - (4) (a) The state engineer shall investigate all temporary change applications.
- 1018 (b) The state engineer shall:
- (i) approve the temporary change if the state engineer finds there is reason to believe

that the temporary change will not impair an existing right; and

(ii) deny the temporary change if the state engineer finds there is reason to believe the temporary change would impair an existing right.

- (5) (a) With respect to a change application for a permanent or fixed time change:
- (i) the state engineer shall follow the same procedures provided in this title for approving an application to appropriate water; and
- (ii) the rights and duties of a change applicant are the same as the rights and duties of a person who applies to appropriate water under this title.
- (b) The state engineer may waive notice for a permanent or fixed time change application if the application only involves a change in point of diversion of 660 feet or less.
- (c) The state engineer may condition approval of a change application to prevent an enlargement of the quantity of water depleted by the nature of the proposed use when compared with the nature of the currently approved use of water proposed to be changed.
- (d) A condition described in Subsection (5)(c) may not include a reduction in the currently approved diversion rate of water under the water right identified in the change application solely to account for the difference in depletion under the nature of the proposed use when compared with the nature of the currently approved use.
- (6) (a) Except as provided in Subsection (6)(b), the state engineer shall reject a permanent or fixed time change application if the person proposing to make the change is unable to meet the burden described in Subsection 73-3-3(5).
- (b) If otherwise proper, the state engineer may approve a change application upon one or more of the following conditions:
 - (i) for part of the water involved;
 - (ii) that the applicant acquire a conflicting right; or
- (iii) that the applicant provide and implement a plan approved by the state engineer to mitigate impairment of an existing right.
- (c) (i) There is a rebuttable presumption of quantity impairment, as defined in Section 73-3-3, to the extent that, for a period of at least seven consecutive years, a portion of the right identified in a change application has not been:
 - (A) diverted from the approved point of diversion; or
- (B) beneficially used at the approved place of use.

1051	(ii) The rebuttable presumption described in Subsection (6)(c)(i) does not apply if the
1052	beneficial use requirement is excused by:
1053	(A) Subsection 73-1-4(2)(e);
1054	(B) an approved nonuse application under Subsection 73-1-4(2)(b);
1055	(C) Subsection 73-3-30(7); or
1056	(D) the passage of time under Subsection 73-1-4(2)(c)(i).
1057	(d) The state engineer may not consider quantity impairment based on the conditions
1058	described in Subsection (6)(c) unless the issue is raised in a:
1059	(i) timely protest that identifies which of the protestant's existing rights the protestant
1060	reasonably believes will experience quantity impairment; or
1061	(ii) written notice provided by the state engineer to the applicant within 90 days after
1062	the change application is filed.
1063	(e) The written notice described in Subsection (6)(d)(ii) shall:
1064	(i) specifically identify an existing right the state engineer reasonably believes may
1065	experience quantity impairment; and
1066	(ii) be mailed to the owner of an identified right, as shown by the state engineer's
1067	records, if the owner has not protested the change application.
1068	(f) The state engineer is not required to include all rights the state engineer believes
1069	may be impaired by the proposed change in the written notice described in Subsection
1070	(6)(d)(ii).
1071	(g) The owner of a right who receives the written notice described in Subsection
1072	(6)(d)(ii) may not become a party to the administrative proceeding if the owner has not filed a
1073	timely protest.
1074	(h) If a change applicant, the protestants, and the persons identified by the state
1075	engineer under Subsection (6)(d)(ii) come to a written agreement regarding how the issue of
1076	quantity impairment shall be mitigated, the state engineer may incorporate the terms of the
1077	agreement into a change application approval.
1078	Section 17. Section 73-3-30 is amended to read:
1079	73-3-30. Change application for an instream flow Change application for

1081 (1) As used in this section:

delivery to a reservoir.

1082	(a) "Colorado River System" means the same as that term is defined in Sections
1083	73-12a-2 and 73-13-10.
1084	(b) "Division" means the Division of Wildlife Resources created in Section 23A-2-201,
1085	the Division of State Parks created in Section 79-4-201, or the Division of Forestry, Fire, and
1086	State Lands created in Section 65A-1-4.
1087	(c) "Person entitled to the use of water" means the same as that term is defined in
1088	Section 73-3-3.
1089	(d) "Sovereign lands" means the same as that term is defined in Section 65A-1-1.
1090	(e) "Wildlife" means species of animals, including mammals, birds, fish, reptiles,
1091	amphibians, mollusks, and crustaceans, that are protected or regulated by a statute, law,
1092	regulation, ordinance, or administrative rule.
1093	(2) (a) Pursuant to Section 73-3-3, a division may file a permanent change application,
1094	a fixed time change application, or a temporary change application, or a person entitled to the
1095	use of water may file a fixed time change application or a temporary change application, to
1096	provide water within the state for:
1097	(i) an instream flow within a specified section of a natural or altered stream; or
1098	(ii) use on sovereign lands.
1099	(b) The state engineer may not approve a change application filed under this
1100	Subsection (2) unless the proposed instream flow or use on sovereign lands will contribute to:
1101	(i) the propagation or maintenance of wildlife;
1102	(ii) the management of state parks; or
1103	(iii) the reasonable preservation or enhancement of the natural aquatic environment.
1104	(c) A division may file a change application on:
1105	(i) a perfected water right:
1106	(A) presently owned by the division;
1107	(B) purchased by the division for the purpose of providing water for an instream flow
1108	or use on sovereign lands, through funding provided for that purpose by legislative
1109	appropriation; or
1110	(C) secured by lease, agreement, gift, exchange, or contribution; or

(ii) an appurtenant water right acquired with the acquisition of real property by the

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division.

instream flow;

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1113	(d) A division may:
1114	(i) purchase a water right for the purposes described in Subsection (2)(a) only with
1115	funds specifically appropriated by the Legislature for water rights purchases; or
1116	(ii) accept a donated water right without legislative approval.
1117	(e) A division may not acquire water rights by eminent domain for an instream flow,
1118	use on sovereign lands, or for any other purpose except as provided in Section 65A-17-301.
1119	(3) (a) A person entitled to the use of water shall obtain a division director's approval
1120	of the proposed change before filing a fixed time change application or a temporary change
1121	application with the state engineer.
1122	(b) By approving a proposed fixed time change application or temporary change
1123	application, a division director attests that the water that is the subject of the application can be
1124	used consistent with the statutory mandates of the director's division.
1125	(4) (a) Pursuant to Section 73-3-3, a person entitled to the use of water may file a fixed
1126	time change application or a temporary change application for a project to deliver water to a
1127	reservoir located partially or entirely within the Colorado River System in the state in
1128	accordance with:
1129	(i) Colorado River Drought Contingency Plan Authorization Act, Public Law 116-14;
1130	(ii) a water conservation program funded by the Bureau of Reclamation; or
1131	(iii) a water conservation program authorized by the state.
1132	(b) Before filing a change application under this Subsection (4), a person entitled to the
1133	use of water shall obtain the approval from the executive director of the Colorado River
1134	Authority of Utah, appointed under Section 63M-14-401.
1135	(c) By approving a proposed fixed time change application or temporary change
1136	application, the executive director of the Colorado River Authority of Utah attests that the
1137	water that is the subject of the application can be used consistent with this section.
1138	(5) In addition to the requirements of Section 73-3-3, an application authorized by this
1139	section shall include:
1140	(a) a legal description of:
1141	(i) the segment of the natural or altered stream that will be the place of use for an

(ii) the location where the water will be used on sovereign lands; or

1144	(iii) the reservoir located partially or entirely within the Colorado River System in the
1145	state that the water will be delivered to; and
1146	(b) appropriate studies, reports, or other information required by the state engineer
1147	demonstrating:
1148	(i) the projected benefits to the public resulting from the change; and
1149	(ii) the necessity for the proposed instream flow or use on sovereign lands.
1150	(6) A person may not appropriate unappropriated water under Section 73-3-2 for the
1151	purpose of providing an instream flow or use on sovereign lands.
1152	(7) Water used in accordance with this section is considered to be beneficially used, as
1153	required by Section 73-3-1.
1154	(8) A physical structure or physical diversion from the stream is not required to
1155	implement a change under this section.
1156	(9) An approved change application described in this section does not create a right of
1157	access across private property or allow any infringement of a private property right.
1158	Section 18. Section 73-10g-306 is amended to read:
1159	73-10g-306. Local watershed councils Creation.
1160	(1) A proposed local watershed council may be certified by the Utah Watersheds
1161	Council under Subsection 73-10g-305(1)(c) if:
1162	(a) the organizing documents and policies of the proposed local watershed council:
1163	(i) provide for an open and equitable system of governance;
1164	(ii) encourage participation by a water user or group of water users, other watershed
1165	groups, mutual irrigation companies, distribution system committees, and other stakeholders
1166	within the watershed; and
1167	(iii) require that:
1168	(A) a majority of the members of the local council constitutes a quorum; and
1169	(B) an action of the local council be approved by no less than a majority of the
1170	members of the local council; and
1171	(b) in a balance appropriate for the watershed, the proposed local council membership
1172	includes watershed stakeholders who reside or work within the watershed or own or control the
1173	right to divert or use water within the watershed and is representative, where feasible, of at
1174	least these interests:

1175	(i) agriculture;
1176	(ii) industry;
1177	(iii) Indian tribes;
1178	(iv) public water suppliers, as defined in Section 73-1-4;
1179	(v) water planning and research institutions;
1180	(vi) water quality;
1181	(vii) fish and wildlife;
1182	(viii) water dependent habitat and environments;
1183	(ix) watershed management, such as distribution system committees functioning within
1184	the watershed;
1185	(x) mutual irrigation companies; and
1186	(xi) local sponsors of reclamation projects[;].
1187	[(c) for each of the five watersheds that drain into Great Salt Lake, the proposed local
1188	council includes a person designated by the Great Salt Lake local watershed council, if the
1189	Great Salt Lake local watershed council is certified; and]
1190	[(d) for the Great Salt Lake watershed, the proposed local council includes a person
1191	designated by each of the five watersheds that drain into Great Salt Lake that has a certified
1192	local watershed council.]
1193	(2) A local council may invite state and federal agencies to name representatives as
1194	liaisons to the local council.
1195	(3) (a) Notwithstanding Subsection (1), the state council shall certify the Great Salt
1196	<u>Lake Advisory Council</u> , created in Section 73-32-302, as the local council for the Great Salt
1197	Lake Watershed.
1198	(b) The structure and activities of the Great Salt Lake Advisory Council are subject to
1199	Sections 73-32-302 and 73-32-303.
1200	(c) The local council for each of the five watersheds that drain into the Great Salt Lake
1201	may appoint one liaison to the Great Salt Lake Advisory Council. A liaison appointed by a
1202	watershed shall communicate and coordinate with the Great Salt Lake Advisory Council on
1203	issues of mutual interest and concern.
1204	Section 19. Section 73-32-204 is amended to read:
1205	73-32-204. Strategic plan.

1206	(1) (a) In accordance with this section, the commissioner shall prepare a strategic plan
1207	and obtain the approval of the governor of that strategic plan.
1208	(b) A strategic plan prepared by the commissioner may not be implemented until the
1209	governor approves the strategic plan, except as provided in Subsection (5).
1210	(2) The commissioner shall base the strategic plan on a holistic approach that balances
1211	the diverse interests related to the health of the Great Salt Lake, and includes provisions
1212	concerning:
1213	(a) coordination of efforts related to the Great Salt Lake;
1214	(b) a sustainable water supply for the Great Salt Lake, while balancing competing
1215	needs;
1216	(c) human health and quality of life;
1217	(d) a healthy ecosystem;
1218	(e) economic development;
1219	(f) water conservation, including municipal and industrial uses and agricultural uses;
1220	(g) water and land use planning;
1221	(h) regional water sharing; and
1222	(i) other provisions that the commissioner determines would be for the benefit of the
1223	Great Salt Lake.
1224	(3) (a) The commissioner shall obtain the approval of the governor of an initial
1225	strategic plan by no later than December 31, 2023.
1226	(b) On or before November 30, 2023, the commissioner shall submit an initial strategic
1227	plan to the governor, speaker of the House of Representatives, and the president of the Senate.
1228	(c) The governor shall approve the strategic plan by no later than December 31, 2023,
1229	if the governor determines that the initial strategic plan satisfies this chapter.
1230	(d) By no later than January 15, 2024, the commissioner shall provide the following a
1231	copy of the initial strategic plan approved by the governor under Subsection (3)(c):
1232	(i) the Natural Resources, Agriculture, and Environment Interim Committee;
1233	(ii) the department;
1234	(iii) the Department of Environmental Quality; and
1235	(iv) the Department of Agriculture and Food.
1236	(4) The governor may approve a strategic plan only after consulting with the speaker of

1237	the House of Representatives and the president of the Senate.
1238	(5) Once a strategic plan is approved by the governor, the commissioner may make
1239	substantive changes to the strategic plan without the approval of the governor, except that the
1240	commissioner shall:
1241	(a) inform the governor, the speaker of the House of Representatives, and the president
1242	of the Senate of a substantive change to the strategic plan; and
1243	(b) submit the strategic plan every five years for the approval of the governor in a
1244	process that is consistent with Subsection (3).
1245	(6) The commissioner may work with the Division of Forestry, Fire, and State Lands in
1246	coordinating the comprehensive management plan created under Section [65A-10-203]
1247	65A-17-201 with the strategic plan.
1248	Section 20. Section 73-32-303 is amended to read:
1249	73-32-303. Duties of the council.
1250	(1) (a) The council shall advise the persons listed in Subsection (1)(b) on the
1251	sustainable use, protection, and development of the Great Salt Lake in terms of balancing:
1252	(i) sustainable use;
1253	(ii) environmental health; and
1254	(iii) reasonable access for existing and future development.
1255	(b) The council shall advise, as provided in Subsection (1)(a):
1256	(i) the governor;
1257	(ii) the Department of Natural Resources;
1258	(iii) the Department of Environmental Quality; and
1259	(iv) the commissioner.
1260	(2) The council shall assist the Division of Forestry, Fire, and State Lands in the
1261	Division of Forestry, Fire, and State Land's responsibilities for the Great Salt Lake described in
1262	Sections [65A-10-203 and 65A-10-204] 65A-17-201 and 65A-17-202.
1263	(3) The council:
1264	(a) may recommend appointments to the Great Salt Lake technical team created by the

Division of Forestry, Fire, and State Lands; and

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(b) shall receive and use technical support from the Great Salt Lake technical team.

(4) The council shall assist the department, the Department of Environmental Quality,

1268	and their applicable boards in accomplishing their responsibilities for the Great Salt Lake.
1269	(5) The council shall report annually to the Natural Resources, Agriculture, and
1270	Environmental Quality Appropriations Subcommittee on the council's activities.
1271	(6) The council shall communicate and coordinate with a liaison appointed by a local
1272	watershed council under Subsection 73-10g-306(3)(b) on issues of mutual interest and concern.
1273	Section 21. Section 73-33-101 is enacted to read:
1274	CHAPTER 33. GREAT SALT LAKE DISTRIBUTION MANAGEMENT
1275	Part 1. General Provisions
1276	<u>73-33-101.</u> Definitions.
1277	As used in this chapter:
1278	(1) "Distribution management plan" means a plan adopted by the state engineer in
1279	accordance with Section 73-33-201.
1280	(2) "Great Salt Lake" means the same as that term is defined in Section 65A-17-101.
1281	(3) "Great Salt Lake Comprehensive Management Plan" means the plan adopted by a
1282	record of decision by the Division of Forestry, Fire, and State Lands for the management of the
1283	Great Salt Lake.
1284	(4) "Great Salt Lake meander line" means the same as that term is defined in Section
1285	<u>65A-17-101</u> .
1286	(5) "Great Salt Lake water right" means a water right that diverts surface water or
1287	groundwater from a point below the Great Salt Lake meander line and that contemplates the
1288	recovery of salts or another mineral or element, as defined in Section 65A-17-101, from the
1289	water resource by precipitation or otherwise.
1290	(6) "Great Salt Lake watershed" means the drainage area for the Great Salt Lake, the
1291	Bear River watershed, the Jordan River watershed, the Utah Lake watershed, the Weber River
1292	watershed, and the West Desert watershed.
1293	Section 22. Section 73-33-102 is enacted to read:
1294	<u>73-33-102.</u> Scope of chapter.
1295	(1) A person may not interpret this chapter as requiring the development,
1296	implementation, or consideration of a distribution management plan as a prerequisite or
1297	condition to the exercise of the state engineer's enforcement powers under other law, including
1298	powers granted under Section 73-2-25.

1299	(2) This chapter applies to Great Salt Lake water rights in effect on May 1, 2024, and
1300	Great Salt Lake water rights issued after May 1, 2024, including use under a Great Salt Lake
1301	water right of water for the mineral or element extraction process.
1302	Section 23. Section 73-33-201 is enacted to read:
1303	Part 2. Distribution Management Plan
1304	73-33-201. Great Salt Lake distribution management plan.
1305	(1) The state engineer shall regulate the measurement, appropriation, apportionment,
1306	and distribution within the Great Salt Lake by adopting a distribution management plan by no
1307	later than May 1, 2025, that establishes:
1308	(a) consistent with Section 73-33-203, requirements for the measurement,
1309	quantification, and reporting of diversions, depletions, and return flows associated with Great
1310	Salt Lake water rights; and
1311	(b) procedures for the apportionment and distribution of Great Salt Lake water rights.
1312	(2) (a) In developing a distribution management plan under this section, the state
1313	engineer may consider:
1314	(i) the hydrology of the Great Salt Lake watershed as it affects Great Salt Lake water
1315	rights;
1316	(ii) the physical characteristics of the Great Salt Lake;
1317	(iii) the Great Salt Lake elevation;
1318	(iv) the Great Salt Lake salinity;
1319	(v) the strategic plan prepared by the Great Salt Lake commissioner and approved by
1320	the governor under Section 73-32-204;
1321	(vi) the measurement, appropriation, apportionment, and distribution of Great Salt
1322	Lake water rights;
1323	(vii) the quantity of water approved for beneficial use within the Great Salt Lake by a
1324	division as defined in Section 73-3-30;
1325	(viii) the quantity of water within the Great Salt Lake;
1326	(ix) the Great Salt Lake Comprehensive Management Plan;
1327	(x) the different types of beneficial uses of Great Salt Lake water rights; and
1328	(xi) other relevant factors.
1329	(b) The state engineer shall base the distribution management plan on the principles of

1330	prior appropriation and multiple-use sustained yield as they relate to the reasonable
1331	preservation or enhancement of the Great Salt Lake's natural aquatic environment.
1332	(c) The state engineer shall use the best available information to administer Great Salt
1333	Lake water rights to achieve the objectives of the distribution management plan.
1334	(d) As hydrologic conditions change or additional information becomes available, the
1335	state engineer may revise the distribution management plan by following the procedures of
1336	Subsection (3).
1337	(3) (a) To adopt or amend a distribution management plan, the state engineer shall:
1338	(i) give notice pursuant to Subsection (3)(b) at least 30 days before the first public
1339	meeting held in accordance with Subsection (3)(a)(ii):
1340	(A) that the state engineer proposes to adopt or amend a distribution management plan
1341	for the Great Salt Lake; and
1342	(B) stating the location, date, and time of each public meeting to be held in accordance
1343	with Subsection (3)(a)(ii);
1344	(ii) hold one or more public meetings to:
1345	(A) present data, studies, or reports that the state engineer intends to consider in
1346	preparing the distribution management plan;
1347	(B) address items that may be included in the distribution management plan; and
1348	(C) receive public comments and other information presented at the public meeting;
1349	(iii) receive and consider written comments concerning the proposed distribution
1350	management plan from any person for a period determined by the state engineer of not less
1351	than 60 days after the day on which the notice required by Subsection (3)(a)(i) is given;
1352	(iv) at least 60 days before final adoption of the distribution management plan, publish
1353	notice:
1354	(A) that a draft of the distribution management plan has been proposed; and
1355	(B) specifying where a copy of the draft distribution management plan may be
1356	reviewed;
1357	(v) promptly provide a copy of the draft distribution management plan in printed or
1358	electronic form to each entity listed in Subsection (3)(b)(iii) that requests a copy in writing; and
1359	(vi) provide notice of the adoption of the distribution management plan.
1360	(b) The state engineer shall ensure that a notice required by this section:

1361	(i) is published:
1362	(A) once a week for two consecutive weeks in a newspaper of general circulation in
1363	each county that encompasses the Great Salt Lake; and
1364	(B) for two weeks in accordance with Section 45-1-101;
1365	(ii) is published conspicuously on the state engineer's website; and
1366	(iii) is mailed to water right holders of Great Salt Lake water rights.
1367	(c) A notice required by this section is effective upon substantial compliance with
1368	Subsection (3)(b).
1369	(d) A distribution management plan takes effect on the date notice of adoption is
1370	completed under Subsection (3)(b) or on a later date when specified in the distribution
1371	management plan.
1372	(4) (a) In accordance with the distribution management plan, the state engineer shall:
1373	(i) establish a priority schedule that apportions Great Salt Lake water rights based on:
1374	(A) relative priority among Great Salt Lake water rights;
1375	(B) Great Salt Lake elevations; and
1376	(C) Great Salt Lake salinity;
1377	(ii) develop a distribution accounting model that accounts for:
1378	(A) Great Salt Lake water rights;
1379	(B) the quantity of water in the Great Salt Lake; and
1380	(C) the quantity of water delivered to the Great Salt Lake under water rights approved
1381	for beneficial use by a division as defined in Section 73-3-30;
1382	(iii) prohibit Great Salt Lake water rights from diverting the quantity of water
1383	accounted for under Subsection (4)(a)(ii)(C); and
1384	(iv) require physical measurement and annual reporting of diversion, depletion, and
1385	return flow quantities of Great Salt Lake water rights.
1386	(b) Under a distribution management plan the state engineer may reduce the quantity of
1387	water that an owner of a Great Salt Lake water right may divert from the Great Salt Lake in
1388	accordance with the principles of prior appropriation.
1389	(5) (a) When adopting a distribution management plan, the state engineer may allow
1390	water users to participate in a voluntary arrangement that compensates or otherwise mitigates
1391	for the use of Great Salt Lake water rights.

1392	(b) The participants in a voluntary arrangement under this Subsection (5) shall
1393	implement the voluntary arrangement consistent with other law.
1394	(c) The adoption of a voluntary arrangement under this Subsection (5) by less than all
1395	of the owners of Great Salt Lake water rights does not affect the rights of Great Salt Lake water
1396	rights who do not agree to the voluntary arrangement.
1397	(6) The existence of a distribution management plan does not preclude an otherwise
1398	eligible person from filing an application or challenging a decision made by the state engineer
1399	about a matter within the Great Salt Lake, except that a person may challenge the components
1400	of a distribution management plan only in a manner provided in Section 73-33-202.
1401	(7) A distribution management plan adopted or amended in accordance with this
1402	section is exempt from Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
1403	Section 24. Section 73-33-202 is enacted to read:
1404	73-33-202. Challenges to a distribution management plan.
1405	(1) A person aggrieved by a distribution management plan may challenge any aspect of
1406	the distribution management plan by filing a complaint within 60 days after the distribution
1407	management plan takes effect in a court with jurisdiction:
1408	(a) under Title 78A, Judiciary and Judicial Administration; and
1409	(b) notwithstanding Title 78B, Chapter 3a, Venue for Civil Actions, over a geographic
1410	area bordering the Great Salt Lake.
1411	(2) In an action filed under this section, a court shall review de novo the distribution
1412	management plan.
1413	(3) A person challenging a distribution management plan under this section shall join
1414	the state engineer as a defendant in that action.
1415	(4) (a) No later than 30 days after the day on which a person files an action challenging
1416	any aspect of a distribution management plan, the person filing the action shall publish notice
1417	of the action:
1418	(i) once a week for two consecutive weeks in a newspaper of general circulation in the
1419	county in which the court is located; and
1420	(ii) for two weeks in accordance with Section 45-1-101.
1421	(b) The notice required by Subsection (4)(a) shall:
1422	(i) identify the distribution management plan that the person is challenging;

1423	(ii) identify the case number assigned by the court;
1424	(iii) state that a person affected by the distribution management plan may petition the
1425	court to intervene in the action challenging the distribution management plan; and
1426	(iv) list the address of the clerk of the court in which the action is filed.
1427	(c) A person affected by a distribution management plan that is being challenged under
1428	this section may petition to intervene in the action in accordance with Utah Rules of Civil
1429	Procedure, Rule 24.
1430	Section 25. Section 73-33-203 is enacted to read:
1431	73-33-203. Measuring volume and quality of water.
1432	(1) (a) An operator shall:
1433	(i) measure through the use of a physical measurement and not estimate or calculate the
1434	water or brine the operator diverts from the Great Salt Lake as part of the mineral or element
1435	extraction process;
1436	(ii) keep a record of the measurements described in Subsection (1)(a)(i); and
1437	(iii) report the measurements described in Subsection (1)(a)(i) to the Division of Water
1438	Rights in accordance with rules made by the Division of Forestry, Fire, and State Lands under
1439	Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
1440	(b) A duty described in Subsection (1)(a) does not replace or modify any other duty to
1441	measure water under this title or rules made under this title.
1442	(2) An operator shall:
1443	(a) measure the salinity of any discharge of water or brine from the operator's
1444	operations into the Great Salt Lake in accordance with rules made by the Division of Forestry,
1445	Fire, and State Lands in accordance with Title 63G, Chapter 3, Utah Administrative
1446	Rulemaking Act;
1447	(b) keep a record of the measurements described in Subsection (2)(a); and
1448	(c) report the measurements described in Subsection (2)(a) to the Division of Forestry,
1449	Fire, and State Lands in accordance with rules made by the Division of Forestry, Fire, and State
1450	Lands under Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
1451	(3) (a) After consulting with the Division of Water Quality, the Division of Forestry,
1452	Fire, and State Lands shall make a rule, in accordance with Title 63G, Chapter 3, Utah
1453	Administrative Rulemaking Act, setting a standard for the salinity of water or brine that an

1454	operator may discharge into the Great Salt Lake as part of the mineral or element extraction
1455	process.
1456	(b) If an operator discharges water or brine that exceeds the standard imposed under
1457	Subsection (3)(a), the Division of Water Quality may revoke any permit issued to the operator
1458	by the Division of Water Quality related to the discharge.
1459	(4) An operator shall keep a record required under this section for a period of at least
1460	five years from the day on which the record is made.
1461	Section 26. Section 78B-6-501 is amended to read:
1462	78B-6-501. Eminent domain Uses for which right may be exercised
1463	Limitations on eminent domain.
1464	(1) As used in this section[- ,]:
1465	(a) ["century farm"] "Century farm" means real property that is:
1466	[(a)] (i) assessed under Title 59, Chapter 2, Part 5, Farmland Assessment Act; and
1467	[(b)] (ii) owned or held by the same family for a continuous period of 100 years or
1468	more.
1469	(b) "Mineral or element" means the same as that term is defined in Section
1470	<u>65A-17-101.</u>
1471	(2) Except as provided in Subsections (3) and (4) and subject to the provisions of this
1472	part, the right of eminent domain may be exercised on behalf of the following public uses:
1473	(a) all public uses authorized by the federal government;
1474	(b) public buildings and grounds for the use of the state, and all other public uses
1475	authorized by the Legislature;
1476	(c) (i) public buildings and grounds for the use of any county, city, town, or board of
1477	education;
1478	(ii) reservoirs, canals, aqueducts, flumes, ditches, or pipes for conducting water or
1479	sewage, including to or from a development, for the use of the inhabitants of any county, city,
1480	or town, or for the draining of any county, city, or town;
1481	(iii) the raising of the banks of streams, removing obstructions from streams, and
1482	widening, deepening, or straightening their channels;
1483	(iv) bicycle paths and sidewalks adjacent to paved roads;
1484	(v) roads, byroads, streets, and alleys for public vehicular use, including for access to a

development; and

- (vi) all other public uses for the benefit of any county, city, or town, or its inhabitants;
- (d) wharves, docks, piers, chutes, booms, ferries, bridges, toll roads, byroads, plank and turnpike roads, roads for transportation by traction engines or road locomotives, roads for logging or lumbering purposes, and railroads and street railways for public transportation;
- (e) reservoirs, dams, watergates, canals, ditches, flumes, tunnels, aqueducts and pipes for the supplying of persons, mines, mills, smelters or other works for the reduction of ores, with water for domestic or other uses, or for irrigation purposes, or for the draining and reclaiming of lands, or for solar evaporation ponds and other facilities for the recovery of minerals or elements in solution;
- (f) (i) roads, railroads, tramways, tunnels, ditches, flumes, pipes, and dumping places to access or facilitate the milling, smelting, or other reduction of ores, or the working of mines, quarries, coal mines, or mineral deposits including oil, gas, and minerals or elements in solution;
- (ii) outlets, natural or otherwise, for the deposit or conduct of tailings, refuse or water from mills, smelters or other works for the reduction of ores, or from mines, quarries, coal mines or mineral deposits including minerals or elements in solution;
 - (iii) mill dams:
- (iv) gas, oil or coal pipelines, tanks or reservoirs, including any subsurface stratum or formation in any land for the underground storage of natural gas, and in connection with that, any other interests in property which may be required to adequately examine, prepare, maintain, and operate underground natural gas storage facilities;
- (v) solar evaporation ponds and other facilities for the recovery of minerals in solution, which for the Great Salt Lake includes construction, removal, or extinguishment, in whole or in part, by a state entity of:
 - (A) a solar evaporation pond;
- (B) improvements, property, easements, or rights-of-way appurtenant to a solar evaporation pond, including a lease hold; or
 - (C) other facilities for the recovery of minerals or elements in solution; and
- 1514 (vi) any occupancy in common by the owners or possessors of different mines, 1515 quarries, coal mines, mineral deposits, mills, smelters, or other places for the reduction of ores,

or any place for the flow, deposit or conduct of tailings or refuse matter;

- (g) byroads leading from a highway to:
- 1518 (i) a residence; or
- 1519 (ii) a farm;

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- (h) telecommunications, electric light and electric power lines, sites for electric light and power plants, or sites for the transmission of broadcast signals from a station licensed by the Federal Communications Commission in accordance with 47 C.F.R. Part 73 and that provides emergency broadcast services;
- 1524 (i) sewage service for:
- (i) a city, a town, or any settlement of not fewer than 10 families;
- (ii) a public building belonging to the state; or
- 1527 (iii) a college or university;
 - (j) canals, reservoirs, dams, ditches, flumes, aqueducts, and pipes for supplying and storing water for the operation of machinery for the purpose of generating and transmitting electricity for power, light or heat;
 - (k) cemeteries and public parks; and
 - (1) sites for mills, smelters or other works for the reduction of ores and necessary to their successful operation, including the right to take lands for the discharge and natural distribution of smoke, fumes, and dust, produced by the operation of works, provided that the powers granted by this section may not be exercised in any county where the population exceeds 20,000, or within one mile of the limits of any city or incorporated town nor unless the proposed condemner has the right to operate by purchase, option to purchase or easement, at least 75% in value of land acreage owned by persons or corporations situated within a radius of four miles from the mill, smelter or other works for the reduction of ores; nor beyond the limits of the four-mile radius; nor as to lands covered by contracts, easements, or agreements existing between the condemner and the owner of land within the limit and providing for the operation of such mill, smelter, or other works for the reduction of ores; nor until an action shall have been commenced to restrain the operation of such mill, smelter, or other works for the reduction of ores.
 - (3) The right of eminent domain may not be exercised on behalf of the following uses:
- (a) except as provided in Subsection (2)(c)(iv), trails, paths, or other ways for walking,

1547	hiking, bicycling, equestrian use, or other recreational uses, or whose primary purpose is as a			
1548	foot path, equestrian trail, bicycle path, or walkway;			
1549	(b) (i) a public park whose primary purpose is:			
1550	(A) as a trail, path, or other way for walking, hiking, bicycling, or equestrian use; or			
1551	(B) to connect other trails, paths, or other ways for walking, hiking, bicycling, or			
1552	equestrian use; or			
1553	(ii) a public park established on real property that is:			
1554	(A) a century farm; and			
1555	(B) located in a county of the first class.			
1556	(4) (a) The right of eminent domain may not be exercised within a migratory bird			
1557	production area created on or before December 31, 2020, under Title 23A, Chapter 13,			
1558	Migratory Bird Production Area, except as follows:			
1559	(i) subject to Subsection (4)(b), an electric utility may condemn land within a migratory			
1560	bird production area located in a county of the first class only for the purpose of installing			
1561	buried power lines;			
1562	(ii) an electric utility may condemn land within a migratory bird production area in a			
1563	county other than a county of the first class to install:			
1564	(A) buried power lines; or			
1565	(B) a new overhead transmission line that is parallel to and abutting an existing			
1566	overhead transmission line or collocated within an existing overhead transmission line right of			
1567	way; or			
1568	(iii) the Department of Transportation may exercise eminent domain for the purpose of			
1569	the construction of the West Davis Highway.			
1570	(b) Before exercising the right of eminent domain under Subsection (4)(a)(i), the			
1571	electric utility shall demonstrate that:			
1572	(i) the proposed condemnation would not have an unreasonable adverse effect on the			
1573	preservation, use, and enhancement of the migratory bird production area; and			
1574	(ii) there is no reasonable alternative to constructing the power line within the			
1575	boundaries of a migratory bird production area.			
1576	Section 27. Section 78B-6-502 is amended to read:			
1577	78B-6-502. Estates and rights that may be taken.			

1578	The following estates and rights in lands are subject to being taken for public use:			
1579	(1) a fee simple, when taken for:			
1580	(a) public buildings or grounds;			
1581	(b) permanent buildings;			
1582	(c) reservoirs and dams, and permanent flooding occasioned by them;			
1583	(d) any permanent flood control structure affixed to the land;			
1584	(e) an outlet for a flow, a place for the deposit of debris or tailings of a mine, mill,			
1585	smelter, or other place for the reduction of ores; and			
1586	(f) solar evaporation ponds and other facilities for the recovery of minerals in			
1587	solution[-,]:			
1588	(i) except when the surface ground is underlaid with minerals, coal, or other deposits			
1589	sufficiently valuable to justify extraction, only a perpetual easement may be taken over the			
1590	surface ground over the deposits; and			
1591	(ii) which for the Great Salt Lake includes construction, removal, or extinguishment, in			
1592	whole or in part, by a state entity of:			
1593	(A) a solar evaporation pond;			
1594	(B) improvements, property, easements, or rights-of-way appurtenant to a solar			
1595	evaporation pond, including a lease hold; or			
1596	(C) other facilities for the recovery of minerals or elements in solution;			
1597	(2) an easement, when taken for any other use; and			
1598	(3) the right of entry upon and occupation of lands, with the right to take from those			
1599	lands earth, gravel, stones, trees, and timber as necessary for a public use.			
1600	Section 28. Repealer.			
1601	This bill repeals:			
1602	Section 65A-10-201, Definitions.			
1603	Section 29. FY 2025 Appropriation.			
1604	The following sums of money are appropriated for the fiscal year beginning July 1,			
1605	2024, and ending June 30, 2025. These are additions to amounts previously appropriated for			
1606	fiscal year 2025.			
1607	Subsection 29(a). Operating and Capital Budgets.			
1608	Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the			

02-01-24 10:10 AM H.B. 453

1609	Legislature appropriates the following sums of money from the funds or accounts indicated for				
1610	the use and support of the government of the state of Utah.				
1611	ITEM 1 To Department of Natural Resources - Forestry, Fire, and State Lands				
1612	From General Fund Restricted - Great Salt Lake Account, \$500,000 One-time				
1613	Schedule of Programs:				
1614	Project Management \$500,000				
1615	The Legislature intends that the money appropriated under this item be used to fund the				
1616	analysis required by Subsection 65A-17-201(17), renumbered and amended by this bill. The				
1617	Legislature intends that the appropriation be nonlapsing.				
1618	Section 30. Effective date.				
1619	(1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.				
1620	(2) The actions affecting Sections 59-5-202, and 59-5-203, take effect on January 1,				
1621	<u>2025.</u>				