



# Legislative Update

January 2, 2025

## Interim Update

It was great seeing so many of you at our annual convention in Provo. We are working to finalize and print the new 2025 policy book, and we are preparing for the upcoming Utah State Legislature General Session which begins on Tuesday, January 21, 2025.

Legislators met on November 19 and 20 for the final Interim meetings. On November 19, the Legislative Water Development Commission heard testimony on a wide variety of water-related issues and acted on several draft bills. First, Great Salt Lake Commissioner Brian Steed and Deputy Commissioner Tim Davis provided an update on water contributions to the Great Salt Lake and discussed legislative suggestions for the upcoming 2025 session. The Office of the Great Salt Lake Commissioner reported progress in water contributions to the lake in 2024. From January to October, various entities contributed over 69,000 acre-feet of water through permanent, multi-year, and annual transactions. Notable contributors included The Church of Jesus Christ of Latter-day Saints, Rio Tinto Kennecott, and several water conservancy districts.

Looking ahead to the 2025 legislative session, Commissioner Steed and Deputy Commissioner Davis outlined several potential measures:

1. Modifications to H.B. 453, addressing berm management and voluntary agreement dates for Great Salt Lake
2. New water conservation initiatives
3. Establishing conservation standards for new development in the Great Salt Lake Basin
4. Changes to procurement law to facilitate water leasing for the Great Salt Lake
5. Exploring the creation of a tax credit for water donated to Great Salt Lake

The commissioners emphasized that these efforts are part of a broader strategy to develop a 2034 Plan for a Healthy Great Salt Lake, aiming to reverse the long-term downward trend of lake elevation levels. The key to the lake's long-term health, they noted, is collaborative efforts to balance water conservation with other water uses in the Great Salt Lake Basin.

Next, Candice Hasenyager, Director of the Division of Water Resources, presented on the integration of existing water funds, as mandated by 2024 General Session H.B. 280. The presentation outlined Utah's significant water infrastructure needs, estimated at \$38.2 billion for drinking water, \$15 billion for water quality, and \$6 billion for irrigation and canal projects by 2060. The Water Development Coordinating Council, including the new member added by H.B. 280, will play a crucial role in coordinating funds, assessing needs, and advising on water-related infrastructure issues. The study recommended maintaining the current council makeup, increasing state investment in water infrastructure projects, and aligning the prioritization process to begin in fiscal year 2027.

David Robertson from LRB Public Finance Advisors presented findings on water infrastructure funding, examining the use of property tax revenue for drinking and irrigation water costs. The presentation focused

on a study mandated by S.B. 34. The study highlighted Utah's use of base rates, tiered rates, and property taxes for water funding, noting that tiered rates effectively encourage conservation, while property taxes provide stable revenue and lower the costs of developing and delivering water. The study recommends continuing to utilize property taxes and base rates and implementing more aggressive tiered rate structures. The tiered rates recommendation applies to municipalities, water districts, and similar water providers, not typical agricultural water systems.

The commission also discussed several bills of interest to the Utah Farm Bureau. The following provides a summary of each bill:

**H.B. 46, Water Rights Applications Amendments (Rep. Doug Owens)**

This bill would streamline the process for handling lapsed water rights applications. To accomplish this, the bill introduces a 60-day window after the state engineer sends notice to an applicant of a lapse, during which the applicant can file a request to reinstate the application and can also request an extension of time for the applicant to complete the work proposed in the application and submit proof. Upon a showing of reasonable cause, the state engineer may reinstate the lapsed application, but with a changed priority date to the date of the reinstatement request. The original priority date can only be reinstated if there's evidence of a mistake by the state engineer, or fraud. The bill maintains provisions for assigning water rights before the issuance of a certificate of appropriation and outlines recording requirements for such assignments.

**S.B. 33, Water Rights Recording Amendments (Sen. Evan Vickers)**

This bill aims to modernize the process of recording water rights addenda to land or water rights deeds. The bill will allow grantor and grantee signatures on the water rights addenda to a deed to be made by facsimile or electronic means. This change streamlines the documentation process for water rights transfers associated with land transactions or standalone water rights conveyances.

**H.B. 47, Public Lands Watering Rights Amendments (Rep. Carl Albrecht)**

This bill seeks to strengthen protections for livestock watering rights on public lands. This bill is supported by the Utah Farm Bureau as it safeguards ranchers' interests and closes a loophole exploited by federal agencies. The bill establishes strict criteria federal agencies must meet before the state engineer may recognize a Public Water Reserve No. 107 livestock watering under claim. It requires the federal agency filing such claims with the state engineer to first obtain consent from the beneficial user of the claimed right. It also limits the recognition of these claims to prevent overreach and protect existing water rights. By implementing these changes, the bill grants ranchers much greater control over livestock watering rights, even when federal agencies attempt to reduce grazing allotments. This legislation is vital for preserving ranchers' livelihoods and maintaining their ability to utilize water on public lands for livestock grazing.

**S.B. 36, Water Quality Board Amendments (Sen. Todd Weiler)**

This bill proposes significant changes to the Utah Water Quality Board's processes and authority. The bill establishes a new review process for ongoing settlement negotiations between the director and alleged violators of the Utah Water Quality Act. This process can be initiated by an alleged violator when there's disagreement on the amount of a civil penalty assessed for an alleged water quality violation. The board is granted the authority to issue a final order establishing a reasonable settlement amount in cases where negotiations have reached an impasse, with the order to be issued within 30 days of the board's review. When the alleged violator files a written request, the Board must schedule an informal review scheduled

for the board's next meeting occurring more than 14 days after receiving the request. Both parties must send written materials and exhibits at least seven days before the review meeting. The bill also specifies that alleged violators may seek judicial review of the board's final order in accordance with the Administrative Procedures Act. Sen. Weiler, the sponsor, intends this bill to provide more efficient and fair resolutions related to water quality violations.

#### **H.B. 45, Irrigation Amendments (Rep. Rex Shipp)**

This bill aims to clarify the responsibilities of ditch and canal owners or operators. The bill addresses several key points regarding irrigation infrastructure maintenance and liability. The bill defines "water facility" to include various irrigation-related structures such as dams, pipelines, ditches, and canals. It reaffirms the duty of owners and operators to maintain these facilities to prevent water waste, property damage, and injury to others. The bill affirms, however, that this duty requires only "reasonable and ordinary care" and does not impose strict liability. A significant addition to the existing law is the provision allowing individuals who are not owners or operators of a ditch or canal to recover amounts for which they are held liable for water waste, property damage, or injury caused by a ditch or canal owner's failure to exercise reasonable care, specifically within municipal boundaries. The bill does not change circumstances under which water facility owners or operators are not liable, such as third-party actions beyond their control or natural disasters. Furthermore, the legislation maintains protections negotiated by Farm Bureau in previous legislation regarding lawsuits related to trails along water facilities, streams, or rivers.

#### **Draft Legislation: Water Usage Amendments (Rep. Doug Owens)**

This draft legislation proposes limitations on irrigation practices in new land developments and redevelopments within the Great Salt Lake drainage area, effective January 1, 2026. The bill would prohibit the installation, maintenance, or use of overhead spray irrigation in landscaped areas, except for designated outdoor activity areas such as sports fields, parks, and cemeteries. Even in these areas, restrictions apply to park strips, narrow areas less than eight feet wide, and planting beds. The bill would require municipalities and counties to enforce these regulations as part of their land use approval process, including issuing notices about the prohibition on overhead spray irrigation. The bill encourages local authorities to review plans for outdoor activity areas, inspect for compliance, and address any violations. Notably, the legislation exempts certain properties, including agricultural land, single-family detached residential dwellings, and existing irrigation systems installed at least two years before new development or redevelopment.

On November 20, the Natural Resources, Agriculture, and Environment Interim Committee met to discuss a wide variety of topics. The committee received a presentation on Water Optimization Programs in Utah led by Candice Hasenyager, Director of the Division of Water Resources, and Brett Bunker, Chair of the Agricultural Water Optimization Committee. The presentation highlighted the state's efforts in agricultural water optimization and secondary water metering. According to the report, in 2024 the Agricultural Water Optimization Program funded 209 projects totaling \$48 million statewide out of 389 applications received requesting \$65 million. The program has yielded various benefits, including reduced labor costs, increased agricultural production, better drought resilience, and environmental improvements. Looking ahead to 2025, the Agricultural Water Optimization Committee anticipates funding projects totaling \$30 million in the next application period, prioritizing measurement, canal improvements, and irrigation technologies. The Secondary Water Meter Program (nonagricultural) has also made significant progress, with 37,607 meters installed and an additional 85,000 funded.

The Interim Committee also discussed draft legislation, since introduced [as H.B. 41, State Water Policy Amendments \(Rep. Carl Albrecht\)](#). This bill proposes changes to Utah’s water management approach, focusing on these key areas: water quality in groundwater; expanding the state’s focus beyond rivers and lakes; removing language related to balancing “social, economic, public interest, and environmental values” in water pricing and funding mechanisms; and emphasizing the importance of state water planning. The bill introduces a new provision to support state water planning, specifically mentioning the formation of a state water plan as outlined in [Section 73-10-15](#). These changes allow for more focused decision-making in water management.

Additionally, the bill accounts for regionally appropriate water reuse. This provision recognizes that water reuse strategies may vary depending on local conditions and needs, allowing for more tailored approaches to water conservation and recycling in different parts of Utah.

The committee voted to recommend the bill as a committee bill, with a vote of 12-2-5.

Finally, we wanted to share information about Rocky Mountain Power’s proposed rate increase. On December 9, Utah Farm Bureau Federation President ValJay Rigby testified before the Utah Public Service Commission regarding Rocky Mountain Power’s General Rate Case (Docket 24-035-04). This case, which has been under scrutiny since its initial filing in June 2024, proposes substantial rate increases that could have far-reaching consequences for agriculture.

Rocky Mountain Power is seeking an 18.1% rate increase for residential customers and a 17.4% increase for irrigation customers. Utah Farm Bureau is very concerned about these proposed increases, as electricity and fuel costs already account for approximately 15% of U.S. agricultural production expenses.

In his testimony, Rigby urged the Commission to:

1. Carefully scrutinize Rocky Mountain Power’s rate request, approving only essential investments and costs.
2. Reevaluate the Energy Balancing Account to maintain efficiency incentives while ensuring risks are not inappropriately shifted to customers.
3. Remove discriminatory elements from the proposed irrigation rates, as recommended by the Office of Consumer Services.

A decision is expected sometime in April 2025. The Utah Farm Bureau Federation continues to advocate for a balanced decision that considers both the utility’s needs and the interests of consumers, especially those in agriculture.

As always, we encourage you to actively send our policy team questions or comments on topics of concern. We will share a link to the 2025 Utah Farm Bureau Federation Policy Book once it is completed. We also hope you will mark your calendars for Friday, February 21 to join us for our annual Farm Bureau Day on the Hill. We will have a fun day of meetings and activities on the Hill. An agenda will be out soon.

**Terry Camp**  
(801) 718-2769  
[terry.camp@fbfs.com](mailto:terry.camp@fbfs.com)

**Wade Garrett**  
(435) 660-9292  
[wade.garrett@fbfs.com](mailto:wade.garrett@fbfs.com)