



- 30 (i) the United States;
- 31 (ii) an agency of the United States;
- 32 (iii) the state;
- 33 (iv) a state agency;
- 34 (v) a political subdivision of the state; or
- 35 (vi) an agency of a political subdivision of the state.
- 36 (b) "Public water supplier" means an entity that:
- 37 (i) supplies water, directly or indirectly, to the public for municipal, domestic, or
- 38 industrial use; and
- 39 (ii) is:
- 40 (A) a public entity;
- 41 (B) a water corporation, as defined in Section 54-2-1, that is regulated by the Public
- 42 Service Commission;
- 43 (C) a community water system:
- 44 (I) that:
- 45 (Aa) supplies water to at least 100 service connections used by year-round residents; or
- 46 (Bb) regularly serves at least 200 year-round residents; and
- 47 (II) whose voting members:
- 48 (Aa) own a share in the community water system;
- 49 (Bb) receive water from the community water system in proportion to the member's
- 50 share in the community water system; and
- 51 (Cc) pay the rate set by the community water system based on the water the member
- 52 receives; or
- 53 (D) a water users association:
- 54 (I) in which one or more public entities own at least 70% of the outstanding shares; and
- 55 (II) that is a local sponsor of a water project constructed by the United States Bureau of
- 56 Reclamation.
- 57 (c) "Shareholder" is as defined in Section 73-3-3.5.

58 (d) "Water company" is as defined in Section 73-3-3.5.

59 (e) "Water supply entity" means an entity that supplies water as a utility service or for  
60 irrigation purposes and is also:

61 (i) a municipality, water conservancy district, metropolitan water district, irrigation  
62 district, or other public agency;

63 (ii) a water company regulated by the Public Service Commission; or

64 (iii) any other owner of a community water system.

65 (2) (a) ~~When~~ Except as provided in Subsection (2)(b) or (e), when an appropriator or  
66 the appropriator's successor in interest abandons or ceases to use all or a portion of a water  
67 right for a period of seven years, the water right or the unused portion of that water right is  
68 subject to forfeiture in accordance with Subsection (2)(c)~~[-unless the appropriator or the~~  
69 ~~appropriator's successor in interest files a nonuse application with the state engineer].~~

70 (b) (i) An appropriator or the appropriator's successor in interest may file an  
71 application for nonuse with the state engineer.

72 (ii) If a person described in Subsection (2)(b)(i) files and receives approval on a nonuse  
73 application, nonuse of the water right subject to the application is not counted toward a  
74 seven-year period described in Subsection (2)(a) during the period of time beginning on the day  
75 on which the person files the application and ending on the day on which the application  
76 expires without being renewed.

77 (iii) If a person described in Subsection (2)(b)(i) files and receives approval on  
78 successive, overlapping nonuse applications, nonuse of the water right subject to the  
79 applications is not counted toward a seven-year period described in Subsection (2)(a) during  
80 the period of time beginning on the day on which the person files the first application and  
81 ending on the day on which the last application expires without being renewed.

82 (iv) Approval of a nonuse application does not protect a water right that is already  
83 subject to forfeiture under Subsection (2)(a) for full or partial nonuse of the water right.

84 ~~(b)(i)~~ (v) A nonuse application may be filed on all or a portion of the water right,  
85 including water rights held by a water company.

86            [~~(f)~~] (vi) After giving written notice to the water company, a shareholder may file a  
87 nonuse application with the state engineer on the water represented by the stock.

88            (c) (i) A water right or a portion of the water right may not be forfeited unless a judicial  
89 action to declare the right forfeited is commenced within 15 years from the end of the latest  
90 period of nonuse of at least seven years.

91            (ii) If forfeiture is asserted in an action for general determination of rights in  
92 conformance with the provisions of Chapter 4, Determination of Water Rights, the 15-year  
93 limitation period shall commence to run back in time from the date the state engineer’s  
94 proposed determination of rights is served upon each claimant.

95            (iii) A decree entered in an action for general determination of rights under Chapter 4,  
96 Determination of Water Rights, shall bar any claim of forfeiture for prior nonuse against any  
97 right determined to be valid in the decree, but does not bar a claim for periods of nonuse that  
98 occur after the entry of the decree.

99            (iv) A proposed determination by the state engineer in an action for general  
100 determination of rights under Chapter 4, Determination of Water Rights, bars a claim of  
101 forfeiture for prior nonuse against any right proposed to be valid, unless a timely objection has  
102 been filed within the time allowed in Chapter 4, Determination of Water Rights.

103            (v) If in a judicial action a court declares a water right forfeited, on the date on which  
104 the water right is forfeited:

105            (A) the right to use the water reverts to the public; and

106            (B) the water made available by the forfeiture:

107            (I) first, satisfies other water rights in the hydrologic system in order of priority date;

108 and

109            (II) second, may be appropriated as provided in this title.

110            (d) This section applies whether the unused or abandoned water or a portion of the  
111 water is:

112            (i) permitted to run to waste; or

113            (ii) used by others without right with the knowledge of the water right holder.

- 114 (e) This section does not apply to:
- 115 (i) the use of water according to a lease or other agreement with the appropriator or the
- 116 appropriator's successor in interest;
- 117 (ii) a water right if its place of use is contracted under an approved state agreement or
- 118 federal conservation fallowing program;
- 119 (iii) those periods of time when a surface water or groundwater source fails to yield
- 120 sufficient water to satisfy the water right;
- 121 (iv) a water right when water is unavailable because of the water right's priority date;
- 122 (v) a water right to store water in a surface reservoir or an aquifer, in accordance with
- 123 Title 73, Chapter 3b, Groundwater Recharge and Recovery Act, if:
- 124 (A) the water is stored for present or future use; or
- 125 (B) storage is limited by a safety, regulatory, or engineering restraint that the
- 126 appropriator or the appropriator's successor in interest cannot reasonably correct;
- 127 (vi) a water right if a water user has beneficially used substantially all of the water right
- 128 within a seven-year period, provided that this exemption does not apply to the adjudication of a
- 129 water right in a general determination of water rights under Chapter 4, Determination of Water
- 130 Rights;
- 131 (vii) except as provided by Subsection (2)(g), a water right:
- 132 (A) (I) owned by a public water supplier;
- 133 (II) represented by a public water supplier's ownership interest in a water company; or
- 134 (III) to which a public water supplier owns the right of use; and
- 135 (B) conserved or held for the reasonable future water requirement of the public, which
- 136 is determined according to Subsection (2)(f);
- 137 (viii) a supplemental water right during a period of time when another water right
- 138 available to the appropriator or the appropriator's successor in interest provides sufficient water
- 139 so as to not require use of the supplemental water right; or
- 140 (ix) a water right subject to an approved change application where the applicant is
- 141 diligently pursuing certification.

142 (f) (i) The reasonable future water requirement of the public is the amount of water  
143 needed in the next 40 years by the persons within the public water supplier's projected service  
144 area based on projected population growth or other water use demand.

145 (ii) For purposes of Subsection (2)(f)(i), a community water system's projected service  
146 area:

147 (A) is the area served by the community water system's distribution facilities; and

148 (B) expands as the community water system expands the distribution facilities in  
149 accordance with Title 19, Chapter 4, Safe Drinking Water Act.

150 (g) For a water right acquired by a public water supplier on or after May 5, 2008,  
151 Subsection (2)(e)(vii) applies if:

152 (i) the public water supplier submits a change application under Section 73-3-3; and

153 (ii) the state engineer approves the change application.

154 (3) (a) The state engineer shall furnish a nonuse application form requiring the  
155 following information:

156 (i) the name and address of the applicant;

157 (ii) a description of the water right or a portion of the water right, including the point of  
158 diversion, place of use, and priority;

159 (iii) the quantity of water;

160 (iv) the period of use;

161 (v) the extension of time applied for;

162 (vi) a statement of the reason for the nonuse of the water; and

163 (vii) any other information that the state engineer requires.

164 [~~(b) (i) Filing the nonuse application extends the time during which nonuse may  
165 continue until the state engineer issues an order on the nonuse application.~~]

166 [~~(ii) Approval of a nonuse application protects a water right from forfeiture for nonuse  
167 from the application's filing date until the approved application's expiration date.~~]

168 [~~(e)~~] (b) (i) Upon receipt of the application, the state engineer shall publish a notice of  
169 the application once a week for two successive weeks:

170 (A) in a newspaper of general circulation in the county in which the source of the water  
171 supply is located and where the water is to be used; and

172 (B) as required in Section 45-1-101.

173 (ii) The notice shall:

174 (A) state that an application has been made; and

175 (B) specify where the interested party may obtain additional information relating to the  
176 application.

177 [~~(d)~~] (c) Any interested person may file a written protest with the state engineer against  
178 the granting of the application:

179 (i) within 20 days after the notice is published, if the adjudicative proceeding is  
180 informal; and

181 (ii) within 30 days after the notice is published, if the adjudicative proceeding is  
182 formal.

183 [~~(e)~~] (d) In any proceedings to determine whether the nonuse application should be  
184 approved or rejected, the state engineer shall follow the procedures and requirements of Title  
185 63G, Chapter 4, Administrative Procedures Act.

186 [~~(f)~~] (e) After further investigation, the state engineer may approve or reject the  
187 application.

188 (4) (a) The state engineer shall grant a nonuse application on all or a portion of a water  
189 right for a period of time not exceeding seven years if the applicant shows a reasonable cause  
190 for nonuse.

191 (b) A reasonable cause for nonuse includes:

192 (i) a demonstrable financial hardship or economic depression;

193 (ii) the initiation of water conservation or efficiency practices, or the operation of a  
194 groundwater recharge recovery program approved by the state engineer;

195 (iii) operation of legal proceedings;

196 (iv) the holding of a water right or stock in a mutual water company without use by any  
197 water supply entity to meet the reasonable future requirements of the public;

198 (v) situations where, in the opinion of the state engineer, the nonuse would assist in  
199 implementing an existing, approved water management plan; or

200 (vi) the loss of capacity caused by deterioration of the water supply or delivery  
201 equipment if the applicant submits, with the application, a specific plan to resume full use of  
202 the water right by replacing, restoring, or improving the equipment.

203 (5) (a) Sixty days before the expiration of a nonuse application, the state engineer shall  
204 notify the applicant by mail or by any form of electronic communication through which receipt  
205 is verifiable, of the date when the nonuse application will expire.

206 (b) An applicant may file a subsequent nonuse application in accordance with this  
207 section.