

Senator Leonard M. Blackham proposes to substitute the following bill:

**WATER RIGHT TRANSFER AMENDMENTS**

2001 GENERAL SESSION

STATE OF UTAH

**Sponsor: Leonard M. Blackham**

**This act modifies the Water and Irrigation Code to specify the reasons why a water corporation may withhold its consent to a request by a shareholder to change the point of diversion, place of use, or purpose of use of the shareholder's water. This act authorizes the Division of Water Rights to provide advice and technical assistance to water corporations and their shareholders on proposed changes, and appropriates an ongoing appropriation of \$130,000 from the General Fund for fiscal year 2001-02 to the Division of Water Rights to provide the advice and technical assistance. This act takes effect on July 1, 2001.**

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

**73-3-3.5**, Utah Code Annotated 1953

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

Section 1. Section **73-3-3.5** is enacted to read:

**73-3-3.5. Change of point of diversion, place of use, or purpose of use of water in a water corporation.**

(1) As used in this section, "shareholder" means the owner of a share of stock, or other evidence of ownership, that entitles the person to a proportionate share of water in a water corporation.

(2) A shareholder who seeks to change the point of diversion, place of use, or purpose of use of the shareholder's water shall submit a request for the change to the water corporation.

(3) The water corporation shall approve the request for the change and allow a change application to be submitted to the state engineer, pursuant to Section 73-3-3, unless:



26 (a) the proposed change increases costs to the water corporation or its shareholders, or  
27 interferes with the water corporation's ability to manage and distribute the water for the benefit of  
28 all its shareholders; and

29 (b) (i) the water corporation and the shareholder requesting the change cannot agree on  
30 conditions to be imposed on the change to prevent the impacts listed in Subsection (3)(a); or  
31 (ii) the impacts listed in Subsection (3)(a) cannot be practicably avoided.

32 (4) A water corporation shall make its decisions to approve, approve with conditions, or  
33 deny change requests based on the facts and circumstances of each proposed change.

34 (5) The Division of Water Rights may provide advice and technical assistance to water  
35 corporations and their shareholders regarding:

36 (a) the feasibility of a proposed change;

37 (b) the impacts of a proposed change on a water corporation and its shareholders; and

38 (c) conditions that may be imposed on a change to avoid negative impacts to a water  
39 corporation and its shareholders.

40 **Section 2. Appropriation.**

41 Subject to future budget constraints, there is appropriated, as an ongoing appropriation,  
42 \$130,000 from the General Fund for fiscal year 2001-02 to the Division of Water Rights for  
43 salaries, benefits, and expenses of personnel who will provide advice and technical assistance to  
44 water corporations and their shareholders on proposed changes in the point of diversion, place of  
45 use, or purpose of use of water corporation's water.

46 **Section 3. Effective date.**

47 This act takes effect on July 1, 2001.