

**WATER FORFEITURE AMENDMENTS**

2002 GENERAL SESSION

STATE OF UTAH

**Sponsor: Michael R. Styler**

**This act modifies the Water and Irrigation Code to amend provisions relating to the abandonment and forfeiture of water.**

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

AMENDS:

**73-1-4**, as last amended by Chapter 136, Laws of Utah 2001

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

Section 1. Section **73-1-4** is amended to read:

**73-1-4. Reversion to the public by abandonment or forfeiture for nonuse within five years -- Extension of time.**

(1) In order to further the state policy of securing the maximum use and benefit of its scarce water resources, a person entitled to the use of water has always had a continuing obligation to place all of a water right to beneficial use. The forfeiture of all or part of any right to use water for failure to place all or part of the water to beneficial use makes possible the allocation and use of water consistent with long established beneficial use concepts. The provisions of Subsections (2) through (6) shall be construed to carry out the purposes and policies set forth in this Subsection (1).

(2) As used in this section, "public water supply entity" means an entity that supplies water as a utility service or for irrigation purposes and is also:

(a) a municipality, water conservancy district, metropolitan water district, irrigation district created under Section 17A-2-7, or other public agency;

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

(c) any other owner of a community water system.

[(+)] (3) (a) When an appropriator or the appropriator's successor in interest abandons or



28 ceases to use all or a portion of a water right for a period of five years, the water right or the unused  
29 portion of that water right ceases and the water reverts to the public, unless, before the expiration  
30 of the five-year period, the appropriator or the appropriator's successor in interest files a verified  
31 nonuse application [~~for an extension of time~~] with the state engineer.

32 (b) (i) A nonuse application may be filed on all or a portion of the water right, including  
33 water rights held by mutual irrigation companies.

34 (ii) Public water supply entities that own stock in a mutual water company, after giving  
35 written notice to the water company, may file nonuse applications with the state engineer on the  
36 water represented by the stock.

37 [~~(b)~~] (c) (i) A water right or a portion of the water right may not be forfeited unless a  
38 judicial action to declare the right forfeited is commenced within 15 years from the end of the  
39 latest period of nonuse of at least five years.

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

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

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

52 [~~(c)~~] (d) The extension of time to resume the use of that water may not exceed five years  
53 unless the time is further extended by the state engineer.

54 [~~(d)~~] (e) The provisions of this section are applicable whether the unused or abandoned  
55 water or a portion of the water is permitted to run to waste or is used by others without right with  
56 the knowledge of the water right holder, provided that the use of water pursuant to a lease or other  
57 agreement with the appropriator or the appropriator's successor shall be considered to constitute  
58 beneficial use.

59 (f) The provisions of this section shall not apply:

60 (i) to those periods of time when a surface water source fails to yield sufficient water to  
61 satisfy the water right, or when groundwater is not available because of a sustained drought;

62 (ii) to water stored in reservoirs pursuant to an existing water right, where the stored water  
63 is being held in storage for present or future use; or

64 (iii) when a water user has beneficially used substantially all of a water right within a  
65 five-year period, provided that this exemption shall not apply to the adjudication of a water right  
66 in a general determination of water rights under Chapter 4, Determination of Water Rights.

67 (g) Groundwater rights used to supplement the quantity or quality of other water supplies  
68 may not be subject to loss or reduction under this section if not used during periods when the other  
69 water source delivers sufficient water so as to not require use of the supplemental groundwater.

70 ~~[(2)]~~ (4) (a) The state engineer shall furnish an application [~~form that includes a space for~~]  
71 requiring the following information:

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

73 ~~[(ii) the name of the source from which the right is claimed and the point on that source~~  
74 ~~where the water was last diverted;]~~

75 ~~[(iii) evidence of the validity of the right claimed by reference to application number in~~  
76 ~~the state engineer's office;]~~

77 ~~[(iv) date of court decree and title of case, or the date when the water was first used;]~~

78 ~~[(v) the place, time, and nature of past use;]~~

79 ~~[(vi) the flow of water that has been used in second-feet or the quantity stored in acre-feet;]~~

80 ~~[(vii) the time the water was used each year;]~~

81 ~~[(viii) the extension of time applied for;]~~

82 ~~[(ix) a statement of the reason for the nonuse of the water; and]~~

83 ~~[(x) any other information that the state engineer requires.]~~

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

86 (iii) the date the water was last diverted and placed to beneficial use;

87 (iv) the quantity of water;

88 (v) the period of use;

89 (vi) the extension of time applied for;

90 (vii) a statement of the reason for the nonuse of the water; and

91 (viii) any other information that the state engineer requires.

92 (b) Filing the application extends the time during which nonuse may continue until the  
93 state engineer issues his order on the nonuse application [~~for an extension of time~~].

94 (c) (i) Upon receipt of the application, the state engineer shall publish, once a week for two  
95 successive weeks, a notice of the application in a newspaper of general circulation in the county  
96 in which the source of the water supply is located and where the water is to be used.

97 [~~(ii) The notice may be published in more than one newspaper.~~]

98 [~~(iii)~~] (ii) The notice shall inform the public of the nature of the right for which the  
99 extension is [~~sought~~] requested and the reasons for the extension.

100 (d) Any interested person may file a written protest with the state engineer against the  
101 granting of the application:

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

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

105 (e) In any proceedings to determine whether the application for extension should be  
106 approved or rejected, the state engineer shall follow the procedures and requirements of Title 63,  
107 Chapter 46b, Administrative Procedures Act.

108 (f) After further investigation, the state engineer may approve or reject the application.

109 [~~(3)~~] (5) (a) [~~Applications~~] Nonuse applications [~~for extension~~] on all or a portion of a  
110 water right shall be granted by the state engineer for periods not exceeding five years each, upon  
111 a showing of reasonable cause for nonuse.

112 (b) Reasonable causes for nonuse include:

113 (i) demonstrable financial [~~crisis~~] hardship or economic depression;

114 [~~(ii) industrial depression;~~]

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

117 (iii) operation of legal proceedings [~~or other unavoidable cause; and~~];

118 (iv) the holding of a water right or stock in a mutual water company without use by any  
119 [~~municipality, metropolitan water district, or other public agency~~] public water supply entity to  
120 meet the reasonable future requirements of the public[-];

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

123 (vi) situations where all or part of the land on which water is used is contracted under an  
124 approved state or federal conservation following program;

125 (vii) the loss of capacity caused by deterioration of the water supply or delivery equipment  
126 if the applicant submits, with the application, a specific plan to resume full use of the water right  
127 by replacing, restoring, or improving the equipment; or

128 (viii) any other reasonable cause.

129 ~~[(4)]~~ (6) (a) Sixty days before the expiration of any extension of time, the state engineer  
130 shall notify the applicant by registered mail or by any form of electronic communication through  
131 which receipt is verifiable, of the date when the extension period will expire.

132 (b) Before the date of expiration, the applicant shall either:

133 (i) file ~~[in a manner prescribed by the state engineer a signed]~~ a verified statement with the  
134 state engineer setting forth the date on which use of the water was resumed, and whatever  
135 additional information is required by the state engineer; or

136 (ii) apply for a further extension of time in which to resume use of the water according to  
137 the procedures and requirements of this section.

138 (c) Upon receipt of the applicant's properly completed, verified statement, the state  
139 engineer shall conduct investigations necessary to verify that beneficial use has resumed and, if  
140 so, shall issue a certificate of resumption of use of the water as evidenced by the resumed  
141 beneficial use.

142 ~~[(5)]~~ (7) The appropriator's water right or a portion of the water right ceases and the water  
143 reverts to the public if the:

144 (a) appropriator or the appropriator's successor in interest fails to apply for an extension  
145 of time;

146 (b) state engineer denies the nonuse application ~~[for extension of time]~~; or

147 (c) appropriator or the appropriator's successor in interest fails to apply for a further  
148 extension of time.

**Legislative Review Note**  
**as of 12-14-01 8:41 AM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

**Committee Note**

The Natural Resources, Agriculture, and Environment Interim Committee recommended this bill.