

Senator Margaret Dayton proposes the following substitute bill:

WATER LAW - PROTECTED PURCHASER AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Margaret Dayton

House Sponsor: Keith Grover

LONG TITLE

General Description:

This bill modifies the definition of a protected purchaser.

Highlighted Provisions:

This bill:

- ▶ modifies the definition of a protected purchaser; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

70A-8-303, as last amended by Laws of Utah 2012, Chapter 386

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

Section 1. Section **70A-8-303** is amended to read:

70A-8-303. Protected purchaser.

(1) "Protected purchaser" means a purchaser of a certificated or uncertificated security,



26 or of an interest in the security, who:

27 (a) ~~(i)~~ gives value;

28 ~~(ii)~~ (b) does not have notice of an adverse claim to the security; ~~and~~

29 ~~(iii)~~ (c) obtains control of the security; ~~or~~ and

30 ~~(b)~~ (d) for a ~~security~~ share of stock issued by a land company or a water
31 company~~;~~:

32 (i) pays, or whose predecessors in interest paid, an assessment levied against the share
33 of stock for at least four of the immediate past seven years by the land company or the water
34 company ~~[in accordance with Title 16, Chapter 4, Share Assessment Act, against the security at~~
35 ~~least once within the five-year period immediately preceding the date it is determined whether~~
36 ~~the purchaser is a protected purchaser.]; and~~

37 (ii) has used, or whose predecessors in interest have used, either directly or indirectly,
38 the water available under the share of stock issued by a water company for at least four of the
39 immediate past seven years.

40 (2) In addition to acquiring the rights of a purchaser, a protected purchaser acquires the
41 purchaser's interest in the certificated or uncertificated security, share of stock in a land
42 company, or share of stock in a water company free of any adverse claim.