

WATER INTERESTS STUDY

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Scott D. Sandall

LONG TITLE

General Description:

This bill addresses conveyances of water interests.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the state engineer to study issues related to conveyances of water interests related to residential buildings; and
- ▶ requires reporting.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

73-1-11.5, Utah Code Annotated 1953

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

Section 1. Section **73-1-11.5** is enacted to read:

73-1-11.5. Study of issues related to conveyances of water interests.

(1) As used in this section:



- 28 (a) "Residential building" means a single or multiple family dwelling of up to four
29 units.
- 30 (b) "Residential related water interest" means a water interest that is:
31 (i) related to land on which a residential building is located; and
32 (ii) for human consumption and other domestic uses.
- 33 (c) "Water interest" means any right to the beneficial use of water, including:
34 (i) a right listed in Section 73-1-11; and
35 (ii) an ownership interest in the right to the beneficial use of water represented by:
36 (A) a contract; or
37 (B) a share in a water company, as defined in Section 73-3-3.5.
- 38 (d) "Water supplier" means:
39 (i) a public water supplier as defined in Section 73-1-4;
40 (ii) a water company as defined in Section 73-1-4; or
41 (iii) a water supply entity as defined in Section 73-1-4.
- 42 (2) (a) The state engineer shall study whether there is a need for:
43 (i) restrictions on a person's ability to transfer a residential related water interest by:
44 (A) specifically reserving the residential related water interest or any part of the
45 residential water interest in the land conveyance document;
46 (B) conveying a part of the residential related water interest in the land conveyance
47 document; or
48 (C) conveying the residential related water interest in a separate conveyance document
49 before or contemporaneously with the execution of the land conveyance document;
50 (ii) requirements on a water supplier to take action to make available a water interest
51 that was a residential related water interest at the time the water interest is conveyed, but that
52 no longer is attached to land with a residential building resulting in a residential building
53 without access to culinary water; and
54 (iii) any other policy or statutory change to address issues raised by a person not
55 conveying a water interest when conveying the land that is related to the water interest.
- 56 (b) The state engineer may consult with state agencies and stakeholders with expertise
57 in water rights, water suppliers, or land and water conveyances.
- 58 (3) The state engineer shall report the results of the study required by this section,

59 including any recommendations, to the Natural Resources, Agriculture, and Environment
60 Interim Committee by no later than the October 2024 interim meeting of that committee.

61 Section 2. **Effective date.**

62 This bill takes effect on May 1, 2024.