**Section 3730.306 Transfer of Water Use Rights**

a) A user may not transfer any portion of its allocation of Lake Michigan water to another user unless the transferor has satisfied all of the conditions precedent attached to its water allocation permit and the Department has approved the transfer according to the procedures in subsection (b) or (c).

b) All requests for transfers, except those described in subsection (c), shall be processed as petitions for modification of the allocation permits of the transferor and the transferee according to Sections 3730.204(c) and 3730.310. These requests shall not be approved or disapproved unless notice has been given as provided in Section 3730.206 and a hearing has been held in conformance with Subpart B.

c) Any request for a transfer that includes the following statements may be approved by the Department after 30 days notice to all permittees and an opportunity for hearing has been provided:

1) The transferor must have satisfied all of the conditions precedent attached to its water allocation permit.

2) The transferee must be a duly constituted regional water supply organization.

3) The transferor and transferee must clearly indicate that the transferee assumes responsibility for compliance by the transferor with the requirements of Sections 3730.307 and 3730.309.

4) The requested transfer must comprise 100% of the transferor's allocation.

5) The transferred allocation must be used solely by the transferor.

d) Transfers to another user of any part of an allocation, except those transfers described in subsection (c), will be considered prima evidence of a reduction in the transferor's water use needs equivalent in size to the transferred allocation when the transferor applies for a renewal permit. However, evidence that an applicant has obtained additional Lake Michigan water from other users beyond that amount originally allocated to the transferee will not be sufficient to establish a prima facie case that the transferee-applicant's original allocation should be increased by a corresponding amount.

e) All transfers terminate upon the expiration of the transferor's allocation permit.

(Source: Amended at 38 Ill. Reg. 22801, effective November 18, 2014)