

ASSEMBLY BILL NO. 468—ASSEMBLYMEN BEERS, TIFFANY, BERMAN,
BROWN, CARPENTER, COLLINS, HETTRICK, HUMKE, LEE,
MARVEL, OCEGUERA, OHRENSCHALL AND PRICE

MARCH 19, 2001

Referred to Committee on Natural Resources, Agriculture, and Mining

SUMMARY—Revises provisions governing imposition of tax on certain transfers of water.
(BDR 48-1273)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to water; requiring a county of origin to obtain the prior approval of the state engineer before imposing a tax on certain transfers of water; requiring the state engineer to make certain determinations concerning those transfers; prohibiting the imposition of the tax upon certain water; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 533.438 is hereby amended to read as follows:
- 2 533.438 1. ~~1. Except as otherwise provided in subsection 4, if~~ an
- 3 application ~~for applications~~ to appropriate ground water would result in
- 4 the transfer *to and beneficial use* of water ~~to be used~~ in a county in this
- 5 state other than the county in which the water is to be appropriated or in
- 6 another state, the county of origin may impose a tax of \$6 per acre-foot per
- 7 year on the transfer.
- 8 2. *A county of origin shall not impose a tax pursuant to subsection 1*
- 9 *without the prior approval of the state engineer. The county of origin*
- 10 *shall notify the state engineer in writing of its intent to impose the tax. As*
- 11 *soon as practicable after receiving the notice, the state engineer shall*
- 12 *review the application specified in subsection 1 to determine:*
- 13 (a) *Whether the appropriation of water proposed in the application*
- 14 *will result in a transfer to and use of the water in a county in this state*
- 15 *other than the county of origin or in another state; and*
- 16 (b) *The amount of water, if any, that will be subject to the proposed*
- 17 *tax because of that transfer and use.*



- 1 3. *Within 10 days after reviewing the application, the state engineer*
2 *shall send written notice to the county of origin that includes the results*
3 *of his review. If the state engineer determines that the appropriation of*
4 *water will result in a transfer to and use of water in a county in this state*
5 *other than the county of origin or in another state, the state engineer*
6 *shall include in the notice the amount of water that will be subject to the*
7 *proposed tax. The county may, upon such a determination, impose the*
8 *tax on the transfer.*
- 9 4. *The provisions of this section do not apply to water that is*
10 *appropriated and beneficially used in the county of origin, and thereafter*
11 *because of that appropriation or use, is discharged or migrates into a*
12 *county in this state other than the county of origin or into another state.*
- 13 5. All money collected from ~~this~~ a tax *imposed pursuant to this*
14 *section* must be deposited in a trust fund for the county. The principal and
15 interest of the trust fund may be used by the county only for the purposes
16 of economic development, health care and education.
- 17 ~~3-~~ 6. For the purposes of this section, if a basin includes land lying in
18 more than one county each county any part of whose land is included is a
19 county of origin to the extent of the proportionate amount of water
20 transferred from it. The state engineer shall determine the respective
21 proportions.
- 22 ~~4-~~ 7. As used in this section:
- 23 (a) A "basin" is one designated by the state engineer for the purposes of
24 chapter 534 of NRS.
- 25 (b) "Origin" means the place where water is taken from underground.

