

Assembly Bill No. 468--Assemblymen Beers, Tiffany, Berman, Brown, Carpenter, Collins, Hettrick, Humke, Lee, Marvel, Ocegüera, Ohrenschall and Price

CHAPTER.....

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:

Section 1. NRS 533.438 is hereby amended to read as follows:

533.438 1. ~~If an application or applications~~ *Except as otherwise provided in subsection 4, if an appropriation of ground water pursuant to a permit to appropriate ground water ~~would result~~ results in the transfer to and beneficial use of water ~~to be used~~ in a county in this state other than the county in which the water is ~~to be~~ appropriated or in another state, the county of origin may impose a tax of \$6 per acre-foot per year on the transfer.*

2. *A county of origin shall not impose a tax pursuant to subsection 1 without the prior approval of the state engineer. The county of origin shall notify the state engineer in writing of its intent to impose the tax. The state engineer shall review the notice of intent to impose the tax to determine:*

(a) Whether the appropriation of ground water pursuant to the permit specified in subsection 1 results in a transfer to and beneficial use of water in a county in this state other than the county of origin or in another state; and

(b) The amount of water, if any, that is:

(1) Subject to the proposed tax because of that transfer and beneficial use; or

(2) Not subject to the proposed tax pursuant to subsection 4.

3. *Within 30 days after reviewing the notice of intent to impose the tax, the state engineer shall send a written notice to the county of origin that includes the results of his review. If the state engineer determines that the appropriation of ground water pursuant to the permit results in a transfer to and beneficial use of water in a county in this state other than the county of origin or in another state, the state engineer shall include in the notice the amount of water that is subject to the proposed tax. The county may, upon such a determination, impose the tax on the transfer.*

4. *A tax may not be imposed pursuant to this section on water that is appropriated and beneficially used pursuant to a permit to appropriate ground water which is issued for a point of diversion and a place of beneficial use in the county of origin and which, after the water is diverted and beneficially used, is discharged or migrates into a county in this state other than the county of origin or into another state.*

5. All money collected from ~~this~~ a tax *imposed pursuant to this section* must be deposited in a trust fund for the county. The principal and

interest of the trust fund may be used by the county only for the purposes of economic development, health care and education.

~~13-1~~ 6. For the purposes of this section, if a basin includes land lying in more than one county each county any part of whose land is included is a county of origin to the extent of the proportionate amount of water transferred from it. The state engineer shall determine the respective proportions.

~~14-1~~ 7. As used in this section:

(a) A “basin” is one designated by the state engineer for the purposes of chapter 534 of NRS.

(b) “Origin” means the place where water is taken from underground.