

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.

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



* A B 4 6 8 R 1 *

- 1 (1) *Subject to the proposed tax because of that transfer and*
2 *beneficial use; or*
3 (2) *Not subject to the proposed tax pursuant to subsection 4.*
4 3. *Within 30 days after reviewing the notice of intent to impose the*
5 *tax, the state engineer shall send a written notice to the county of origin*
6 *that includes the results of his review. If the state engineer determines*
7 *that the appropriation of ground water pursuant to the permit results in a*
8 *transfer to and beneficial use of water in a county in this state other than*
9 *the county of origin or in another state, the state engineer shall include*
10 *in the notice the amount of water that is subject to the proposed tax. The*
11 *county may, upon such a determination, impose the tax on the transfer.*
12 4. *The provisions of this section do not apply to water that is*
13 *appropriated and beneficially used pursuant to a permit to appropriate*
14 *ground water which is issued for a point of diversion and a place of*
15 *beneficial use in the county of origin and which, after the water is*
16 *diverted and beneficially used, is discharged or migrates into a county in*
17 *this state other than the county of origin or into another state.*
18 5. All money collected from ~~that~~ a tax *imposed pursuant to this*
19 *section* must be deposited in a trust fund for the county. The principal and
20 interest of the trust fund may be used by the county only for the purposes
21 of economic development, health care and education.
22 ~~13-1~~ 6. For the purposes of this section, if a basin includes land lying in
23 more than one county each county any part of whose land is included is a
24 county of origin to the extent of the proportionate amount of water
25 transferred from it. The state engineer shall determine the respective
26 proportions.
27 ~~14-1~~ 7. As used in this section:
28 (a) A "basin" is one designated by the state engineer for the purposes of
29 chapter 534 of NRS.
30 (b) "Origin" means the place where water is taken from underground.

