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AB 229 Amendment

Proposed by the Southern Nevada Water Authority

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

533.438 1. Except as otherwise provided in subsection 4, if an appropriation of ground water pursuant to a permit to appropriate ground water results in the transfer to and beneficial use of water in a county in this state other than the county in which the water is appropriated or in another state, the county of origin may impose a tax of ~~[\$6]-\$60~~ \$6 per acre-foot per year on the transfer. *The county of origin may further negotiate with parties for other compensation and may enter into interlocal agreements pursuant to NRS 277 to arrange for other benefits that would accrue to the county of origin which facilitates the development of water resources in the county from which it is appropriated.*

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 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.

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.

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.

**Sec. 2.** 1. The amendatory provisions of this act apply to any transfer to and beneficial use of water in a county in this state other than the county of origin or in another state that occurs after the effective date of this act, including, without limitation, such a transfer and beneficial use of water resulting from an appropriation of ground water pursuant to a permit to appropriate ground water that was issued by the State Engineer based on an application for an interbasin transfer of ground water that was filed with the State Engineer before the effective date of this act.

2. As used in this section:

(a) "Interbasin transfer of ground water" has the meaning ascribed to it in NRS 533.370.

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

**Sec. 3.** This act becomes effective upon passage and approval.