## SENATE BILL NO. 275-COMMITTEE ON NATURAL RESOURCES.

(ON BEHALF OF THE LEGISLATIVE COMMISSION'S COMMITTEE TO STUDY THE USE, MANAGEMENT, AND ALLOCATION OF WATER RESOURCES)

MARCH 13, 2007

## Referred to Committee on Natural Resources

SUMMARY—Makes various changes relating to underground water. (BDR 48-208)

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

EXPLANATION - Matter in bolded italics is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to underground water; revising provisions governing the domestic use of underground water from a well; revising the date of priority of an appropriation of underground water from a well for domestic purposes; requiring the State Engineer to give notice in all basins before the forfeiture of a water right; requiring the dedication of a water right to a city or county or the designee of a city or county under certain circumstances; requiring that certain conditions be met if local law or ordinance allows the development and underground water from a well for an accessory building of a single-family dwelling; revising provisions governing parcel maps; and providing other matters properly relating thereto.

## Legislative Counsel's Digest:

Under existing law, the State Engineer may exempt from the application of chapter 534 of NRS, relating to underground water and wells, the use of water from a well for a domestic use or purpose if the use or purpose directly relates to a single-family dwelling and the draught does not exceed 1,800 gallons per day. (NRS 534.013, 534.180) Sections 1, 4, 5 and 7 of this bill quantify the maximum limit of domestic use of underground water from a well as 2 acre feet per year instead of 1,800 gallons per day. Sections 1, 4, 6 and 7 of this bill authorize a local ordinance to extend a domestic use or purpose to an accessory building of the





single-family dwelling. **Section 4** imposes additional responsibilities on the owner of a well, the local governing body or planning commission and the State Engineer if a local ordinance allows the development and use of underground water from a well for an accessory building of a single-family dwelling to qualify as a domestic use or purpose.

Under existing law, a domestic well exempted from chapter 534 of NRS is not assigned a date of priority. (NRS 534.080, 534.180) **Section 2** of this bill sets the date of priority for certain domestic wells as the date of completion of the well as recorded by the driller of the well or another date as documented by evidence determined to be adequate by the State Engineer.

Under existing law, the State Engineer, in basins for which the State Engineer maintains pumping records, is required to give notice to an owner of a water right before the water right is forfeited for nonuse of the water. (NRS 534.090) **Section 3** of this bill requires the State Engineer to give notice of a forfeiture of water rights for nonuse in all basins regardless of whether he maintains pumping records for the

basin.

Under existing law, the State Engineer, in a designated basin, may require the registration of an otherwise exempt domestic well. (NRS 534.180) **Section 4** of this bill authorizes the State Engineer to require the owner of a domestic well whose well is located in a designated basin to dedicate a water right to the city or county in which the well is located or to the designee of that city or county under certain circumstances.

Under existing law, a person who proposes to divide any land for transfer or development into four lots or less is required to prepare a parcel map and file it in accordance with local ordinance. (NRS 278.461) **Section 7** of this bill requires such a person, in addition to filing a parcel map in accordance with local ordinance, to prepare and file a parcel map with the Division of Water Resources of the State Department of Conservation and Natural Resources and also to obtain a certificate of approval from the Division of Water Resources if the resulting parcels of land meet certain qualifications.

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

**Section 1.** NRS 534.013 is hereby amended to read as follows: 534.013 "Domestic use" or "domestic purposes" extends to culinary and household purposes directly related to [a]:

1. A single-family dwelling  $\{\cdot,\cdot\}$ ; or

2. An accessory building for a single-family dwelling if provided for in an applicable local ordinance,

including, without limitation, the watering of a family garden and lawn and the watering of livestock and any other domestic animals or household pets, if the amount of water drawn does not exceed the [threshold daily] maximum amount set *forth* in NRS 534.180 for exemption from the application of this chapter.

Sec. 2. NRS 534.080 is hereby amended to read as follows:

534.080 1. A legal right to appropriate underground water for beneficial use from an artesian or definable aquifer subsequent to March 22, 1913, or from percolating water, the course and boundaries of which are incapable of determination, subsequent to





March 25, 1939, can only be acquired by complying with the provisions of chapter 533 of NRS pertaining to the appropriation of water.

- 2. The State Engineer may, upon written notice sent by registered or certified mail, return receipt requested, advise the owner of a well who is using water therefrom without a permit to appropriate [such] the water to cease using [such] the water until he has complied with the laws pertaining to the appropriation of water. If the owner fails to initiate proceedings to secure such a permit within 30 days [from] after the date of [such] the notice, he [shall be] is guilty of a misdemeanor.
- 3. [The] Except as otherwise provided in subsection 4 and NRS 534.180, the date of priority of all appropriations of water from an underground source [,] mentioned in this section [,] is the date when application is made in proper form and filed in the Office of the State Engineer pursuant to the provisions of chapter 533 of NRS.
- 4. The date of priority of an appropriation of underground water from a well for domestic purposes where the draught does not exceed 2 acre feet per year is the date of completion of the well as:
- (a) Recorded by the well driller on the log he files with the State Engineer pursuant to NRS 534.170; or
- (b) Demonstrated through any other documentation or evidence specified by the State Engineer.
  - **Sec. 3.** NRS 534.090 is hereby amended to read as follows:

534.090 1. Except as otherwise provided in this section, failure for 5 successive years after April 15, 1967, on the part of the holder of any right, whether it is an adjudicated right, an unadjudicated right  $\vdash$  or a permitted right, and further whether the right is initiated after or before March 25, 1939, to use beneficially all or any part of the underground water for the purpose for which the right is acquired or claimed, works a forfeiture of both undetermined rights and determined rights to the use of that water to the extent of the nonuse. For water rights in basins for which the State Engineer keeps pumping records, if] If the records of the State Engineer or any other documents specified by the State Engineer indicate at least 4 consecutive years, but less than 5 consecutive years, of nonuse of all or any part of [such] a water right which is governed by this chapter, the State Engineer shall notify the owner of the water right, as determined in the records of the Office of the State Engineer, by registered or certified mail that he has 1 year after the date of the notice in which to use the water right beneficially and to provide proof of such use to the State Engineer or apply for relief pursuant to subsection 2 to avoid forfeiting the





water right. If, after 1 year after the date of the notice, proof of beneficial use is not sent to the State Engineer, the State Engineer shall, unless he has granted a request to extend the time necessary to work a forfeiture of the water right, declare the right forfeited within 30 days. Upon the forfeiture of a right to the use of groundwater, the water reverts to the public and is available for further appropriation, subject to existing rights. If, upon notice by registered or certified mail to the owner of record whose right has been declared forfeited, the owner of record fails to appeal the ruling in the manner provided for in NRS 533.450, and within the time provided for therein, the forfeiture becomes final. The failure to receive a notice pursuant to this subsection does not nullify the forfeiture or extend the time necessary to work the forfeiture of a water right.

- 2. The State Engineer may, upon the request of the holder of any right described in subsection 1, extend the time necessary to work a forfeiture under that subsection if the request is made before the expiration of the time necessary to work a forfeiture. The State Engineer may grant, upon request and for good cause shown, any number of extensions, but a single extension must not exceed 1 year. In determining whether to grant or deny a request, the State Engineer shall, among other reasons, consider:
- (a) Whether the holder has shown good cause for his failure to use all or any part of the water beneficially for the purpose for which his right is acquired or claimed;
- (b) The unavailability of water to put to a beneficial use which is beyond the control of the holder;
- (c) Any economic conditions or natural disasters which made the holder unable to put the water to that use;
- (d) Any prolonged period in which precipitation in the basin where the water right is located is below the average for that basin or in which indexes that measure soil moisture show that a deficit in soil moisture has occurred in that basin; and
- (e) Whether the holder has demonstrated efficient ways of using the water for agricultural purposes, such as center-pivot irrigation.
- → The State Engineer shall notify, by registered or certified mail, the owner of the water right, as determined in the records of the Office of the State Engineer, of whether he has granted or denied the holder's request for an extension pursuant to this subsection.
- 3. If the failure to use the water pursuant to subsection 1 is because of the use of center-pivot irrigation before July 1, 1983, and such use could result in a forfeiture of a portion of a right, the State Engineer shall, by registered or certified mail, send to the owner of record a notice of intent to declare a forfeiture. The notice must provide that the owner has at least 1 year [from] after the date of the notice to use the water beneficially or apply for additional relief





pursuant to subsection 2 before forfeiture of his right is declared by the State Engineer.

- 4. A right to use underground water whether it is vested or otherwise may be lost by abandonment. If the State Engineer, in investigating a groundwater source, upon which there has been a prior right, for the purpose of acting upon an application to appropriate water from the same source, is of the belief from his examination that an abandonment has taken place, he shall so state in his ruling approving the application. If, upon notice by registered or certified mail to the owner of record who had the prior right, the owner of record of the prior right fails to appeal the ruling in the manner provided for in NRS 533.450, and within the time provided for therein, the alleged abandonment declaration as set forth by the State Engineer becomes final.
  - **Sec. 4.** NRS 534.180 is hereby amended to read as follows:
- 534.180 1. Except as otherwise provided in subsection 2 and as to the furnishing of any information required by the State Engineer, this chapter does not apply in the matter of obtaining permits for the development and use of underground water from a well for domestic purposes where the draught does not exceed fadaily maximum of 1,800 gallons.
  - 2. The State Engineer may designate 2 acre feet per year.
- 2. In any groundwater basin or portion thereof [as a basin in which the] that is within an area designated by the State Engineer pursuant to NRS 534.120, the State Engineer may require:
- (a) The registration of a well [is required] located within or partially within the area if the well is drilled for the development and use of underground water for domestic purposes [.]; and
- (b) The dedication, to a city or county in which the well is located or the designee of that city or county, of such water rights necessary to ensure an adequate water supply for a parcel of land that is 40 acres or less in area, unless the dedication is required by an applicable local ordinance.
- 3. A driller who drills [such] a well for the development and use of underground water for domestic purposes shall register the information required by the State Engineer within 10 days after the completion of the well. The State Engineer shall make available forms for the registration of such wells and shall maintain a register of those wells.
- [3.] 4. The State Engineer may require the plugging of such a well which is drilled on or after July 1, 1981, at any time not sooner than 1 year after water can be furnished to the site by:
  - (a) A political subdivision of this State; or
- (b) A public utility whose rates and service are regulated by the Public Utilities Commission of Nevada,





- → but only if the charge for making the connection to the service is less than \$200.
- 5. If the development and use of underground water from a well for an accessory building of a single-family dwelling qualifies as a domestic use or domestic purpose pursuant to an applicable local ordinance:
  - (a) The owner of the well shall:

- (1) Obtain approval for that use or purpose from the local governing body or planning commission in whose jurisdiction the well is located;
- (2) Install a water meter capable of measuring the total consumption of water used from the well; and
- (3) Ensure the total consumption of water used from the well does not exceed 2 acre feet per year;
- (b) The local governing body or planning commission shall report the use of water from the well on a form provided by the State Engineer;
- (c) The State Engineer shall monitor the annual water consumption from the well; and
- (d) The date of priority for the use of the domestic well to supply water to the accessory building is the date of approval received by the owner of the well from the local governing body or planning commission.
  - **Sec. 5.** NRS 534.185 is hereby amended to read as follows:
- 534.185 1. The State Engineer shall, upon written request and receipt of a written agreement between the affected property owners, waive the requirements of this chapter regarding permits for the use and development of underground water from a well if:
  - (a) The well existed on July 1, 1983;
- (b) It is used solely for domestic purposes by not more than three single-family dwellings; and
- (c) Each of those dwellings does not draw more than [1,800 gallons] 2 acre feet of water [in a day.] per year.
- 2. The State Engineer may require an owner who has been granted such a waiver to apply for a permit if one or more of the dwellings is drawing more than [1,800 gallons] 2 acre feet of water [in a day.] per year.
- 3. This section does not apply to any groundwater basin for which the State Engineer has in effect on July 1, 1983, a procedure of issuing revocable permits.
  - **Sec. 6.** NRS 534.350 is hereby amended to read as follows:
  - 534.350 1. The State Engineer shall adopt regulations establishing a program that allows a public water system to receive credits, as provided in this section, for the addition of new





customers to the system. The program must be limited to public water systems in areas:

- (a) Designated as groundwater basins by the State Engineer pursuant to the provisions of NRS 534.030; and
- (b) In which the State Engineer has denied one or more applications for any municipal uses of groundwater.
- 2. Before the State Engineer adopts any regulations pursuant to this section regarding any particular groundwater basin, he shall hold a public hearing:
- (a) Within the basin to which the regulations will apply if adequate facilities to hold a hearing are available within that basin; or
- (b) In all other cases, within the county where the major portion of that basin lies,
- → to take testimony from any interested persons regarding the proposed regulations.
- 3. Upon adoption of the regulations required by this section regarding a particular groundwater basin, a public water system which provides service in that basin is entitled to receive a credit for each customer who is added to the system after the adoption of those regulations and:
- (a) Voluntarily ceases to draw water from a domestic well located within that basin; or
- (b) Is the owner of a lot or other parcel of land, other than land used or intended solely for use as a location for a water well, which:
  - (1) Is located within that basin;
- (2) Was established as a separate lot or parcel before July 1, 1993;
- (3) Was approved by a local governing body or planning commission for service by an individual domestic well before July 1, 1993; and
- (4) Is subject to a written agreement which was voluntarily entered into by the owner with the public water system pursuant to which the owner agrees not to drill a domestic well on the land and the public water system agrees that it will provide water service to the land. Any such agreement must be acknowledged and recorded in the same manner as conveyances affecting real property are required to be acknowledged and recorded pursuant to chapter 111 of NRS.
- 4. The State Engineer may require a new customer, who voluntarily ceases to draw water from a domestic well as provided in paragraph (a) of subsection 3, to plug that well.
  - 5. A credit granted pursuant to this section:
- (a) Must be sufficient to enable the public water system to add one service connection for a single-family dwelling to the system,





except that the credit may not exceed the increase in water consumption attributable to the additional service connection or [1,800 gallons per day,] 2 acre feet per year, whichever is less.

- (b) May not be converted to an appropriative water right.
- 6. This section does not:

- (a) Require a public water system to extend its service area.
- (b) Authorize any increase in the total amount of groundwater pumped in a groundwater basin.
- (c) Affect any rights of an owner of a domestic well who does not voluntarily bring himself within the provisions of this section.
  - 7. As used in this section:
- (a) "Domestic well" means a well used for culinary and household purposes in [a]:
  - (1) A single-family dwelling  $\{\cdot,\cdot\}$ ; or
- (2) An accessory building for a single-family dwelling if provided for in an applicable local ordinance,
- including the watering of a garden, lawn and domestic animals and where the draught does not exceed [1,800 gallons per day.] 2 acre feet per year.
- (b) "Public water system" has the meaning ascribed to it in NRS 445A.840.
  - **Sec. 7.** NRS 278.461 is hereby amended to read as follows:
- 278.461 1. Except as otherwise provided in this section, a person who proposes to divide any land for transfer or development into four lots or less shall:
- (a) Prepare a parcel map and file the number of copies, as required by local ordinance, of the parcel map with the planning commission or its designated representative or, if there is no planning commission, with the clerk of the governing body; and
- (b) Pay a filing fee in an amount determined by the governing body,
- → unless [these] those requirements are waived or the provisions of NRS 278.471 to 278.4725, inclusive, apply. The map must be accompanied by a written statement signed by the treasurer of the county in which the land to be divided is located indicating that all property taxes on the land for the fiscal year have been paid.
- 2. In addition to any other requirement set forth in this section, if, in a designated basin, there is no local ordinance requiring the dedication of such water rights necessary to ensure an adequate water supply, a person who proposes to divide any land for transfer or development into four lots or less with each resulting lot constituting 40 acres or less in area and which is proposed to be served by a domestic well shall:





- (a) Prepare and file a parcel map with the Division of Water Resources of the State Department of Conservation and Natural Resources; and
- (b) Obtain a certificate of approval for the parcel map from that Division.
- **3.** If the parcel map is submitted to the clerk of the governing body, he shall submit the parcel map to the governing body at its next regular meeting.
- [3.] 4. A common-interest community consisting of four units or less shall be deemed to be a division of land within the meaning of this section, but need only comply with this section and NRS 278.371, 278.373 to 278.378, inclusive, 278.462, 278.464 and 278.466.
- 14 [4.] 5. A parcel map is not required when the division is for 15 the express purpose of:
- 16 (a) The creation or realignment of a public right-of-way by a public agency.
  - (b) The creation or realignment of an easement.
  - (c) An adjustment of the boundary line between two abutting parcels or the transfer of land between two owners of abutting parcels, which does not result in the creation of any additional parcels, if such an adjustment is approved pursuant to NRS 278.5692 and is made in compliance with the provisions of NRS 278.5693.
  - (d) The purchase, transfer or development of space within an apartment building or an industrial or commercial building.
  - (e) Carrying out an order of any court or dividing land as a result of an operation of law.
  - [5.] 6. A parcel map is not required for any of the following transactions involving land:
  - (a) The creation of a lien, mortgage, deed of trust or any other security instrument.
  - (b) The creation of a security or unit of interest in any investment trust regulated under the laws of this State or any other interest in an investment entity.
  - (c) Conveying an interest in oil, gas, minerals or building materials, which is severed from the surface ownership of real property.
  - (d) Conveying an interest in land acquired by the Department of Transportation pursuant to chapter 408 of NRS.
    - (e) Filing a certificate of amendment pursuant to NRS 278.473.
  - [6.] 7. When two or more separate lots, parcels, sites, units or plots of land are purchased, they remain separate for the purposes of this section and NRS 278.468, 278.590 and 278.630. When the lots, parcels, sites, units or plots are resold or conveyed they are exempt



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from the provisions of NRS 278.010 to 278.630, inclusive, until further divided.

- [7.] 8. Unless a method of dividing land is adopted for the purpose or would have the effect of evading this chapter, the provisions for the division of land by a parcel map do not apply to a transaction exempted by paragraph (c) of subsection 1 of NRS 278.320.
  - 9. As used in this section:

- (a) "Designated basin" means a groundwater basin or portion thereof that is designated by the State Engineer pursuant to NRS 534.120.
- 12 (b) "Domestic well" has the meaning ascribed to it in 13 NRS 534.350.
  - **Sec. 8.** NRS 278.464 is hereby amended to read as follows:
  - 278.464 1. Except as otherwise provided in subsection 2, if there is a planning commission, it shall:
  - (a) In a county whose population is 400,000 or more, within 45 days; or
  - (b) In a county whose population is less than 400,000, within 60 days,
  - → after accepting as a complete application a parcel map, recommend approval, conditional approval or disapproval of the map in a written report. The planning commission shall submit the parcel map and the written report to the governing body.
  - 2. If the governing body has authorized the planning commission to take final action on a parcel map, the planning commission shall:
  - (a) In a county whose population is 400,000 or more, within 45 days; or
  - (b) In a county whose population is less than 400,000, within 60 days,
    - → after accepting as a complete application the parcel map, approve, conditionally approve or disapprove the map. The planning commission shall file its written decision with the governing body. Unless the time is extended by mutual agreement, if the planning commission is authorized to take final action and it fails to take action within the period specified in this subsection, the parcel map shall be deemed approved.
  - 3. If there is no planning commission or if the governing body has not authorized the planning commission to take final action, the governing body or, by authorization of the governing body, the director of planning or other authorized person or agency shall:
  - (a) In a county whose population is 400,000 or more, within 45 days; or





- 1 (b) In a county whose population is less than 400,000, within 60 days,
  - → after acceptance of the parcel map as a complete application by the governing body pursuant to subsection 1 or pursuant to subsection [2] 3 of NRS 278.461, review and approve, conditionally approve or disapprove the parcel map. Unless the time is extended by mutual agreement, if the governing body, the director of planning or other authorized person or agency fails to take action within the period specified in this subsection, the parcel map shall be deemed approved.
  - 4. Except as otherwise provided in NRS 278.463, if unusual circumstances exist, a governing body or, if authorized by the governing body, the planning commission may waive the requirement for a parcel map. Before waiving the requirement for a parcel map, a determination must be made by the county surveyor, city surveyor or professional land surveyor appointed by the governing body that a survey is not required. Unless the time is extended by mutual agreement, a request for a waiver must be acted upon:
  - (a) In a county whose population is 400,000 or more, within 45 days; or
  - (b) In a county whose population is less than 400,000, within 60 days,
  - → after the date of the request for the waiver or, in the absence of action, the waiver shall be deemed approved.
  - 5. A governing body may consider or may, by ordinance, authorize the consideration of the criteria set forth in subsection 3 of NRS 278.349 in determining whether to approve, conditionally approve or disapprove a second or subsequent parcel map for land that has been divided by a parcel map which was recorded within the 5 years immediately preceding the acceptance of the second or subsequent parcel map as a complete application.
  - 6. An applicant or other person aggrieved by a decision of the governing body's authorized representative or by a final act of the planning commission may appeal the decision in accordance with the ordinance adopted pursuant to NRS 278.3195.
  - 7. If a parcel map and the associated division of land are approved or deemed approved pursuant to this section, the approval must be noted on the map in the form of a certificate attached thereto and executed by the clerk of the governing body, the governing body's designated representative or the chairman of the planning commission. A certificate attached to a parcel map pursuant to this subsection must indicate, if applicable, that the governing body or planning commission determined that a public street, easement or utility easement which will not remain in effect





after a merger and resubdivision of parcels conducted pursuant to NRS 278.4925 has been vacated or abandoned in accordance with NRS 278.480.

- **Sec. 9.** NRS 278.5693 is hereby amended to read as follows:
- 278.5693 1. For a boundary line to be adjusted or for land to be transferred pursuant to paragraph (c) of subsection [4] 5 of NRS 278.461, a professional land surveyor must have performed a field survey, set monuments and filed a record of survey pursuant to NRS 625.340.
- 10 2. A record of survey filed pursuant to subsection 1 must 11 contain:
  - (a) A certificate by the professional land surveyor who prepared the map stating that:
  - (1) He has performed a field survey sufficient to locate and identify properly the proposed boundary line adjustment;
  - (2) All corners and angle points of the adjusted boundary line have been defined by monuments or will be otherwise defined on a document of record as required by NRS 625.340; and
  - (3) The map is not in conflict with the provisions of NRS 278.010 to 278.630, inclusive.
  - (b) A certificate that is executed and acknowledged by each affected owner of the abutting parcels which states that:
  - (1) He has examined the plat and approves and authorizes the recordation thereof;
  - (2) He agrees to execute the required documents creating any easement which is shown;
  - (3) He agrees to execute the required documents abandoning any existing easement pursuant to the provisions of NRS 278.010 to 278.630, inclusive;
  - (4) All property taxes on the land for the fiscal year have been paid; and
  - (5) Any lender with an impound account for the payment of taxes has been notified of the adjustment of the boundary line or the transfer of the land.
  - (c) A certificate by the governing body or its designated representative approving the adjustment of the boundary line.
    - **Sec. 10.** This act becomes effective on July 1, 2007.





