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SECOND REPRINT

S.B. 140

SENATE BILL NO. 140—COMMITTEE ON NATURAL RESOURCES

FEBRUARY 11, 2019

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to the use of groundwater in certain basins. (BDR 48-541)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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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 groundwater; requiring the State Engineer to reserve a certain percentage of the remaining groundwater available for use in certain basins; prohibiting the use of such groundwater; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Under existing law, any person who wishes to appropriate any waters of this State must apply to the State Engineer for a permit to do so and the State Engineer must reject an application under certain circumstances, including when there is no unappropriated water available in the proposed source of supply. (NRS 533.325, 533.370, 533.371) **Section 1** of this bill requires the State Engineer, in any basin in which there is groundwater that has not been committed for use on the effective date of this bill, to reserve 10 percent of the total remaining groundwater in the basin. The groundwater reserved by the State Engineer is not available for any use. **Sections 3 and 4** of this bill require the State Engineer to reject an application for a permit to appropriate water if the groundwater from the proposed source of supply has been reserved under **section 1**. **Section 2** of this bill makes conforming changes.

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

**Section 1.** Chapter 533 of NRS is hereby amended by adding thereto a new section to read as follows:

***1. For each basin in which there is groundwater that has not been committed for use, including, without limitation, pursuant to a permit, certificate or by any other water user in the basin, as of***



\* S B 1 4 0 R 2 \*

1 *the effective date of this act, the State Engineer shall reserve 10*  
2 *percent of the total remaining groundwater that has not been*  
3 *committed for use in the basin.*

4 *2. The groundwater in the basin from the reserve created*  
5 *pursuant to subsection 1 is not available for any use.*

6 **Sec. 2.** NRS 533.030 is hereby amended to read as follows:

7 533.030 1. Subject to existing rights, and except as otherwise  
8 provided in this section and NRS 533.027, *and section 1 of this act,*  
9 all water may be appropriated for beneficial use as provided in this  
10 chapter and not otherwise.

11 2. The use of water, from any stream system as provided in this  
12 chapter and from underground water as provided in NRS 534.080,  
13 for any recreational purpose, or the use of water from the Muddy  
14 River or the Virgin River to create any developed shortage supply or  
15 intentionally created surplus, is hereby declared to be a beneficial  
16 use. As used in this subsection:

17 (a) "Developed shortage supply" has the meaning ascribed to it  
18 in Volume 73 of the Federal Register at page 19884, April 11, 2008,  
19 and any subsequent amendment thereto.

20 (b) "Intentionally created surplus" has the meaning ascribed to it  
21 in Volume 73 of the Federal Register at page 19884, April 11, 2008,  
22 and any subsequent amendment thereto.

23 3. Except as otherwise provided in subsection 4, in any county  
24 whose population is 700,000 or more:

25 (a) The board of county commissioners may prohibit or restrict  
26 by ordinance the use of water and effluent for recreational purposes  
27 in any artificially created lake or stream located within the  
28 unincorporated areas of the county.

29 (b) The governing body of a city may prohibit or restrict by  
30 ordinance the use of water and effluent for recreational purposes in  
31 any artificially created lake or stream located within the boundaries  
32 of the city.

33 4. In any county whose population is 700,000 or more, the  
34 provisions of subsection 1 and of any ordinance adopted pursuant to  
35 subsection 3 do not apply to:

36 (a) Water stored in an artificially created reservoir for use in  
37 flood control, in meeting peak water demands or for purposes  
38 relating to the treatment of sewage;

39 (b) Water used in a mining reclamation project; or

40 (c) A body of water located in a recreational facility that is open  
41 to the public and owned or operated by the United States or the State  
42 of Nevada.

43 **Sec. 3.** NRS 533.370 is hereby amended to read as follows:

44 533.370 1. Except as otherwise provided in this section and  
45 NRS 533.345, 533.371, 533.372 and 533.503, *and section 1 of this*



1 **act**, the State Engineer shall approve an application submitted in  
2 proper form which contemplates the application of water to  
3 beneficial use if:

4 (a) The application is accompanied by the prescribed fees;

5 (b) The proposed use or change, if within an irrigation district,  
6 does not adversely affect the cost of water for other holders of water  
7 rights in the district or lessen the efficiency of the district in its  
8 delivery or use of water; and

9 (c) The applicant provides proof satisfactory to the State  
10 Engineer of the applicant's:

11 (1) Intention in good faith to construct any work necessary to  
12 apply the water to the intended beneficial use with reasonable  
13 diligence; and

14 (2) Financial ability and reasonable expectation actually to  
15 construct the work and apply the water to the intended beneficial use  
16 with reasonable diligence.

17 2. Except as otherwise provided in subsection 10, where there  
18 is no unappropriated water in the proposed source of supply, **where**  
19 **the groundwater that has not been committed for use has been**  
20 **reserved pursuant to section 1 of this act** or where its proposed use  
21 or change conflicts with existing rights or with protectable interests  
22 in existing domestic wells as set forth in NRS 533.024, or threatens  
23 to prove detrimental to the public interest, the State Engineer shall  
24 reject the application and refuse to issue the requested permit. If a  
25 previous application for a similar use of water within the same basin  
26 has been rejected on those grounds, the new application may be  
27 denied without publication.

28 3. In addition to the criteria set forth in subsections 1 and 2, in  
29 determining whether an application for an interbasin transfer of  
30 groundwater must be rejected pursuant to this section, the State  
31 Engineer shall consider:

32 (a) Whether the applicant has justified the need to import the  
33 water from another basin;

34 (b) If the State Engineer determines that a plan for conservation  
35 of water is advisable for the basin into which the water is to be  
36 imported, whether the applicant has demonstrated that such a plan  
37 has been adopted and is being effectively carried out;

38 (c) Whether the proposed action is environmentally sound as it  
39 relates to the basin from which the water is exported;

40 (d) Whether the proposed action is an appropriate long-term use  
41 which will not unduly limit the future growth and development in  
42 the basin from which the water is exported; and

43 (e) Any other factor the State Engineer determines to be  
44 relevant.



4. Except as otherwise provided in this subsection and subsections 6 and 10 and NRS 533.365, the State Engineer shall approve or reject each application within 2 years after the final date for filing a protest. The State Engineer may postpone action:

(a) Upon written authorization to do so by the applicant.

(b) If an application is protested.

(c) If the purpose for which the application was made is municipal use.

(d) In areas where studies of water supplies have been determined to be necessary by the State Engineer pursuant to NRS 533.368.

(e) Where court actions or adjudications are pending, which may affect the outcome of the application.

(f) In areas in which adjudication of vested water rights is deemed necessary by the State Engineer.

(g) On an application for a permit to change a vested water right in a basin where vested water rights have not been adjudicated.

(h) Where authorized entry to any land needed to use the water for which the application is submitted is required from a governmental agency.

(i) On an application for which the State Engineer has required additional information pursuant to NRS 533.375.

5. If the State Engineer does not act upon an application in accordance with subsections 4 and 6, the application remains active until approved or rejected by the State Engineer.

6. Except as otherwise provided in this subsection and subsection 10, the State Engineer shall approve or reject, within 6 months after the final date for filing a protest, an application filed to change the point of diversion of water already appropriated when the existing and proposed points of diversion are on the same property for which the water has already been appropriated under the existing water right or the proposed point of diversion is on real property that is proven to be owned by the applicant and is contiguous to the place of use of the existing water right. The State Engineer may postpone action on the application pursuant to subsection 4.

7. If the State Engineer has not approved, rejected or held a hearing on an application within 7 years after the final date for filing a protest, the State Engineer shall cause notice of the application to be republished pursuant to NRS 533.360 immediately preceding the time at which the State Engineer is ready to approve or reject the application. The cost of the republication must be paid by the applicant. After such republication, a protest may be filed in accordance with NRS 533.365.



8. If a hearing is held regarding an application, the decision of the State Engineer must be in writing and include findings of fact, conclusions of law and a statement of the underlying facts supporting the findings of fact. The written decision may take the form of a transcription of an oral ruling. The rejection or approval of an application must be endorsed on a copy of the original application, and a record must be made of the endorsement in the records of the State Engineer. The copy of the application so endorsed must be returned to the applicant. Except as otherwise provided in subsection 11, if the application is approved, the applicant may, on receipt thereof, proceed with the construction of the necessary works and take all steps required to apply the water to beneficial use and to perfect the proposed appropriation. If the application is rejected, the applicant may take no steps toward the prosecution of the proposed work or the diversion and use of the public water while the rejection continues in force.

9. If a person is the successor in interest of an owner of a water right or an owner of real property upon which a domestic well is located and if the former owner of the water right or real property on which a domestic well is located had previously filed a written protest against the granting of an application, the successor in interest must be allowed to pursue that protest in the same manner as if the successor in interest were the former owner whose interest he or she succeeded. If the successor in interest wishes to pursue the protest, the successor in interest must notify the State Engineer in a timely manner on a form provided by the State Engineer.

10. The provisions of subsections 1 to 9, inclusive, do not apply to an application for an environmental permit or a temporary permit issued pursuant to NRS 533.436 or 533.504.

11. The provisions of subsection 8 do not authorize the recipient of an approved application to use any state land administered by the Division of State Lands of the State Department of Conservation and Natural Resources without the appropriate authorization for that use from the State Land Registrar.

12. As used in this section, "domestic well" has the meaning ascribed to it in NRS 534.350.

**Sec. 4.** NRS 533.371 is hereby amended to read as follows:

533.371 The State Engineer shall reject the application and refuse to issue a permit to appropriate water for a specified period if the State Engineer determines that:

1. The application is incomplete;
2. The prescribed fees have not been paid;
3. The proposed use is not temporary;



1       4. There is no water available from the proposed source of  
2 supply without exceeding the perennial yield or safe yield of that  
3 source;

4       5. *The groundwater that has not been committed for use from*  
5 *the proposed source of supply has been reserved pursuant to*  
6 *section 1 of this act;*

7       6. The proposed use conflicts with existing rights; or

8       ~~6.~~ 7. The proposed use threatens to prove detrimental to the  
9 public interest.

10      **Sec. 5.** The amendatory provisions of this act apply to any  
11 application for a permit to appropriate water that has been submitted  
12 to the State Engineer on or after March 1, 2019, but not approved  
13 before the effective date of this act.

14      **Sec. 6.** This act becomes effective upon passage and approval.

