SENATE BILL NO. 52–COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF THE DIVISION OF WATER RESOURCES OF THE STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES)

PREFILED NOVEMBER 10, 2026

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to water. (BDR 48-174)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: May have Fiscal Impact.
Effect on the State Highway Fund: 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; authorizing the State Engineer to consider certain maximum quantities of water that have been applied to beneficial use under certain circumstances; revising certain exemptions relating to the time for the completion of the work and the application of water to beneficial use; revising provisions relating to the statement filed as proof of beneficial use; revising requirements governing a map accompanying such a statement; requiring a holder of a water right to file an annual statement of water used with the State Engineer; revising the procedures for the State Engineer to declare a forfeiture of certain water rights; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the water of all sources of water supply in this State belongs to the public and, subject to existing rights, may be appropriated for beneficial use. (NRS 533.025, 533.030) Existing law requires the State Engineer to approve or reject an application of water to beneficial use, including an application for a proposed change in the place of diversion, manner of use or place of use, under certain circumstances. (NRS 533.370) Existing law authorizes the State Engineer to consider the consumptive use of a water right and the consumptive use of a proposed beneficial use of water in determining whether the State Engineer must reject a proposed change in the place of diversion, manner of use or place of use. (NRS 533.3703) **Section 3** of this bill authorizes the State Engineer when

making such a determination to also consider the maximum quantity of water that has been applied to beneficial use within the last 10 years under the right of water already appropriated.

Upon approving an application for a permit to appropriate water, the State Engineer is required by existing law to set a deadline by which the construction of the work related to the appropriation of water must be completed and the application of water to beneficial use must be made. (NRS 533.380) **Section 4** of this bill exempts a permit to appropriate water for a specified period from the provisions governing the time by which the complete application of water to beneficial use must be made.

Existing law requires the State Engineer to consider certain factors when determining whether to grant or deny a request for an extension of time to apply water to a beneficial use from certain holders of a permit to appropriate water issued for any municipal or quasi-municipal use of water and exempts from the requirement to consider such factors environmental permits and certain temporary permits. (NRS 533.380) **Section 4** instead requires the State Engineer to consider such factors for an environmental permit and certain temporary permits. **Section 4** also replaces certain uses of the term "application" with "appropriation" to conform with language used in other provisions of existing law.

Existing law requires a person who holds a permit to appropriate water or change the place of diversion or manner of use to file proof of the application of water to beneficial use, which consists of a statement that includes certain information relating to the application of water to beneficial use, including the amount of water beneficially used taken from actual measurements with such other data as the State Engineer may require and an accompanying map, under certain circumstances, by the date set for the application of water to beneficial use. (NRS 533.400, 533.405) Existing law requires the State Engineer to hold the permit for cancellation if the proof of the application of water to beneficial use and accompanying map, if required, are not filed by this date. (NRS 533.410) **Section 5** of this bill revises the contents of this statement. **Section 5** provides that the amount of water beneficially used may also be demonstrated by providing certain documentation or evidence relating to the beneficial use of the water. **Section 5** limits the amount of water beneficially used that may be demonstrated by providing a recorded parcel map for certain single-family dwellings to 1.12 acre-feet of water annually and provides that such use may not be changed to any other place of use in whole or in part. **Section 5** further provides that a permit issued to compensate for water captured by another right is perfected when beneficial use is proven for the water right under which the water is captured. Finally, **section 5** exempts a person holding a permit to appropriate water for a specified period from submitting such a statement to the State Engineer.

Section 6 of this bill revises the contents of the map which the State Engineer may require to accompany the proof of beneficial use.

Existing law provides that, with limited exception, the holder of a water right forfeits the right if the holder fails for 5 successive years to use beneficially all or any part of the underground water for the purpose for which the right is acquired or claimed. Existing law requires, under certain circumstances, the State Engineer to notify the owner of a water right that has failed for 4 or more consecutive years to use beneficially all or any part of the underground water for the purpose for which the right is acquired or claimed that the owner has 1 year after the date of the notice to either: (1) use the water right beneficially and provide proof of such use to the State Engineer; or (2) apply to the State Engineer for an extension of time to work a forfeiture of the water right. If, after 1 year after the date of the notice, the owner of the water right has not taken either action, the State Engineer is required to: (1) declare the right forfeited within 30 days; and (2) send a final notice to the owner of the water right before the 30-day period begins. (NRS 534.090) **Section 7** of this

bill provides that beneficial use of such underground water may be demonstrated in any manner provided by **section 5**. **Section 7** also requires a holder of certain water rights to, on or before February 15 of each year, provide a statement of water used to the State Engineer which must indicate whether the right was used in the manner for which it was acquired or claimed during the immediately preceding calendar year, and if so, which must state the quantity of water applied to beneficial use. **Section 7** further provides that if the records of the State Engineer or any other document obtained by or provided to the State Engineer indicate 4 or more but less than 10 consecutive years of nonuse of all or any part of a water right, the State Engineer is required to take the steps set forth in existing law to notify the owner that the owner has 1 year to take steps to avoid forfeiting the right. If the record or any other document indicate 10 or more years of consecutive nonuse of all or any part of a water right, **section 7** requires the State Engineer to declare the right or portion thereof forfeited and send notice of the declaration of forfeiture to the owner of record.

Sections 1-3 and 8 of this bill replace certain uses of the term "certified" with "certificated" to conform with language used in other provisions of existing law.

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

Section 1. NRS 532.167 is hereby amended to read as follows:

532.167 For each basin located in whole or in part in the State, the State Engineer shall prepare a water budget and calculate and maintain an inventory of water which includes, without limitation:

1. The total amount of groundwater appropriated in the basin in accordance with decreed, ~~[certified]~~ ***certificated*** and permitted rights regardless of whether the water appropriations are temporary in nature;

2. An estimate of the amount of groundwater used by domestic wells in the basin; and

3. An estimate of the amount of all groundwater that is available for appropriation in the basin.

Sec. 2. NRS 533.364 is hereby amended to read as follows:

533.364 1. In addition to the requirements of NRS 533.370, before approving an application for an interbasin transfer of more than 250 acre-feet of groundwater from a basin which the State Engineer has not previously inventoried or for which the State Engineer has not conducted, or caused to be conducted, a study pursuant to NRS 532.165 or 533.368, the State Engineer or a person designated by the State Engineer shall conduct an inventory of the basin from which the water is to be exported. The inventory must include:

(a) The total amount of surface water and groundwater appropriated in accordance with a decreed, ~~[certified]~~ ***certificated*** or permitted right;

(b) An estimate of the amount and location of all surface water and groundwater that is available for appropriation in the basin; and

(c) The name of each owner of record set forth in the records of the Office of the State Engineer for each decreed, ~~[certified]~~ ***certificated*** or permitted right in the basin.

2. The provisions of this section do not:

(a) Require the State Engineer to initiate or complete a determination of the surface water or groundwater rights pursuant to NRS 533.087 to 533.320, inclusive, or to otherwise quantify any vested claims of water rights in the basin before approving an application for an interbasin transfer of groundwater from the basin; or

(b) Prohibit the State Engineer from considering information received from or work completed by another person to include in the inventory, if the inventory is otherwise conducted in accordance with the provisions of subsection 1.

3. The State Engineer shall charge the applicant a fee to cover the cost of the inventory. The amount of the fee must not exceed the cost to the State Engineer of conducting the inventory.

4. The State Engineer shall complete any inventory conducted pursuant to subsection 1 within 1 year after commencing the inventory, unless the time limit is waived by the applicant.

Sec. 3. NRS 533.3703 is hereby amended to read as follows:

533.3703 1. ~~[The State Engineer may consider the consumptive use of a water right and the consumptive use of a proposed beneficial use of water in]~~ ***In*** determining whether a proposed change in the place of diversion, manner of use or place of use complies with the provisions of subsection 2 of NRS 533.370 ~~[.]~~ ***, the State Engineer may consider:***

(a) The consumptive use of the existing water right and the consumptive use of the proposed beneficial use of water; and

(b) The maximum quantity of water that has been applied to beneficial use, as established pursuant to NRS 533.400, within the last 10 years under the existing water right.

2. The provisions of this section:

(a) Must not be applied by the State Engineer in a manner that is inconsistent with any applicable federal or state decree concerning consumptive use.

(b) Do not apply to any decreed, ~~[certified]~~ ***certificated*** or permitted right to appropriate water which originates in the Virgin River or the Muddy River.

Sec. 4. NRS 533.380 is hereby amended to read as follows:

533.380 1. Except as otherwise provided in subsection 5, in an endorsement of approval upon any application, the State Engineer shall:

(a) Set a time before which the construction of the work must be completed, which must be within 5 years after the date of approval.

(b) Except as otherwise provided in ~~[this]~~ paragraph ~~[,]~~ ***(b) of subsection 5,*** set a time before which the complete application of water to a beneficial use must be made, which must not exceed 10 years after the date of the approval. The time set under this paragraph respecting an application for a permit to apply water to a municipal or quasi-municipal use on any land:

(1) For which a final subdivision map has been recorded pursuant to chapter 278 of NRS;

(2) For which a plan for the development of a project has been approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(3) On any land for which a plan for the development of a planned unit development has been recorded pursuant to chapter 278A of NRS,

➥ must not be less than 5 years.

2. The State Engineer may limit the applicant to a smaller quantity of water, to a shorter time for the completion of work, and, except as otherwise provided in paragraph (b) of subsection 1, to a shorter time for the perfecting of the ~~[application]~~ ***appropriation*** than named in the application.

3. Except as otherwise provided in subsection 4 and NRS 533.395 and 533.4377, the State Engineer may, for good cause shown, grant any number of extensions of time within which construction work must be completed, or water must be applied to a beneficial use under any permit therefor issued by the State Engineer, but a single extension of time must not exceed 5 years. An application for the extension must in all cases be:

(a) Made within 30 days following notice by registered or certified mail that proof of the work is due as provided for in NRS 533.390 and 533.410; and

(b) Accompanied by proof and evidence of the good faith and reasonable diligence with which the applicant is pursuing the perfection of the ~~[application.]~~ ***appropriation.***

➥ The State Engineer shall not grant an extension of time unless the State Engineer determines from the proof and evidence so submitted that the applicant is proceeding in good faith and with reasonable diligence to perfect the ~~[application.]~~ ***appropriation.*** The failure to provide the proof and evidence required pursuant to this subsection is prima facie evidence that the holder is not proceeding in good faith and with reasonable diligence to perfect the ~~[application.]~~ ***appropriation.***

4. Except as otherwise provided in ~~[subsection 5 and]~~ NRS 533.395, whenever the holder of a permit issued for any municipal

or quasi-municipal use of water on any land referred to in paragraph (b) of subsection 1, or for any use which may be served by a county, city, town, public water district or public water company, requests an extension of time to apply the water to a beneficial use, the State Engineer shall, in determining whether to grant or deny the extension, consider, among other factors:

(a) Whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;

(b) The number of parcels and commercial or residential units which are contained in or planned for the land being developed or the area being served by the county, city, town, public water district or public water company;

(c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use;

(d) Any delays in the development of the land or the area being served by the county, city, town, public water district or public water company which were caused by unanticipated natural conditions; and

(e) The period contemplated in the:

(1) Plan for the development of a project approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(2) Plan for the development of a planned unit development recorded pursuant to chapter 278A of NRS,

➥ if any, for completing the development of the land.

5. The provisions of ~~[subsections]~~ ***:***

(a) Subsection 1 ~~[and 4]~~ do not apply to an environmental permit or a temporary permit issued pursuant to NRS 533.436 or 533.504.

(b) Paragraph (b) of subsection 1 do not apply to a permit to appropriate water for a specified period which has been approved by the State Engineer in accordance with NRS 533.370 and 533.371.

6. For the purposes of this section, the measure of reasonable diligence is the steady application of effort to perfect the ~~[application]~~ ***appropriation*** in a reasonably expedient and efficient manner under all the facts and circumstances. When a project or integrated system is composed of several features, work on one feature of the project or system may be considered in finding that reasonable diligence has been shown in the development of water rights for all features of the entire project or system.

7. The State Engineer shall:

(a) Adopt any regulation necessary to carry out the provisions of this section; and

(b) Provide a copy of such regulations to any person upon request.

Sec. 5. NRS 533.400 is hereby amended to read as follows:

533.400 1. Except as otherwise provided in subsection ~~[2,]~~ ***4,*** on or before the date set in the endorsement of a permit for the application of water to beneficial use, or on the date set by the State Engineer under a proper application for extension therefor, any person holding a permit from the State Engineer to appropriate the public waters of the State of Nevada, to change the place of diversion or the manner or place of use, shall file with the State Engineer a statement under oath, on a form prescribed by the State Engineer. The statement must include:

(a) The name and post office address of the person making the proof.

(b) The number and date of the permit for which proof is made.

(c) The source of the water supply.

(d) The name of the canal or other works by which the water is conducted to the place of use ~~[.]~~ ***and any other data the State Engineer may require to completely describe the system that conducts the water to the place of use.***

(e) The name of the ~~[original person]~~ ***owner of record*** to whom the permit ~~[was]~~ ***is currently*** issued.

(f) The purpose for which the water is used.

(g) If for irrigation, the actual number of acres of land upon which the water granted in the permit has been beneficially used, giving the same by 40-acre legal subdivisions when possible.

(h) ~~[An actual measurement taken by a licensed state water right surveyor or an official or employee of the Office of the State Engineer of the water diverted for beneficial use.]~~ ***The maximum rate of instantaneous flow of the water through the works of diversion, including a description of how the person obtained the measurement.***

(i) The capacity of the works of diversion.

(j) ~~[If for power, the dimensions and capacity of the flume, pipe, ditch or other conduit.~~

~~(k) The average grade and difference in elevation between the termini of any conduit.~~

~~(l)]~~ The ~~[number of]~~ months ~~[, naming them,]~~ ***per year*** in which ***the*** water ~~[has been]~~ ***is*** beneficially used.

~~[(m)]~~ ***(k)*** The amount of water beneficially used, ~~[taken from]~~ ***as demonstrated through*** actual measurements ~~[,]~~ ***of the water diverted under the appropriation or other evidence as described in this paragraph which is sufficient to establish the amount of water beneficially used as described in this paragraph,*** together with ~~[such other data as]~~ ***any additional information*** the State Engineer

may require to ~~[become acquainted with the amount]~~ ***determine the extent*** of the appropriation for which the proof is filed. ***Except as otherwise provided in this paragraph and subsection 2, the amount of water beneficially used may be demonstrated by providing:***

(1) Documentation of a water right dedicated by a water purveyor, public utility or public body together with a recorded parcel or subdivision map of the area receiving the dedication;

(2) A recorded parcel map together with evidence of a completed single-family dwelling not served by a water purveyor, public utility or public body, which may be provided to demonstrate not more than 1.12 acre-feet of water used annually per parcel and the use of which may not be changed to any other place of use in whole or in part;

(3) If the use is for irrigation, the number of acres irrigated;

(4) If the use is for watering livestock or wildlife, the number and kind of animals watered;

(5) A fixture count for a facility which is fully constructed, together with evidence of not less than 1 year of occupancy of the facility;

(6) If the use is for a reclamation project where a performance bond is posted, a plan that describes the quantity of water necessary to reclaim lands associated with the project which have been previously disturbed and that has been submitted to and approved by the State Engineer for the purpose of confirming the quantity of water being used;

(7) If the use is for the protection of instream flows, evidence that the water is put to beneficial use for the entire period of use consistent with the priority of the water or, if the water system is decreed, the regulation of the system; or

(8) Any combination thereof.

2. ***Any evidence provided to demonstrate the amount of water beneficially used pursuant to paragraph (k) of subsection 1 will only sufficiently demonstrate the amount of water beneficially used once the works of diversion and distribution are fully completed and operational.***

3. A permit issued to compensate for water captured by another water right is perfected when beneficial use is proven for the water right under which the water is captured.

4. The provisions of subsection 1 do not apply to a person holding an environmental permit , ~~[or]~~ a temporary permit issued pursuant to NRS 533.436 or 533.504 ~~[.]~~ ***or a permit to appropriate water for a specified period which has been approved by the State Engineer in accordance with NRS 533.370 and 533.371.***

5. As used in this section, "fixture count" means the total number of plumbing fixtures installed in a building.

Sec. 6. NRS 533.405 is hereby amended to read as follows:

533.405 1. The State Engineer may, in his or her discretion, request that the statement required by NRS 533.400 be accompanied by a map on a scale of not less than 1,000 feet to the inch, which shall show with substantial accuracy the following:

(a) The point of diversion ~~[by legal subdivisions or by metes and bounds from some corner, when possible,]~~ from the source of supply.

(b) The traverse of the ditch ***, pipe*** or other conduit ***.*** ~~[, together with cross sections of the same.]~~

(c) The legal subdivisions of the land embraced in the application for the permit and the outline ~~[by metes and bounds]~~ of the irrigated area, with the amount thereof.

~~[(d) The average grade and the difference in elevation of the termini of the conduit, and the carrying capacity of the same.~~

~~(e) The actual quantity of water flowing in the canal or conduit during the time the survey was being made.]~~

2. The map must bear the affidavit of the surveyor or engineer making such survey and map. If the survey and map are made by different persons the affidavit of each must be on the map, showing that the map as compiled agrees with the survey.

3. The map shall conform with such rules and regulations as the State Engineer shall make, which rules shall not be in conflict herewith.

Sec. 7. 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 or a right for which a certificate has been issued pursuant to NRS 533.425, 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 the purposes of this section, the beneficial use of all or any part of the underground water for the purpose for which the right is acquired or claimed may be demonstrated in any manner provided by paragraph (k) of subsection 1 of NRS 533.400.***

2. ***Each holder of any right set forth in subsection 1 shall, on or before February 15 of each year, provide a statement of water used to the State Engineer which must indicate whether the right was used in the manner for which it was acquired or claimed***

during the immediately preceding calendar year, and if so, which must state the quantity of water applied to beneficial use. If the records of the State Engineer or any other documents obtained by or provided to the State Engineer ~~[indicate]~~ ***, including the statement submitted annually to the State Engineer pursuant to this subsection:***

(a) Indicate 4 or more ***but less than 10*** consecutive years of nonuse of all or any part of a water right which is governed by this chapter:

~~[(a)]~~ ***(1)*** 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 of the nonuse and that the owner has 1 year after the date of the notice of nonuse 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 3 to avoid forfeiting the water right.

~~[(b)]~~ ***(2)*** If, after 1 year after the date of the notice of nonuse pursuant to ~~[paragraph (a),]~~ ***subparagraph (1),*** proof of resumption of beneficial use is not filed in the Office of the State Engineer, the State Engineer shall, unless the State Engineer has granted a request to extend the time necessary to work a forfeiture of the water right, send a final notice to the owner of the water right, as determined in the records of the Office of the State Engineer, by registered or certified mail, that the water right is held for forfeiture. If the owner of the water right, within 30 days after the date of such final notice, fails to file the required proof of resumption of beneficial use or an application for an extension of time to prevent forfeiture, the State Engineer shall declare the right, or the portion of the right not returned to beneficial use, forfeited. The State Engineer shall send notice of the declaration of forfeiture, by registered or certified mail, to the owner of record, as determined in the records of the Office of the State Engineer, of the water right that has been declared forfeited.

~~[(c)]~~ ***(b) Indicate 10 or more consecutive years of nonuse of all or any part of a water right which is governed by this chapter, the State Engineer shall declare the right or portion thereof forfeited. The State Engineer shall send notice of the declaration of forfeiture, by registered or certified mail, to the owner of record, as determined in the records of the Office of the State Engineer, of the water right that has been declared forfeited.***

3. If, after receipt of a notice of the declaration of forfeiture pursuant to paragraph ***(a) or*** (b) ~~[,]~~ ***of subsection 2,*** the owner of record of the water right 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. Upon the forfeiture of the

water right, the water reverts to the public and is available for further appropriation, subject to existing rights.

~~[3.]~~ ***4.*** 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 subsection 2 if the request is made before the expiration of the time necessary to work a forfeiture. Except as otherwise provided in subsection ~~[4,]~~ ***5,*** 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 submitted proof and evidence that the holder is proceeding in good faith and with reasonable diligence to resume use of the water beneficially for the purpose for which the holder's right is acquired or claimed;

(b) The number of years during which the water has not been put to the beneficial use for which the right is acquired or claimed;

(c) Any economic conditions or natural disasters which made the holder unable to put the water to that use;

(d) Whether the water right is located in a basin within a county under a declaration of drought by the Governor, United States Secretary of Agriculture or the President of the United States;

(e) Whether the holder has demonstrated efforts to conserve water which have resulted in a reduction in water consumption;

(f) Whether the water right is located in a basin that has been designated as a critical management area by the State Engineer pursuant to subsection 7 of NRS 534.110;

(g) The date of priority of the water right as it relates to the potential curtailment of water use in the basin;

(h) The availability of water in the basin, including, without limitation, whether withdrawals of water consistently exceed the perennial yield of the basin; and

(i) Any orders restricting use or appropriation of water in the basin.

➥ 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 the State Engineer has granted or denied the holder's request for an extension pursuant to this subsection. If the State Engineer grants an extension pursuant to this subsection and, before the expiration of that extension, proof of resumption of beneficial use or another request for an extension is not filed in the Office of the State Engineer, the State Engineer shall send a final notice to the owner of the water right, by registered or certified mail, that the water right will be declared forfeited if the owner of the water right fails to file the required proof of

resumption of beneficial use or an application for an extension of time to prevent forfeiture within 30 days after the date of the final notice. If the owner of the water right fails to file the required proof of resumption of beneficial use or an application for an extension of time to prevent forfeiture within 30 days after the date of such final notice, the State Engineer shall declare the water right, or the portion of the right not returned to beneficial use, forfeited.

~~[4.]~~ ***5.*** If the State Engineer grants an extension pursuant to subsection 1 in a basin:

(a) Where withdrawals of groundwater consistently exceed the perennial yield of the basin; or

(b) That has been designated as a critical management area by the State Engineer pursuant to subsection 7 of NRS 534.110,

➥ a single extension must not exceed 3 years, but any number of extensions may be granted to the holder of such a right.

~~[5.]~~ ***6.*** The failure to receive a notice pursuant to ***paragraph (a) or (b) of*** subsection 2 ~~[or 3]~~ does not nullify the forfeiture or extend the time necessary to work the forfeiture of a water right.

~~[6.]~~ ***7.*** 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 or her examination that an abandonment has taken place, the State Engineer shall so state in the 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. 8. NRS 536.040 is hereby amended to read as follows:

536.040 1. In all cases where a ditch is owned by two or more persons, and one or more of those persons fails or neglects to do a proportionate share of the work necessary for the maintenance and operation of the ditch, or to construct suitable headgates or other devices at the point where water is diverted from the main ditch, the owner or owners desiring the performance of the work may, after giving 10 days' written notice to the other owner or owners who have failed to perform the proportionate share of the work necessary for the operation and maintenance of the ditch, perform the share of the work, and recover therefor from each person in default the reasonable expense of the work. In all cases where a ditch is owned, operated or maintained by an entity, the entity may perform any work necessary for the maintenance and operation of the ditch and recover from each person who, in accordance with a contract or a

decreed, ~~[certified]~~ ***certificated*** or permitted right to appropriate water, receives water through the ditch his or her proportionate share of the reasonable expense of the work. Except during an emergency, the entity shall notify each of those persons at least 30 days before incurring any expenses to perform a capital improvement that alters the fundamental character of the ditch. If the entity is a supplier of water, any expenses incurred by the supplier of water for any work performed on an irrigation ditch pursuant to this section must be billed as part of the customer rates of the supplier of water for the delivery of water service through the ditch.

2. As used in this section:

(a) "Supplier of water" has the meaning ascribed to it in NRS 445A.845.

(b) "Work" includes, without limitation, labor and any accounting, legal or other administrative service performed for the maintenance and operation of a ditch specified in subsection 1.

Sec. 9. This act becomes effective on July 1, 2027.

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