

Amendment No. 286

Assembly Amendment to Assembly Bill No. 387	(BDR 48-338)
<b>Proposed by:</b> Assembly Committee on Natural Resources	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date					
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.





ASSEMBLY BILL NO. 387—COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF THE JOINT INTERIM STANDING  
COMMITTEE ON NATURAL RESOURCES)

MARCH 23, 2023

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to water. (BDR 48-338)

FISCAL NOTE: Effect on Local Government: No.  
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 water; ~~revising provisions relating to groundwater basins;~~ requiring the State Engineer to consider the best available science when rendering decisions; revising provisions relating to the appropriation of underground water; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

~~{Under existing law, upon receipt of a petition signed by not less than 40 percent of the appropriators of record in any particular groundwater basin or portion thereof, the State Engineer is required to designate the basin for administration if the findings of the State Engineer determine that administration would be justified. The State Engineer may also designate a basin where no petition is received if, following a public hearing, the State Engineer determines that administration of the basin is justified. To designate a basin, the State Engineer must enter an official order describing the boundaries of the basin by legal subdivision as nearly as possible. (NRS 534.030) Sections 4 and 9 of this bill make conforming changes to indicate the proper placement of sections 2 and 8, respectively, in the Nevada Revised Statutes. Section 7 of this bill makes a conforming change to remove a duplicative definition.}~~

Existing law declares that it is the policy of this State to encourage the State Engineer to consider the best available science in rendering decisions concerning the available surface and underground sources of water in this State. (NRS 533.024) **Sections 3 and 5** of this bill remove this provision from the legislative declaration and instead require the State Engineer to consider the best available science.

Existing law provides that all underground waters within the boundaries of the State, subject to all existing rights to the use thereof, are subject to appropriation for beneficial use under the laws of this State. (NRS 534.020) **Section 10** of this bill provides that the appropriation or use of underground waters is subject to all existing rights ~~regardless of where the points of diversion are located, and~~ to the use of the source thereof, if the State Engineer finds that a ~~sufficient~~ hydrologic connection exists ~~, regardless of whether the~~

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~~points of diversion are located in separate basins,] that is sufficient to cause a conflict with existing rights.~~

Under existing law, the State Engineer is required to determine whether there is unappropriated water in an affected area and may issue permits for a well only if the determination is affirmative. (NRS 534.110) Existing law prohibits the State Engineer from issuing a permit to appropriate water under certain circumstances, including, without limitation, if there is no unappropriated water or where the proposed use or change conflicts with existing rights or with protectable interests or threatens to prove detrimental to the public interest. (NRS 533.370) ~~[Sections] Section 6 [and 13] of this bill [require] requires~~ the State Engineer, in determining whether there is unappropriated water, to consider whether the permit would conflict with ~~[existing rights or threaten to prove detrimental to the public interest.]~~ any hydrologically connected surface water or groundwater. Section 13 of this bill clarifies that the State Engineer must determine whether there is unappropriated water in an affected area in accordance with existing law governing the issuance of permits to appropriate water. Sections 11 and 12 of this bill make conforming changes to revise certain internal references.

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 the provisions set forth as sections 2 and 3 of this act.

**Sec. 2.** ~~["Groundwater basin" or "basin" has the meaning ascribed to it in section 8 of this act.] (Deleted by amendment.)~~

**Sec. 3.** 1. The State Engineer shall consider the best available science in rendering decisions concerning the surface and underground sources of water in this State.

2. As used in this section, "best available science" means the use of credible information and data that is specific to the decision being made and the time frame available for making such a decision and consistent with professional scientific and engineering standards and practices.

**Sec. 4.** ~~[NRS 533.005 is hereby amended to read as follows: 533.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 533.007 to 533.023, inclusive, and section 2 of this act have the meanings ascribed to them in those sections.] (Deleted by amendment.)~~

**Sec. 5.** NRS 533.024 is hereby amended to read as follows:  
533.024 The Legislature declares that:

1. It is the policy of this State:

(a) To encourage and promote the use of effluent, where that use is not contrary to the public health, safety or welfare, and where that use does not interfere with federal obligations to deliver water of the Colorado River.

(b) To recognize the importance of domestic wells as appurtenances to private homes, to create a protectable interest in such wells and to protect their supply of water from unreasonable adverse effects which are caused by municipal, quasi-municipal or industrial uses and which cannot reasonably be mitigated.

(c) ~~[To encourage the State Engineer to consider the best available science in rendering decisions concerning the available surface and underground sources of water in Nevada.~~

~~(d)~~ To encourage and promote the use of water to prevent or reduce the spread of wildfire or to rehabilitate areas burned by wildfire, including, without limitation, through the establishment of vegetative cover that is resistant to fire.

1 ~~(e)~~ (d) To manage conjunctively the appropriation, use and administration of  
2 all waters of this State, regardless of the source of the water.

3 2. The procedures in this chapter for changing the place of diversion, manner  
4 of use or place of use of water, and for confirming a report of conveyance, are not  
5 intended to have the effect of quieting title to or changing ownership of a water  
6 right and that only a court of competent jurisdiction has the power to determine  
7 conflicting claims to ownership of a water right.

8 **Sec. 6.** NRS 533.370 is hereby amended to read as follows:

9 533.370 1. Except as otherwise provided in this section and NRS 533.0241,  
10 533.345, 533.371, 533.372 and 533.503, the State Engineer shall approve an  
11 application submitted in proper form which contemplates the application of water  
12 to beneficial use if:

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

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

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

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

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

23 2. Except as otherwise provided in subsection 10, where there is no  
24 unappropriated water in the proposed source of supply, where the groundwater that  
25 has not been committed for use has been reserved pursuant to NRS 533.0241 or  
26 where its proposed use or change conflicts with existing rights, *including, without*  
27 *limitation, [the existing rights of holders of permits, claimants of vested rights or*  
28 *the existing rights associated with] conflicts from any hydrologically connected*  
29 *surface water or groundwater* or with protectable interests in existing domestic  
30 wells as set forth in NRS 533.024, or threatens to prove detrimental to the public  
31 interest, the State Engineer shall reject the application and refuse to issue the  
32 requested permit. If a previous application for a similar use of water within the  
33 same basin has been rejected on those grounds, the new application may be denied  
34 without publication.

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

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

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

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

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

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

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

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

2 (b) If an application is protested.

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

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

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

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

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

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

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

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

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

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

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

47 9. If a person is the successor in interest of an owner of a water right or an  
48 owner of real property upon which a domestic well is located and if the former  
49 owner of the water right or real property on which a domestic well is located had  
50 previously filed a written protest against the granting of an application, the  
51 successor in interest must be allowed to pursue that protest in the same manner as if  
52 the successor in interest were the former owner whose interest he or she succeeded.  
53 If the successor in interest wishes to pursue the protest, the successor in interest

1 must notify the State Engineer in a timely manner on a form provided by the State  
2 Engineer.

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

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

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

12 **Sec. 7.** ~~NRS 533.438 is hereby amended to read as follows:~~

13 ~~533.438 1. Except as otherwise provided in subsection 4, if an appropriation~~  
14 ~~of groundwater pursuant to a permit to appropriate groundwater results in the~~  
15 ~~transfer to and beneficial use of water in a county in this State other than the county~~  
16 ~~in which the water is appropriated or in another state, the county of origin may~~  
17 ~~impose a fee of \$10 per acre-foot per year on the transfer.~~

18 ~~2. A county of origin shall not impose a fee pursuant to subsection 1 without~~  
19 ~~the prior approval of the State Engineer. The county of origin shall notify the State~~  
20 ~~Engineer in writing of its intent to impose the fee. The State Engineer shall review~~  
21 ~~the notice of intent to impose the fee to determine:~~

22 ~~(a) Whether the appropriation of groundwater pursuant to the permit specified~~  
23 ~~in subsection 1 results in a transfer to and beneficial use of water in a county in this~~  
24 ~~State other than the county of origin or in another state; and~~

25 ~~(b) The amount of water, if any, that is:~~

26 ~~(1) Subject to the proposed fee because of that transfer and beneficial use;~~  
27 ~~or~~

28 ~~(2) Not subject to the proposed fee pursuant to subsection 4.~~

29 ~~3. Within 30 days after reviewing the notice of intent to impose the fee, the~~  
30 ~~State Engineer shall send a written notice to the county of origin that includes the~~  
31 ~~results of his or her review. If the State Engineer determines that the appropriation~~  
32 ~~of groundwater pursuant to the permit results in a transfer to and beneficial use of~~  
33 ~~water in a county in this State other than the county of origin or in another state, the~~  
34 ~~State Engineer shall include in the notice the amount of water that is subject to the~~  
35 ~~proposed fee. The county may, upon such a determination, impose the fee on the~~  
36 ~~transfer.~~

37 ~~4. A fee may not be imposed pursuant to this section on water that is~~  
38 ~~appropriated and beneficially used pursuant to a permit to appropriate groundwater~~  
39 ~~which is issued for a point of diversion and a place of beneficial use in the county~~  
40 ~~of origin and which, after the water is diverted and beneficially used, is discharged~~  
41 ~~or migrates into a county in this State other than the county of origin or into another~~  
42 ~~state.~~

43 ~~5. All money collected from a fee imposed pursuant to this section must be~~  
44 ~~deposited in a trust fund for the county. The principal and interest of the trust fund~~  
45 ~~may be used by the county only for the purposes of economic development, health~~  
46 ~~care and education.~~

47 ~~6. For the purposes of this section, if a basin includes land lying in more than~~  
48 ~~one county, each county any part of whose land is included is a county of origin to~~  
49 ~~the extent of the proportionate amount of water transferred from it. The State~~  
50 ~~Engineer shall determine the respective proportions.~~

51 ~~7. As used in this section:~~

52 ~~(a) A "basin" is one designated by the State Engineer for the purposes of~~  
53 ~~chapter 534 of NRS.~~

1  ~~(b) "Origin" ] , "origin" means the place where water is taken from~~  
 2  ~~underground.] (Deleted by amendment.)~~

3 **Sec. 8.**  ~~[Chapter 534 of NRS is hereby amended by adding thereto a new~~  
 4  ~~section to read as follows:~~

5  ~~"Groundwater basin" or "basin" means one or more groundwater basins~~  
 6  ~~designated by the State Engineer pursuant to NRS 534.030 which are~~  
 7  ~~administered as a single source and supply of water by the State Engineer in~~  
 8  ~~accordance with the provisions of this chapter and chapter 533 of NRS.]~~  
 9 **(Deleted by amendment.)**

10 **Sec. 9.**  ~~[NRS 534.010 is hereby amended to read as follows:~~

11  ~~534.010 1. As used in this chapter, unless the context otherwise requires,~~  
 12  ~~the words and terms defined in NRS 534.0105 to 534.0175, inclusive, and section 8~~  
 13  ~~of this act have the meanings ascribed to them in those sections.~~

14  ~~2. As used in this chapter, the terms "underground water" and "groundwater"~~  
 15  ~~are synonymous.] (Deleted by amendment.)~~

16 **Sec. 10.** NRS 534.020 is hereby amended to read as follows:

17 534.020 1. *Any appropriation or use of underground waters within the*  
 18 *boundaries of this State is subject to all existing rights to the use of the source*  
 19 *thereof, [regardless of where the respective points of diversion are located and,] if*  
 20 *the State Engineer finds that a [sufficient] hydrologic connection exists [r*  
 21 *regardless of whether the respective points of diversion are located in separate*  
 22 *basins.] that is sufficient to cause a conflict with existing rights.*

23 2. All underground waters within the boundaries of the State belong to the  
 24 public, and, subject to all existing rights to the use thereof  ~~[r~~ *as set forth in*  
 25 *subsection 1,* are subject to appropriation for beneficial use only under the laws of  
 26 this State relating to the appropriation and use of water and not otherwise.

27  ~~[r]~~ 3. It is the intention of the Legislature, by this chapter, to prevent the  
 28 waste of underground waters and pollution and contamination thereof and provide  
 29 for the administration of the provisions thereof by the State Engineer, who  ~~[is~~  
 30  ~~hereby empowered to]~~ *shall* make such rules and regulations within the terms of  
 31 this chapter as may be necessary for the proper execution of the provisions of this  
 32 chapter.

33 **Sec. 11.** NRS 534.037 is hereby amended to read as follows:

34 534.037 1. In a basin that has been designated as a critical management area  
 35 by the State Engineer pursuant to subsection  ~~[r]~~ 8 of NRS 534.110, a petition for  
 36 the approval of a groundwater management plan for the basin may be submitted to  
 37 the State Engineer. The petition must be signed by a majority of the holders of  
 38 permits or certificates to appropriate water in the basin that are on file in the Office  
 39 of the State Engineer and must be accompanied by a groundwater management plan  
 40 which must set forth the necessary steps for removal of the basin's designation as a  
 41 critical management area.

42 2. In determining whether to approve a groundwater management plan  
 43 submitted pursuant to subsection 1, the State Engineer shall consider, without  
 44 limitation:

- 45 (a) The hydrology of the basin;
- 46 (b) The physical characteristics of the basin;
- 47 (c) The geographic spacing and location of the withdrawals of groundwater in  
 48 the basin;
- 49 (d) The quality of the water in the basin;
- 50 (e) The wells located in the basin, including, without limitation, domestic  
 51 wells;
- 52 (f) Whether a groundwater management plan already exists for the basin; and
- 53 (g) Any other factor deemed relevant by the State Engineer.



1           3. Before approving or disapproving a groundwater management plan  
2 submitted pursuant to subsection 1, the State Engineer shall hold a public hearing to  
3 take testimony on the plan in the county where the basin lies or, if the basin lies in  
4 more than one county, within the county where the major portion of the basin lies.  
5 The State Engineer shall cause notice of the hearing to be:

6           (a) Given once each week for 2 consecutive weeks before the hearing in a  
7 newspaper of general circulation in the county or counties in which the basin lies.

8           (b) Posted on the Internet website of the State Engineer for at least 2  
9 consecutive weeks immediately preceding the date of the hearing.

10          4. The decision of the State Engineer on a groundwater management plan  
11 may be reviewed by the district court of the county pursuant to NRS 533.450.

12          5. An amendment to a groundwater management plan must be proposed and  
13 approved in the same manner as an original groundwater management plan is  
14 proposed and approved pursuant to this section.

15          **Sec. 12.** NRS 534.090 is hereby amended to read as follows:

16          534.090 1. Except as otherwise provided in this section, failure for 5  
17 successive years after April 15, 1967, on the part of the holder of any right, whether  
18 it is an adjudicated right, an unadjudicated right or a right for which a certificate has  
19 been issued pursuant to NRS 533.425, and further whether the right is initiated after  
20 or before March 25, 1939, to use beneficially all or any part of the underground  
21 water for the purpose for which the right is acquired or claimed, works a forfeiture  
22 of both undetermined rights and determined rights to the use of that water to the  
23 extent of the nonuse.

24          2. If the records of the State Engineer or any other documents obtained by or  
25 provided to the State Engineer indicate 4 or more consecutive years of nonuse of all  
26 or any part of a water right which is governed by this chapter:

27           (a) The State Engineer shall notify the owner of the water right, as determined  
28 in the records of the Office of the State Engineer, by registered or certified mail of  
29 the nonuse and that the owner has 1 year after the date of the notice of nonuse in  
30 which to use the water right beneficially and to provide proof of such use to the  
31 State Engineer or apply for relief pursuant to subsection 3 to avoid forfeiting the  
32 water right.

33           (b) If, after 1 year after the date of the notice of nonuse pursuant to paragraph  
34 (a), proof of resumption of beneficial use is not filed in the Office of the State  
35 Engineer, the State Engineer shall, unless the State Engineer has granted a request  
36 to extend the time necessary to work a forfeiture of the water right, send a final  
37 notice to the owner of the water right, as determined in the records of the Office of  
38 the State Engineer, by registered or certified mail, that the water right is held for  
39 forfeiture. If the owner of the water right, within 30 days after the date of such final  
40 notice, fails to file the required proof of resumption of beneficial use or an  
41 application for an extension of time to prevent forfeiture, the State Engineer shall  
42 declare the right, or the portion of the right not returned to beneficial use, forfeited.  
43 The State Engineer shall send notice of the declaration of forfeiture, by registered  
44 or certified mail, to the owner of record, as determined in the records of the Office  
45 of the State Engineer, of the water right that has been declared forfeited.

46           (c) If, after receipt of a notice of the declaration of forfeiture pursuant to  
47 paragraph (b), the owner of record of the water right fails to appeal the ruling in the  
48 manner provided for in NRS 533.450, and within the time provided for therein, the  
49 forfeiture becomes final. Upon the forfeiture of the water right, the water reverts to  
50 the public and is available for further appropriation, subject to existing rights.

51          3. The State Engineer may, upon the request of the holder of any right  
52 described in subsection 1, extend the time necessary to work a forfeiture under  
53 subsection 2 if the request is made before the expiration of the time necessary to

1 work a forfeiture. Except as otherwise provided in subsection 4, the State Engineer  
2 may grant, upon request and for good cause shown, any number of extensions, but a  
3 single extension must not exceed 1 year. In determining whether to grant or deny a  
4 request, the State Engineer shall, among other reasons, consider:

5 (a) Whether the holder has submitted proof and evidence that the holder is  
6 proceeding in good faith and with reasonable diligence to resume use of the water  
7 beneficially for the purpose for which the holder's right is acquired or claimed;

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

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

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

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

17 (f) Whether the water right is located in a basin that has been designated as a  
18 critical management area by the State Engineer pursuant to subsection ~~F7~~ 8 of NRS  
19 534.110;

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

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

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

25 ➤ The State Engineer shall notify, by registered or certified mail, the owner of the  
26 water right, as determined in the records of the Office of the State Engineer, of  
27 whether the State Engineer has granted or denied the holder's request for an  
28 extension pursuant to this subsection. If the State Engineer grants an extension  
29 pursuant to this subsection and, before the expiration of that extension, proof of  
30 resumption of beneficial use or another request for an extension is not filed in the  
31 Office of the State Engineer, the State Engineer shall send a final notice to the  
32 owner of the water right, by registered or certified mail, that the water right will be  
33 declared forfeited if the owner of the water right fails to file the required proof of  
34 resumption of beneficial use or an application for an extension of time to prevent  
35 forfeiture within 30 days after the date of the final notice. If the owner of the water  
36 right fails to file the required proof of resumption of beneficial use or an application  
37 for an extension of time to prevent forfeiture within 30 days after the date of such  
38 final notice, the State Engineer shall declare the water right, or the portion of the  
39 right not returned to beneficial use, forfeited.

40 4. If the State Engineer grants an extension pursuant to subsection 1 in a  
41 basin:

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

44 (b) That has been designated as a critical management area by the State  
45 Engineer pursuant to subsection ~~F7~~ 8 of NRS 534.110,

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

48 5. The failure to receive a notice pursuant to subsection 2 or 3 does not nullify  
49 the forfeiture or extend the time necessary to work the forfeiture of a water right.

50 6. A right to use underground water whether it is vested or otherwise may be  
51 lost by abandonment. If the State Engineer, in investigating a groundwater source,  
52 upon which there has been a prior right, for the purpose of acting upon an  
53 application to appropriate water from the same source, is of the belief from his or

1 her examination that an abandonment has taken place, the State Engineer shall so  
 2 state in the ruling approving the application. If, upon notice by registered or  
 3 certified mail to the owner of record who had the prior right, the owner of record of  
 4 the prior right fails to appeal the ruling in the manner provided for in NRS 533.450,  
 5 and within the time provided for therein, the alleged abandonment declaration as set  
 6 forth by the State Engineer becomes final.

7 **Sec. 13.** NRS 534.110 is hereby amended to read as follows:

8 534.110 1. The State Engineer shall administer this chapter and shall  
 9 prescribe all necessary regulations within the terms of this chapter for its  
 10 administration.

11 2. The State Engineer may:

12 (a) Require periodical statements of water elevations, water used, and acreage  
 13 on which water was used from all holders of permits and claimants of vested rights.

14 (b) Upon his or her own initiation, conduct pumping tests to determine if  
 15 overpumping is indicated, to determine the specific yield of the aquifers and to  
 16 determine permeability characteristics.

17 3. ~~4.] In accordance with NRS 533.370, the~~ State Engineer shall  
 18 determine whether there is unappropriated water in the area affected and may issue  
 19 permits only if the determination is affirmative. ~~[In determining whether there is~~  
 20 ~~unappropriated water in the area affected, the State Engineer shall, in~~  
 21 ~~accordance with NRS 533.370, consider whether the proposed use will~~

22 ~~(a) Conflict with existing rights, including, without limitation, the existing~~  
 23 ~~rights;~~

24 ~~(1) Of holders of permits;~~

25 ~~(2) Of claimants of vested rights; and~~

26 ~~(3) Associated with any hydrologically connected surface water and~~  
 27 ~~groundwater; or~~

28 ~~(b) Prove detrimental to the public interest in the area affected.]~~

29 4. The State Engineer may require each applicant to whom a permit is issued  
 30 for a well:

31 (a) For municipal, quasi-municipal or industrial use; and

32 (b) Whose reasonably expected rate of diversion is one-half cubic foot per  
 33 second or more,

34 **↳** to report periodically to the State Engineer concerning the effect of that well on  
 35 other previously existing wells that are located within 2,500 feet of the well.

36 ~~4.]~~ 5. It is a condition of each appropriation of groundwater acquired under  
 37 this chapter that the right of the appropriator relates to a specific quantity of water  
 38 and that the right must allow for a reasonable lowering of the static water level at  
 39 the appropriator's point of diversion. In determining a reasonable lowering of the  
 40 static water level in a particular area, the State Engineer shall consider the  
 41 economics of pumping water for the general type of crops growing and may also  
 42 consider the effect of using water on the economy of the area in general.

43 ~~5.]~~ 6. This section does not prevent the granting of permits to applicants  
 44 later in time on the ground that the diversions under the proposed later  
 45 appropriations may cause the water level to be lowered at the point of diversion of a  
 46 prior appropriator, so long as any protectable interests in existing domestic wells as  
 47 set forth in NRS 533.024 and the rights of holders of existing appropriations can be  
 48 satisfied under such express conditions. At the time a permit is granted for a well:

49 (a) For municipal, quasi-municipal or industrial use; and

50 (b) Whose reasonably expected rate of diversion is one-half cubic foot per  
 51 second or more,

52 **↳** the State Engineer shall include as a condition of the permit that pumping water  
 53 pursuant to the permit may be limited or prohibited to prevent any unreasonable

1 adverse effects on an existing domestic well located within 2,500 feet of the well,  
2 unless the holder of the permit and the owner of the domestic well have agreed to  
3 alternative measures that mitigate those adverse effects.

4 ~~{6-}~~ 7. Except as otherwise provided in subsection ~~{7-}~~ 8, the State Engineer  
5 shall conduct investigations in any basin or portion thereof where it appears that the  
6 average annual replenishment to the groundwater supply may not be adequate for  
7 the needs of all permittees and all vested-right claimants, and if the findings of the  
8 State Engineer so indicate, except as otherwise provided in subsection ~~{9-}~~ 10, the  
9 State Engineer may order that withdrawals, including, without limitation,  
10 withdrawals from domestic wells, be restricted to conform to priority rights.

11 ~~{7-}~~ 8. The State Engineer:

12 (a) May designate as a critical management area any basin in which  
13 withdrawals of groundwater consistently exceed the perennial yield of the basin.

14 (b) Shall designate as a critical management area any basin in which  
15 withdrawals of groundwater consistently exceed the perennial yield of the basin  
16 upon receipt of a petition for such a designation which is signed by a majority of  
17 the holders of certificates or permits to appropriate water in the basin that are on  
18 file in the Office of the State Engineer.

19 ~~↳~~ The designation of a basin as a critical management area pursuant to this  
20 subsection may be appealed pursuant to NRS 533.450. If a basin has been  
21 designated as a critical management area for at least 10 consecutive years, except as  
22 otherwise provided in subsection ~~{9-}~~ 10, the State Engineer shall order that  
23 withdrawals, including, without limitation, withdrawals from domestic wells, be  
24 restricted in that basin to conform to priority rights, unless a groundwater  
25 management plan has been approved for the basin pursuant to NRS 534.037.

26 ~~{8-}~~ 9. In any basin or portion thereof in the State designated by the State  
27 Engineer, the State Engineer may restrict drilling of wells in any portion thereof if  
28 the State Engineer determines that additional wells would cause an undue  
29 interference with existing wells. Any order or decision of the State Engineer so  
30 restricting drilling of such wells may be reviewed by the district court of the county  
31 pursuant to NRS 533.450.

32 ~~{9-}~~ 10. If a court of competent jurisdiction orders the State Engineer to  
33 restrict withdrawals to conform to priority rights or if pursuant to subsection ~~{6-}~~  
34 ~~7~~ or 8 the State Engineer orders that withdrawals be restricted to conform to  
35 priority rights, the State Engineer must limit the restriction of withdrawals from a  
36 domestic well to allow a domestic well to continue to withdraw 0.5 acre-feet of  
37 water per year, which must be recorded by a water meter.