

SENATE BILL NO. 112—SENATORS GOICOECHEA AND TITUS

FEBRUARY 8, 2023

Referred to Committee on Natural Resources

SUMMARY—Revises provisions governing groundwater basin assessments. (BDR 48-600)

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 governing certain assessments on water users; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the board of county commissioners of a county to levy a
2 special assessment in an amount necessary to pay the salaries and expenses of well
3 supervisors, assistants of well supervisors and the Well Drillers’ Advisory Board, if
4 fees collected for certain licenses are not sufficient to pay such salaries and
5 expenses. Existing law authorizes the board of county commissioners of a county to
6 pay those salaries and expenses by appropriating money from the general fund of
7 the county, if the amount of a special assessment combined with all other taxes and
8 assessments levied upon a property owner is less than the cost of collecting the
9 special assessment. (NRS 534.040) **Sections 1 and 3** of this bill prohibit the use of
10 the money levied from such a special assessment or money appropriated from the
11 general fund of a county to pay the salaries and expenses of the State Engineer or
12 the technical, clerical and operational staff of the State Engineer. **Section 2** of this
13 bill makes a conforming change to account for a change to an internal reference in
14 **section 3.**

15 Existing law requires such special assessments to be deposited with the State
16 Treasurer for credit to the Water District Account to be accounted for in basin well
17 accounts. (NRS 534.040) **Section 3** requires the State Engineer to annually submit
18 to each board of county commissioners a report on the expenditures and activities
19 from the Water District Account for the particular basin well account of that
20 groundwater basin.

21 Existing law further establishes, subject to certain exceptions, a minimum
22 charge of \$1 for a special assessment upon certain areas in which the use of
23 groundwater is predominately for agricultural purposes. (NRS 534.040) **Section 3**
24 establishes a maximum charge of \$2 for such assessments.



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

1 **Section 1.** NRS 532.210 is hereby amended to read as follows:

2 532.210 1. The fund created pursuant to the provisions of
3 chapter 232, Statutes of Nevada 1931, and chapter 23, Statutes of
4 Nevada 1943, is hereby continued as a revolving account within the
5 State General Fund, for the purposes set forth in NRS 533.270 to
6 533.295, inclusive, and for the purposes set forth in the provisions
7 of chapters 534, 535 and 536 of NRS pertaining to the conservation
8 and distribution of waters.

9 2. ~~[The]~~ *Except as otherwise provided in subsection 2 of NRS*
10 *534.040, the* money in the Water Distribution Revolving Account
11 may be used for:

12 (a) The payment of state water commissioners' and assistant
13 state water commissioners' salaries and expenses.

14 (b) The payment of salaries and expenses of other employees
15 engaged in the work of the distribution of waters or streams that are
16 directly under the supervision of the State Engineer.

17 (c) The payment of expenses necessarily incurred by the state
18 water commissioners in the distribution of water.

19 3. The money in the Water Distribution Revolving Account, or
20 so much thereof as is necessary, may be used by the State Engineer
21 for the uses and purposes of, and in the administration of the
22 provisions of, chapter 534 of NRS pertaining to the conservation
23 and distribution of underground waters.

24 **Sec. 2.** NRS 534.035 is hereby amended to read as follows:

25 534.035 1. In each area designated as a groundwater basin by
26 the State Engineer pursuant to the provisions of NRS 534.030, the
27 board of county commissioners may recommend to the State
28 Engineer that the State Engineer establish a groundwater board. The
29 State Engineer shall determine whether or not a groundwater board
30 is to be established and may direct its establishment by order.

31 2. If a groundwater board is established, the governing bodies
32 of all the cities and towns within the designated area, the board of
33 county commissioners of each county in which the area is located,
34 and the governing body of any water district in which the area is
35 included, or partly included, shall each submit a list of names of
36 residents of the area to the Governor, who shall appoint seven
37 members of the board. At least one member must be appointed from
38 each list.

39 3. After the initial terms, the term of office of each member of
40 the board is 4 years. The board shall elect one member as chair and
41 one member as secretary to serve as such at the pleasure of the
42 board.



1 4. The board shall maintain its headquarters at the county seat
2 of the county in which the designated area is located, or if the area
3 lies in more than one county, in the county seat of one of the
4 counties in which the area is located. The board shall hold meetings
5 at such times and places as it may determine. Special meetings may
6 be called at any time by the secretary at the request of any four
7 members, or by the chair, upon notice specifying the matters to be
8 acted upon at the meeting. No matters other than those specified in
9 the notice may be acted upon at that meeting unless all members are
10 present and consent thereto.

11 5. A majority of the board constitutes a quorum, and the board
12 shall act only by a majority of those present.

13 6. For each day's attendance at each meeting of the
14 groundwater board, or for each day when services are actually
15 performed for the groundwater board, the members are entitled to
16 receive per diem and travel allowances provided by law. Claims for
17 those expenses must be paid as provided in subsection ~~7~~ 8 of
18 NRS 534.040.

19 7. The State Engineer shall not approve any application or
20 issue any permit to drill a well, appropriate groundwater, change the
21 place or manner of use or the point of diversion of water within the
22 designated area, adopt any related regulations or enter any related
23 orders until the State Engineer has conferred with the board and
24 obtained its written advice and recommendations.

25 8. It is the intention of the Legislature that the State Engineer
26 and the board be in agreement whenever possible, but, for the
27 purpose of fixing responsibility to the Governor, if there is any
28 disagreement between the State Engineer and the board, the views
29 of the State Engineer prevail. A written report of any such
30 disagreement must be made immediately to the Governor by the
31 State Engineer and the board.

32 9. Any groundwater board may request from the State Engineer
33 or any other state, county, city or district agency such technical
34 information, data and advice as it may require to perform its
35 functions, and the State Engineer and such other agencies shall,
36 within the resources available to them, furnish such assistance as
37 may be requested.

38 10. The Governor may dissolve the groundwater board by
39 order if the Governor determines that the future activities of the
40 board are likely to be insubstantial.

41 **Sec. 3.** NRS 534.040 is hereby amended to read as follows:

42 534.040 1. Upon the initiation of the administration of this
43 chapter in any particular basin, and where the investigations of the
44 State Engineer have shown the necessity for the supervision over the
45 waters of that basin, the State Engineer may employ a well



1 supervisor and other necessary assistants, who shall execute the
2 duties as provided in this chapter under the direction of the State
3 Engineer. The salaries of the well supervisor and the assistants of
4 the well supervisor must be fixed by the State Engineer. The well
5 supervisor and assistants are exempt from the provisions of
6 chapter 284 of NRS.

7 2. If the money available from the license fees provided for in
8 NRS 534.140 is not sufficient to pay those salaries, together with
9 necessary expenses, including the compensation and other expenses
10 of the Well Drillers' Advisory Board, the board of county
11 commissioners shall, except as otherwise provided in this
12 subsection, levy a special assessment annually, or at such time as the
13 assessment is needed, upon all taxable property situated within the
14 confines of the area designated by the State Engineer to come under
15 the provisions of this chapter in an amount as is necessary to pay
16 such salaries and expenses. If the board of county commissioners
17 determines that the amount of a special assessment levied upon a
18 property owner pursuant to this section when combined with the
19 amount of all other taxes and assessments levied upon the property
20 owner is less than the cost of collecting the special assessment
21 levied pursuant to this subsection, the board of county
22 commissioners may exempt the property owner from the assessment
23 and appropriate money from the general fund of the county to pay
24 the cost of the assessment. *Money levied from a special assessment
25 or appropriated from the general fund of a county pursuant to this
26 section must not be used to pay the salaries and expenses of the
27 State Engineer or the technical, clerical and operational staff of
28 the State Engineer.*

29 3. Except as otherwise provided in subsection 2, in designated
30 areas within which the use of groundwater is predominantly for
31 agricultural purposes, any special assessment levied pursuant to this
32 section must be charged against each water user who has a permit to
33 appropriate water or a perfected water right, and the charge against
34 each water user must be based upon the proportion which his or her
35 water right bears to the aggregate water rights in the designated
36 area. The minimum charge is \$1 ~~+~~ *and the maximum charge is \$2.*

37 4. The salaries and expenses may be paid by the State Engineer
38 from the Water Distribution Revolving Account pending the levy
39 and collection of an assessment levied pursuant to this section.

40 5. Except as otherwise provided in subsection 2, if a special
41 assessment is levied pursuant to this section, the proper officers of
42 the county shall levy and collect the special assessment as other
43 special assessments are levied and collected, and the assessment is a
44 lien upon the property.



1 6. Any special assessment collected pursuant to this section
2 must be deposited with the State Treasurer for credit to the Water
3 District Account to be accounted for in basin well accounts.

4 7. *The State Engineer shall submit annually on or before the*
5 *first Monday in October to each board of county commissioners in*
6 *this State which levies a special assessment or appropriates money*
7 *from the general fund of the county pursuant to this section a*
8 *report on the expenditures and activities from the Water District*
9 *Account for the particular basin well account of that groundwater*
10 *basin.*

11 8. Upon determination and certification by the State Engineer
12 of the amount to be budgeted for the current or ensuing fiscal year
13 for the purpose of paying the per diem and travel allowances of the
14 groundwater board and employing consultants or other help needed
15 to fulfill its responsibilities, the State Controller shall transfer that
16 amount to a separate operating account for that fiscal year for the
17 groundwater basin. Claims against the account must be approved by
18 the groundwater board and paid as other claims against the State are
19 paid. The State Engineer may use money in a particular basin well
20 account to support an activity outside the basin in which the money
21 is collected if the activity bears a direct relationship to the
22 responsibilities or activities of the State Engineer regarding the
23 particular groundwater basin.

24 **Sec. 4.** This act becomes effective on July 1, 2023.

