

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. Existing law further provides that well supervisors and
 10 assistants of well supervisors employed by the State Engineer are exempt from
 11 certain provisions of existing law governing public officers and employees. (NRS
 12 534.040) **Sections 1 and 3** of this bill prohibit the use of the money levied from
 13 such a special assessment or money appropriated from the general fund of a county
 14 to pay the salaries and expenses of a person employed by the State Engineer who is
 15 subject to certain provisions of existing law governing public officers and
 16 employees. **Section 2** of this bill makes a conforming change to account for a
 17 change to an internal reference in **section 3**.

18 Existing law requires such special assessments to be deposited with the State
 19 Treasurer for credit to the Water District Account to be accounted for in basin well
 20 accounts. (NRS 534.040) **Section 3** requires the State Engineer to provide, upon the
 21 written request of a board of county commissioners which may be requested not
 22 more than once each year, a report on the expenditures and activities from the
 23 Water District Account for the particular basin well account of that groundwater
 24 basin.

25 Existing law further establishes, subject to certain exceptions, a minimum
 26 charge of \$1 for a special assessment upon certain areas in which the use of
 27 groundwater is predominately for agricultural purposes. (NRS 534.040) **Section 3:**



28 (1) removes the minimum charge; and (2) establishes a maximum charge that is
29 equal to the existing charge as of June 30, 2023, plus the annual percentage
30 increase in the Consumer Price Index for the preceding year for such assessments.
31 **Section 3** further authorizes the State Engineer to increase the amount of the
32 maximum charge with the approval of the board of county commissioners.

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



1 members of the board. At least one member must be appointed from
2 each list.

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

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

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

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

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

31 8. It is the intention of the Legislature that the State Engineer
32 and the board be in agreement whenever possible, but, for the
33 purpose of fixing responsibility to the Governor, if there is any
34 disagreement between the State Engineer and the board, the views
35 of the State Engineer prevail. A written report of any such
36 disagreement must be made immediately to the Governor by the
37 State Engineer and the board.

38 9. Any groundwater board may request from the State Engineer
39 or any other state, county, city or district agency such technical
40 information, data and advice as it may require to perform its
41 functions, and the State Engineer and such other agencies shall,
42 within the resources available to them, furnish such assistance as
43 may be requested.



1 10. The Governor may dissolve the groundwater board by
2 order if the Governor determines that the future activities of the
3 board are likely to be insubstantial.

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

5 534.040 1. Upon the initiation of the administration of this
6 chapter in any particular basin, and where the investigations of the
7 State Engineer have shown the necessity for the supervision over the
8 waters of that basin, the State Engineer may employ a well
9 supervisor and other necessary assistants, who shall execute the
10 duties as provided in this chapter under the direction of the State
11 Engineer. The salaries of the well supervisor and the assistants of
12 the well supervisor must be fixed by the State Engineer. The well
13 supervisor and assistants are exempt from the provisions of
14 chapter 284 of NRS.

15 2. If the money available from the license fees provided for in
16 NRS 534.140 is not sufficient to pay those salaries, together with
17 necessary expenses, including the compensation and other expenses
18 of the Well Drillers' Advisory Board, the board of county
19 commissioners shall, except as otherwise provided in this
20 subsection, levy a special assessment annually, or at such time as the
21 assessment is needed, upon all taxable property situated within the
22 confines of the area designated by the State Engineer to come under
23 the provisions of this chapter in an amount as is necessary to pay
24 such salaries and expenses. If the board of county commissioners
25 determines that the amount of a special assessment levied upon a
26 property owner pursuant to this section when combined with the
27 amount of all other taxes and assessments levied upon the property
28 owner is less than the cost of collecting the special assessment
29 levied pursuant to this subsection, the board of county
30 commissioners may exempt the property owner from the assessment
31 and appropriate money from the general fund of the county to pay
32 the cost of the assessment. *Money levied from a special assessment
33 or appropriated from the general fund of a county pursuant to this
34 section must not be used to pay the salaries and expenses of an
35 employee subject to the provisions of chapter 284 of NRS.*

36 3. Except as otherwise provided in subsection 2, in designated
37 areas within which the use of groundwater is predominantly for
38 agricultural purposes, any special assessment levied pursuant to this
39 section must be charged against each water user who has a permit to
40 appropriate water or a perfected water right, and the charge against
41 each water user must be based upon the proportion which his or her
42 water right bears to the aggregate water rights in the designated
43 area. ~~[The minimum charge is \$1.]~~ *Except as otherwise provided in
44 this subsection, the maximum charge is equal to the existing
45 charge as of June 30, 2023, plus the annual percentage increase*



1 *in the Consumer Price Index (All Items) published by the United*
2 *States Department of Labor for the preceding year. The State*
3 *Engineer may, with the approval of the board of county*
4 *commissioners, increase the charge beyond the maximum set forth*
5 *in this subsection.*

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

9 5. Except as otherwise provided in subsection 2, if a special
10 assessment is levied pursuant to this section, the proper officers of
11 the county shall levy and collect the special assessment as other
12 special assessments are levied and collected, and the assessment is a
13 lien upon the property.

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

17 7. *The State Engineer shall provide to a board of county*
18 *commissioners in this State which levies a special assessment or*
19 *appropriates money from the general fund of the county pursuant*
20 *to this section, upon written request from a board of county*
21 *commissioners not more than once each year, a report on the*
22 *expenditures and activities from the Water District Account for the*
23 *particular basin well account of that groundwater basin.*

24 8. Upon determination and certification by the State Engineer
25 of the amount to be budgeted for the current or ensuing fiscal year
26 for the purpose of paying the per diem and travel allowances of the
27 groundwater board and employing consultants or other help needed
28 to fulfill its responsibilities, the State Controller shall transfer that
29 amount to a separate operating account for that fiscal year for the
30 groundwater basin. Claims against the account must be approved by
31 the groundwater board and paid as other claims against the State are
32 paid. The State Engineer may use money in a particular basin well
33 account to support an activity outside the basin in which the money
34 is collected if the activity bears a direct relationship to the
35 responsibilities or activities of the State Engineer regarding the
36 particular groundwater basin.

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



