

Senate Bill No. 271—Senator Hardy

Joint Sponsor: Assemblyman Edwards

CHAPTER.....

AN ACT relating to the Virgin Valley Water District; authorizing the District to issue certain letters for commitment to supply water service; requiring the annual renewal of such letters; providing a fee; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Virgin Valley Water District to supply water under contract or agreement to certain entities when such supply is available. (Virgin Valley Water District Act § 3) **Section 1** of this bill provides that: (1) the District may issue a letter that commits the District to supply water service to a particular property subject to any condition precedent set forth in the letter; and (2) such a letter must be renewed on an annual basis, subject to a reasonable fee, or the letter will expire. **Section 1** also provides that the District will not refund any fees paid by, return any water rights dedicated to or pay any expenses of the holder associated with the construction and dedication of any infrastructure if the holder of such a letter fails to meet any condition precedent included in the letter or if the letter expires. **Section 2** of this bill makes the requirement for the renewal of such letters apply retroactively to any letter issued before July 1, 2015.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

Section 1. The Virgin Valley Water District Act, being chapter 100, Statutes of Nevada 1993, at page 159, is hereby amended by adding thereto a new section to be designated as section 3.5, immediately following section 3.3, to read as follows:

Sec. 3.5. 1. For property under development or proposed to be developed for residential, commercial or industrial purposes, the District may issue a letter that commits the District to supply water service to the property subject to any condition precedent set forth in the letter, including, without limitation, the payment of fees, the dedication of water rights or the construction and dedication of infrastructure.

2. A letter issued pursuant to subsection 1 must be renewed on an annual basis in accordance with the regulations and policies of the District. The District may establish a reasonable fee, by regulation, for the renewal of



such a letter. Any letter that is not renewed expires on the day after the deadline for renewal.

3. For a letter issued pursuant to subsection 1, the District shall not refund any fees paid by, return any water rights dedicated to or pay any expenses of the holder of the letter for the construction and dedication of any infrastructure if:

(a) The holder of the letter fails to meet any condition precedent included in the letter; or

(b) The letter expires pursuant to subsection 2.

Sec. 2. 1. Any letter issued by the Virgin Valley Water District before July 1, 2015, for a commitment to supply water service must be renewed with the District on or before July 1, 2016, and on an annual basis thereafter. Any such letter not renewed pursuant to this section will expire on the day after the deadline for renewal.

2. To renew a letter described in subsection 1, the holder of the letter must prove to the satisfaction of the District that:

(a) The water that is the subject of the letter has been put to beneficial use; or

(b) If the water that is the subject of the letter has not been put to beneficial use, the project for which the commitment to supply water service was acquired is still under development. A project shall be deemed to be under development if:

(1) The building permit for the property is not cancelled or expired;

(2) Any final map associated with the property is not cancelled or inactive; and

(3) The holder of the letter has, within the immediately preceding 12 months, contributed towards the development of the property:

(I) Money equal to 10 percent of the total estimated development costs of the property, including planned improvements; or

(II) Labor, services or improvements with a fair market value of at least 10 percent of the total estimated development costs of the property, including planned improvements.

3. The District shall approve the renewal of an existing letter if the request for renewal is submitted before the annual deadline and includes the information required by subsection 2.

4. The District shall not refund any fees paid by, return any water rights dedicated to or pay any expenses of the holder of a



letter associated with the construction and dedication of any infrastructure if the letter expires pursuant to this section.

Sec. 3. This act becomes effective on July 1, 2015.

