
ASSEMBLY BILL NO. 229—ASSEMBLYMEN GOICOECHEA, SHERER,
CARPENTER, CHRISTENSEN, COLLINS, CONKLIN, GEDDES,
GRADY, GRIFFIN, HARDY, MCCLEARY AND WEBER

MARCH 4, 2003

Referred to Committee on Taxation

SUMMARY—Increases amount of tax that county of origin
may impose on certain transfers of water.
(BDR 48-1083)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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; increasing the amount of the tax that a
county of origin may impose on certain transfers of water;
and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 533.438 is hereby amended to read as follows:
2 533.438 1. Except as otherwise provided in subsection 4, if
3 an appropriation of ground water pursuant to a permit to appropriate
4 ground water results in the transfer to and beneficial use of water in
5 a county in this state other than the county in which the water is
6 appropriated or in another state, the county of origin may impose a
7 tax of ~~[\$6]~~ **\$60** per acre-foot per year on the transfer.
8 2. A county of origin shall not impose a tax pursuant to
9 subsection 1 without the prior approval of the State Engineer. The
10 county of origin shall notify the State Engineer in writing of its
11 intent to impose the tax. The State Engineer shall review the notice
12 of intent to impose the tax to determine:
13 (a) Whether the appropriation of ground water pursuant to the
14 permit specified in subsection 1 results in a transfer to and beneficial
15 use of water in a county in this state other than the county of origin
16 or in another state; and



- 1 (b) The amount of water, if any, that is:
2 (1) Subject to the proposed tax because of that transfer and
3 beneficial use; or
4 (2) Not subject to the proposed tax pursuant to subsection 4.
5 3. Within 30 days after reviewing the notice of intent to impose
6 the tax, the State Engineer shall send a written notice to the county
7 of origin that includes the results of his review. If the State Engineer
8 determines that the appropriation of ground water pursuant to the
9 permit results in a transfer to and beneficial use of water in a county
10 in this state other than the county of origin or in another state, the
11 State Engineer shall include in the notice the amount of water that is
12 subject to the proposed tax. The county may, upon such a
13 determination, impose the tax on the transfer.
14 4. A tax may not be imposed pursuant to this section on water
15 that is appropriated and beneficially used pursuant to a permit to
16 appropriate ground water which is issued for a point of diversion
17 and a place of beneficial use in the county of origin and which, after
18 the water is diverted and beneficially used, is discharged or migrates
19 into a county in this state other than the county of origin or into
20 another state.
21 5. All money collected from a tax imposed pursuant to this
22 section must be deposited in a trust fund for the county. The
23 principal and interest of the trust fund may be used by the county
24 only for the purposes of economic development, health care and
25 education.
26 6. For the purposes of this section, if a basin includes land
27 lying in more than one county, each county any part of whose land
28 is included is a county of origin to the extent of the proportionate
29 amount of water transferred from it. The State Engineer shall
30 determine the respective proportions.
31 7. As used in this section:
32 (a) A "basin" is one designated by the State Engineer for the
33 purposes of chapter 534 of NRS.
34 (b) "Origin" means the place where water is taken from
35 underground.
36 **Sec. 2.** 1. The amendatory provisions of this act apply to any
37 transfer to and beneficial use of water in a county in this state other
38 than the county of origin or in another state that occurs after the
39 effective date of this act, including, without limitation, such a
40 transfer and beneficial use of water resulting from an appropriation
41 of ground water pursuant to a permit to appropriate ground water
42 that was issued by the State Engineer based on an application for an
43 interbasin transfer of ground water that was filed with the State
44 Engineer before the effective date of this act.
45 2. As used in this section:



1 (a) "Interbasin transfer of ground water" has the meaning
2 ascribed to it in NRS 533.370.

3 (b) "Origin" means the place where water is taken from
4 underground.

5 **Sec. 3.** This act becomes effective upon passage and approval.

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