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ASSEMBLY BILL NO. 104—COMMITTEE ON NATURAL RESOURCES

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

PREFILED JANUARY 17, 2025

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to water. (BDR 48-383)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
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.

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AN ACT relating to water; requiring the State Engineer to retire certain water rights; revising provisions relating to temporary permits to appropriate groundwater; creating the Nevada Conservation and Recreation Program; creating the Account for Retiring Water Rights; establishing the Nevada Voluntary Water Rights Retirement Program and the Advisory Committee for the Nevada Voluntary Water Rights Retirement Program; requiring the Director of the State Department of Conservation and Natural Resources to purchase certain water rights with money from the Account for the purpose of retiring those water rights; revising provisions relating to the program to provide grants of money to pay certain costs related to water conservation and capital improvements to water systems; revising provisions relating to a program to pay the costs for property owners to connect to a community sewerage disposal system under certain circumstances; revising certain legislative declarations relating to clean water and water pollution; authorizing the State Environmental Commission to establish a water quality standard variance; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

1 Existing law requires the State Department of Conservation and Natural  
2 Resources to make grants to state agencies, local governments, water conservancy  
3 districts, conservation districts and certain nonprofit organizations to protect,  
4 preserve and obtain the benefits of the property and natural and cultural resources  
5 of this State and requires the Director to adopt regulations to make such grants.  
6 (Section 2 of Assembly Bill No. 84, chapter 480, Statutes of Nevada 2019, at page  
7 2861) Existing regulations establish the Nevada Conservation and Recreation  
8 Program to make such grants. (LCB File No. R025-22) **Section 8** of this bill creates  
9 the Program in statute. **Section 8** further provides that the Program consists of a  
10 grant program to make such grants and the Nevada Voluntary Water Rights  
11 Retirement Program. **Section 14** of this bill provides that the Program and the  
12 Advisory Committee are within the Department. **Section 13** of this bill applies the  
13 definitions in existing law relating to the Department to the provisions of **sections**  
14 **8-12**.

15 Under existing law, any person who wishes to appropriate public waters, or to  
16 change the place of diversion, manner of use or place of use of water already  
17 appropriated, must apply to the State Engineer for a permit to do so. (NRS 533.325)  
18 Existing law further provides that all underground waters within the boundaries of  
19 the State are subject to appropriation for beneficial use only under the laws of this  
20 State relating to the appropriation and use of water. (NRS 534.020) **Section 9** of  
21 this bill creates the Account for Retiring Water Rights, to be administered by the  
22 Director of the State Department of Conservation and Natural Resources, and  
23 requires that the money in the Account only be used for the purchase of water rights  
24 for certain purposes. **Section 10** of this bill establishes the Nevada Voluntary Water  
25 Rights Retirement Program in the Nevada Conservation and Recreation Program, to  
26 be administered by the Director, and establishes requirements for the purchase and  
27 retirement of water rights. **Section 10** also prohibits the Director from accepting  
28 applications for the purchase and retirement of water rights after June 30, 2035.

29 **Section 4** of this bill: (1) requires the State Engineer to retire water rights  
30 purchased by the Nevada Voluntary Water Rights Retirement Program; and (2)  
31 prohibits the State Engineer from retiring any water rights from the Program after  
32 June 30, 2035.

33 **Section 11** of this bill establishes the Advisory Committee for the Nevada  
34 Voluntary Water Rights Retirement Program within the Department and requires  
35 the Advisory Committee to consult with the Director regarding the provisions of  
36 **sections 10 and 12** of this bill.

37 **Section 12** requires the Director to adopt regulations necessary to carry out the  
38 provisions of **sections 8-12**. **Section 24** of this bill requires the Director to adopt  
39 these regulations by July 1, 2026.

40 **Sections 1-3** of this bill prohibit the appropriation of water for which the rights  
41 have been retired pursuant to the Nevada Voluntary Water Rights Retirement  
42 Program.

43 **Section 25** of this bill provides for the provisions relating to the Account,  
44 Advisory Committee and regulations set forth in **sections 9, 11, 12 and 14** to expire  
45 on June 30, 2035. **Sections 15 and 21** of this bill make conforming changes to  
46 reflect the expiration of these provisions.

47 Under existing law, the State Engineer may issue temporary permits to  
48 appropriate groundwater in certain designated areas which may be revoked under  
49 certain circumstances. In areas where these temporary permits have been issued, the  
50 State Engineer is required to prohibit the drilling of wells for domestic use if water  
51 can be furnished by a public entity presently engaged in furnishing water to the  
52 inhabitants of the area. (NRS 534.120) **Sections 5, 6, 16 and 22** of this bill revise  
53 references to these temporary permits to revocable permits.



54 **Section 23** of this bill deems any such existing and valid temporary permit  
55 issued by the State Engineer pursuant to existing law before July 1, 2025, to be a  
56 revocable permit. **Section 5** also requires the State Engineer to prohibit the drilling  
57 of wells for domestic use if a property is within 1,250 feet of a service line of a  
58 public entity presently engaged in furnishing water to the inhabitants of the area.

59 Existing law establishes a program to provide grants of money to purveyors of  
60 water and eligible recipients to pay for certain costs related to water conservation  
61 and capital improvements to water systems. Under this program, eligible recipients  
62 may receive grants of money to pay the cost of improvements to conserve water.  
63 (NRS 349.981) **Section 16** includes in the types of improvements for which an  
64 eligible recipient could receive a grant: (1) the removal and replacement of grass  
65 with water-efficient landscaping, under certain circumstances; and (2) the  
66 permanent retirement of groundwater rights for certain purposes.

67 Existing law requires certain recipients of a grant of money from this program  
68 to provide an amount of money determined by the Board for Financing Water  
69 Projects that will be used for the same purpose as the grant. (NRS 349.983) **Section**  
70 **17** of this bill requires all recipients of a grant of money from this program to  
71 provide an amount of money determined by the Board that will be used for the  
72 same purpose as the grant.

73 Existing law authorizes a district board of health to create a voluntary financial  
74 assistance program to pay 100 percent of the costs for property owners with an  
75 existing septic system whose property is served by a municipal water system to  
76 connect to the community sewerage disposal system. (NRS 439.3672) **Section 18**  
77 of this bill establishes certain requirements for a property owner to be eligible to  
78 receive financial assistance from this program.

79 Existing law sets forth a legislative declaration relating to the right of the  
80 people of this State to clean water and certain policies of this State related to this  
81 right to clean water. (NRS 445A.305) **Section 19** of this bill sets forth the policy of  
82 this State to encourage and promote water reuse in an appropriate manner that is  
83 consistent with public health.

84 Existing state law requires the State Environmental Commission to establish  
85 water quality standards at a level designed to protect and ensure a continuation of  
86 the designated beneficial use or uses for the stream segment or other body of  
87 surface water that have been determined applicable by the Commission. (NRS  
88 445A.520) Existing federal law authorizes a state to establish a variance in the  
89 water quality standard from the water quality standard determined to protect and  
90 ensure a continuation of the designated beneficial use or uses if the state determines  
91 that compliance with this standard is not feasible for certain reasons. (40 C.F.R. §  
92 131.14) **Section 20** of this bill authorizes the Commission to establish a water  
93 quality standard variance in accordance with federal law.

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

1 **Section 1.** NRS 533.030 is hereby amended to read as follows:  
2 533.030 1. Subject to existing rights, and except as otherwise  
3 provided in this section and NRS 533.0241, 533.027 and 533.028,  
4 *and section 4 of this act*, all water may be appropriated for  
5 beneficial use as provided in this chapter and not otherwise.

6 2. The use of water, from any stream system as provided in this  
7 chapter and from underground water as provided in NRS 534.080,



1 for any recreational purpose, or the use of water from the Muddy  
2 River or the Virgin River to create any developed shortage supply or  
3 intentionally created surplus, is hereby declared to be a beneficial  
4 use. As used in this subsection:

5 (a) "Developed shortage supply" has the meaning ascribed to it  
6 in Volume 73 of the Federal Register at page 19884, April 11, 2008,  
7 and any subsequent amendment thereto.

8 (b) "Intentionally created surplus" has the meaning ascribed to it  
9 in Volume 73 of the Federal Register at page 19884, April 11, 2008,  
10 and any subsequent amendment thereto.

11 3. Except as otherwise provided in subsection 4, in any county  
12 whose population is 700,000 or more:

13 (a) The board of county commissioners may prohibit or restrict  
14 by ordinance the use of water and effluent for recreational purposes  
15 in any artificially created lake or stream located within the  
16 unincorporated areas of the county.

17 (b) The governing body of a city may prohibit or restrict by  
18 ordinance the use of water and effluent for recreational purposes in  
19 any artificially created lake or stream located within the boundaries  
20 of the city.

21 4. In any county whose population is 700,000 or more, the  
22 provisions of subsection 1 and of any ordinance adopted pursuant to  
23 subsection 3 do not apply to:

24 (a) Water stored in an artificially created reservoir for use in  
25 flood control, in meeting peak water demands or for purposes  
26 relating to the treatment of sewage;

27 (b) Water used in a mining reclamation project; or

28 (c) A body of water located in a recreational facility that is open  
29 to the public and owned or operated by the United States or the State  
30 of Nevada.

31 **Sec. 2.** NRS 533.370 is hereby amended to read as follows:

32 533.370 1. Except as otherwise provided in this section and  
33 NRS 533.0241, 533.345, 533.371, 533.372 and 533.503, *and*  
34 *section 4 of this act*, the State Engineer shall approve an application  
35 submitted in proper form which contemplates the application of  
36 water to beneficial use if:

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

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

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



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

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

7 2. Except as otherwise provided in subsection 10, ~~[where there]~~  
8 *the State Engineer shall reject an application and refuse to issue*  
9 *the requested permit if:*

10 (a) *There* is no unappropriated water in the proposed source of  
11 supply ~~[, where the]~~ ;

12 (b) *The* groundwater that has not been committed for use has  
13 been reserved pursuant to NRS 533.0241 ;

14 (c) *The groundwater rights have been retired pursuant to*  
15 *section 4 of this act;* or ~~[where its]~~

16 (d) *The* proposed use or change conflicts with existing rights or  
17 with protectable interests in existing domestic wells as set forth in  
18 NRS 533.024 ~~[.]~~ or threatens to prove detrimental to the public  
19 interest . ~~[, the State Engineer shall reject the application and refuse~~  
20 ~~to issue the requested permit.]~~

21 ↪ If a previous application for a similar use of water within the  
22 same basin has been rejected on ~~[those grounds,]~~ *any such ground,*  
23 the new application may be denied without publication.

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

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

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

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

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

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

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

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



1 (b) If an application is protested.

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

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

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

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

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

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

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

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

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

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

40 8. If a hearing is held regarding an application, the decision of  
41 the State Engineer must be in writing and include findings of fact,  
42 conclusions of law and a statement of the underlying facts  
43 supporting the findings of fact. The written decision may take the  
44 form of a transcription of an oral ruling. The rejection or approval of  
45 an application must be endorsed on a copy of the original



1 application, and a record must be made of the endorsement in the  
2 records of the State Engineer. The copy of the application so  
3 endorsed must be returned to the applicant. Except as otherwise  
4 provided in subsection 11, if the application is approved, the  
5 applicant may, on receipt thereof, proceed with the construction of  
6 the necessary works and take all steps required to apply the water to  
7 beneficial use and to perfect the proposed appropriation. If the  
8 application is rejected, the applicant may take no steps toward the  
9 prosecution of the proposed work or the diversion and use of  
10 the public water while the rejection continues in force.

11 9. If a person is the successor in interest of an owner of a water  
12 right or an owner of real property upon which a domestic well is  
13 located and if the former owner of the water right or real property on  
14 which a domestic well is located had previously filed a written  
15 protest against the granting of an application, the successor in  
16 interest must be allowed to pursue that protest in the same manner  
17 as if the successor in interest were the former owner whose interest  
18 he or she succeeded. If the successor in interest wishes to pursue the  
19 protest, the successor in interest must notify the State Engineer in a  
20 timely manner on a form provided by the State Engineer.

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

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

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

31 **Sec. 3.** NRS 533.371 is hereby amended to read as follows:

32 533.371 The State Engineer shall reject the application and  
33 refuse to issue a permit to appropriate water for a specified period if  
34 the State Engineer determines that:

- 35 1. The application is incomplete;
- 36 2. The prescribed fees have not been paid;
- 37 3. The proposed use is not temporary;
- 38 4. There is no water available from the proposed source of  
39 supply without exceeding the perennial yield or safe yield of that  
40 source;

41 5. The groundwater that has not been committed for use from  
42 the proposed source of supply has been reserved pursuant to  
43 NRS 533.0241;

44 6. *The groundwater rights have been retired pursuant to*  
45 *section 4 of this act;*



1 7. The proposed use conflicts with existing rights; or  
2 ~~7.7~~ 8. The proposed use threatens to prove detrimental to the  
3 public interest.

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

6 *1. The State Engineer shall retire all water rights purchased*  
7 *by the Nevada Voluntary Water Rights Retirement Program*  
8 *pursuant to section 10 of this act using any appropriate*  
9 *mechanism, as determined by the State Engineer, and preclude*  
10 *that groundwater from appropriation. Groundwater that has been*  
11 *retired pursuant to this section is not available for any use and*  
12 *shall be deemed to be retired in the source in perpetuity.*

13 *2. The State Engineer shall not retire any water rights*  
14 *pursuant to subsection 1 after June 30, 2035.*

15 **Sec. 5.** NRS 534.120 is hereby amended to read as follows:

16 534.120 1. Within an area that has been designated by the  
17 State Engineer, as provided for in this chapter, where, in the  
18 judgment of the State Engineer, the groundwater basin is being  
19 depleted, the State Engineer in his or her administrative capacity  
20 may make such rules, regulations and orders as are deemed essential  
21 for the welfare of the area involved.

22 2. In the interest of public welfare, the State Engineer is  
23 authorized and directed to designate preferred uses of water within  
24 the respective areas so designated by the State Engineer and from  
25 which the groundwater is being depleted, and in acting on  
26 applications to appropriate groundwater, the State Engineer may  
27 designate such preferred uses in different categories with respect to  
28 the particular areas involved within the following limits:

29 (a) Domestic, municipal, quasi-municipal, industrial, irrigation,  
30 mining and stock-watering uses; and

31 (b) Any uses for which a county, city, town, public water district  
32 or public water company furnishes the water.

33 3. The State Engineer may only issue ~~temporary~~ *revocable*  
34 permits to appropriate groundwater if water cannot be furnished by  
35 a public entity such as a water district or municipality presently  
36 engaged in furnishing water to the inhabitants thereof. Such  
37 ~~temporary~~ *revocable* permits can be limited as to time and may be  
38 revoked if and when:

39 (a) Water can be furnished by a public entity such as a water  
40 district or a municipality presently engaged in furnishing water to  
41 the inhabitants thereof; and

42 (b) The property served is within 1,250 feet of the water  
43 furnished pursuant to paragraph (a).





1 ↪ The holder of a ~~temporary~~ *revocable* permit that is revoked  
2 pursuant to this subsection must be given 730 days from the date of  
3 revocation to connect to the public entity furnishing water.

4 4. In a basin designated pursuant to NRS 534.030, the State  
5 Engineer may:

6 (a) Deny applications to appropriate groundwater for any use in  
7 areas served by a public entity such as a water district or a  
8 municipality presently engaged in furnishing water to the  
9 inhabitants of the area.

10 (b) Limit the depth of domestic wells.

11 (c) Prohibit the drilling of wells for domestic use in areas where  
12 water can be furnished by a public entity such as a water district or a  
13 municipality presently engaged in furnishing water to the  
14 inhabitants thereof.

15 (d) In connection with the approval of a parcel map in which  
16 any parcel is proposed to be served by a domestic well, require the  
17 dedication to a city or county or a designee of a city or county, or  
18 require a relinquishment to the State Engineer, of any right to  
19 appropriate water required by the State Engineer to ensure a  
20 sufficient supply of water for each of those parcels, unless the  
21 dedication of the right to appropriate water is required by a local  
22 ordinance.

23 5. In an area in which *revocable permits* have been issued  
24 ~~temporary permits~~ pursuant to subsection 3, the State Engineer:

25 (a) Shall:

26 (1) Deny any applications to appropriate groundwater for use  
27 in areas served by a public entity such as a water district or a  
28 municipality presently engaged in furnishing water;

29 (2) Limit the depth of a domestic well; or

30 (3) Prohibit the drilling of wells for domestic use ~~in areas~~  
31 ~~where water can be furnished by~~ *if a property is within 1,250 feet*  
32 *of a service line of* a public entity such as a water district or a  
33 municipality presently engaged in furnishing water to the  
34 inhabitants; and

35 (b) May prohibit repairs from being made to a domestic well,  
36 and may require the person proposing to deepen or repair the  
37 domestic well to obtain water from a public entity such as a water  
38 district or a municipality engaged in furnishing water to the  
39 inhabitants of the designated area, only if:

40 (1) The distance from the property line of any parcel served  
41 by the well to the pipes and other appurtenances of the proposed  
42 source of water to which the property will be connected is not more  
43 than 180 feet; and

44 (2) The deepening or repair of the well would require the use  
45 of a well-drilling rig.



1 6. For good and sufficient reasons, the State Engineer may  
2 exempt the provisions of this section with respect to public housing  
3 authorities.

4 7. The provisions of this section do not prohibit the State  
5 Engineer from revoking a ~~temporary~~ *revocable* permit issued  
6 pursuant to this section if any parcel served by a well pursuant to the  
7 ~~temporary~~ *revocable* permit is currently obtaining water from a  
8 public entity such as a water district or a municipality engaged in  
9 furnishing water to the inhabitants of the area.

10 **Sec. 6.** NRS 534.125 is hereby amended to read as follows:

11 534.125 If the State Engineer issues a ~~temporary~~ *revocable*  
12 permit pursuant to NRS 534.120 or if a well for domestic use is  
13 drilled in an area in which the State Engineer has issued such a  
14 ~~temporary~~ *revocable* permit, the State Engineer shall file a notice  
15 with the county recorder of the county in which the permit is issued  
16 or the well is drilled. The notice must include a statement indicating  
17 that, if and when water can be furnished by an entity such as a water  
18 district or a municipality engaged in furnishing water to the  
19 inhabitants of the designated area:

20 1. A ~~temporary~~ *revocable* permit may be revoked;

21 2. The owner of a domestic well may be prohibited from  
22 deepening or repairing the well; and

23 3. The owner of the property served by the well may be  
24 required to connect to this water source at his or her own expense.

25 **Sec. 7.** Chapter 232 of NRS is hereby amended by adding  
26 thereto the provisions set forth as sections 8 to 12, inclusive, of this  
27 act.

28 **Sec. 8. 1.** *The Nevada Conservation and Recreation*  
29 *Program is hereby created within the Department to protect,*  
30 *preserve and obtain the benefits of the property and natural and*  
31 *cultural resources of this State. The Director shall administer the*  
32 *Program.*

33 **2.** *The Nevada Conservation and Recreation Program*  
34 *consists of:*

35 (a) *A grant program to make grants in accordance with*  
36 *subsections 8, 9 and 10 of section 2 of chapter 480, Statutes of*  
37 *Nevada 2019, at page 2861; and*

38 (b) *The Nevada Voluntary Water Rights Retirement Program*  
39 *established by section 10 of this act.*

40 **3.** *The Director may adopt regulations to carry out the*  
41 *provisions of this section.*

42 **Sec. 9. 1.** *The Account for Retiring Water Rights is hereby*  
43 *created in the State General Fund.*

44 **2.** *The Account for Retiring Water Rights must be*  
45 *administered by the Director in accordance with the Nevada*



1 *Voluntary Water Rights Retirement Program established by*  
2 *section 10 of this act. In addition to any direct legislative*  
3 *appropriation, the Director may apply for and accept any gift,*  
4 *donation, bequest, grant, federal money or other source of money*  
5 *for deposit in the Account for Retiring Water Rights.*

6 *3. The money in the Account for Retiring Water Rights must*  
7 *only be used for administering the Nevada Voluntary Water*  
8 *Rights Retirement Program established by section 10 of this act, to*  
9 *purchase water rights for retirement pursuant to section 10 of this*  
10 *act and to provide matching money required as a condition of*  
11 *accepting any source of money that would result in the retirement*  
12 *of water rights pursuant to sections 4 and 10 of this act.*

13 *4. The money in the Account for Retiring Water Rights or*  
14 *any portion of the money in the Account for Retiring Water Rights*  
15 *may be invested or reinvested in accordance with the provisions of*  
16 *chapter 355 of NRS. The proceeds of such investments and the*  
17 *interest and income earned on the money in the Account for*  
18 *Retiring Water Rights, after deducting any applicable charges,*  
19 *must be credited to the Account for Retiring Water Rights.*

20 *5. Any money remaining in the Account for Retiring Water*  
21 *Rights at the end of a fiscal year does not revert to the State*  
22 *General Fund, and the balance in the Account for Retiring Water*  
23 *Rights must be carried forward to the next fiscal year.*

24 *6. The Director may enter into an agreement with a public or*  
25 *private entity to apply for, obtain or manage any money*  
26 *contributed to the Account for Retiring Water Rights.*

27 **Sec. 10.** *1. The Nevada Voluntary Water Rights Retirement*  
28 *Program is hereby established in the Nevada Conservation and*  
29 *Recreation Program created by section 8 of this act to purchase*  
30 *and retire water rights from willing sellers in order to:*

31 *(a) Protect the natural resources of this State;*

32 *(b) Bring groundwater basins that have been overpumped back*  
33 *in hydrographic balance;*

34 *(c) Address conflicts with existing rights or with protectable*  
35 *interests in existing domestic wells; and*

36 *(d) Prevent overappropriated basins from becoming*  
37 *overpumped.*

38 *2. The Nevada Voluntary Water Rights Retirement Program*  
39 *must be administered by the Director. In administering the*  
40 *Program, the Director shall, to the extent money is available in the*  
41 *Account for Retiring Water Rights created by section 9 of this act,*  
42 *identify and purchase water rights for retirement by the State*  
43 *Engineer pursuant to section 4 of this act from persons willing to*  
44 *retire those water rights according to the following order of*  
45 *priority:*



1 (a) Groundwater basins where groundwater withdrawals  
2 currently exceed the available supply of water.

3 (b) Groundwater basins where the retirement of water rights  
4 meets the purposes set forth in subsection 1.

5 3. When sufficient money is available in the Account for  
6 Retiring Water Rights created by section 9 of this act, the Director  
7 may accept applications for the purchase and retirement of water  
8 rights in accordance with the regulations adopted by the Director  
9 pursuant to section 12 of this act.

10 4. The Director may not accept applications for the purchase  
11 and retirement of water rights after June 30, 2035.

12 **Sec. 11.** 1. The Advisory Committee for the Nevada  
13 Voluntary Water Rights Retirement Program established by  
14 section 10 of this act is hereby created within the Department. The  
15 Advisory Committee consists of:

16 (a) The following voting members appointed by the Director:

17 (1) Two members who represent agricultural interests;

18 (2) Two members who represent a political subdivision of  
19 the State of Nevada that manages a regional water authority in a  
20 county whose population is 100,000 or more;

21 (3) One member who represents a regional water authority  
22 that serves a county whose population is less than 100,000;

23 (4) One member who represents a nonprofit conservation  
24 organization; and

25 (5) One member who represents mining interests; and

26 (b) The following ex officio nonvoting members:

27 (1) The State Engineer or his or her designee; and

28 (2) The State Land Registrar or his or her designee.

29 2. The Advisory Committee shall consult with the Director  
30 on:

31 (a) The adoption of the regulations required by section 12 of  
32 this act; and

33 (b) The administration of the Nevada Voluntary Water Rights  
34 Retirement Program established by section 10 of this act.

35 3. The voting members of the Advisory Committee serve  
36 without compensation and are not entitled to receive the per diem  
37 allowance or travel expenses provided for state officers and  
38 employees generally.

39 **Sec. 12.** 1. The Director shall adopt such regulations as are  
40 necessary to carry out the provisions of sections 8 to 12, inclusive,  
41 of this act, which must include, without limitation:

42 (a) The process for accepting applications for the purchase  
43 and retirement of water rights pursuant to section 10 of this act;



1 (b) *The manner in which the valuation of water rights will be*  
2 *conducted for the Nevada Voluntary Water Rights Retirement*  
3 *Program established by section 10 of this act;*

4 (c) *Provisions to ensure that the purchase and retirement of*  
5 *water rights is consistent with the purposes of the Nevada*  
6 *Voluntary Water Rights Retirement Program, including, without*  
7 *limitation, the purposes set forth in section 10 of this act;*

8 (d) *Provisions to ensure compliance with any requirements or*  
9 *conditions of any gift, donation, bequest, grant, federal money or*  
10 *other source of money in administering the Account for Retiring*  
11 *Water Rights created by section 9 of this act; and*

12 (e) *The methods of identifying and purchasing water rights by*  
13 *the Nevada Voluntary Water Rights Retirement Program pursuant*  
14 *to section 10 of this act which must be consistent with the*  
15 *mechanisms by which the water rights will be retired by the State*  
16 *Engineer in accordance with section 4 of this act.*

17 2. *The Director shall consult with the Advisory Committee for*  
18 *the Nevada Voluntary Water Rights Retirement Program created*  
19 *by section 11 of this act in adopting regulations pursuant to this*  
20 *section.*

21 **Sec. 13.** NRS 232.010 is hereby amended to read as follows:

22 232.010 As used in NRS 232.010 to 232.162, inclusive **[ ]** ,  
23 *and sections 8 to 12, inclusive, of this act.*

24 1. "Department" means the State Department of Conservation  
25 and Natural Resources.

26 2. "Director" means the Director of the State Department of  
27 Conservation and Natural Resources.

28 **Sec. 14.** NRS 232.090 is hereby amended to read as follows:

29 232.090 1. The Department consists of the Director and the  
30 following:

31 (a) The Division of Water Resources.

32 (b) The Division of State Lands.

33 (c) The Division of Forestry.

34 (d) The Division of State Parks.

35 (e) The Division of Environmental Protection.

36 (f) The Office of Historic Preservation.

37 (g) The Division of Outdoor Recreation.

38 (h) The Division of Natural Heritage.

39 (i) Such other divisions as the Director may from time to time  
40 establish.

41 2. The State Environmental Commission, the State  
42 Conservation Commission, the Commission for Cultural Centers  
43 and Historic Preservation, the Commission on Off-Highway  
44 Vehicles, the Conservation Districts Program, the Sagebrush  
45 Ecosystem Council , *the Nevada Conservation and Recreation*



1 *Program, the Advisory Committee for the Nevada Voluntary*  
2 *Water Rights Retirement Program* and the Board to Review Claims  
3 are within the Department.

4 **Sec. 15.** NRS 232.090 is hereby amended to read as follows:

5 232.090 1. The Department consists of the Director and the  
6 following:

7 (a) The Division of Water Resources.

8 (b) The Division of State Lands.

9 (c) The Division of Forestry.

10 (d) The Division of State Parks.

11 (e) The Division of Environmental Protection.

12 (f) The Office of Historic Preservation.

13 (g) The Division of Outdoor Recreation.

14 (h) The Division of Natural Heritage.

15 (i) Such other divisions as the Director may from time to time  
16 establish.

17 2. The State Environmental Commission, the State  
18 Conservation Commission, the Commission for Cultural Centers  
19 and Historic Preservation, the Commission on Off-Highway  
20 Vehicles, the Conservation Districts Program, the Sagebrush  
21 Ecosystem Council, the Nevada Conservation and Recreation  
22 Program ~~[, the Advisory Committee for the Nevada Voluntary~~  
23 ~~Water Rights Retirement Program]~~ and the Board to Review Claims  
24 are within the Department.

25 **Sec. 16.** NRS 349.981 is hereby amended to read as follows:

26 349.981 1. There is hereby established a program to provide  
27 grants of money to:

28 (a) A purveyor of water to pay for costs of capital improvements  
29 to publicly owned community water systems and publicly owned  
30 nontransient water systems required or made necessary by the State  
31 Environmental Commission pursuant to NRS 445A.800 to  
32 445A.955, inclusive, or made necessary by the Safe Drinking Water  
33 Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant  
34 thereto.

35 (b) An eligible recipient to pay for the cost of improvements to  
36 conserve water, including, without limitation:

37 (1) Piping or lining of an irrigation canal;

38 (2) ~~[Recovery]~~ *Recovering* or recycling ~~[of]~~ wastewater or  
39 tailwater;

40 (3) Scheduling of irrigation;

41 (4) ~~[Measurement]~~ *Measuring* or metering ~~[of]~~ the use of  
42 water;

43 (5) Improving the efficiency of irrigation operations; ~~[and]~~



1 (6) Improving the efficiency of the operation of a facility for  
2 the storage of water, including, without limitation, efficiency in  
3 diverting water to such a facility ~~H~~;

4 (7) *Removing grass and replacing grass with water-efficient*  
5 *landscaping, if the removal of the grass is secured by a*  
6 *conservation easement; and*

7 (8) *Permanently retiring groundwater rights pursuant to*  
8 *section 4 of this act to:*

9 (I) *Protect the natural resources of this State;*

10 (II) *Bring groundwater basins that have been*  
11 *overpumped back in hydrographic balance;*

12 (III) *Address conflicts with existing rights or with*  
13 *protectable interests in existing domestic wells; or*

14 (IV) *Prevent overappropriated basins from becoming*  
15 *overpumped.*

16 (c) An eligible recipient to pay the following costs associated  
17 with connecting a domestic well or well with a ~~temporary~~  
18 *revocable* permit to a municipal water system, if the well was in  
19 existence on or before October 1, 1999, and the well is located in an  
20 area designated by the State Engineer pursuant to NRS 534.120 as  
21 an area where the groundwater basin is being depleted:

22 (1) Any local or regional fee for connection to the municipal  
23 water system.

24 (2) The cost of any capital improvement that is required to  
25 comply with a decision or regulation of the State Engineer.

26 (d) An eligible recipient to pay the following costs associated  
27 with abandoning an individual sewage disposal system and  
28 connecting the property formerly served by the abandoned  
29 individual sewage disposal system to a community sewage disposal  
30 system, if the Division of Environmental Protection requires the  
31 individual sewage disposal system to be abandoned and the property  
32 upon which the individual sewage disposal system was located to be  
33 connected to a community sewage disposal system pursuant to the  
34 provisions of NRS 445A.300 to 445A.730, inclusive, or any  
35 regulations adopted pursuant thereto:

36 (1) Any local or regional fee for connection to the  
37 community sewage disposal system.

38 (2) The cost of any capital improvement that is required to  
39 comply with a statute of this State or a decision, directive, order or  
40 regulation of the Division of Environmental Protection.

41 (e) An eligible recipient to pay the following costs associated  
42 with abandoning an individual sewage disposal system and  
43 connecting the property formerly served by the abandoned  
44 individual sewage disposal system to a community sewage disposal  
45 system, if the Division of Environmental Protection approves a



1 program or project for the protection of groundwater quality  
2 developed by the State or a local government that provides for the  
3 abandonment of an individual sewage disposal system and the  
4 connection of the property upon which the individual sewage  
5 disposal system was located to a community sewage disposal  
6 system pursuant to the provisions of NRS 445A.300 to 445A.730,  
7 inclusive, or any regulations adopted pursuant thereto:

8 (1) Any local or regional fee for connection to the  
9 community sewage disposal system.

10 (2) The cost of any capital improvement that is required to  
11 comply with a statute of this State or a decision, directive, order or  
12 regulation of the Division of Environmental Protection.

13 (f) An eligible recipient to pay the following costs associated  
14 with plugging and abandoning a well and connecting the property  
15 formerly served by the well to a municipal water system, if the State  
16 Engineer requires the plugging of the well pursuant to subsection 3  
17 of NRS 534.180 or if the quality of the water of the well fails to  
18 comply with the standards of the Safe Drinking Water Act, 42  
19 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto:

20 (1) Any local or regional fee for connection to the municipal  
21 water system.

22 (2) The cost of any capital improvement that is required for  
23 the water quality in the area where the well is located to comply  
24 with the standards of the Safe Drinking Water Act, 42 U.S.C. §§  
25 300f et seq., and the regulations adopted pursuant thereto.

26 (3) The cost of plugging and abandoning a well and  
27 connecting the property formerly served by the well to a municipal  
28 water system.

29 (g) A governing body to pay the costs associated with  
30 developing and maintaining a water resource plan.

31 2. Except as otherwise provided in NRS 349.983, the  
32 determination of who is to receive a grant is solely within the  
33 discretion of the Board.

34 3. For any construction work paid for in whole or in part by a  
35 grant provided pursuant to this section to a nonprofit association or  
36 nonprofit cooperative corporation that is an eligible recipient, the  
37 provisions of NRS 338.013 to 338.090, inclusive, apply to:

38 (a) Require the nonprofit association or nonprofit cooperative  
39 corporation to include in the contract for the construction work the  
40 contractual provisions and stipulations that are required to be  
41 included in a contract for a public work pursuant to those statutory  
42 provisions.

43 (b) Require the nonprofit association or nonprofit cooperative  
44 corporation to comply with those statutory provisions in the same





1 manner as if it was a public body that had undertaken the project or  
2 had awarded the contract.

3 (c) Require the contractor who is awarded the contract for the  
4 construction work, or a subcontractor on the project, to comply with  
5 those statutory provisions in the same manner as if he or she was a  
6 contractor or subcontractor, as applicable, engaged on a public  
7 work.

8 4. As used in this section:

9 (a) "Eligible recipient" means:

10 (1) A political subdivision of this State, including, without  
11 limitation, a city, county, unincorporated town, water authority,  
12 conservation district, irrigation district, water district or water  
13 conservancy district.

14 (2) A nonprofit association or nonprofit cooperative  
15 corporation that provides water service only to its members.

16 (b) "Governing body" has the meaning ascribed to it in  
17 NRS 278.015.

18 (c) "Water resource plan" means a water resource plan created  
19 pursuant to NRS 278.0228.

20 **Sec. 17.** NRS 349.983 is hereby amended to read as follows:

21 349.983 1. Grants may be made pursuant to paragraph (a) of  
22 subsection 1 of NRS 349.981 only for the Lincoln County Water  
23 District and those community and nontransient water systems that:

24 (a) Were in existence on January 1, 1995; and

25 (b) Are currently publicly owned.

26 2. In making its determination of which purveyors of water are  
27 to receive grants pursuant to paragraph (a) of subsection 1 of NRS  
28 349.981, the Board shall give preference to those purveyors of water  
29 whose public water systems regularly serve fewer than 6,000  
30 persons.

31 3. Each recipient of a grant pursuant to ~~paragraph (a) of~~  
32 ~~subsection 1 of~~ NRS 349.981 shall provide an amount of money for  
33 the same purpose. The Board shall develop a scale to be used to  
34 determine that amount, but the recipient must not be required to  
35 provide an amount less than 15 percent or more than 75 percent of  
36 the total cost of the project for which the grant is awarded. The scale  
37 must be based upon the average household income of the customers  
38 of the recipient, and provide adjustments for the demonstrated  
39 economic hardship of those customers, the existence of an imminent  
40 risk to public health and any other factor that the Board determines  
41 to be relevant.

42 **Sec. 18.** NRS 439.3672 is hereby amended to read as follows:

43 439.3672 1. The district board of health may create a  
44 voluntary financial assistance program to pay 100 percent of the  
45 cost for ~~a~~ *an eligible* property owner with an existing septic



1 system whose property is served by a municipal water system to  
2 abandon the septic system and connect to the community sewerage  
3 disposal system.

4 2. Upon an affirmative vote of two-thirds of all the members of  
5 the district board of health, the district board of health may impose a  
6 voluntary annual fee on property owners with existing septic  
7 systems whose property is served by a municipal water system to  
8 carry out the provisions of this section.

9 3. If the district board of health imposes a voluntary annual fee  
10 pursuant to subsection 2:

11 (a) The fee must not exceed the annual sewer rate charged by  
12 the largest community sewerage disposal system in the county or  
13 counties, as applicable, in which the district board of health has been  
14 established; and

15 (b) The district board of health shall not provide financial  
16 assistance to any property owner who does not pay the voluntary  
17 *annual fee [ ] in accordance with the provisions of paragraph (b)*  
18 *of subsection 4.*

19 4. *A property owner is eligible to receive financial assistance*  
20 *from the program if the property owner:*

21 (a) *Has an existing septic system whose property is served by a*  
22 *municipal water system; and*

23 (b) *Pays the voluntary annual fee:*

24 (1) *Every year that the fee is imposed by the district board*  
25 *of health pursuant to subsection 3; or*

26 (2) *If a property owner has not paid the fee in every year*  
27 *that the fee was imposed, pays the balance for all previously*  
28 *imposed fees and the fee for the current year, if imposed by the*  
29 *district board of health.*

30 5. As used in this section:

31 (a) "Community sewerage disposal system" means a public  
32 system of sewage disposal which is operated for the benefit of a  
33 county, city, district or other political subdivision of this State.

34 (b) "Septic system" means a well that is used to place sanitary  
35 waste below the surface of the ground that is typically composed of  
36 a septic tank and a subsurface fluid distribution or disposal system.  
37 The term includes a residential individual system for disposal of  
38 sewage.

39 **Sec. 19.** NRS 445A.305 is hereby amended to read as follows:  
40 445A.305 1. The Legislature finds that pollution of water in  
41 this State:

42 (a) Adversely affects public health and welfare;

43 (b) Is harmful to wildlife, fish and other aquatic life; and

44 (c) Impairs domestic, agricultural, industrial, recreational and  
45 other beneficial uses of water.



1 2. The Legislature declares that the people of this State have a  
2 right to clean water and it is the policy of this State and the purpose  
3 of NRS 445A.300 to 445A.730, inclusive:

4 (a) To maintain the quality of the waters of the State consistent  
5 with the public health and enjoyment, the propagation and  
6 protection of terrestrial and aquatic life, the operation of existing  
7 industries, the pursuit of agriculture, and the economic development  
8 of the State;

9 (b) To mitigate the degradation of the waters of the State; ~~land~~

10 (c) To encourage and promote the use of methods of waste  
11 collection and pollution control for all significant sources of water  
12 pollution (including point and diffuse sources) ~~}; and~~

13 *(d) To encourage and promote traditional and emerging*  
14 *methods of water reuse, including, without limitation, credits for*  
15 *water that is returned to the source, known as "return-flow*  
16 *credits," agriculture and other irrigation, direct potable reuse and*  
17 *indirect potable reuse in an appropriate manner that is consistent*  
18 *with the public health.*

19 **Sec. 20.** NRS 445A.520 is hereby amended to read as follows:

20 445A.520 1. ~~The~~ *Except as otherwise provided in*  
21 *subsection 4, the* Commission shall establish water quality  
22 standards at a level designed to protect and ensure a continuation of  
23 the designated beneficial use or uses which the Commission has  
24 determined to be applicable to each stream segment or other body of  
25 surface water in the State.

26 2. ~~The~~ *Except as otherwise provided in subsection 4, the*  
27 Commission shall base its water quality standards on water quality  
28 criteria which numerically or descriptively define the conditions  
29 necessary to maintain the designated beneficial use or uses of the  
30 water. The water quality standards must reflect water quality criteria  
31 which define the conditions necessary to support, protect and allow  
32 the propagation of fish, shellfish and other wildlife and to provide  
33 for recreation in and on the water if these objectives are reasonably  
34 attainable.

35 3. The Commission may establish water quality standards for  
36 individual segments of streams or for other bodies of surface water  
37 which vary from standards based on recognized criteria if such  
38 variations are justified by the circumstances pertaining to particular  
39 places, as determined by biological monitoring or other appropriate  
40 studies.

41 4. *The Commission may establish a water quality standard*  
42 *variance subject to the review and approval or disapproval of the*  
43 *United States Environmental Protection Agency in accordance*  
44 *with 40 C.F.R. § 131.14. A water quality standard variance*  
45 *adopted pursuant to this subsection must:*



1 (a) *Reflect the highest attainable condition of the stream*  
2 *segment or other body of surface water that is achievable during*  
3 *the term of the water quality standard variance; and*

4 (b) *Establish a time-limited designated use and criteria for*  
5 *specific pollutants or water quality parameters during the term of*  
6 *the water quality standard variance.*

7 5. *As used in this section, "water quality standards variance"*  
8 *has the meaning ascribed to it in 40 C.F.R. § 131.3(o).*

9 **Sec. 21.** Section 10 of this act is hereby amended to read as  
10 follows:

11 Sec. 10. 1. The Nevada Voluntary Water Rights  
12 Retirement Program is hereby established in the Nevada  
13 Conservation and Recreation Program created by section 8 of  
14 this act to identify and purchase for retirement water rights  
15 from willing sellers in order to:

16 (a) Protect the natural resources of this State;

17 (b) Bring groundwater basins that have been overpumped  
18 back in hydrographic balance;

19 (c) Address conflicts with existing rights or with  
20 protectable interests in existing domestic wells; and

21 (d) Prevent overappropriated basins from becoming  
22 overpumped.

23 2. The Nevada Voluntary Water Rights Retirement  
24 Program must be administered by the Director. ~~He~~  
25 ~~administering the Program, the Director shall, to the extent~~  
26 ~~money is available in the Account for Retiring Water Rights~~  
27 ~~created by section 9 of this act, identify and purchase water~~  
28 ~~rights for retirement by the State Engineer pursuant to section~~  
29 ~~4 of this act from persons willing to retire those water rights~~  
30 ~~according to the following order of priority:~~

31 ~~—(a) Groundwater basins where groundwater withdrawals~~  
32 ~~currently exceed the available supply of water.~~

33 ~~—(b) Groundwater basins where the retirement of water~~  
34 ~~rights meets the purposes set forth in subsection 1.]~~

35 3. ~~[When sufficient money is available in the Account~~  
36 ~~for Retiring Water Rights created by section 9 of this act, the~~  
37 ~~Director may accept applications for the retirement of water~~  
38 ~~rights in accordance with the regulations adopted by the~~  
39 ~~Director pursuant to section 12 of this act.~~

40 ~~—4.]~~ The Director may not accept applications for the  
41 purchase and retirement of water rights after June 30, 2035.



1     **Sec. 22.** Section 14 of the Southern Nevada Water Authority  
2 Act, being chapter 572, Statutes of Nevada 1997, as last amended by  
3 chapter 113, Statutes of Nevada 2003, at page 624, is hereby  
4 amended to read as follows:

5         Sec. 14. Money collected pursuant to section 13 of this  
6 act must be used to:

7             1. Develop and distribute information promoting  
8 education and the conservation of groundwater in the Basin.

9             2. Perform such comprehensive inventories of wells of  
10 all types located within the basin as may be needed. Such  
11 inventories must be done in conjunction with the State  
12 Engineer.

13            3. Prepare, for use by the Advisory Committee, such  
14 cost-benefit analyses relating to the recharge and recovery or  
15 underground storage and recovery of water in the Basin as  
16 may be needed.

17            4. Develop recommendations for additional activities for  
18 the management of the Basin and the protection of the aquifer  
19 in which the Basin is located, and to conduct such activities if  
20 the activities have been approved by the Board of Directors.

21            5. Develop and implement a program to provide  
22 financial assistance to pay at least 50 percent but not more  
23 than 85 percent of the cost of the local and regional  
24 connection fees and capital improvements necessary for  
25 making the connection to the proposed source of water, as  
26 determined by the Southern Nevada Water Authority, to  
27 owners of real property served by:

28               (a) Domestic wells; or

29               (b) Wells that are operated pursuant to **[temporary]**  
30 **revocable** permits,

31               ↳ who are required by the State Engineer to connect the real  
32 property to a public water system pursuant to NRS 534.120.

33            6. Pay the costs associated with abandoning and  
34 plugging wells on the real property of persons who are  
35 required by the State Engineer to connect the real property to  
36 a public water system pursuant to NRS 534.120.

37            7. Perform such other duties as are necessary for the  
38 Southern Nevada Water Authority and the Advisory  
39 Committee to carry out the provisions of this act.

40     **Sec. 23.** Any existing and valid temporary permit issued by  
41 the State Engineer pursuant to NRS 534.120 before July 1, 2025,  
42 shall be deemed a revocable permit issued by the State Engineer.

43     **Sec. 24.** The Director of the State Department of Conservation  
44 and Natural Resources shall, on or before July 1, 2026, adopt the  
45 regulations which are required by section 12 of this act.



- 1     **Sec. 25.** 1. This section, sections 1 to 20, inclusive and  
2 sections 22, 23 and 24 of this act become effective on July 1, 2025.  
3     2. Sections 9, 11, 12 and 14 of this act expire by limitation on  
4 June 30, 2035.  
5     3. Section 21 of this act becomes effective on July 1, 2035.

③





