

SENATE BILL NO. 36—COMMITTEE ON NATURAL RESOURCES

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

PREFILED NOVEMBER 15, 2024

Referred to Committee on Natural Resources

SUMMARY—Establishes provisions relating to the conservation of groundwater. (BDR 48-384)

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; establishing the Nevada Water Buy-Back Initiative and the Advisory Committee for the Nevada Water Buy-Back Initiative; requiring the Director of the State Department of Conservation and Natural Resources to purchase certain water rights for the purpose of retiring the water rights; creating the Nevada Conservation and Recreation Program; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Under existing law, any person who wishes to appropriate public waters, or to  
2 change the place of diversion, manner of use or place of use of water already  
3 appropriated, must apply to the State Engineer for a permit to do so. (NRS 533.325)  
4 Existing law further provides that all underground waters within the boundaries of  
5 the State are subject to appropriation for beneficial use only under the laws of this  
6 State relating to the appropriation and use of water. (NRS 534.020) **Section 6** of  
7 this bill establishes the Nevada Water Buy-Back Initiative in the Nevada  
8 Conservation and Recreation Program, to be administered by the Director of the  
9 State Department of Conservation and Natural Resources, and establishes  
10 requirements for the purchase and retirement of water rights.  
11 **Section 8** of this bill requires the State Engineer to retire water rights purchased  
12 by the Nevada Water Buy-Back Initiative.  
13 **Section 7** of this bill establishes the Advisory Committee for the Nevada Water  
14 Buy-Back Initiative within the Department and requires the Advisory Committee to  
15 consult with the Director regarding the provisions of **sections 6-9** of this bill.  
16 **Section 9** requires the Director to adopt regulations necessary to carry out the  
17 provisions of **sections 6-9**. **Section 13** of this bill requires the Director to adopt



18 such regulations by July 1, 2027. **Section 5** of this bill defines certain terms relating  
19 to the provisions of **sections 6-9**.

20 **Sections 1-3** of this bill prohibit the appropriation of water for which rights  
21 have been retired pursuant to the Nevada Water Buy-Back Initiative.

22 Existing law requires the Department to make grants to state agencies, local  
23 governments, water conservancy districts, conservation districts and certain  
24 nonprofit organizations to protect, preserve and obtain the benefits of the property  
25 and natural and cultural resources of this State and requires the Director to adopt  
26 regulations to make such grants. (Section 2 of Assembly Bill No. 84, chapter 480,  
27 Statutes of Nevada 2019, at page 2861) Existing regulations create the Nevada  
28 Conservation and Recreation Program to make such grants. (LCB File No. R025-  
29 22) **Section 10** of this bill creates the Program in statute. **Section 10** further  
30 provides that the Program consists of a grant program to make such grants and the  
31 Nevada Water Buy-Back Initiative. **Section 12** of this bill provides that the  
32 Program and the Advisory Committee are within the Department. **Section 11** of this  
33 bill applies the definitions in existing law relating to the Department to the  
34 provisions of **section 10**.

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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 6 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,  
8 for any recreational purpose, or the use of water from the Muddy  
9 River or the Virgin River to create any developed shortage supply or  
10 intentionally created surplus, is hereby declared to be a beneficial  
11 use. As used in this subsection:

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

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

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

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

24 (b) The governing body of a city may prohibit or restrict by  
25 ordinance the use of water and effluent for recreational purposes in



1 any artificially created lake or stream located within the boundaries  
2 of the city.

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

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

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

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

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

14 533.370 1. Except as otherwise provided in this section and  
15 NRS 533.0241, 533.345, 533.371, 533.372 and 533.503, *and*  
16 *section 6 of this act*, the State Engineer shall approve an application  
17 submitted in proper form which contemplates the application of  
18 water to beneficial use if:

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

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

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

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

29 (2) Financial ability and reasonable expectation actually to  
30 construct the work and apply the water to the intended beneficial use  
31 with reasonable diligence.

32 2. Except as otherwise provided in subsection 10, ~~where there~~  
33 *the State Engineer shall reject an application and refuse to issue*  
34 *the requested permit if:*

35 (a) *There* is no unappropriated water in the proposed source of  
36 supply ~~where the~~;

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

39 (c) *The groundwater rights have been retired pursuant to*  
40 *section 6 of this act*; or ~~where its~~

41 (d) *The* proposed use or change conflicts with existing rights or  
42 with protectable interests in existing domestic wells as set forth in  
43 NRS 533.024, or threatens to prove detrimental to the public interest  
44 . ~~the State Engineer shall reject the application and refuse to issue~~  
45 ~~the requested permit.~~



1    ↪ If a previous application for a similar use of water within the  
2 same basin has been rejected on those grounds, the new application  
3 may be denied without publication.

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

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

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

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

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

19      (e) Any other factor the State Engineer determines to be  
20 relevant.

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

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

26       (b) If an application is protested.

27       (c) If the purpose for which the application was made is  
28 municipal use.

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

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

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

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

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

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

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



1 6. Except as otherwise provided in this subsection and  
2 subsection 10, the State Engineer shall approve or reject, within 6  
3 months after the final date for filing a protest, an application filed to  
4 change the point of diversion of water already appropriated when  
5 the existing and proposed points of diversion are on the same  
6 property for which the water has already been appropriated under  
7 the existing water right or the proposed point of diversion is on real  
8 property that is proven to be owned by the applicant and is  
9 contiguous to the place of use of the existing water right. The State  
10 Engineer may postpone action on the application pursuant to  
11 subsection 4.

12 7. If the State Engineer has not approved, rejected or held a  
13 hearing on an application within 7 years after the final date for filing  
14 a protest, the State Engineer shall cause notice of the application to  
15 be republished and reposted pursuant to NRS 533.360 immediately  
16 preceding the time at which the State Engineer is ready to approve  
17 or reject the application. The cost of the republication must be paid  
18 by the applicant. After such republication and reposting, a protest  
19 may be filed in accordance with NRS 533.365.

20 8. If a hearing is held regarding an application, the decision of  
21 the State Engineer must be in writing and include findings of fact,  
22 conclusions of law and a statement of the underlying facts  
23 supporting the findings of fact. The written decision may take the  
24 form of a transcription of an oral ruling. The rejection or approval of  
25 an application must be endorsed on a copy of the original  
26 application, and a record must be made of the endorsement in the  
27 records of the State Engineer. The copy of the application so  
28 endorsed must be returned to the applicant. Except as otherwise  
29 provided in subsection 11, if the application is approved, the  
30 applicant may, on receipt thereof, proceed with the construction of  
31 the necessary works and take all steps required to apply the water to  
32 beneficial use and to perfect the proposed appropriation. If the  
33 application is rejected, the applicant may take no steps toward  
34 the prosecution of the proposed work or the diversion and use of the  
35 public water while the rejection continues in force.

36 9. If a person is the successor in interest of an owner of a water  
37 right or an owner of real property upon which a domestic well is  
38 located and if the former owner of the water right or real property on  
39 which a domestic well is located had previously filed a written  
40 protest against the granting of an application, the successor in  
41 interest must be allowed to pursue that protest in the same manner  
42 as if the successor in interest were the former owner whose interest  
43 he or she succeeded. If the successor in interest wishes to pursue the  
44 protest, the successor in interest must notify the State Engineer in a  
45 timely manner on a form provided by the State Engineer.



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

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

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

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

12 533.371 The State Engineer shall reject the application and  
13 refuse to issue a permit to appropriate water for a specified period if  
14 the State Engineer determines that:

- 15 1. The application is incomplete;
- 16 2. The prescribed fees have not been paid;
- 17 3. The proposed use is not temporary;
- 18 4. There is no water available from the proposed source of  
19 supply without exceeding the perennial yield or safe yield of that  
20 source;

21 5. The groundwater that has not been committed for use from  
22 the proposed source of supply has been reserved pursuant to  
23 NRS 533.0241;

24 6. *The groundwater rights have been retired pursuant to*  
25 *section 6 of this act;*

26 7. The proposed use conflicts with existing rights; or

27 ~~7.1~~ 8. The proposed use threatens to prove detrimental to the  
28 public interest.

29 **Sec. 4.** Chapter 534 of NRS is hereby amended by adding  
30 thereto the provisions set forth as sections 5 to 9, inclusive, of this  
31 act.

32 **Sec. 5.** *As used in sections 6 to 9, inclusive, of this act, unless*  
33 *the context otherwise requires:*

34 1. *"Department" means the State Department of*  
35 *Conservation and Natural Resources.*

36 2. *"Director" means the Director of the Department.*

37 3. *"Nevada Conservation and Recreation Program" or*  
38 *"Program" means the Nevada Conservation and Recreation*  
39 *Program created by section 10 of this act.*

40 **Sec. 6.** 1. *The Nevada Water Buy-Back Initiative is hereby*  
41 *established in the Nevada Conservation and Recreation Program*  
42 *for the purpose of purchasing and retiring water rights in*  
43 *groundwater basins where there is an insufficient supply of water*  
44 *available to serve all vested rights, claims of vested rights, permits,*  
45 *certificates and protectable interests in domestic wells in the basin*



1 *and to address and avoid conflicts with existing rights or*  
2 *detriments to the public interest, including, without limitation,*  
3 *detriments to the natural resources of this State.*

4 2. *The Initiative must be administered by the Director. In*  
5 *administering the Initiative, the Director shall purchase and retire*  
6 *water rights from persons willing to sell those rights according to*  
7 *the following order of priority:*

8 (a) *Groundwater basins where groundwater withdrawals*  
9 *currently exceed the available supply of water as a result of the*  
10 *consistent use of certificated or permitted rights to appropriate*  
11 *water and to address conflicts with existing rights or detrments to*  
12 *the natural resources of this State.*

13 (b) *Any other groundwater basins where:*

14 (1) *Certificated or permitted rights to appropriate water*  
15 *would, if withdrawn, exceed the available supply of water; and*

16 (2) *The State Engineer determines the retirement of water*  
17 *rights is necessary to address or avoid conflicts with existing rights*  
18 *or detrments to the public interest, including, without limitation,*  
19 *detrments to the natural resources of this State.*

20 3. *The Director may accept applications for the purchase and*  
21 *retirement of water rights in accordance with the regulations*  
22 *adopted by the Director pursuant to section 9 of this act.*

23 **Sec. 7. 1.** *The Advisory Committee for the Nevada Water*  
24 *Buy-Back Initiative established by section 6 of this act is hereby*  
25 *created within the Department. The Advisory Committee consists*  
26 *of:*

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

28 (1) *One member who represents a nonprofit conservation*  
29 *organization;*

30 (2) *One member who represents a political subdivision of*  
31 *the State of Nevada that manages a regional water system in a*  
32 *county whose population is 100,000 or more;*

33 (3) *One member who represents a water authority in a*  
34 *county whose population is less than 100,000;*

35 (4) *One member who represents agricultural interests; and*

36 (5) *One member who represents natural resources*  
37 *interests; and*

38 (b) *The following ex officio nonvoting members:*

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

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

41 2. *The Advisory Committee shall consult with the Director*  
42 *on:*

43 (a) *The adoption of the regulations required by section 9 of*  
44 *this act; and*



1       ***(b) The administration of the Nevada Water Buy-Back***  
2       ***Initiative established by section 6 of this act.***

3       ***3. While engaged in the business of the Advisory Committee,***  
4       ***each voting member of the Advisory Committee is entitled to***  
5       ***receive a salary of not more than \$80 per day, as established by the***  
6       ***Department, and the per diem allowance and travel expenses***  
7       ***provided for state officers and employees generally.***

8       ***Sec. 8. The State Engineer shall retire all water rights***  
9       ***purchased pursuant to section 6 of this act through revocation or***  
10       ***relinquishment of the water rights or by using any other***  
11       ***appropriate mechanism, as determined by the State Engineer, and***  
12       ***preclude that groundwater from appropriation. Groundwater that***  
13       ***has been retired pursuant to this section is not available for any***  
14       ***use.***

15       ***Sec. 9. 1. The Director shall adopt such regulations as are***  
16       ***necessary to carry out the provisions of sections 6 to 9, inclusive,***  
17       ***of this act, which must include, without limitation:***

18       ***(a) The process for accepting applications for the purchase***  
19       ***and retirement of water rights pursuant to section 6 of this act;***

20       ***(b) The manner in which the valuation of water rights will be***  
21       ***conducted for the Nevada Water Buy-Back Initiative established***  
22       ***by section 6 of this act;***

23       ***(c) Provisions to ensure that the retirement of water rights is***  
24       ***consistent with the purposes of the Nevada Water Buy-Back***  
25       ***Initiative, including, without limitation, addressing or avoiding***  
26       ***conflicts with existing rights or detriments to the public interest or***  
27       ***the natural resources of this State;***

28       ***(d) The methods of purchasing water rights by the Nevada***  
29       ***Water Buy-Back Initiative pursuant to section 6 of this act which***  
30       ***must be consistent with the mechanisms by which the water rights***  
31       ***will be retired by the State Engineer in accordance with section 8***  
32       ***of this act; and***

33       ***(e) The process for a groundwater board or board of county***  
34       ***commissioners to consult and support the purchase of water rights***  
35       ***in a basin.***

36       ***2. The Director shall consult with the Advisory Committee for***  
37       ***the Nevada Water Buy-Back Initiative created by section 7 of this***  
38       ***act in adopting regulations pursuant to this section.***

39       ***Sec. 10. Chapter 232 of NRS is hereby amended by adding***  
40       ***thereto a new section to read as follows:***

41       ***1. The Nevada Conservation and Recreation Program is***  
42       ***hereby created within the Department to protect, preserve and***  
43       ***obtain the benefits of the property and natural and cultural***  
44       ***resources of this State. The Director shall administer the Program.***





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

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

6       **(b) The Nevada Water Buy-Back Initiative established by**  
7 **section 6 of this act.**

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

10       **Sec. 11.** NRS 232.010 is hereby amended to read as follows:

11       232.010 As used in NRS 232.010 to 232.162, inclusive **[ ]**,  
12 **and section 10 of this act:**

13       1. "Department" means the State Department of Conservation  
14 and Natural Resources.

15       2. "Director" means the Director of the State Department of  
16 Conservation and Natural Resources.

17       **Sec. 12.** NRS 232.090 is hereby amended to read as follows:

18       232.090 1. The Department consists of the Director and the  
19 following:

20       (a) The Division of Water Resources.

21       (b) The Division of State Lands.

22       (c) The Division of Forestry.

23       (d) The Division of State Parks.

24       (e) The Division of Environmental Protection.

25       (f) The Office of Historic Preservation.

26       (g) The Division of Outdoor Recreation.

27       (h) The Division of Natural Heritage.

28       (i) Such other divisions as the Director may from time to time  
29 establish.

30       2. The State Environmental Commission, the State  
31 Conservation Commission, the Commission for Cultural Centers  
32 and Historic Preservation, the Commission on Off-Highway  
33 Vehicles, the Conservation Districts Program, the Sagebrush  
34 Ecosystem Council, **the Nevada Conservation and Recreation**  
35 **Program, the Advisory Committee for the Nevada Water Buy-Back**  
36 **Initiative** and the Board to Review Claims are within the  
37 Department.

38       **Sec. 13.** The Director of the State Department of Conservation  
39 and Natural Resources shall, on or before July 1, 2027, adopt the  
40 regulations which are required by section 9 of this act.

41       **Sec. 14.** This act becomes effective on July 1, 2025.







