

SENATE BILL NO. 81—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DIVISION OF WATER RESOURCES)

PREFILED DECEMBER 20, 2014

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the management and appropriation of water. (BDR 48-367)

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 relating to the designation and regulation of groundwater basins by the State Engineer; revising provisions relating to the appropriation of water for beneficial use; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the State Engineer has various powers and duties with
2 respect to the management of the water resources of this State, including the
3 groundwater. Existing law: (1) authorizes the State Engineer to designate as a
4 critical management area any groundwater basin or portion therein in which
5 withdrawals of groundwater consistently exceed the perennial yield of the basin;
6 and (2) requires the State Engineer to designate as a critical management area any
7 groundwater basin or portion therein in which withdrawals of groundwater
8 consistently exceed the perennial yield of the basin upon receipt of a petition for
9 such a designation. (NRS 534.110) Existing law requires the State Engineer to
10 designate certain areas as areas of active management, which are groundwater
11 basins in which the State Engineer conducts close monitoring and regulation of the
12 water supply because of heavy use. (NRS 534.011, 534.030) This bill eliminates
13 the classification “area of active management” and renames the classification
14 “critical management area” as “active management area.” Similar to the former
15 designation of critical management area, **section 3** of this bill authorizes the State
16 Engineer to designate a basin or portion therein as an active management area if the
17 State Engineer determines that: (1) withdrawals of groundwater exceed the
18 perennial yield of the basin; (2) groundwater levels continue to decline; or (3)
19 pumping of groundwater conflicts with existing water rights. **Section 3** requires the
20 State Engineer to designate any basin or portion therein as an active management
21 area if the State Engineer receives a petition for such a designation which is signed
22 by not less than 40 percent of the combined total of holders of adjudicated or



23 unadjudicated claims of vested rights and permits or certificates to appropriate
24 water and owners of domestic wells in the basin or portion therein. Additionally,
25 **section 3** authorizes the State Engineer to rescind the designation of a groundwater
26 basin or portion therein as an active management area if the State Engineer
27 determines that the designation is no longer warranted. **Section 4** of this bill
28 specifies the powers of the State Engineer in basins or portions therein that are
29 designated as an active management area.

30 Under existing law, the State Engineer is required to supervise certain artesian
31 water, underground aquifers and percolating water. (NRS 534.030) **Section 7** of
32 this bill clarifies that the State Engineer is required to supervise all groundwater and
33 wells, including domestic wells for which a permit is not required.

34 Existing law authorizes the submittal to the State Engineer of a petition for the
35 approval of a groundwater management plan for a critical management area by a
36 majority of the holders of permits or certificates to appropriate water. (NRS
37 534.037) **Section 8** of this bill changes the signature requirement for such petitions
38 to signatures from not less than 40 percent of the combined total of the holders of
39 adjudicated or unadjudicated claims of vested rights and permits or certificates to
40 appropriate water and owners of domestic wells in the basin or portion therein.

41 Under existing law, the State Engineer is required to hold public hearings on
42 the designation of a basin as in need of administration and on groundwater
43 management plans for certain basins. Depending on whether adequate facilities are
44 available, the hearings are required to be held within the basin or in the county in
45 which the basin lies or, if the basin lies in more than one county, within the county
46 where the major portion of the basin lies. (NRS 534.030, 534.037) **Sections 7 and**
47 **8** of this bill authorize the State Engineer to also hold such a hearing at the location
48 in closest proximity to the basin where an adequate facility exists for holding a
49 hearing.

50 Under existing law, the holder of a water right forfeits that right if the holder
51 does not put the water to beneficial use within a certain period. However, existing
52 law authorizes the State Engineer to extend this period and requires the State
53 Engineer to consider certain factors when determining whether to make such an
54 extension. (NRS 534.090) **Section 9** of this bill requires the State Engineer to
55 consider as an additional factor in an application for an extension of time to prevent
56 forfeiture whether the basin or portion therein where the water right is located has
57 been designated as an active management area.

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

1 **Section 1.** Chapter 534 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2.** *“Appropriator of record” means a holder of an*
4 *adjudicated or unadjudicated claim of a vested right or a permit or*
5 *certificate to appropriate water.*

6 **Sec. 3. 1. The State Engineer:**

7 *(a) May designate as an active management area any basin or*
8 *a portion therein which has been designated previously as a*
9 *groundwater basin by the State Engineer pursuant to NRS*
10 *534.030 and where:*

11 *(1) Withdrawals of groundwater exceed the perennial yield*
12 *of the basin;*



1 (2) *Groundwater levels continue to decline; or*
2 (3) *Pumping of groundwater conflicts with existing water*
3 *rights.*

4 (b) *Shall designate as an active management area any basin or*
5 *a portion therein upon receipt of a petition for such a designation*
6 *which is signed by not less than 40 percent of the combined total*
7 *of the appropriators of record and owners of domestic wells in the*
8 *basin or portion therein.*

9 (c) *May rescind the designation of a basin or portion therein*
10 *as an active management area if the State Engineer determines*
11 *that the conditions in the basin or portion therein no longer*
12 *warrant that designation.*

13 2. *If a basin or portion therein has been designated as an*
14 *active management area for at least 5 consecutive years, the State*
15 *Engineer shall order that withdrawals, including, without*
16 *limitation, withdrawals from domestic wells, be restricted in that*
17 *basin or portion therein to conform to priority rights, unless a*
18 *groundwater management plan has been approved for the basin or*
19 *portion therein pursuant to NRS 534.037.*

20 3. *The designation of a basin or a portion therein as an active*
21 *management area pursuant to this section may be appealed*
22 *pursuant to NRS 533.450.*

23 **Sec. 4.** *In a basin or portion therein designated as an active*
24 *management area pursuant to section 3 of this act, the State*
25 *Engineer may, without limitation:*

26 1. *Limit the quantity of water that may be withdrawn under*
27 *any permit or certificate;*

28 2. *Limit the area that may be irrigated;*

29 3. *Limit the drilling of domestic wells;*

30 4. *Limit the quantity of water allowed to be withdrawn from a*
31 *domestic well;*

32 5. *Limit the movement of water rights;*

33 6. *Impose or authorize conservation practices that might*
34 *otherwise result in forfeiture of the water right pursuant to*
35 *NRS 534.090;*

36 7. *Limit the number of extensions of time for the filing of*
37 *proofs of completion of construction work and application of*
38 *water to beneficial use that may be approved pursuant to*
39 *NRS 533.380;*

40 8. *Require the filing of proofs of beneficial use pursuant to*
41 *NRS 533.400;*

42 9. *Designate preferred uses of existing rights;*

43 10. *Assess fees to establish a fund to retire water rights; and*

44 11. *Require any other action that the State Engineer*
45 *determines to be necessary.*



1 **Sec. 5.** NRS 534.010 is hereby amended to read as follows:
2 534.010 1. As used in this chapter, unless the context
3 otherwise requires, the words and terms defined in NRS 534.0105 to
4 534.0175, inclusive, *and section 2 of this act* have the meanings
5 ascribed to them in those sections.

6 2. As used in this chapter, the terms “underground water” and
7 “groundwater” are synonymous.

8 **Sec. 6.** NRS 534.011 is hereby amended to read as follows:
9 534.011 ~~["Area of active"]~~ *“Active* management ~~[""]~~ *area”*
10 means an area:

11 1. In which the State Engineer is conducting particularly close
12 monitoring and regulation of the water supply because of heavy use
13 of that supply; and

14 2. Which has received that designation by the State Engineer
15 pursuant to ~~[NRS 534.030.]~~ *section 3 of this act.*

16 **Sec. 7.** NRS 534.030 is hereby amended to read as follows:

17 534.030 1. Upon receipt by the State Engineer of a petition
18 requesting the State Engineer to administer the provisions of this
19 chapter as relating to designated areas, signed by not less than 40
20 percent of the appropriators of record ~~[in the Office of the State~~
21 ~~Engineer.]~~ in any particular basin or portion therein, the State
22 Engineer shall:

23 (a) Cause to be made the necessary investigations to determine
24 if such administration would be justified.

25 (b) If the findings of the State Engineer are affirmative,
26 designate the area by basin, or portion therein, and make an official
27 order describing the boundaries by legal subdivision as nearly as
28 possible.

29 (c) Proceed with the administration of this chapter.

30 2. In the absence of ~~[such]~~ a petition ~~[from the owners of~~
31 ~~wells]~~ *described in subsection 1,* in a groundwater basin which the
32 State Engineer considers to be in need of administration, the State
33 Engineer shall hold a public hearing:

34 (a) If adequate facilities to hold a hearing are available within
35 the basin; or

36 (b) If such facilities are unavailable, hold the hearing within the
37 county where the basin lies or within the county, where the major
38 portion of the basin lies, *or at the location in closest proximity to*
39 *the basin where an adequate facility exists for holding a hearing,*

40 ➔ to take testimony ~~[from those owners]~~ to determine whether
41 administration of that basin is justified. If the basin is found, after
42 due investigation, to be in need of administration the State Engineer
43 may enter an order in the same manner as if a petition, as described
44 in subsection 1, had been received.



1 3. The order of the State Engineer may be reviewed by the
2 district court of the county pursuant to NRS 533.450.

3 4. The State Engineer shall supervise all *underground water*
4 *and* wells ~~[tapping artesian water or water in definable underground~~
5 ~~aquifers drilled after March 22, 1913, and all wells tapping~~
6 ~~percolating water drilled subsequent to March 25, 1939, except]~~ ,
7 *including, without limitation*, those wells for domestic purposes for
8 which a permit is not required.

9 5. Within any groundwater basin which has been designated or
10 which may hereafter be so designated by the State Engineer, except
11 groundwater basins subject to the provisions of NRS 534.035, and
12 wherein a water conservation board has been created and established
13 or wherein a water district has been created and established by law
14 to furnish water to an area or areas within the basin or for
15 groundwater conservation purposes, the State Engineer, in the
16 administration of the groundwater law, shall avail himself or herself
17 of the services of the governing body of the water district or the
18 water conservation board, or both of them, in an advisory capacity.
19 The governing body or water board shall furnish such advice and
20 assistance to the State Engineer as is necessary for the purpose of
21 the conservation of groundwater within the areas affected. The
22 services of the governing body or water conservation board must be
23 without compensation from the State, and the services so rendered
24 must be upon reasonable agreements effected with and by the State
25 Engineer.

26 **Sec. 8.** NRS 534.037 is hereby amended to read as follows:

27 534.037 1. In a basin *or a portion therein* that has been
28 designated as ~~[a-critical]~~ *an active* management area by the State
29 Engineer pursuant to ~~[subsection 7 of NRS 534.110,]~~ *section 3 of*
30 *this act*, a petition for the approval of a groundwater management
31 plan for the basin *or portion therein* may be submitted to the State
32 Engineer. The petition must be signed by ~~[a majority of the holders~~
33 ~~of permits or certificates to appropriate water in the basin that are on~~
34 ~~file in the Office of the State Engineer]~~ *not less than 40 percent of*
35 *the combined total of the appropriators of record and domestic*
36 *well owners in the basin or portion therein* and must be
37 accompanied by a groundwater management plan which must set
38 forth the necessary steps for ~~[removal]~~ *rescission* of the ~~[basin's]~~
39 *designation of the basin or portion therein* as ~~[a-critical]~~ *an active*
40 management area.

41 2. In determining whether to approve a groundwater
42 management plan submitted pursuant to subsection 1, the State
43 Engineer shall consider, without limitation:

- 44 (a) The hydrology of the basin;
45 (b) The physical characteristics of the basin;



1 (c) The geographic spacing and location of the withdrawals of
2 groundwater in the basin;

3 (d) The quality of the water in the basin;

4 (e) The wells located in the basin, including, without limitation,
5 domestic wells;

6 (f) Whether a groundwater management plan already exists for
7 the basin; and

8 (g) Any other factor deemed relevant by the State Engineer.

9 3. Before approving or disapproving a groundwater
10 management plan submitted pursuant to subsection 1, the State
11 Engineer shall hold a public hearing to take testimony on the plan in
12 the county where the basin lies or, if the basin lies in more than one
13 county, within the county where the major portion of the basin lies
14 **or at the location in closest proximity to the basin where an**
15 **adequate facility exists for holding a hearing.** The State Engineer
16 shall cause notice of the hearing to be:

17 (a) Given once each week for 2 consecutive weeks before the
18 hearing in a newspaper of general circulation in the county or
19 counties in which the basin lies.

20 (b) Posted on the Internet website of the State Engineer for at
21 least 2 consecutive weeks immediately preceding the date of the
22 hearing.

23 4. The decision of the State Engineer on a groundwater
24 management plan may be reviewed by the district court of the
25 county pursuant to NRS 533.450.

26 5. An amendment to a groundwater management plan must be
27 proposed and approved in the same manner as an original
28 groundwater management plan is proposed and approved pursuant
29 to this section.

30 **Sec. 9.** NRS 534.090 is hereby amended to read as follows:

31 534.090 1. Except as otherwise provided in this section **or**
32 **and section 4 of this act**, failure for 5 successive years after
33 April 15, 1967, on the part of the holder of any right, whether it is
34 an adjudicated right, an unadjudicated right or a right for which a
35 certificate has been issued pursuant to NRS 533.425, and further
36 whether the right is initiated after or before March 25, 1939, to use
37 beneficially all or any part of the underground water for the purpose
38 for which the right is acquired or claimed, works a forfeiture of both
39 undetermined rights and determined rights to the use of that water to
40 the extent of the nonuse. If the records of the State Engineer or any
41 other documents specified by the State Engineer indicate at least 4
42 consecutive years, but less than 5 consecutive years, of nonuse of all
43 or any part of a water right which is governed by this chapter, the
44 State Engineer shall notify the owner of the water right, as
45 determined in the records of the Office of the State Engineer, by



1 registered or certified mail that the owner has 1 year after the date of
2 the notice in which to use the water right beneficially and to provide
3 proof of such use to the State Engineer or apply for relief pursuant
4 to subsection 2 to avoid forfeiting the water right. If, after 1 year
5 after the date of the notice, proof of resumption of beneficial use is
6 not filed in the Office of the State Engineer, the State Engineer
7 shall, unless the State Engineer has granted a request to extend
8 the time necessary to work a forfeiture of the water right, declare the
9 right forfeited within 30 days. Upon the forfeiture of a right to the
10 use of groundwater, the water reverts to the public and is available
11 for further appropriation, subject to existing rights. If, upon notice
12 by registered or certified mail to the owner of record whose right
13 has been declared forfeited, the owner of record fails to appeal the
14 ruling in the manner provided for in NRS 533.450, and within the
15 time provided for therein, the forfeiture becomes final. The failure
16 to receive a notice pursuant to this subsection does not nullify the
17 forfeiture or extend the time necessary to work the forfeiture of a
18 water right.

19 2. The State Engineer may, upon the request of the holder of
20 any right described in subsection 1, extend the time necessary to
21 work a forfeiture under that subsection if the request is made before
22 the expiration of the time necessary to work a forfeiture. The State
23 Engineer may grant, upon request and for good cause shown, any
24 number of extensions, but a single extension must not exceed 1 year.
25 In determining whether to grant or deny a request, the State
26 Engineer shall, among other reasons, consider:

27 (a) Whether the holder has shown good cause for the holder's
28 failure to use all or any part of the water beneficially for the purpose
29 for which the holder's right is acquired or claimed;

30 (b) The unavailability of water to put to a beneficial use which is
31 beyond the control of the holder;

32 (c) Any economic conditions or natural disasters which made
33 the holder unable to put the water to that use;

34 (d) Any prolonged period in which precipitation in the basin
35 where the water right is located is below the average for that basin
36 or in which indexes that measure soil moisture show that a deficit in
37 soil moisture has occurred in that basin;

38 (e) Whether a groundwater management plan has been approved
39 for the basin pursuant to NRS 534.037; ~~and~~

40 (f) *Whether the basin or portion therein has been designated*
41 *as an active management area pursuant to section 3 of this act; or*

42 (g) Whether the holder has demonstrated efficient ways of using
43 the water for agricultural purposes, such as center-pivot irrigation.

44 ➔ The State Engineer shall notify, by registered or certified mail,
45 the owner of the water right, as determined in the records of the



1 Office of the State Engineer, of whether the State Engineer has
2 granted or denied the holder's request for an extension pursuant to
3 this subsection. If the State Engineer grants an extension pursuant to
4 this subsection and, before the expiration of that extension, proof of
5 resumption of beneficial use or another request for an extension is
6 not filed in the Office of the State Engineer, the State Engineer shall
7 declare the water right forfeited within 30 days after the expiration
8 of the extension granted pursuant to this subsection.

9 3. If the failure to use the water pursuant to subsection 1 is
10 because of the use of center-pivot irrigation before July 1, 1983, and
11 such use could result in a forfeiture of a portion of a right, the State
12 Engineer shall, by registered or certified mail, send to the owner of
13 record a notice of intent to declare a forfeiture. The notice must
14 provide that the owner has at least 1 year after the date of the notice
15 to use the water beneficially or apply for additional relief pursuant
16 to subsection 2 before forfeiture of the owner's right is declared by
17 the State Engineer.

18 4. A right to use underground water whether it is vested or
19 otherwise may be lost by abandonment. If the State Engineer, in
20 investigating a groundwater source, upon which there has been a
21 prior right, for the purpose of acting upon an application to
22 appropriate water from the same source, is of the belief from his or
23 her examination that an abandonment has taken place, the State
24 Engineer shall so state in the ruling approving the application. If,
25 upon notice by registered or certified mail to the owner of record
26 who had the prior right, the owner of record of the prior right fails to
27 appeal the ruling in the manner provided for in NRS 533.450, and
28 within the time provided for therein, the alleged abandonment
29 declaration as set forth by the State Engineer becomes final.

30 **Sec. 10.** NRS 534.110 is hereby amended to read as follows:

31 534.110 1. The State Engineer shall administer this chapter
32 and shall prescribe all necessary regulations within the terms of this
33 chapter for its administration.

34 2. The State Engineer may:

35 (a) Require periodical statements of water elevations, water
36 used, and acreage on which water was used from all holders of
37 permits and claimants of vested rights.

38 (b) Upon his or her own initiation, conduct pumping tests to
39 determine if overpumping is indicated, to determine the specific
40 yield of the aquifers and to determine permeability characteristics.

41 3. The State Engineer shall determine whether there is
42 unappropriated water in the area affected and may issue permits
43 only if the determination is affirmative. The State Engineer may
44 require each applicant to whom a permit is issued for a well:

45 (a) For municipal, quasi-municipal or industrial use; and



1 (b) Whose reasonably expected rate of diversion is one-half
2 cubic foot per second or more,

3 ↪ to report periodically to the State Engineer concerning the effect
4 of that well on other previously existing wells that are located within
5 2,500 feet of the well.

6 4. It is a condition of each appropriation of groundwater
7 acquired under this chapter that the right of the appropriator relates
8 to a specific quantity of water and that the right must allow for a
9 reasonable lowering of the static water level at the appropriator's
10 point of diversion. In determining a reasonable lowering of the static
11 water level in a particular area, the State Engineer shall consider the
12 economics of pumping water for the general type of crops growing
13 and may also consider the effect of using water on the economy of
14 the area in general.

15 5. This section does not prevent the granting of permits to
16 applicants later in time on the ground that the diversions under the
17 proposed later appropriations may cause the water level to be
18 lowered at the point of diversion of a prior appropriator, so long as
19 any protectable interests in existing domestic wells as set forth in
20 NRS 533.024 and the rights of holders of existing appropriations
21 can be satisfied under such express conditions. At the time a permit
22 is granted for a well:

23 (a) For municipal, quasi-municipal or industrial use; and

24 (b) Whose reasonably expected rate of diversion is one-half
25 cubic foot per second or more,

26 ↪ the State Engineer shall include as a condition of the permit that
27 pumping water pursuant to the permit may be limited or prohibited
28 to prevent any unreasonable adverse effects on an existing domestic
29 well located within 2,500 feet of the well, unless the holder of the
30 permit and the owner of the domestic well have agreed to alternative
31 measures that mitigate those adverse effects.

32 6. Except as otherwise provided in ~~[subsection 7.]~~ *section 3 of*
33 *this act*, the State Engineer shall conduct investigations in any basin
34 or portion thereof where it appears that the average annual
35 replenishment to the groundwater supply may not be adequate for
36 the needs of all permittees and all vested-right claimants, and if the
37 findings of the State Engineer so indicate, the State Engineer may
38 order that withdrawals, including, without limitation, withdrawals
39 from domestic wells, be restricted to conform to priority rights.

40 7. ~~[The State Engineer:~~

41 ~~—(a) May designate as a critical management area any basin in~~
42 ~~which withdrawals of groundwater consistently exceed the perennial~~
43 ~~yield of the basin.~~

44 ~~—(b) Shall designate as a critical management area any basin in~~
45 ~~which withdrawals of groundwater consistently exceed the perennial~~



1 ~~yield of the basin upon receipt of a petition for such a designation~~
2 ~~which is signed by a majority of the holders of certificates or~~
3 ~~permits to appropriate water in the basin that are on file in the Office~~
4 ~~of the State Engineer.~~

5 ~~→ The designation of a basin as a critical management area pursuant~~
6 ~~to this subsection may be appealed pursuant to NRS 533.450. If a~~
7 ~~basin has been designated as a critical management area for at least~~
8 ~~10 consecutive years, the State Engineer shall order that~~
9 ~~withdrawals, including, without limitation, withdrawals from~~
10 ~~domestic wells, be restricted in that basin to conform to priority~~
11 ~~rights, unless a groundwater management plan has been approved~~
12 ~~for the basin pursuant to NRS 534.037.~~

13 ~~—8.} In any basin or portion thereof in the State designated by~~
14 ~~the State Engineer, the State Engineer may restrict drilling of wells~~
15 ~~in any portion thereof if the State Engineer determines that~~
16 ~~additional wells would cause an undue interference with existing~~
17 ~~wells. Any order or decision of the State Engineer so restricting~~
18 ~~drilling of such wells may be reviewed by the district court of the~~
19 ~~county pursuant to NRS 533.450.~~

20 **Sec. 11.** NRS 534.250 is hereby amended to read as follows:

21 534.250 1. Any person desiring to operate a project must first
22 make an application to, and obtain from, the State Engineer a permit
23 to operate such a project.

24 2. The State Engineer shall, upon application, issue a permit to
25 operate a project if the State Engineer determines that:

26 (a) The applicant has the technical and financial capability to
27 construct and operate a project.

28 (b) The applicant has a right to use the proposed source of water
29 for recharge pursuant to an approved appropriation consistent with
30 this chapter and chapter 533 of NRS. Any determination made by
31 the State Engineer for purposes of this paragraph is not binding in
32 any other proceeding.

33 (c) The project is hydrologically feasible.

34 (d) ~~If the project is in an area of active management, the project~~
35 ~~is consistent with the program of augmentation for that area.~~

36 ~~—(e)} The project will not cause harm to users of land or other~~
37 ~~water within the area of hydrologic effect of the project.~~

38 3. The holder of a permit may apply to the State Engineer for
39 approval to assign the permit to another person. The State Engineer
40 must approve the assignment if the person to whom the permit is to
41 be assigned will meet the requirements of paragraphs (a) and (b) of
42 subsection 2 when the assignment is completed.

43 4. A permit for a project must include:

44 (a) The name and mailing address of the person to whom the
45 permit is issued.



1 (b) The name of the ~~[area of active management,]~~ groundwater
2 basin or groundwater sub-basin, as applicable, in which the project
3 will be located.

4 (c) The capacity and plan of operation of the project.

5 (d) Any monitoring program required pursuant to subsection 5.

6 (e) Any conditions which are imposed pursuant to this chapter
7 or any regulation adopted pursuant thereto.

8 (f) Any other information which the State Engineer deems
9 necessary to include.

10 5. The State Engineer shall require the holder of a permit to
11 monitor the operation of the project and the effect of the project on
12 users of land and other water within the area of hydrologic effect of
13 the project. In determining any monitoring requirements, the State
14 Engineer shall cooperate with all government entities which regulate
15 or monitor, or both, the quality of water.

16 6. The State Engineer, on his or her initiative or at the request
17 of the holder of the permit, may modify the conditions of the permit
18 if monitoring demonstrates that modifications are necessary. In
19 determining whether modifications are necessary, the State Engineer
20 shall consider uses of land or water which were not in existence
21 when the permit was issued.

22 **Sec. 12.** NRS 534.260 is hereby amended to read as follows:

23 534.260 The State Engineer shall prescribe and furnish
24 guidelines for an application for a permit for a project. The
25 application must include:

26 1. A fee for application of \$2,500;

27 2. The name and mailing address of the applicant;

28 3. The name of the ~~[area of active management,]~~ groundwater
29 basin or groundwater sub-basin, as applicable, in which the
30 applicant proposes to operate the project;

31 4. The name and mailing address of the owner of the land on
32 which the applicant proposes to operate the project;

33 5. The legal description of the location of the proposed project;

34 6. Such evidence of financial and technical capability as the
35 State Engineer requires;

36 7. The source, quality and annual quantity of water proposed to
37 be recharged, and the quality of the receiving water;

38 8. The legal basis for acquiring and using the water proposed to
39 be recharged;

40 9. A description of the proposed project including its capacity
41 and plan of operation;

42 10. A copy of a study that demonstrates:

43 (a) The area of hydrologic effect of the project;

44 (b) That the project is hydrologically feasible;



1 (c) That the project will not cause harm to users of land and
2 water within the area of hydrologic effect; and

3 (d) The percentage of recoverable water;

4 11. The proposed duration of the permit; and

5 12. Any other information which the State Engineer requires.

6 **Sec. 13.** NRS 534.300 is hereby amended to read as follows:

7 534.300 1. The State Engineer shall establish a storage
8 account for each project for which the State Engineer has issued a
9 permit. If the project stores water from more than one source, the
10 State Engineer shall establish subaccounts for each source of water.

11 2. The holder of a permit for a project may recover only the
12 recoverable amount of water that is stored by the project.

13 3. For the purposes of this section, "recoverable amount"
14 means the amount of water, as determined by the State Engineer,
15 that has reached the aquifer and remains within the area of ~~active~~
16 ~~management.]~~ *hydrologic effect.*

17 **Sec. 14.** NRS 534.340 is hereby repealed.

18 **Sec. 15.** This act becomes effective on July 1, 2015.

TEXT OF REPEALED SECTION

534.340 Project for recharge, storage and recovery of water: Designation of areas of active management. The State Engineer shall designate areas of active management pursuant to NRS 534.030.

