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THIRD REPRINT

S.B. 250

SENATE BILL NO. 250—SENATORS SETTELMAYER, GOICOECHEA,
HARDY; HANSEN AND SEEVERS GANSERT

MARCH 5, 2019

Referred to Committee on Natural Resources

SUMMARY—Revises provisions relating to the dedication of water rights. (BDR 48-664)

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 certain requirements relating to the dedication of certain rights to appropriate water; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes the State Engineer to require the dedication of a right to
2 appropriate water in certain circumstances before approving a parcel map. (NRS
3 534.120) Existing law also authorizes the governing body of a county or city to
4 adopt ordinances to regulate land, which may include an ordinance that requires the
5 dedication of a right to appropriate water before approving the development,
6 division or subdivision of a parcel of land. (NRS 278.020) **Sections 1 and 3** of this
7 bill provide that before a supplier of water may require the dedication of a right to
8 appropriate water in order to ensure a sufficient supply of water to certain parcels,
9 the dedication requirement must be: (1) required pursuant to an ordinance, rule,
10 regulation or any other requirement adopted by the supplier of water; and (2) based
11 on certain information and considerations. **Sections 1 and 3** prohibit a supplier of
12 water from: (1) reducing the rate of diversion of a right to appropriate water that
13 has been dedicated in connection with a final map unless approved by the State
14 Engineer; and (2) with limited exception, selling, leasing, conveying or transferring
15 a right to appropriate water that has been dedicated pursuant to an ordinance, rule,
16 regulation or other requirement adopted by the supplier of water.



* S B 2 5 0 R 3 *

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

1 **Section 1.** Chapter 533 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. Before a supplier of water may require the dedication of a*
4 *right to appropriate water in order to ensure a sufficient supply of*
5 *water to provide new or modified water service to one or more*
6 *parcels, the dedication requirement must:*

7 *(a) Be required pursuant to an ordinance, rule, regulation or*
8 *any other requirement adopted by the supplier of water;*

9 *(b) Be based on reliable data and procedures estimating*
10 *demand;*

11 *(c) Consider any requirements for a sustainable water supply;*
12 *and*

13 *(d) Consider historic usage by similar existing water services.*

14 *2. If a right to appropriate water has been dedicated pursuant*
15 *to subsection 1 in connection with the approval of a final map*
16 *filed pursuant to the provisions of NRS 278.010 to 278.630,*
17 *inclusive, and section 3 of this act, a supplier of water may not*
18 *reduce the rate of diversion of the right to appropriate water that*
19 *has been dedicated unless the State Engineer approves the*
20 *reduction.*

21 *3. Except as otherwise provided in this subsection, a supplier*
22 *of water may not sell, lease, convey or transfer a right to*
23 *appropriate water that has been dedicated pursuant to subsection*
24 *1. This subsection does not apply to:*

25 *(a) Mergers and acquisitions of a water system owned or*
26 *operated by a utility;*

27 *(b) Sales, leases, conveyances or transfers by the supplier of*
28 *water to:*

29 *(1) Develop, improve or maintain the availability and*
30 *reliability of the water supply; and*

31 *(2) Further the sustainable and efficient management of*
32 *the water supply; or*

33 *(c) Settlements of judicial or administrative proceedings*
34 *concerning a water system owned or operated by a utility.*

35 *4. As used in this section:*

36 *(a) "Final map" has the meaning ascribed to it in*
37 *NRS 278.0145.*

38 *(b) "Modified water service" means a change or alteration to:*

39 *(1) The quantity of water delivered to one or more parcels;*

40 *(2) The capacity to deliver water to one or more parcels; or*

41 *(3) Any facility of the supplier of water necessitated by*
42 *construction on one or more parcels.*



1 (c) "Supplier of water" includes, without limitation:

2 (1) Any county, city, town, local improvement district,
3 general improvement district and water conservancy district;

4 (2) Any water district, water system, water project or water
5 planning and advisory board created by a special act of the
6 Legislature;

7 (3) A public utility; and

8 (4) Any other public or private entity,

9 ↳ that supplies water for municipal, industrial or domestic
10 purposes.

11 **Sec. 2.** (Deleted by amendment.)

12 **Sec. 3.** Chapter 278 of NRS is hereby amended by adding
13 thereto a new section to read as follows:

14 1. Before a supplier of water may require the dedication of a
15 right to appropriate water in order to ensure a sufficient supply of
16 water to provide new or modified water service to one or more
17 parcels that will be developed, divided or subdivided pursuant to
18 the provisions of this section and NRS 278.010 to 278.630,
19 inclusive, the dedication requirement must:

20 (a) Be required pursuant to an ordinance, rule, regulation or
21 any other requirement adopted by the supplier of water;

22 (b) Be based on reliable data and procedures estimating
23 demand;

24 (c) Consider any requirements for a sustainable water supply;
25 and

26 (d) Consider historic usage by similar existing water services.

27 2. If a right to appropriate water has been dedicated pursuant
28 to subsection 1 in connection with the approval of a final map
29 filed pursuant to the provisions of this section and NRS 278.010 to
30 278.630, inclusive, a supplier of water may not reduce the rate of
31 diversion of the right to appropriate water that has been dedicated
32 unless the State Engineer approves the reduction.

33 3. Except as otherwise provided in this subsection, a supplier
34 of water may not sell, lease, convey or transfer a right to
35 appropriate water that has been dedicated pursuant to subsection
36 1. This subsection does not apply to:

37 (a) Mergers and acquisitions of a water system owned or
38 operated by a utility;

39 (b) Sales, leases, conveyances or transfers by the supplier of
40 water to:

41 (1) Develop, improve or maintain the availability and
42 reliability of the water supply; and

43 (2) Further the sustainable and efficient management of
44 the water supply; or



1 (c) *Settlements of judicial or administrative proceedings*
2 *concerning a water system owned or operated by a utility.*

3 4. *As used in this section:*

4 (a) *“Final map” has the meaning ascribed to it in*
5 *NRS 278.0145.*

6 (b) *“Modified water service” means a change or alteration to:*

7 (1) *The quantity of water delivered to one or more parcels;*

8 (2) *The capacity to deliver water to one or more parcels; or*

9 (3) *Any facility of the supplier of water necessitated by*
10 *construction on one or more parcels.*

11 (c) *“Supplier of water” includes, without limitation:*

12 (1) *Any county, city, town, local improvement district,*
13 *general improvement district and water conservancy district;*

14 (2) *Any water district, water system, water project or water*
15 *planning and advisory board created by a special act of the*
16 *Legislature;*

17 (3) *A public utility; and*

18 (4) *Any other public or private entity,*
19 *↳ that supplies water for municipal, industrial or domestic*
20 *purposes.*

21 **Sec. 4.** NRS 278.010 is hereby amended to read as follows:

22 278.010 As used in NRS 278.010 to 278.630, inclusive, *and*
23 *section 3 of this act*, unless the context otherwise requires, the
24 words and terms defined in NRS 278.0103 to 278.0195, inclusive,
25 have the meanings ascribed to them in those sections.

26 **Sec. 5.** (Deleted by amendment.)

27 **Sec. 6.** The provisions of this act must not be applied in such a
28 manner as to affect, impair or discharge any outstanding contracts or
29 obligations of the State, any political subdivision of the State or
30 other public entity that involve a dedicated right to appropriate
31 water existing on the effective date of this act.

32 **Sec. 7.** This act becomes effective upon passage and approval.

