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AN ACT relating to irrigation districts; increasing the maximum amount of indebtedness that the board of directors of an irrigation district may incur and the amount of certain annual assessments that may be levied on lands in the district; requiring an annual adjustment of those amounts; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law imposes certain limitations on the amount of indebtedness that may be incurred by the board of directors of an irrigation district and the annual assessments that may be levied on lands in the district. (NRS 539.480) This bill increases the maximum allowable amounts and provides for an annual adjustment of those amounts by the lesser of 4.5 percent or a factor based upon the Consumer Price Index for West Urban Consumers. This bill further requires that notice of the adjusted amounts be given annually to the owners of lands in the district.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ***[omitted material]*** is material to be omitted.

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

**Section 1.** NRS 539.480 is hereby amended to read as follows:

539.480 1. Except as otherwise provided in subsection 2, for the purpose of organization or any of the purposes of this chapter, the board of directors may incur an indebtedness not exceeding in the aggregate the sum of ~~\$1,000,000~~ ***+\$1,055,000, as adjusted pursuant to subsection 8,*** and may cause warrants or negotiable notes of the district to issue therefor, bearing interest which must not exceed by more than 5 percent the Index of Revenue Bonds which was most recently published before the bids are received or a negotiated offer is accepted. The board may levy an assessment on all lands in the district for the payment of those expenses.

2. A board of directors of a district that has entered into a contract with the United States pursuant to NRS 539.270 ***may,*** for purposes of complying with the federal Reclamation Safety of Dams Act ~~H of 1978~~, 43 U.S.C. §§ 506 et seq., ~~may~~ ***or any other federal statute or regulation,*** incur an indebtedness not exceeding in the aggregate the sum of \$6,000,000, ***as adjusted pursuant to subsection 8,*** and may cause warrants or negotiable notes of the district to issue therefor, bearing interest which must not exceed by more than 5 percent the Index of Revenue Bonds which was most



recently published before the bids are received or a negotiated offer is accepted. The board may levy an assessment on all lands in the district for the payment of those expenses.

3. Subject to the provisions of subsections 4, 5, ~~and~~ 6 ~~H~~ and 8, thereafter the board may levy:

(a) An annual assessment, in the absence, except as otherwise provided in paragraph (b), of assessments therefor pursuant to any of the other provisions of this chapter, of not more than ~~[\$1.50]~~ **\$1.70** per acre, *as adjusted pursuant to subsection 8*, on all lands in the district for the payment of the ordinary and current expenses of the district, including the salaries of officers and other incidental expenses; and

(b) An annual assessment of not more than ~~[\$5]~~ **\$5.70** per acre, *as adjusted pursuant to subsection 8*, on all the lands in the district for deposit in a capital improvement fund for the construction, reconstruction or maintenance of the irrigation system of the district and any appurtenances necessary thereto.

4. Annual assessments levied pursuant to the provisions of subsection 3 may not cumulatively exceed ~~[\$5]~~ **\$5.70** per acre ~~H~~, *as adjusted pursuant to subsection 8*.

5. No portion of the amount collected from the assessment levied pursuant to the provisions of paragraph (b) of subsection 3 may be used for the payment of the ordinary and current expenses of the district, including the salaries of officers and other incidental expenses.

6. An assessment authorized pursuant to this section may be calculated by rounding up to the nearest whole acre.

7. The assessments authorized pursuant to the provisions of subsection 3 must be collected as provided in this chapter for the collection of other assessments.

8. *Commencing on July 1, 2018, each amount set forth in this section as a limitation on indebtedness or assessments must be adjusted on July 1 of each year by an amount equal to the product of the maximum amount applicable during the immediately preceding 12-month period, multiplied by the lesser of 4.5 percent or the average percentage of increase in the Consumer Price Index for West Urban Consumers for the immediately preceding 5 years. Commencing on or before July 15, 2018, and on or before July 15 of each year, the board shall cause notice of the adjusted amount to be given to the owners of lands in the district in any manner reasonably calculated to give notice to all such owners.*

Sec. 2. This act becomes effective on July 1, 2017.

