

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2231 **STATUS:** A-Engrossed
SUBJECT: Fees for water well constructors
GOVERNMENT UNIT AFFECTED: Water Resources Department
PREPARED BY: Dawn Farr
REVIEWED BY: Monica Brown
DATE: February 5, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
REVENUES:		
Well fees – Other Funds	\$ 800,000	\$ 900,000
	\$ 800,000	\$ 900,000

EFFECTIVE DATE: July 1, 2009

GOVERNOR’S BUDGET: This bill is anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The bill would increase well construction and conversion fees from \$125 to \$225.

Prior to construction or conversion of a well, well contractors are required to submit a “start card” along with a fee to the Water Resources Department (WRD). Historically, the WRD has issued approximately 10,000 start cards per biennium. Current economic conditions have contributed to a drop in start cards volume; hence, the WRD anticipates receiving 8,000 start cards for the 2009-11 and 9,000 for the 2011-13 biennia. Increasing the fee by \$100 per start card would generate an additional \$800,000 in Other Fund Revenue for 2009-11 and \$900,000 for the 2011-13 biennia.

Funds generated by start card fees are deposited into the Water Resources Department Operating Fund. During the 2009-11 biennium budget development process, the WRD did not anticipate needing the increased Other Fund revenues generated by this bill during the 2009-11 biennium. Recent changes in the economic environment have resulted in Other Fund revenue reductions, so WRD now reports that they will need to reduce staffing by 4 or 5 FTE during the 2009-11 biennium if fees are not increased.