

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

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**MEASURE NUMBER:** SB 788                                      **STATUS:** A Engrossed  
**SUBJECT:** Exempt groundwater usage recording fee  
**GOVERNMENT UNIT AFFECTED:** Water Resources Department  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Monica Brown  
**DATE:** May 4, 2009

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	<u><b>2009-2011</b></u>	<u><b>2011-2013</b></u>
<b>EXPENDITURES:</b>		
Personal Services – Other Funds	\$ 120,348	\$ 120,348
Services and Supplies – Other Funds	\$ 12,652	\$ 3,702
Total Other Funds Expenditures	\$ 133,000	\$ 124,050
<b>REVENUES:</b>		
Recording Fees – Other Funds	\$ 1,750,000	\$ 1,750,000
<b>POSITIONS / FTE:</b>		
Natural Resource Specialist 2	1/1.00	1/1.00

**EFFECTIVE DATE:** On passage.

**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.

**COMMENTS:** The bill requires the Water Resources Department to collect a recording fee of \$250 for exempt ground water use; requires land owner drilling a well to submit a map showing the exact well location of the well on the tax lot; directs that the map must be prepared by a licensed water well constructor, certified water right examiner, or registered land surveyor; and, directs the Water Resources Commission to adopt rules to implement, administer and enforce the bill.

WRD processes approximately 3,500 to 4,000 exempt wells per year. Assuming 3,500 wells per year were assessed a \$250 fee an additional \$1,750,000 in Other Funds revenue would be generated each biennium. Revenues raised are to be used only for conducting ground water studies, carrying out ground water monitoring, and administration and enforcement of the provisions of the bill. Future expenditures of these revenues may lead to additional Other Funds expenditures or reductions to General Fund expenditures due to fund shifts.

WRD indicates that they will need a permanent Natural Resources 2 to support paper work processing, data entry, and to ensure that landowners understand and can complying with the mapping requirement. Related expenditures are \$133,000 for 2009-11 and \$124,050 for the 2011-13 biennia. Expenditures are slightly higher in the 2009-11 biennium due to new employee start-up costs.

In addition, WRD indicates that the collection of a fee for exempt wells will require modifications to existing data systems to track fee payments and mapping data. The Department indicates that system modifications can be accomplished by redeploying an existing Information Technology (IT) staff full-

time for a year; associated costs are \$81,000. The use of existing IT staff will delay other information technology improvement projects. WRD indicates that the work associated with adopting rules to implement, administer and enforce the new provisions will be minimal and can be absorbed with existing resources.