

Kerns Rainbow Ranch, Inc.
45917 Quail Road
Haines, OR 97833
Mar. 14, 2013

RE: Opposition to HB 2259

House Committee on Agriculture and Natural Resources

Dear Committee Members,

We are opposed to HB 2259 for the following reasons:

1. The agricultural industry depends on water for production of our crops and livestock. Water rights are an essential production tool for us. We have ownership of those rights either through our own fillings, or through appurtenance to the land via land purchases.
2. We have invested a significant amount of money to secure the rights, as well as to develop them.

3. Many rights are listed under the original filer's name, and many of those people are deceased. Therefore, this will be unequal "taxation" on the water right owners who are still alive, and can be found for billing the fee.
4. To try to match deceased, or sold, water right owners with the present landowners will be an onerous, and very expensive process, which will require a large additional staff in both local watermaster offices, and at the state level.

5. Failure to assess the fee on all water rights will result in unfair treatment (taxation) on the current water rights owners that are operating the lands with those rights.
6. The fee on domestic wells will unfairly and disproportionately impact users of relatively small quantities of water, since domestic wells are limited in their use.
7. This is clearly a tax being levied on personal property – the water right to operate the farm, and water for a family home not on a municipal system.

8. To be equitable, all water right owners must also be included in the fee, with no exemptions.
9. The Water Resources Department is already overburdened with a backlog of work. To add this additional work load will greatly increase the WRD operating budget for a greatly increased staff.

I urge you to look at the huge cost impact this is going to have on the Water Resources Department across the state. It could very well require additional staffing at county levels to implement. There is no emergency – this is a bad bill which lacks pre-planning for proper implementation and staffing.

I also urge you to understand that while gross agricultural receipts are at record levels for some commodities, input costs are also at record levels. There is a definite cost-price squeeze in our industry. Agriculture, as a strategically vital industry to the Oregon economic base, cannot afford the additional up-to-\$1000 for the use of our legally acquired water right permits.

Please vote NO on HB 2259.

Sincerely,

Tim and Jan Kerns