



Oregon

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Before the
House Agriculture and Natural Resources Committee
Representative Brad Witt, Chair

Testimony on House Bill 2259 “OWRD’s Transaction Fee Schedule”

Presented by:
Oregon Water Resources Department
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Thank you for the opportunity to present testimony on House Bill 2259, a Department bill that would maintain the current level of services the Water Resources Department provides to its customers. This bill would remove a 2013 sunset from the Department’s fee schedule. It also adjusts several fees that were not consistent with the rest of the fee schedule. And, the bill would adjust fees to accommodate the increased cost of doing business during the 2013-15 biennium.

Background

The Department conducts many transactions for customers, including the processing of water use applications, water right certificates, water right transfers, limited licenses, and more. The Department’s fees for all water right transactions are set in statute.

This fee schedule was last modified in 2009, when the Oregon Legislature directed the Department to move from recovering approximately 30 percent of the cost of water right transactions, to recovering approximately 50 percent. The General Fund covers the remaining cost of these transactions.

The current fee schedule has a sunset of July 1, 2013. If this occurs, fees will revert back to levels that were established by the Legislature before 2009.

The current fee schedule supports approximately \$2.1 million worth of work, or 16 permit and transfer staff in the Water Rights Division. A roll-back to previous fee levels would decrease authorized funding levels and staff by eight.

Development of the Bill

Support for partial cost recovery through fees comes from water users across a wide spectrum, including irrigated agriculture, municipalities, counties, and instream interests, who rely on the Water Resources Department to process water right permits, transfers, certificates, and other documents in a timely and accurate fashion.

The Department convened a stakeholder discussion during June 2012 to assess whether the fee levels proposed in this bill were equitable. Generally, stakeholders believed that they were, but noted a few fee levels that seemed high. The Department subsequently adjusted these downward.

Looking at the printed bill, Sections 1, 3, 6, 8, 9, and 11 reflect fees as they are today—marked in italics—as well as fees that the Department proposes beginning July 1, 2013. Generally, these proposed fees represent an average increase of 12 to 13 percent, to address the increased cost of doing business.

Note several outliers in the issue areas of “Adjudication” and “Protests” that propose significantly higher increases. These are fees that have not previously been raised consistently with the others, and their proposed levels would improve the Department’s ability to recover costs, for the work involved.

Passage of this bill as written would maintain the Department’s ability to provide its current level of customer service in its water right transactions.

Conclusion

This bill helps fill a need identified in Oregon’s Integrated Water Resources Strategy Recommended Action #13.B: “Fund Water Resources Management Activities at the State Level.”

This bill has a fiscal impact, reflected in Water Resources Department’s budget package #208, which would authorize the receipt of water right transaction fees.