

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	7 - 0 - 2
Yeas:	Barnhart, Berger, Dembrow, Hicks, Holvey, Hoyle, Garrett
Nays:	0
Exc.:	Jenson, Kennemer
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	6/6, 6/10

WHAT THE MEASURE DOES: Makes revocation or modification of order issued for split use water lease mandatory if in-stream use of water under lease has resulted in injury to existing water right.

ISSUES DISCUSSED:

- Concerns identified after passage of Senate Bill 199-A
- Relationship between junior and senior water rights
- Injury to existing water right
- Burden of proof for injury
- Impact on senior water rights for nonuse
- Forfeiture of water right if all right is not used

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The split season water right leasing program was established by the Legislature in 2001; in 2007, the Legislature extended the program sunset to January 2, 2014. The split season leasing program allows a water right to be used for both in-stream and out-of-stream uses provided the uses do not occur at the same time and do not result in injury to other water rights.

Earlier this session the Legislature passed Senate Bill 199-A, which establishes a five year term on all in-stream leases with unlimited renewals and caps the total period for which a water right may be leased for split season use to a total of 10 years and extends the sunset to January 2, 2024. Under Senate Bill 199-A, the Water Resources Department (Department) is authorized to revoke or modify an order approving an in-stream lease if the Department determines the in-stream use has or may result in injury to an existing water right. House Bill 3530 makes the revocation or modification of an order issued for the split use of a water lease mandatory if the in-stream use of the water under the lease has resulted in an injury to an existing water right.

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This summary has not been adopted or officially endorsed by action of the committee.