

**PROPOSED AMENDMENTS TO
SENATE BILL 199**

1 On page 1 of the printed bill, line 3, delete “536.050 and”.

2 Delete lines 5 through 28 and delete pages 2 through 4 and insert:

3 **“SECTION 1.** ORS 537.348, as amended by section 2, chapter 205, Oregon
4 Laws 2001, is amended to read:

5 “537.348. (1) Any person may [*purchase or lease all or a portion of an ex-*
6 *isting water right or accept a gift of*] **obtain by purchase, lease or gift** all
7 or a portion of an existing water right for conversion to an in-stream water
8 right. Any water right converted to an in-stream water right under this
9 section shall retain the **original** priority date of the water right. [*purchased,*
10 *leased or received as a gift. At the request of the person the Water Resources*
11 *Commission shall issue a new certificate for the in-stream water right showing*
12 *the original priority date of the purchased, gifted or leased water right. A*
13 *person who transfers a water right by purchase, lease or gift under this sub-*
14 *section shall comply*] **A permanent transfer under this section must be**
15 **in compliance** with the requirements for the transfer of a water right under
16 ORS 540.505 to 540.585.

17 **“(2) Subject to subsections (3) to (6) of this section,** any person who
18 has an existing water right may lease all or a portion of the existing water
19 right for use as an in-stream water right for a specified period without the
20 loss of the original priority date. During the term of [*such*] **the** lease, the
21 use of the water right as an in-stream water right shall be considered a
22 beneficial use. **The term of the lease may not exceed five years. There**

1 is no limitation on the number of times that the lease may be renewed.

2 “(3) A lease of all or a portion of an existing water right for use as
3 an in-stream water right under subsection (2) of this section may allow
4 the split use of the water between the existing water right and the
5 in-stream water right during the same calendar year, provided:

6 “(a) The uses of the existing water right and the in-stream water
7 right are not concurrent; and

8 “(b) The holders of the water rights measure and report to the
9 Water Resources Department the use of the existing water right and
10 the in-stream water right.

11 “(4) A person who has an existing water right and wishes to lease
12 the water right as described in subsection (2) of this section must file
13 a request and obtain department approval of the lease. Upon receipt
14 of the request, the department shall provide notice of the request by
15 inclusion in the weekly notice published by the department. Any
16 allegation of injury must be delivered to the department no later than
17 21 days after publication of the request in the weekly notice.

18 “(5) After publishing notice of a request made under subsection (2)
19 of this section and allowing time for the delivery of allegations of in-
20 jury, the department shall issue an order approving the request if the
21 department finds that the leasing of the water right for in-stream use
22 can be effected without injury to other existing water rights or can
23 be conditioned to prevent injury to other existing water rights. If the
24 lease is for the split use of water between the existing water right and
25 the in-stream water right during the same calendar year, the condi-
26 tions imposed in the order approving the request must include, but
27 need not be limited to, compliance with subsection (3) of this section.

28 “(6) The department at any time may revoke or modify an order
29 issued for a lease under subsection (2) of this section if the department
30 determines that the use of the water right for in-stream use under the

1 **lease has resulted in or may result in injury to an existing water right.**

2 **“SECTION 2.** ORS 537.348, as amended by section 2, chapter 205, Oregon
3 Laws 2001, and section 1 of this 2013 Act, is amended to read:

4 “537.348. (1) Any person may obtain by purchase, lease or gift all or a
5 portion of an existing water right for conversion to an in-stream water right.
6 Any water right converted to an in-stream water right under this section
7 shall retain the original priority date of the water right. A permanent
8 transfer under this section must be in compliance with the requirements for
9 the transfer of a water right under ORS 540.505 to 540.585.

10 “(2) Subject to subsections (3) to [(6)] **(5)** of this section, any person who
11 has an existing water right may lease all or a portion of the existing water
12 right for use as an in-stream water right for a specified period without the
13 loss of the original priority date. During the term of the lease, the use of the
14 water right as an in-stream water right shall be considered a beneficial use.
15 The term of the lease may not exceed five years. There is no limitation on
16 the number of times that the lease may be renewed.

17 “[~~(3)~~ *A lease of all or a portion of an existing water right for use as an*
18 *in-stream water right under subsection (2) of this section may allow the split*
19 *use of the water between the existing water right and the in-stream water right*
20 *during the same calendar year, provided:]*

21 “[~~(a)~~ *The uses of the existing water right and the in-stream water right are*
22 *not concurrent; and]*

23 “[~~(b)~~ *The holders of the water rights measure and report to the Water Re-*
24 *sources Department the use of the existing water right and the in-stream water*
25 *right.]*

26 “[~~(4)~~ **(3)** A person who has an existing water right and wishes to lease
27 the water right as described in subsection (2) of this section must file a re-
28 quest and obtain department approval of the lease. Upon receipt of the re-
29 quest, the department shall provide notice of the request by inclusion in the
30 weekly notice published by the department. Any allegation of injury must

1 be delivered to the department no later than 21 days after publication of the
2 request in the weekly notice.

3 “[5] (4) After publishing notice of a request made under subsection (2)
4 of this section and allowing time for the delivery of allegations of injury, the
5 department shall issue an order approving the request if the department finds
6 that the leasing of the water right for in-stream use can be effected without
7 injury to other existing water rights or can be conditioned to prevent injury
8 to other existing water rights. *[If the lease is for the split use of water be-*
9 *tween the existing water right and the in-stream water right during the same*
10 *calendar year, the conditions imposed in the order approving the request must*
11 *include, but need not be limited to, compliance with subsection (3) of this sec-*
12 *tion.]*

13 “[6] (5) The department at any time may revoke or modify an order is-
14 sued for a lease under subsection (2) of this section if the department deter-
15 mines that the use of the water right for in-stream use under the lease has
16 resulted in or may result in injury to an existing water right.

17 **“SECTION 3. The amendments to ORS 537.348 by section 2 of this**
18 **2013 Act become operative on January 2, 2026.**

19 **“SECTION 4. Section 3, chapter 205, Oregon Laws 2001, as amended**
20 **by section 1, chapter 355, Oregon Laws 2007, is repealed.**

21 **“SECTION 5. (1) The amendments to ORS 537.348 by section 1 of this**
22 **2013 Act apply to leases and lease renewals entered into on or after the**
23 **effective date of this 2013 Act.**

24 **“(2) Notwithstanding the amendments to ORS 537.348 by section 2**
25 **of this 2013 Act, any lease or lease renewal allowing the split use of**
26 **water between an existing water right and an in-stream water right**
27 **during the same calendar year and having a term that began before**
28 **the operative date of the amendments to ORS 537.348 by section 2 of**
29 **this 2013 Act may continue in effect until the earlier of the expiration**
30 **of the term or five years after the operative date of the amendments**

1 to ORS 537.348 by section 2 of this 2013 Act.”.

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