

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 199**

1 On page 1 of the printed A-engrossed bill, delete lines 5 through 20 and  
2 delete pages 2 and 3 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 all or a portion of an existing water  
7 right for conversion to an in-stream water right. Any water right converted  
8 to an in-stream water right under this section shall retain the priority date  
9 of the water right purchased, leased or received as a gift. At the request of  
10 the person the Water Resources Commission shall issue a new certificate for  
11 the in-stream water right showing the original priority date of the purchased,  
12 gifted or leased water right. **Except as provided in subsections (2) to (6)**  
13 **of this section,** a person who transfers a water right by purchase, lease or  
14 gift under this subsection shall comply with the requirements for the transfer  
15 of a water right under ORS 540.505 to 540.585.

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

1 **However, the total period for which a water right may be leased for**  
2 **split use as described in subsection (3) of this section may not exceed**  
3 **10 years regardless of the number of leases or renewals of leases issued**  
4 **for the water right.**

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

9 **“(a) The uses of the existing water right and the in-stream water**  
10 **right are not concurrent; and**

11 **“(b) The holders of the water rights measure and report to the**  
12 **Water Resources Department the use of the existing water right and**  
13 **the in-stream water right.**

14 **“(4) A person who has an existing water right and wishes to lease**  
15 **the water right as described in subsection (2) of this section must file**  
16 **a request and obtain department approval of the lease. Upon receipt**  
17 **of the request, the department shall provide notice of the request by**  
18 **inclusion in the weekly notice published by the department. Any**  
19 **allegation of injury must be delivered to the department no later than**  
20 **21 days after publication of the request in the weekly notice.**

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

1       **“(6) The department at any time may revoke or modify an order**  
2 **issued for a lease under subsection (2) of this section if the department**  
3 **determines that the use of the water right for in-stream use under the**  
4 **lease has resulted in or may result in injury to an existing water right.**

5       **“SECTION 2. Section 3, chapter 205, Oregon Laws 2001, as amended**  
6 **by section 1, chapter 355, Oregon Laws 2007, is repealed.**

7       **“SECTION 3. The amendments to ORS 537.348 by section 1 of this**  
8 **2013 Act apply to leases and lease renewals entered into on or after the**  
9 **effective date of this 2013 Act.”.**

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