

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

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

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

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

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

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

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2 **by section 1, chapter 355, Oregon Laws 2007, is repealed.**

3 **“SECTION 3. The amendments to ORS 537.348 by section 1 of this**
4 **2013 Act apply to leases and lease renewals entered into on or after the**
5 **effective date of this 2013 Act.”.**

6
