

STAFF MEASURE SUMMARY

House Committee On Rural Communities, Land Use, and Water

Fiscal: Fiscal impact issued**Revenue:** Revenue impact issued**Action Date:** 04/09/15**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways And Means.**Meeting Dates:** 03/17, 04/09**Vote:**

Yeas: 7 - Clem, Gilliam, Gomberg, Helm, McLane, Post, Witt

Prepared By: Ian Davidson, Committee Administrator**WHAT THE MEASURE DOES:**

Directs Water Resources Department (WRD) to conduct study of all aquifers in state. Sets scope of study to include, but not limited to, determination of size, extent and capacity and physical qualities of aquifers. Requires report to be submitted to interim legislative committee dealing with natural resources no later than November 30, 2020. Establishes Domestic Well Improvement Fund separate from General Fund to be used by WRD to provide low-interest loans for drilling, repair, rebuilding or deepening of wells, or lowering of well pump primarily used for domestic purposes qualifying as exempt. Restricts amount of all loans to \$20,000 or less. Establishes maximum term for loans to 20 years. Authorizes State of Oregon to have lien for unpaid principal and interest on loan issued. Permits issuance of lottery bonds after consultation with WRD. Declares that net proceeds of lottery bonds issued and interest earnings must be transferred to WRD to repay deposit in the Domestic Well Improvement Fund. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- The nature of the drought in Oregon
- Sustainability of drawing groundwater
- Need for a study that addresses sustainability of groundwater use

EFFECT OF COMMITTEE AMENDMENT:

Extends report deadline to November 30, 2020. Expands possible usage of Domestic Well Improvement Fund to include lowering of well pump to compensate for declining water levels.

BACKGROUND:

Under ORS 537.545, the following uses of groundwater are exempt from the requirement to obtain a water right: stockwatering purposes; watering any lawn or non-commercial garden not exceeding one-half acre in area; watering the lawns, grounds, and fields not exceeding 10 acres in area of schools located within a critical groundwater area; single or group domestic purposes in an amount not exceeding 15,000 gallons a day; down-hole heat exchange purposes; any single industrial or commercial purpose in an amount not exceeding 5,000 gallons a day; or land application if it meets certain additional criteria. These uses must comply with well construction standards, pay a recording fee, and submit well information as required by WRD.

House Bill 3169 A would direct WRD to conduct a study of all aquifers in the state which would need to be submitted to an interim legislative committee no later than November 30, 2020. The measure would also establish

the Domestic Well Improvement Fund, providing low-interest loans for wells primarily used for domestic purposes qualifying as exempt in ORS 537.545.