

House Bill 3169

Sponsored by Representative BENTZ; Representatives ESQUIVEL, KRIEGER, WHISNANT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Water Resources Department to conduct study to determine certain information regarding aquifers in this state. Requires department to report findings to interim committee of Legislative Assembly no later than November 30, 2015.

Requires department to establish loan program for financing drilling, repair, rehabilitation or deepening of wells used for domestic purposes. Establishes fund for use in carrying loan program. Authorizes issuance of lottery bonds during biennium beginning July 1, 2015, and allocates bond proceeds to fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to water; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Water Resources Department shall conduct a study of all aquifers**
5 **in this state. The study shall include, but need not be limited to, a determination of the size,**
6 **extent and capacity and physical qualities of the aquifers. The department shall report the**
7 **study results by dividing the state into quadrants and setting forth the information for each**
8 **aquifer according to the quadrants where the aquifer is primarily located.**

9 (2) The department shall report the results of the study to an interim committee of the
10 Legislative Assembly dealing with natural resources no later than November 30, 2015.

11 **SECTION 2. (1) The Domestic Well Improvement Fund is established in the State**
12 **Treasury, separate and distinct from the General Fund. Interest earned by the Domestic**
13 **Well Improvement Fund shall be credited to the fund. Moneys in the fund are continuously**
14 **appropriated to the Water Resources Department for carrying out the loan program de-**
15 **scribed in section 3 of this 2015 Act.**

16 (2) The fund shall be held as a special fund against which the department may draw
17 checks for loans under section 3 of this 2015 Act. The department may not write checks from
18 the fund in excess of the available moneys in the fund.

19 **SECTION 3. (1) The Water Resources Department shall establish a program to provide**
20 **low-interest loans out of the Domestic Well Improvement Fund for the drilling, repair, re-**
21 **building or deepening of wells primarily used for domestic purposes qualifying as exempt**
22 **under ORS 537.545.**

23 (2) The department may make a loan under this section only if:

24 (a) The well serves, or will serve, one or more existing dwellings located on a single real
25 property;

26 (b) At least one dwelling on the property served by the well is occupied by the dwelling
27 owner or a member of the owner's family;

28 (c) The property served by the well is located outside the service area of any municipal

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 water system; and

2 (d) The owner of the property served by the well is a person of lower income as defined
 3 in ORS 456.055.

4 (3) The amount of all loans issued under this section for the same well may not exceed
 5 \$20,000. The maximum term for a loan under this section is 20 years. The department shall
 6 consult with the State Treasurer not less than annually for advice regarding appropriate in-
 7 terest rates for loans issued under this section. All repayments of loan principal and interest
 8 shall be deposited in the State Treasury and credited to the Domestic Well Improvement
 9 Fund.

10 (4) The department may take appropriate measures to ensure the proper application of
 11 loan proceeds, including, but not limited to, reports by licensed well constructors prior to,
 12 during and after the drilling, repair, rebuilding or deepening of a well.

13 (5) The State of Oregon has a lien for unpaid principal and interest on a loan issued under
 14 this section. The lien described in this subsection attaches to the real property benefited by
 15 the drilling, repair, rebuilding or deepening of a well. When the department issues a loan
 16 under this section, the department shall file notice of the loan with the recording officer of
 17 the county where the benefitted property is located. The notice shall contain a description
 18 of the benefitted property, the amount and purpose of the loan, the interest rate and a
 19 statement that the State of Oregon has a lien against the property.

20 (6) Upon payment of all amounts loaned for a property the department shall file with the
 21 county recording officer a satisfaction notice that indicates repayment of the loan.

22 **SECTION 4.** (1) For the biennium beginning July 1, 2015, at the request of the Oregon
 23 Department of Administrative Services, after the department consults with the Water Re-
 24 sources Department, the State Treasurer may issue lottery bonds pursuant to ORS 286A.560
 25 to 286A.585 in an amount not to exceed \$_____ in net proceeds for the purposes described
 26 in subsection (2) of this section, plus an additional amount estimated by the State Treasurer
 27 to be necessary to pay bond-related costs.

28 (2) Net proceeds of lottery bonds issued under this section and interest earnings must
 29 be transferred to the Water Resources Department in an amount sufficient to provide
 30 \$_____ in net proceeds and interest earnings for deposit in the Domestic Well Improvement
 31 Fund established in section 2 of this 2015 Act to provide loans under the program described
 32 in section 3 of this 2015 Act.

33 (3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,
 34 further economic development, finance public education or restore and protect parks,
 35 beaches, watersheds and native fish and wildlife, and is authorized based on the following
 36 findings:

37 (a) The drilling, repair, rebuilding or deepening of wells used for domestic purposes will
 38 provide jobs for water well constructors and material suppliers in this state; and

39 (b) The drilling, repair, rebuilding or deepening of wells used for domestic purposes will
 40 help protect watersheds and native fish and wildlife by making more efficient use of ground
 41 water and reducing the potential demand for the appropriation of surface waters.

42 **SECTION 5.** This 2015 Act being necessary for the immediate preservation of the public
 43 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
 44 on its passage.