

**HB 2706 STAFF MEASURE SUMMARY**

**House Committee On Energy and Environment**

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**Prepared By:** Beth Reiley, LPRO Analyst

**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 3/22

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**WHAT THE MEASURE DOES:**

Imposes annual \$100 management fee (fee) on each primary or supplemental water right under a water right permit, water right certificate, decree, or groundwater registration. Stipulates fee cannot exceed \$2,500 if water right holder is a municipality or a water provider or \$1,000 if holder is not a water provider regardless of the number of water rights held. Requires fee revenue be deposited into Water Resources Department (WRD) Water Right Operating Fund to be used only to fund field, technical scientific and administrative duties directly related to water rights management. Authorizes collection and assessment for annual periods beginning on or after July 1, 2017. Prohibits WRD from regulating or limiting water use due to nonpayment. Declares emergency, effective on passage.

*REVENUE: May have revenue impact, but no statement yet issued*

*FISCAL: May have fiscal impact, but no statement yet issued*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

By law, all surface and groundwater in Oregon belongs to the public and is to be used for a beneficial purpose without waste. Any user, with some exceptions, must obtain a water right to use water from any source including rivers, streams, lakes, and groundwater. About 80 percent of water rights are for surface water, with the majority used for agricultural irrigation. The other 20 percent are for groundwater use. A water right is issued in two phases, a permit then certificate. A water right permit, if granted, is the initial approval to construct a water system and begin using up to an allotted amount of water. Permit holders are typically allowed up to five years to do complete this phase. A water right certificate is then issued when the user proves the allocated amount of water has been used for its intended purpose and any additional permit conditions have been met. A water right certificate is valid forever, as long as it is used at least once every five years for its intended purpose. Water rights are restricted to the place of use (tract of land), point of diversion (place where water is withdrawn), and type of use (i.e., irrigation or municipal) (Report No. 2016-33: Oregon Water Resources Department: Enhancing Sustainability Efforts and Agency Planning Needed to Better Address Oregon's Water Supply Needs).

House Bill 2706 would impose an annual \$100 management fee on each primary or supplemental water right under a water right permit, water right certificate, decree, or groundwater registration. The Act establishes a cap so that a municipality or water provider would not pay more that \$2,500 and a non-water provider would not pay more that \$1,000. In addition, House Bill 2706 would require that the fee revenue be be used only to fund field, technical scientific and administrative duties directly related to water rights management.