

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Nick Herrera
Reviewed by: Matt Stayner
Date: 2/21/2017

Measure Description:

Creates application process for use of special standard in construction, alteration, abandonment or conversion of well.

Government Unit(s) Affected:

Water Resources Department

Summary of Revenue Impact		
	2017-19 Biennium	2019-21 Biennium
Other Funds	28,500	38,000
Total Funds	\$28,500	\$38,000

Analysis:

HB 2296-1 increases bond requirements for well constructors from \$10,000 to \$20,000, and from \$5,000 to \$10,000 for landowners, when constructing, altering, abandoning, or converting a well. Additionally, the bill increases the fee for landowners, who are required to obtain a permit from the Department, from \$25 to \$500. This bill also removes the requirement that landowner permits are only required when construction, alteration, abandonment, or conversion of a well is by means of a well drilling machine.

The Department estimates that between 30 and 80 landowners apply for permits on a biennial basis. The changes proposed in the bill would result in increased revenue from landowner permit application fees of \$28,500 for the 2017-19 biennium, and \$38,000 for the 2019-21 biennium.

The Department also notes that the number of landowners that do not use a well drilling machine for the construction, alteration, abandonment, or conversion of a well, is unknown. The changes proposed in the bill may lead to an increased number of landowner permit applications, beyond the estimate provided, which would result in a greater fiscal impact to the Department.