

HB 2706 A STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Action Date: 04/17/17

Action: Do pass with amendments, rescind subsequent referral to Revenue, and be referred to Ways and Means. (Printed A-Eng.)

Vote: 5-4-0-0

Yeas: 5 - Barnhart, Helm, Holvey, Marsh, Power

Nays: 4 - Bentz, Johnson, Reschke, Smith DB

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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WHAT THE MEASURE DOES:

Imposes annual ___ 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 ___ if water right holder is a municipality or a water provider or ___ if holder is not a water provider regardless of the number of water rights held. Requires fee revenue be deposited into Oregon Water Resources Department (OWRD) 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 OWRD from regulating or limiting water use due to nonpayment. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Work group actively meeting to work on this issue
- Percentage of water used by different classifications of users

EFFECT OF AMENDMENT:

Removes specific dollar amounts for management fee and fee caps.

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 complete this phase. A water right certificate is 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 2706A would impose an annual management fee on each primary or supplemental water right under a water right permit, water right certificate, decree, or groundwater registration. The Act would establish a cap so that a municipality, water provider and holders of multiple water rights would not pay more than a certain amount. In addition, House Bill 2706A would require that the fee revenue be used only to fund field, technical, scientific and administrative duties directly related to water rights management.