

Enrolled
House Bill 2296

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Water Resources Department)

CHAPTER

AN ACT

Relating to processes affecting the physical condition of wells; creating new provisions; and amending ORS 537.753.

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

SECTION 1. ORS 537.753 is amended to read:

537.753. (1) Any person who contracts or offers services to contract to construct, alter, abandon or convert wells shall have in effect a surety bond or an irrevocable letter of credit issued by an insured institution, as defined in ORS 706.008, running to the State of Oregon in the sum of [~~\$10,000~~] **\$20,000**, ensuring that in the construction, alteration, abandonment or conversion of wells, the principal shall comply with all the provisions of ORS 537.505 to 537.795 and 537.992 that are applicable to such construction, alteration, abandonment or conversion and to the rules and standards of well construction, alteration, abandonment and conversion that have been prescribed by the Water Resources Commission. The bond or letter of credit shall be filed with the Water Resources Commission.

(2) The Water Resources Commission or any person injured by failure of a water well constructor to comply with the provisions of the bond or letter of credit has a right of action on the bond or letter of credit in the name of the injured person. However, the aggregate liability of the surety or letter of credit issuer to all such persons may not exceed the sum of the bond or letter of credit.

(3) A proceeding against the bond or letter of credit under subsection (2) of this section may not be commenced unless the commission notifies the water well constructor of the alleged violation within three years after the date the water well report is filed with the commission.

(4) If a well is to be constructed, altered, abandoned or converted by a person **that is not licensed under ORS 537.747** on property owned by that person, [*by means of a well drilling machine,*] the person shall obtain a permit from the commission before beginning work. Application for the permit shall be in the form prescribed by the commission and must be accompanied by a fee of [~~\$25~~] **\$500**. At the time the permit is obtained, the applicant also shall file with the commission a bond or an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008 running to the State of Oregon in the sum of [~~\$5,000~~] **\$10,000**, ensuring that in the construction, alteration, abandonment or conversion of the well the landowner shall comply with all the provisions of ORS 537.505 to 537.795 and 537.992 that are applicable to the construction, alteration, abandonment or conversion of wells and to the rules and standards of well construction, alteration, abandonment and conversion that have been prescribed by the commission. Before the person who constructs, alters, abandons or converts a well referred to in this subsection seals the well, the

person must give 10 days' written notice of the construction, alteration, abandonment or conversion to the commission. After expiration of the notice period, the well may be sealed even if the commission has not caused the well to be inspected.

SECTION 2. The amendments to ORS 537.753 (4) by section 1 of this 2017 Act apply to permits for which an application is filed on or after the effective date of this 2017 Act.

Passed by House July 1, 2017

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate July 5, 2017

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2017

Approved:

.....M,....., 2017

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2017

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Dennis Richardson, Secretary of State