

**A-Engrossed**  
**House Bill 2296**

Ordered by the House February 24  
Including House Amendments dated February 24

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

**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.

*[Creates application process for use of special standard in construction, alteration, abandonment or conversion of well. Allows person to obtain advice from Water Resources Department prior to filing application regarding likelihood of approval. Establishes application fee. Dedicates application fee moneys to payment of department personnel costs associated with conceptual, requested or actual use of special standards.]*

Increases required bond amounts for persons drilling wells. Increases application fee for property owner seeking permit to construct, alter, abandon or convert well. Eliminates use of well drilling machine as condition for requiring property owner to obtain permit.

**A BILL FOR AN ACT**

1  
2 Relating to processes affecting the physical condition of wells; creating new provisions; and amend-  
3 ing ORS 537.753.

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

5 **SECTION 1.** ORS 537.753 is amended to read:

6 537.753. (1) Any person who contracts or offers services to contract to construct, alter, abandon  
7 or convert wells shall have in effect a surety bond or an irrevocable letter of credit issued by an  
8 insured institution, as defined in ORS 706.008, running to the State of Oregon in the sum of  
9 *[\$10,000]* **\$20,000**, ensuring that in the construction, alteration, abandonment or conversion of wells,  
10 the principal shall comply with all the provisions of ORS 537.505 to 537.795 and 537.992 that are  
11 applicable to such construction, alteration, abandonment or conversion and to the rules and stan-  
12 dards of well construction, alteration, abandonment and conversion that have been prescribed by the  
13 Water Resources Commission. The bond or letter of credit shall be filed with the Water Resources  
14 Commission.

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

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

23 (4) If a well is to be constructed, altered, abandoned or converted by a person **that is not li-**  
24 **censed under ORS 537.747** on property owned by that person, *[by means of a well drilling*

**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 *machine,*] the person shall obtain a permit from the commission before beginning work. Application  
2 for the permit shall be in the form prescribed by the commission and must be accompanied by a fee  
3 of [~~\$25~~] **\$500**. At the time the permit is obtained, the applicant also shall file with the commission  
4 a bond or an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008  
5 running to the State of Oregon in the sum of [~~\$5,000~~] **\$10,000**, ensuring that in the construction, al-  
6 teration, abandonment or conversion of the well the landowner shall comply with all the provisions  
7 of ORS 537.505 to 537.795 and 537.992 that are applicable to the construction, alteration, abandon-  
8 ment or conversion of wells and to the rules and standards of well construction, alteration, aban-  
9 donment and conversion that have been prescribed by the commission. Before the person who  
10 constructs, alters, abandons or converts a well referred to in this subsection seals the well, the  
11 person must give 10 days' written notice of the construction, alteration, abandonment or conversion  
12 to the commission. After expiration of the notice period, the well may be sealed even if the com-  
13 mission has not caused the well to be inspected.

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

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