

## HB 4061 -4 STAFF MEASURE SUMMARY

### House Committee On Agriculture, Land Use, and Water

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**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/9, 2/14

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#### WHAT THE MEASURE DOES:

Authorizes the Water Resources Director to petition for a warrant authorizing entry onto land or inspection. Requires a person that owns or operates a place of use at which hauled water is used for irrigation, nursery, or agricultural purposes, or that hauls water to be used for irrigation, nursery, or agricultural purposes, to maintain records for at least 12 months and to provide the records to the Oregon Water Resources Department (OWRD) upon request. Prohibits a person that owns or operates a place of use at which hauled water is used for irrigation, nursery, or agricultural purposes from soliciting or accepting hauled water from illegal source. Prohibits a person from making false verbal or written statements or representation to OWRD regarding hauled water or hauling of water. Authorizes the imposition of civil penalties for violation of requirements or prohibitions. Provides that violation of the false statement or representation prohibition is subject to the maximum penalty of 364 days' imprisonment, a \$25,000 fine, or both. Instructs the Water Resources Commission to notify certain violators of the time allowed to correct a violation within 10 business days after commission becomes aware of a violation. Provides that civil penalty for certain violations may not exceed \$5,000 per day for each day of violation. Establishes an exception for a violation related to crops in the cannabis plant family, for which civil penalty may not exceed \$20,000 per day for each day of violation or the economic value of crop, whichever is greater. Instructs the commission to consider the value of any crops in the cannabis plant family to which certain violations may relate when imposing civil penalty for violation. Provides that certain violations are Class A misdemeanors, that each day of violation constitutes separate offense, and that maximum fine is \$25,000.

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

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

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-4 Replaces the measure. Requires a water supplier that sells water to the public at a distribution location to maintain specified records of water sales for at least 12 months and immediately provide them to law enforcement or the Oregon Water Resources Department (OWRD) upon request. Exempts from record requirement water sales: to state or local government bulk water purchasers, to licensed contractors, and in bulk for firefighting purposes. Gives immunity from certain civil or criminal liabilities to water suppliers that comply with the requirement to immediately submit records to law enforcement or OWRD. Requires that a person that purchases water from a water supplier at a distribution location to be hauled for irrigation or nursery purposes keep specified records for at least 12 months and immediately provide them to law enforcement or OWRD upon request. Authorizes OWRD to adopt rules for implementation. Requires OWRD, the Oregon Liquor and Cannabis Commission, and Oregon Department of Agriculture to make reasonable attempts to provide notice of the requirements to potentially interested persons. Prohibits a person from hauling or arranging to haul water to an unregistered or unlicensed cannabis grow site that is growing a quantity of plants not allowed under state law. Prohibits a person from willfully or negligently providing false information to law enforcement or OWRD regarding water hauling for cannabis. Changes the Water Resources Commission timeline to notify violators of the time allowed to correct a violation from five to ten business days after the commission first becomes aware of the

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violation. Establishes civil penalties for violation of record-keeping requirements related to a person that purchases water to be hauled. Establishes civil penalties and Class A misdemeanor criminal penalties for violation of the prohibition against providing false information to law enforcement or OWRD. Establishes Class A misdemeanor criminal penalties and a maximum fine of \$25,000 for violation of the prohibition against hauling or arranging to haul water to an unregistered or unlicensed cannabis grow site that is growing a quantity of plants not allowed under state law if the person owns the water hauling business or owns, operates, or is responsible for the relevant grow site. Establishes Class A misdemeanor criminal penalties and a maximum fine of \$25,000 for appropriation of surface or ground water without a permit for an unregistered or unlicensed cannabis grow site that is growing a quantity of plants not allowed under state law. Takes effect on 91st day following adjournment sine die.

*FISCAL: Has minimal fiscal impact.*

*REVENUE: No revenue impact.*

**BACKGROUND:**

Illegal cannabis operations are using surface and ground water without water rights, depleting limited water resources for legitimate agricultural, recreational, residential, municipal, and other uses.