PROPOSED AMENDMENTS TO
HOUSE BILL 4061

On page 1 of the printed bill, line 2, after “provisions;” delete the rest of the line and delete line 3 and insert “amending ORS 536.900 and 537.990; and prescribing an effective date.”.

Delete lines 5 through 19 and delete pages 2 through 4 and insert:

“HAULED WATER

SECTION 1. A city or county that sells water to the public at fill stations for hauled water shall:

“(1) Maintain records of the water sales which shall include:
“(a) The name of the person that purchased the water.
“(b) The stated purpose of the use of the water.
“(c) The quantity of the water.
“(d) If the water is delivered, the location to which the water is delivered.
“(e) If the water is not delivered, the license plate number of the vehicle used to haul the water.

“(2) Upon request by law enforcement or the Water Resources Department, immediately provide the records of water sales.

“(3) Retain the records of water sales for at least 12 months.

SECTION 2. A person may haul water to a grow site for plants in
the plant Cannabis family Cannabaceae only if the grow site is registered or licensed under ORS 475C.065, 475C.792 or 571.281.

“WATER STATEMENTS

“SECTION 3. (1) A person shall provide a water statement to the Water Resources Department if the person:

“(a) Applies for a new license under ORS 475C.065 or 571.281.

“(b) Applies to renew a license under ORS 475C.065 or 571.281. This paragraph applies only to the person’s first renewal of the license on or after the effective date of this 2022 Act.

“(c) Proposes to modify an application or license under ORS 475C.065 or 571.281 by changing a grow site or greenhouse location or expanding the footprint of agricultural hemp seed production.

“(2) The Water Resources Department shall verify a water statement provided under this section and subsequently send the water statement to:

“(a) The Oregon Liquor and Cannabis Commission if the water statement relates to a license under ORS 475C.065.

“(b) The State Department of Agriculture if the water statement relates to a license under ORS 571.281.

“(3) If the Water Resources Department determines that information in the water statement is inaccurate or the water statement does not identify a legal source of water:

“(a) The Oregon Liquor and Cannabis Commission may refuse to issue, renew or allow modification of a license under ORS 475C.065 to which the water statement relates.

“(b) The State Department of Agriculture may refuse to issue, renew or allow modification of a license under ORS 571.281 to which the water statement relates.
“(4) The Water Resources Department shall adopt rules to implement this section, including rules that define the term ‘water statement’ for purposes of this section. The definition must provide that a water statement includes:

“(a) The locations of grow sites.
“(b) The quantity of water to be used.
“(c) The legal sources of the water to be used.

“SECTION 4. The Oregon Liquor and Cannabis Commission may:
“(1) As described in section 3 of this 2022 Act, refuse to issue, renew or allow modification of a license under ORS 475C.065.
“(2) Adopt rules necessary to implement the provisions related to water statements that are described in section 3 of this 2022 Act.

“SECTION 5. The State Department of Agriculture may:
“(1) As described in section 3 of this 2022 Act, refuse to issue, renew or allow modification of a license under ORS 571.281.
“(2) Adopt rules necessary to implement the provisions related to water statements that are described in section 3 of this 2022 Act.

“PENALTIES

“SECTION 6. ORS 536.900 is amended to read:

“536.900. (1) In addition to any other liability or penalty provided by law, the Water Resources Commission may impose a civil penalty on a person for [any of the following] violation of:

“(a) [Violation of any of the terms or conditions] A term or condition of a permit, certificate or license issued under ORS chapters 536 to 543A.
“(b) [Violation of] ORS 537.130 or 537.535.
“(c) [Violation of] ORS 537.545 (5) or [of] a rule described in ORS 537.545 (7).
“(d) [Violation of any] A commission rule or order [of the Water Re-

(2) A civil penalty may be imposed under this section for each day of violation of ORS 537.130, 537.535, 540.045, 540.310, 540.330, 540.570 (5), 540.710, 540.720 or 540.730.

(3) In the event the petitioner knowingly misrepresents the map and petition required in ORS 541.329, the commission may assess a penalty of up to $1,000 based upon guidelines to be established by the commission. In addition, the petition and map shall be amended to correct the error at the petitioner’s cost. Affected users shall be given notice as provided in ORS 541.329 (5).

(4) A civil penalty may not be imposed until the commission prescribes a reasonable time to eliminate the violation. The commission shall notify the violator of the time allowed to correct a violation within five business days after the commission first becomes aware of the violation.

(5) Notwithstanding any term or condition of a permit, certificate or license, the rotation of the use of water under ORS 540.150 may not be considered a violation under subsection (1) of this section.

SECTION 7. ORS 537.990 is amended to read:

537.990. (1) Violation of ORS 537.130 (2) is a Class B misdemeanor.

(2) Any person who willfully diverts or uses water to the detriment of others without compliance with law shall be punished as provided in subsection (1) of this section. The possession or use of water, except when a right of use is acquired in accordance with law, shall be prima facie evidence of the guilt of the person using it.

(3) Violation of ORS 537.535 (1) or 537.747 is a Class B misdemeanor.

(4)(a) Violation of section 2 of this 2022 Act with criminal negligence, as defined in ORS 161.085, is a Class A misdemeanor.
“(b) Notwithstanding ORS 161.635, the maximum fine for a violation described in this subsection is $25,000.

“(5)(a) Notwithstanding subsections (1) to (3) of this section, violation of ORS 537.130 (2) or 537.535 is a Class A misdemeanor if the violation concerns use of water related to a crop of plants in the plant Cannabis family Cannabaceae:

“(A) At a location that is not confirmed by the Oregon Health Authority, the Oregon Liquor and Cannabis Commission or the State Department of Agriculture to be the location of an industrial hemp operation registered or licensed under ORS 571.281, a premises for which a license was issued under ORS 475C.085 or a marijuana grow site registered under ORS 475C.792; and

“(B) In an amount that is not allowed under state law.

“(b) Notwithstanding ORS 161.635, the maximum fine for a violation described in this subsection is $25,000.

“SECTION 8. The amendments to ORS 536.900 and 537.990 by sections 6 and 7 of this 2022 Act apply to offenses committed on or after the operative date specified in section 9 (2) of this 2022 Act.

“OPERATIVE DATES

“SECTION 9. (1) Sections 3, 4 and 5 of this 2022 Act become operative on November 1, 2022.

“(2) Sections 1, 2 and 8 of this 2022 Act and the amendments to ORS 536.900 and 537.990 by sections 6 and 7 of this 2022 Act become operative on January 1, 2023.

“(3) Before the operative date specified in subsection (1) of this section, the Water Resources Department, the Oregon Liquor and Cannabis Commission and the State Department of Agriculture may take any actions the departments and commission deem necessary to
prepare to implement sections 3, 4 and 5 of this 2022 Act.

“CAPTIONS

“SECTION 10. The unit captions used in this 2022 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2022 Act.

“EFFECTIVE DATE

“SECTION 11. This 2022 Act takes effect on the 91st day after the date on which the 2022 regular session of the Eighty-first Legislative Assembly adjourns sine die.”.