

# House Bill 3357

Sponsored by Representative OWENS

## 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 **as introduced**.

Directs Water Resources Commission to establish program for compensating ground water right holders for voluntarily relinquishing all or portions of ground water rights in basins designated as critical ground water areas.

Appropriates moneys to commission for purpose of funding program.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1 Relating to the voluntary relinquishment of water rights; and declaring an emergency.

2       Whereas under Oregon law, water belongs to the public; and

3       Whereas the Water Resources Commission and the Water Resources Department are charged  
4 with promoting and securing the maximum beneficial use and control of water resources to protect  
5 and promote the public welfare; and

6       Whereas surface water has been fully or overappropriated during the times of highest demand  
7 in many water basins in Oregon; and

8       Whereas the reduced availability of surface water has increased pressure to develop ground  
9 water resources; and

10       Whereas ground water has been overappropriated beyond the capacity of the resource in sig-  
11 nificant parts of Oregon; and

12       Whereas analysis conducted by the department shows that approximately 80 percent of ground  
13 water permits issued since 2010 have been issued in areas of concern or significant concern for the  
14 sustainability of the resource; and

15       Whereas surface water and ground water are interconnected resources and the department has  
16 a policy to manage them conjunctively where doing so protects water resources, existing water  
17 rights and the public interest; and

18       Whereas ground water discharge constitutes stream base flow, which is the primary component  
19 of stream flow during dry periods for streams that lack contributions from other storage sources  
20 such as melting snowpack or reservoir releases; and

21       Whereas climate change and prolonged drought may lead to diminished precipitation and ground  
22 water recharge, exacerbating water supply issues; and

23       Whereas inaction to address ground water overallocation can lead to further depletion, creating  
24 a greater financial burden to individuals and to the state; and

25       Whereas ground water depletion can result in the loss of access to water supplies for domestic  
26 and industrial uses and agricultural production, as well as the drying up of springs and streams,  
27 causing economic hardship, environmental degradation and water insecurity; and

28       Whereas in some portions of Oregon, domestic wells are going dry due to declining ground wa-  
29 ter levels and public funds are being used to pay for deepening of wells to access ground water; and  
30

**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       Whereas the issuance of a ground water permit or certificate by a state agency signified the  
2 availability of the resource, so recipients of ground water permits and certificates made financial  
3 investments to develop and use the resource; and

4       Whereas Oregon has the authority to curtail junior water right holders when ground water is  
5 overappropriated and unavailable to senior water right holders, which leads to economic uncertainty  
6 and unpredictable effects on economic-based expectations resulting from permitting decisions by the  
7 department; and

8       Whereas addressing ground water overappropriation necessitates coordinated management of  
9 landscapes to minimize economic, social and environmental impacts from the transition of agricul-  
10 tural lands in areas of ground water overdraft to less water-intensive land uses while providing  
11 benefits to local and regional communities; and

12       Whereas it is in the interest of this state to balance ground water uses with economic  
13 sustainability by compensating willing permit holders who voluntarily cancel water rights and to  
14 help stabilize ground water resources; now, therefore,

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

16       **SECTION 1. (1) The Water Resources Commission shall establish a program for com-**  
17 **pensating ground water right holders for voluntarily relinquishing all or a portion of the**  
18 **holders' ground water rights in basins designated as critical ground water areas under ORS**  
19 **537.730 to 537.740.**

20       **(2) The commission:**

21       **(a) May compensate a ground water right holder under the program for up to the ap-**  
22 **praised market value of a relinquished ground water right or portion of a ground water right.**

23       **(b) Shall incentivize participation in the program, which promotes the repurposing of**  
24 **ground water otherwise used for irrigated agriculture in order to reduce ground water use,**  
25 **to provide measurable benefits to the environment, the economy or communities and to**  
26 **minimize negative impacts of ground water use.**

27       **(c) Shall ensure that compensation under the program will:**

28       **(A) Result in measurable reductions in ground water use.**

29       **(B) Have a high likelihood of contributing to improved ground water conditions.**

30       **(3) The commission may accept moneys or grants from federal or other governmental**  
31 **entities, or from private or other sources, to support the program.**

32       **SECTION 2. In addition to and not in lieu of any other appropriation, there is appropri-**  
33 **ated to the Water Resources Commission, for the biennium beginning July 1, 2023, out of the**  
34 **General Fund, the amount of \$105,000,000, which may be expended for establishing and fund-**  
35 **ing the program described in section 1 of this 2023 Act.**

36       **SECTION 3. This 2023 Act being necessary for the immediate preservation of the public**  
37 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**  
38 **on its passage.**

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