

Summary of Senate Bill 217 (2013)

SB 217 (Formerly LC 659) Establish a Water Right Management Fee

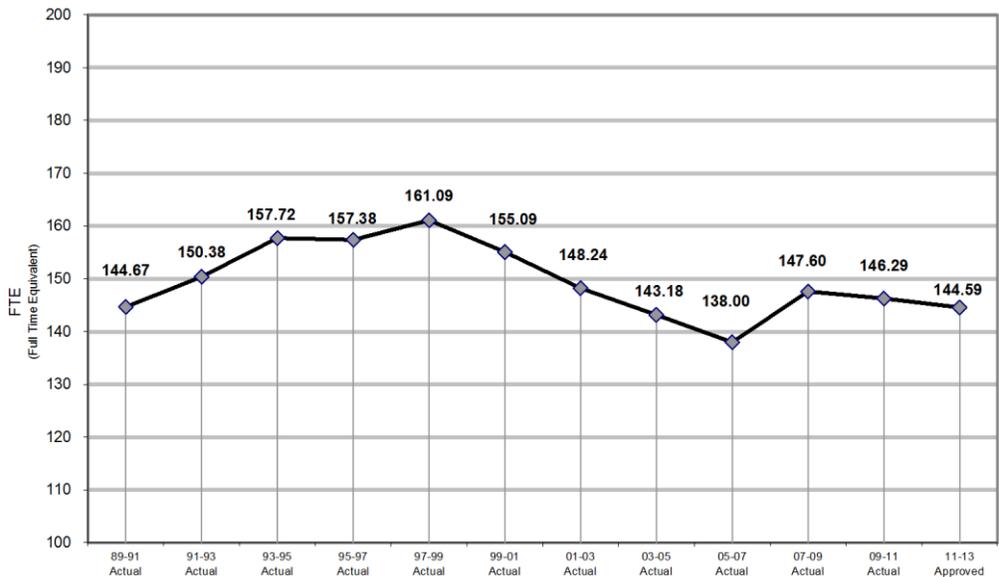
Goal

Provide stable funding for the Water Resources Department to accomplish its core mission of addressing water supply needs and protecting instream flows. Design an annual water right management fee, as recommended by the Water Resources Commission.

Background

Steadily declining General Fund. The Water Resources Department, which is heavily dependent on the General Fund for its operating budget, has experienced a declining share of the General Fund, as well as declining dollars overall for the past two decades. Unlike most agencies, the Water Resources Department operates at a smaller capacity than it did 20 years ago. The Department peaked in the 1990s when the agency had more than 160 staff members. This was supplemented by county-funded assistant watermasters, which at one time numbered almost 40 positions. In recent years, state-funded staff has declined to 144 and counties now support only 15 field-related positions.

Oregon Water Resources Department: Historic Staff Levels



Increased workload during the same time period. Such a reduction in the Department's scientific work and field presence is significant, given the complex responsibilities related to water management. In southeast Oregon, for example, the District 9 watermaster is responsible for regulating and distributing water across 11,000 square miles of land. In northwest Oregon, the District 16 watermaster is responsible for several hundred dams that need routine inspection and site visits. Our groundwater scientists are increasingly called upon to evaluate a growing number of complex water right applications.

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OUR MISSION

To serve the public by practicing and promoting responsible water management through two key goals:

- (1) to directly address Oregon's water supply needs, and
- (2) to restore and protect streamflows and watersheds in order to ensure the long-term sustainability of Oregon's ecosystems, economy, and quality of life.

Proposal

One revenue solution developed by the Water Resources Commission is an annual fee, charged to all those holding water rights (e.g., permits, certificates, or decrees). These water rights are used beneficially for industrial, agricultural, municipal, and instream purposes. This bill assumes that all water right holders would be subject to an annual fee of \$100 per water right. However, the Department has also assumed in its calculations a cap of \$1,000 for all but municipal customers.

There are approximately 85,000 water rights in Oregon today. Assuming water right holders would cancel a number of these rights, rather than pay a fee, and that significant implementation costs may arise during the first biennium, the Water Resources Department has estimated net revenues of \$12 million, beginning in the second biennium after the program is established. Revenues would pay for implementation costs of the program, as well as the cost of the Department's critical field and scientific work that is needed to help ensure available water for all beneficial uses.

Structure of the Fee

- Flat fee of \$100 per year per water right (e.g. permits and certificates)
- Capped at \$1,000, except for municipal water providers
- WRC adopts rules to implement
- Funds are only used for field, technical, and administrative activities of the Department, including water rights management, such as the administration, maintenance, and protection of the water right permit and certificate system.
- Effective upon passage, the fee will apply to water rights that were in place beginning July 1, 2013.

This bill comports with the State's Integrated Water Resources Strategy Recommended Action 13B: "Fund Water Resources Management Activities at the State Level." The concept relates to WRD budget package #108, which would authorize the receipt and expenditure of a water right management fee.

Stakeholder Feedback

The Association of Oregon Counties' Legislative Committee supports the concept of stable funding for OWRD as one of its priorities for 2013.

The League of Women Voters of Oregon and environmental groups, such as WaterWatch of Oregon, specifically support a water right management fee because it would help provide continued services to water right holders, and continued scientific work in the field, even as support from the General Fund continues to decline. The Oregon Conservation Network is supporting this concept as part of its 2013 priorities.

Other water users are divided on this topic. While water users acknowledge the value of a functional and knowledgeable Water Resources Department, they disagree about how best to fund it.

Although some have expressed opposition to this legislative concept, water interests across the spectrum are participating with the Department in workgroup discussions aimed at designing the most equitable and practical fee possible. The workgroup has asked the Department to extend the \$1,000 cap to municipal providers as well.

Workgroup Efforts

The workgroup began meeting during Fall 2012 to evaluate the language of SB 217, examining in particular, the:

- 1) most equitable and practical fee structure possible,
- 2) logistics involved with the implementation and administration of such a fee, and
- 3) outreach needed with legislators and other community leaders in advance of the 2013 legislative session.

This workgroup consists of representatives from the Association of Oregon Counties, League of Oregon Cities, League of Women Voters of Oregon, Oregon Association of Nurseries, Oregon Cattlemen's Association, Oregon Environmental Council, Oregon Farm Bureau, Oregon Water Resources Congress, Oregon Water Utilities Council, Special Districts Association of Oregon, The Freshwater Trust, The Nature Conservancy, Water for Life, and WaterWatch of Oregon.

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