



# Exempt Use

*A potential topic for rulemaking in 2026-27*

Under Oregon law, “all water within the state from all sources of water supply belongs to the public.” (ORS 537.110). Using water in Oregon requires a permit or water right, except for home wells and some other special situations specifically exempted by the Oregon Legislature. These are called “exempt uses” of water as they are exempt from the water right permitting process. Different exempt uses have specific limitations or conditions for the exemption to qualify.

## Why this topic is important in water management

Many individuals and organizations rely on exempt uses of water to meet their water needs. Examples of this include domestic, stockwater, industrial uses and commercial uses. Clear guidelines promote consistent application of water law, and reduce illegal use of water, which is critical in a time of increasing water scarcity.

## Current authorities

The following are the statute(s) and rule(s) that pertain to exempt use.

**Statute – Oregon Revised Statute (ORS) [ORS 537.545](#)** - Groundwater uses exempt from the permitting process

**Statute – [ORS 537.141](#), [537.142](#), [537.800](#), [537.132](#)** - Surface water uses exempt from the permitting process

**Rule – Oregon Administrative Rule (OAR) [OAR 690-340-0010](#)** – Exempt uses

**Rule – [OAR 690-250-0130](#)** – Regulation of Exempt Groundwater Uses under ORS 537.545

**What is a statute?** A law enacted by Oregon legislature that provides, directs or authorizes Department activity.

**What is a rule?** Any agency directive, standard, regulation or statement of general applicability that implements, interprets or prescribes law or policy, or describes the procedure or practice requirements of any agency.

Your local watermaster is available to help determine how to legally access water and understand how Oregon water law applies to your specific circumstances. Use the Watermaster Directory at [owrd.info/watermaster](http://owrd.info/watermaster) to find your local district office and local watermaster. Information about water rights is available at: [owrd.info/water-rights-faqs](http://owrd.info/water-rights-faqs)



*Photo: Exempt use of water as stockwater.*

## Why new or amended rules may be needed

In 2025, the Oregon Legislature passed [HB 3372](#) which amended the statutes for exempt uses of groundwater. **As of January 1, 2026, commercial gardens not exceeding a half-acre and using no more than 3,000 gallons per day qualify as exempt. The statute was also updated to include the 3,000 gallon per-day cap on commercial gardens of one half-acre or less in the 5,000 gallons per day for commercial or industrial purpose exemption.** The exemption for a commercial garden does not apply in the Lower Umatilla Basin Groundwater Management Area. Statute does not allow irrigation or watering to grow marijuana or unregistered hemp plants for commercial purposes.

In 2023, the Legislature also passed [SB 85](#) which updated Oregon Department of Agriculture’s process for Confined Animal Feeding Operations and also amended ORS 537.545 as it pertains to stockwater by placing restrictions on this exempt use in certain circumstances. The statute was modified to allow a 12,000 gallon per day cap on any new or expanding CAFO’s in a Critical Groundwater Area. The corresponding rules, OAR 690-340, need to be updated to align with these statutory changes.

While the rules are open for revision, OWRD is evaluating the rules for other needed updates, including refining the definition of “domestic water use” in the groundwater exemptions and clarifying how exempt use is limited to beneficial use.

## Share Your Thoughts on Exempt Uses Feedback Opportunity:

As defined in OAR [690-300-0010](#)(14), "Domestic Water Use" means the use of water for human consumption, household purposes, domestic animal consumption that is ancillary to residential use of the property or related accessory uses.” **What do you consider “ancillary to residential use of the property or related accessory uses?”** For reference, the dictionary defines “ancillary” as supplemental, adjacent, or secondary.

**Are there other improvements to the exempt use rules (OAR 690-340-0010) and corresponding definitions in OAR 690-300 that you would like OWRD to pursue?**

Scan the QR code to add your thoughts on Mentimeter or right your thoughts on a sticky note and add it to the poster board.



OWRD reviews all feedback to understand community concerns, identify potential impacts, and determine scope and content of rules, considering this input alongside legal requirements, scientific data, and policy goals. While not every suggestion can be incorporated due to statutory requirements, scientific constraints, and policy obligations, community feedback helps OWRD ensure the final rules are clear, practical, and appropriately responsive to community needs.

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