

## Smith Holly

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**From:** TI Ranch <ti.ranch@hughes.net>  
**Sent:** Monday, March 20, 2017 12:30 PM  
**To:** HEE Exhibits  
**Subject:** HB2706 and HB2705

To: Chair Helm and Members of the Committee,

I am the president of the Harney County Farm Bureau representing over 187 members, and I am writing to urge you to oppose HB 2706 and HB 2705. These bills would impose new costs and burdens on the water needed to support most of the farms in Harney County.

HB 2706 would impose a new tax of \$100 per water right on each farm, capped at \$1000. Farmers, already pay a significant amount to maintain the infrastructure needed to deliver water to their farms, including increasing electricity costs. The value of a water right is already part of property values that they pay taxes on every year, and the margins in farming are growing smaller due to the increasing cost of operations, new regulations, and market unpredictability. Many farmers cannot afford to pay more for water, and I worry about the amount of this fee climbing over time, as I have yet to see any fee imposed by the legislators that haven't increased over time.

The water tax proposed in HB 2706 is not fair. The new tax would not go to providing any direct benefit to farmers, it would go to the Department of Water Resources (OWRD) to pay for administrative costs and studies. Even among farmers, it is inequitable. HB 2706 would only tax a small subset of those who benefit from the OWRD's operations. For instance, a farmer in an irrigation district could end up paying \$2, while another could pay up to \$1000.

I am also concerned about HB 2705. This bill would require measurement and reporting for all water rights outside of irrigation districts and cities. The proposal would require installation of costly measurement devices and authorizes OWRD to impose a punitive penalty of up to \$500 per day with no exceptions for equipment failure!

HB 2705 also is impractical for many farm and ranch families. Technologically advanced measurement devices are expensive. The cost of buying the best technology would be a huge expense, particularly for farms with multiple diversion points. Further, OWRD lacks the resources to process and analyze the measurement data it already receives from users who report. This mandate would force farmers and ranchers to incur the cost of providing data to OWRD that it cannot use. HB 2705 is an unnecessary cost burden on rural households.

HB 2706 and HB 2705 were crafted without the engagement of impacted stakeholders. The bills are not workable for water users and would impose significant costs on already struggling farm families. I urge you to oppose HB 2706 and HB 2705 and bring farmers and ranchers into the conversation.

Sincerely,

Thurston D. Inglis, HCFB President

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