

**A-Engrossed**  
**House Bill 2706**

Ordered by the House April 21  
Including House Amendments dated April 21

Sponsored by Representative HELM (Presession filed.)

**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.

Imposes annual management fee on each primary or supplemental water right. Provides for deposit of management fee moneys into Water Resources Department Water Right Operating Fund. Revises permissible use of moneys from fund.

Authorizes collection and assessment for annual periods beginning on or after July 1, 2017. Allows phased imposition of assessment and collection during period beginning July 1, 2017, and ending July 1, 2019, subject to constitutional restrictions.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to management fees for water rights; creating new provisions; amending ORS 536.009; and  
3 declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS chapter 536.**

6 **SECTION 2. (1) Subject to subsection (2) of this section, an annual management fee of**  
7 **\$\_\_\_\_\_ is imposed on each primary and each supplemental water right held for waters of**  
8 **this state under a water right permit, water right certificate, decree or groundwater regis-**  
9 **tration. Each water right is subject to a single management fee regardless of the number**  
10 **of documents setting forth the water right.**

11 **(2) If a water right holder is other than a municipality or provider of water for municipal**  
12 **purposes, the total amount of water right management fees that may be imposed on the**  
13 **water right holder under this section may not exceed \$\_\_\_\_\_ annually regardless of the**  
14 **number of water rights held. If a water right holder is a municipality or provider of water**  
15 **for municipal purposes, the total amount of water right management fees that may be im-**  
16 **posed on the water right holder under this section may not exceed \$\_\_\_\_\_ annually re-**  
17 **gardless of the number of water rights held.**

18 **(3) The Water Resources Commission shall adopt rules providing for the Water Re-**  
19 **sources Department to assess and collect the water right management fee imposed under**  
20 **this section. Moneys collected under this section shall be deposited into the Water Resources**  
21 **Department Water Right Operating Fund.**

22 **(4) If a water right management fee imposed under this section is not paid when due,**  
23 **after providing the water right holder with notice and opportunity for hearing under ORS**  
24 **chapter 183, the department may issue an order for payment of the delinquent amount and**  
25 **forward the order for enforcement through collection. The department may not regulate or**

**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 **limit water use due to nonpayment of a water right management fee.**

2 **SECTION 3.** ORS 536.009 is amended to read:

3 536.009. (1) There is established in the State Treasury the Water Resources Department Water  
4 Right Operating Fund, separate and distinct from the General Fund[, *to provide for the payment of*  
5 *the program and administrative expenses of the Water Resources Commission and the Water Resources*  
6 *Department in carrying out the provisions of ORS chapters 536, 537, 540 and 541*]. Interest earned by  
7 the **Water Resources Department Water Right Operating** Fund shall be credited to the fund.

8 (2) The fund shall consist of:

9 (a) All moneys received under ORS 536.050 and 537.747 **and section 2 of this 2017 Act.**

10 (b) All moneys received on behalf of the fund by gift, grant or appropriation from whatever  
11 source.

12 (3) [All] Moneys in the fund are continuously appropriated to the Water Resources Department  
13 [*for payment of expenses as described in this section.*] **to provide for the payment of the program**  
14 **and administrative expenses of the Water Resources Commission and the department in**  
15 **carrying out the provisions of ORS chapters 536, 537, 540 and 541. However, moneys deposited**  
16 **into the fund from water right management fees imposed under section 2 of this 2017 Act**  
17 **may be used only to fund field, technical, scientific and administrative activities of the de-**  
18 **partment that are directly related to water rights management, including, but not limited**  
19 **to, the undertaking of groundwater investigations in coordination with the United States**  
20 **Geological Survey.**

21 **SECTION 4.** (1) Section 2 of this 2017 Act first applies to the period beginning July 1, 2017.  
22 **If this 2017 Act does not become effective until after July 1, 2017, the Legislative Assembly**  
23 **intends that the Water Resources Commission and the Water Resources Department be au-**  
24 **thorized to apply section 2 of this 2017 Act and the amendments to ORS 536.009 by section 3**  
25 **of this 2017 Act retroactively to allow assessment and collection of the water right manage-**  
26 **ment fee for the period beginning July 1, 2017.**

27 (2) Subject to the class and uniformity requirements imposed by Article I, section 32, of  
28 the Oregon Constitution, notwithstanding subsection (1) of this section, the commission and  
29 the department may implement the assessment and collection of the fees described in section  
30 2 of this 2017 Act in stages during the period beginning July 1, 2017, and ending July 1, 2019.

31 (3) No later than 90 days after the effective date of this 2017 Act, the commission shall  
32 adopt temporary rules to:

33 (a) Subject to subsection (2) of this section, enable the department to assess and collect  
34 the water right management fees owed for the period beginning July 1, 2017; and

35 (b) Guide the geographic distribution of department expenditures of water right man-  
36 agement fees under ORS 536.009 (3).

37 **SECTION 5.** This 2017 Act being necessary for the immediate preservation of the public  
38 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect  
39 on its passage.

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