

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2145 - A7

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Matt Stayner
Reviewed by: John Borden
Date: June 14, 2021**Measure Description:**

Establishes Water Well Abandonment, Repair and Replacement Fund.

Government Unit(s) Affected:

Oregon Judicial Department (OJD), Water Resources Department (WRD), Department of Justice (DOJ)

Summary of Expenditure Impact:

| | 2021-23 Biennium | 2023-25 Biennium |
|--------------------|------------------|------------------|
| General Fund | \$675,415 | |
| Lottery Funds | | |
| Other Funds | | |
| Federal Funds | | |
| Total Funds | \$675,415 | \$0 |
| Positions | 3 | |
| FTE | 2.64 | |

Analysis:

HB 2145 establishes the Water Well Abandonment, Repair and Replacement Fund in the State Treasury, separate and distinct from the General Fund. Moneys in the fund are continuously appropriated to the Water Resources Department (WRD) to provide financial assistance to permanently abandon water wells, or to repair and replace water wells used for household purposes. This portion of the measure is operative January 1, 2022.

This measure also outlines various requirements related to oversight and permitting of wells; and increases the fee for report forms submitted to WRD when a well is constructed or modified (referred to as start card fees), from \$225 to \$350. The fee increase is assumed to take effect on January 1, 2022, given that no specific operative date is included in the measure. The Department anticipates increased start card fee revenue of \$581,250 Other Funds in 2021-23 and \$775,000 Other Funds in 2023-25.

WRD is directed to review every well log submitted to the department when a well is constructed or modified within 120 days of submission, and to identify any deficiencies and assess compliance with construction and alteration standards, starting July 1, 2022. Review of well logs is added as an allowable use of funds from the WRD Operating Fund. WRD is directed to report to a committee or interim committee of the Legislative Assembly related to water on the Department's review of well logs, number of well logs with deficiencies, number of inspected wells with deficiencies, and workload for inspecting wells and reviewing well logs. Reports are to be made on or before January 31, 2023, and on or before January 31, 2025.

This measure also extends continuing education requirements for well contractors, which were scheduled to sunset January 2, 2022, to January 2, 2030. Finally, the measure requires certain information related to wells to be submitted to WRD electronically.

The Department currently inspects approximately 30 percent of new wells and reviews 15 percent of well logs. The agency estimates that 4,000 to 5,000 well reports will need to be reviewed annually under this measure

The A7 amendment provides a General Fund appropriation of \$575,415 to fund the establishment of two new permanent, full-time NRS-2 positions (0.88 FTE each) to review well report logs, and a new permanent, full-time NRS-3 position (0.88 FTE) to assist with statute and rule development.

A second, one-time General Fund appropriation of \$100,000 is included in the A7 amendment for deposit in the Water Well Abandonment, Repair and Replacement Fund for the agency to provide financial assistance as provided in the bill.

There is minimal fiscal impact for the Oregon Judicial Department and no fiscal impact for the Department of Justice.