

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3130 - 2

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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### Measure Description:

Appropriates moneys to Water Resources Department to fund staff position and contract for services, related to voluntary agreements among ground water users from same reservoir.

### Government Unit(s) Affected:

Water Resources Department, Counties, Judicial Department

### Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

### Analysis:

HB 3130 - 2 appropriates an unspecified amount of General Fund to the Water Resources Department (WRD) to fund a staff position. Funding is also to be allocated to an entity located in Harney County, jointly agreed to by WRD and Harney County Court, to contract with a qualified entity to advise ground water stakeholders regarding voluntary agreements among ground water users from the same ground water reservoir in the Greater Harney Valley Groundwater Area of Concern. The measure declares an emergency and takes effect on passage.

WRD estimates a fiscal impact of \$327,247 General Fund in the 2023-25 biennium, plus an indeterminate amount for the contract with the qualified entity for work on voluntary agreements. Because this measure provides funding on a one-time basis and does not establish an ongoing program, this fiscal impact statement assumes that costs will only be incurred in the 2023-25 biennium.

The agency indicated that it currently has a very large backlog of rulemaking and they don't have existing capacity to accomplish the rulemaking that it believes would be required to fulfil the requirements of the measure. WRD believes that the measure would require the addition of one Operations and Policy Analyst 3 (0.88 FTE) who, although not directly instructed by the measure to develop administrative rules related to voluntary agreements, would work on rulemaking related to voluntary agreements, evaluate agreement proposals, and work with those involved in the voluntary agreements. Costs include \$203,517 for Personal Services, \$23,730 in position-related Services and Supplies, and \$100,000 for Department of Justice costs for review of agreements, based on WRD's previous experience negotiating water agreements and contract review; however, the Legislative Fiscal Office notes that the agreement in the measure seems to be limited to the allocation of funding to qualified entity and the actual cost of the contract review may be less.

WRD estimates that the contract with a qualified entity to advise ground water users on voluntary agreements, assessing the opportunities and limitation of those agreements, and assisting the users in developing those agreements could be around \$250,000; however, the agency does not have experience issuing contracts for this type of work, and the costs could vary substantially once the entity administering this work is agreed upon. WRD notes that while voluntary agreements are encouraged in statute, the agency does not have any recent experience administering such agreements. The agency also assumes that they would be contracting directly with the qualified entity agreed upon by WRD and Harney County Court.

There is no fiscal impact for Counties or the Oregon Judicial Department.