

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3346 - 3

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:

Directs Water Resources Department to develop strategy to reduce the backlog of protests of decisions concerning water rights and transfers.

Government Unit(s) Affected:

Department of Fish and Wildlife, Department of Justice, Employment Department, Judicial Department, Task Force/Committee/Workgroup, Water Resources Department

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Water Resources Department		
General Fund		
Personal Services	\$465,182	\$116,296
Services and Supplies	\$1,657,830	\$377,400
Total General Fund	\$2,123,012	\$493,696
<i>Total Funds</i>	\$2,123,012	\$493,696
<i>Positions</i>	2	2
<i>FTE</i>	2.00	0.50
Oregon Department of Fish and Wildlife		
General Fund		
Personal Services	\$181,004	\$0
Services and Supplies	\$175,000	\$0
Total General Fund	\$356,004	\$0
<i>Total Funds</i>	\$356,004	\$0
<i>Positions</i>	1	
<i>FTE</i>	0.88	
Total General Fund	\$2,479,016	\$493,696
Total Fiscal Impact	\$2,479,016	\$493,696
<i>Total Positions</i>	3	2
<i>Total FTE</i>	2.88	0.50

Analysis:

HB 3346 - 3 requires the Water Resources Department (WRD) to work with the Department of Justice (DOJ), the Office of Administrative Hearings within the Oregon Employment Department (OED) and the Oregon Department of Fish and Wildlife (ODFW) to reduce the backlog of protests of decisions concerning water rights and transfers. WRD is to develop a strategy to reduce the backlog, contract for an independent assessment of the backlog of protests, and provide recommendations for changing the system of making decisions concerning water rights and transfers. The agency is to report to the committees or interim committees of the Legislative Assembly related to

water on these items by December 31, 2024. This portion of the measure is repealed January 2, 2026.

The measure appropriates \$2,430,000 General Fund to WRD and \$381,862 General Fund to ODFW for this work. The measure declares an emergency and takes effect on passage.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of the impact on the state's General Fund.

Water Resources Department

WRD costs under this measure are estimated at \$2.1 million General Fund in the 2023-25 biennium, and \$493,696 General Fund in the 2025-27 biennium. To implement this measure, WRD would extend two existing limited duration Operations and Policy Analyst 3 positions (each 1.00 FTE in the 2023-25 biennium, and 0.25 FTE in the 2025-27 biennium). These positions would work on the strategy to reduce the backlog, evaluate protests, and try to settle cases. Total costs of these positions in the 2023-25 biennium are estimated at \$465,182, plus \$18,030 for position-related services and supplies; and \$116,296 for personal services and \$2,400 for services and supplies in the 2025-27 biennium. The agency anticipates costs of approximately \$1.2 million for payments for legal services from DOJ, and \$375,000 to pay for Office of Administrative Hearings costs in the 2023-25 biennium, based on the cost of work completed in the 2021-23 biennium. The agency projects that costs would be \$300,000 for DOJ and \$75,000 for the Office of Administrative Hearings in the 2025-27 biennium. Additionally, WRD anticipates one-time costs of \$64,800 to contract for assessment of the protest backlog.

The agency notes that due to the time it takes for cases to move through the process, these costs are likely to continue into future biennia. Given the repeal date of the measure, additional resources will need to be requested through the biennial budgeting process.

Oregon Department of Fish and Wildlife

ODFW costs under this measure are \$356,004. The agency would hire one full time, limited duration Natural Resource Specialist 3 position (0.88 FTE in the 2023-25 biennium) to lead protest resolution; the total cost of this position is estimated at \$206,004 General Fund, including position-related services and supplies. The agency also estimates that there would be legal costs totaling \$150,000.

Other entities

There is no fiscal impact for OED, and minimal impact for Oregon Judicial Department and DOJ.