

## HB 3342 -3 STAFF MEASURE SUMMARY

### House Committee On Agriculture, Land Use, Natural Resources, and Water

---

**Prepared By:** Anna Glueder, LPRO Analyst

**Meeting Dates:** 3/12, 4/7

---

#### WHAT THE MEASURE DOES:

The measure directs the Oregon Water Resources Department to study rules related to water and submit a report to a natural resources related interim committee of the Legislature by September 12, 2026. Sunsets the reporting requirement on January 2, 2027.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: May have revenue impact, but no statement yet issued*

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-3 The amendment replaces the measure, makes changes to documentation formats used and payment options accepted by the Oregon Water Resources Department (OWRD), OWRD's public notice requirements, the water right transfer application process, the process for withdrawing waters from appropriation, and the water right permit application process.

##### Detailed Summary

##### **Sections 1-3: Changes to Documentation Formats used by the Oregon Water Resources Department**

Authorizes the Oregon Water Resources Commission (Commission) to adopt rules requiring the Oregon Water Resources Department (OWRD) to send documentation in electronic form unless requested otherwise by the recipient. Removes prohibition for OWRD to require document submission or receipt in electronic form or while maintaining that OWRD may not use electronic means for summons under Oregon Rules of Civil Procedures, or to provide notice to parties before a contested case hearing.

##### **Sections 3-7: Changes to OWRD's Public Notice Requirements**

Changes OWRD's requirement to post notice of water right permit and certificate applications from publishing the notice in a newspaper to publishing it in OWRD's weekly public notice. Authorizes OWRD to publish notice of certain in a newspaper of general circulation and specifies publication costs to be paid in advance by the applicant.

##### **Section 5: Initial Review of Water Right Transfer Applications**

Requires OWRD to conduct an initial review of water right transfer applications, notify the applicant of the preliminary determination and outstanding information necessary to continue processing the application, and allow 90 days for the applicant to decide whether to proceed; Directs OWRD to halt processing the application if no decision is made by the applicant within that time or if outstanding information is not supplied. Authorizes OWRD to grant extension if requested Directs OWRD to proceed with the application if notified to do so by the applicant, publish notice of the initial review in the department's weekly public notice, and accept public comments for 30 days. Directs OWRD to publish notice of a proposed final order (PFO) in the department's weekly public notice. Requires OWRD to publish notice of the PFO in a local newspaper for two consecutive weeks, paid for by the applicant, if it would result in injury of more than five water rights. Specifies under what conditions a

contested case hearing must not be held.

**Section 8-9: Passing on Credit Card Fees**

Authorizes OWRD to accept debit or credit card payments and charge a reasonably calculated nonrefundable fee for such transactions.

**Sections 10-11: Withdrawal of Waters from Appropriation via Rule**

Changes the Commission's authority to withdraw waters from appropriation by issuing an order to an authorization for withdrawing water from appropriation through rulemaking. Specifies that withdrawals of water that are already in effect remain in effect unless modified or revoked by the Commission. Cleans up language to conform with form and style requirements.

**Sections 12-24: Application Rejections**

Requires OWRD to publish and regularly update a list of:

- Critical groundwater areas;
- Classified as subject to restrictions on groundwater use;
- Withdrawn from appropriation;

Removes the requirement for OWRD to refund application fees if the applicant requests to stop processing an application based on the results of its initial review. Authorizes OWRD to reject water right permit applications that request water use to occur in a critical groundwater area. Sunsets this authorization on January 2, 2030.

Requires OWRD to reject water right applications for stored water and ground water if:

- Applications were received prior to the Act's operative date and (1) are pending at the Act's operative date, (2) a proposed final order has not been issued by the Act's operative date, and (3) the proposed point of groundwater appropriation is in an area that is withdrawn from appropriation.
- Sunsets the requirement to reject such applications on January 2, 2050.

Authorizes OWRD to deny changes in the point of appropriation during a water right transfer or a certificate of registration transfer, if the proposed point of appropriation for a groundwater source is:

- in a critical ground water area
- In an area classified as subject to groundwater restrictions
- In an area withdrawn from appropriation

Excludes areas withdrawn from appropriation from eligibility for the issuance of a reservoir permit.

Exempts applications related to the recovery of groundwater under an artificial recharge or aquifer storage project from proposed restrictions.

**Sections 25-27: Limits on Extensions**

Extends the maximum time period for water permit holders—excluding those for municipal, quasi-municipal, group domestic, or group domestic expanded uses—to complete construction work for proposed irrigation, well construction, or other means of developing a water right after approval, from five years to seven years. Requires holders of rights for municipal, quasi-municipal, group domestic, or group domestic expanded uses to complete proposed construction within seven years of permit issuance and authorizes OWRD to allow one extension depending on use type. Specifies how new timelines apply to projects already permitted or under development.

**Section 28- 31: Phased Fee Payment**

Authorizes OWRD to collect a portion of the water right application fee upon submission, with the remainder due within 30 days following the initial review. Requires OWRD to close the application file and take no further action

if payment is not received within the specified timeframe.

**Section 30: Applicability to Pending Applications**

Clarifies how proposed statute changes and adopted rules specifically apply to applications and petitions that have already been submitted prior to the measure’s effective date.

**Section 31: Automatic Final Orders**

Establishes under which conditions a PFO becomes a final order without further action by OWRD 33 days after the period to submit a protest closes.

**Section 32: Request for Standing Statement**

Establishes that, on proposed final orders issued on or after the Act’s operative date, any person can submit a request for standing in a contested case within 30 days after the deadline for filing a protest.

**Section 34-47: Conforming Amendments**

Makes conforming changes to existing laws to ensure consistency with the proposed provisions.

**Section 48-50: Operative Date, Early Agency Action, and Effective Date**

- Becomes operative on April 1, 2026
- Authorizes OWRD to take any action necessary for implementation prior to the operative date
- Takes effect on the 91st day following adjournment sine die.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: May have revenue impact, but no statement yet issued*

**BACKGROUND:**

The Oregon Water Resources Department is a state agency whose mission is to directly address Oregon’s water supply needs and to restore and protect stream flows and watersheds in order to ensure the long-term sustainability of Oregon’s ecosystems, economy, and quality of life.