



Legislative Fiscal Office
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2025 Regular Session

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Bill Title: Relating to water.

Government Unit(s) Affected: Confederated Tribes of Grand Ronde, Water Resources Department, Employment Department, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, Klamath Tribes, Burns Paiute Tribe, Cow Creek Band of Umpqua Indians, Department of Fish and Wildlife, Cities, Counties, Special Districts, Confederated Tribes of Siletz, Confederated Tribes of Umatilla Indian Reservation, Confederated Tribes of Warm Springs, Coquille Indian Tribe

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Water Resources Department	\$ 466,248	\$ -	\$ -	\$ -	\$ 466,248	2	1.50
Total Fiscal Impact	\$ 466,248	\$ -	\$ -	\$ -	\$ 466,248	2	1.50
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Water Resources Department	\$ 501,993	\$ -	\$ -	\$ -	\$ 501,993	2	1.50
Total Fiscal Impact	\$ 501,993	\$ -	\$ -	\$ -	\$ 501,993	2	1.50

Measure Description

The measure establishes new approval standards for the Water Resources Department (WRD) when reviewing certain water right transfer applications that may reduce streamflow in ways that harm fish habitat or degrade water quality. These standards apply to applications proposing changes such as moving a point of diversion upstream or relocating a point of appropriation closer to a stream where no permanent in-stream water right exists. The measure exempts applications involving municipal water use, aquatic restoration projects, and transfers proposing the use of water outside the basin of origin. The Water Resources Commission may adopt rules for review of transfer applications that share similar characteristics.

The measure updates WRD's tribal consultation process by requiring consultation upon request, with a 90-day default timeline unless extended by the applicant. The measure also allows tribes to protest preliminary determinations or orders related to water right changes. WRD is authorized to impose conditions on approved transfers to mitigate harm to tribal rights, instream habitat, or water quality, and applicants may request proportional mitigation measures in lieu of standard conditions. The measure also clarifies that in-stream leases are not subject to WRD review.

WRD and the Office of Administrative Hearings (OAH) must adopt a default hearing schedule for contested case proceedings, with a target timeline of 180 days, unless extended under specified conditions. The measure allows WRD to reimburse the Oregon Department of Fish and Wildlife (ODFW) for services rendered under voluntary agreement. WRD must report to the Joint Committee on Ways and Means by December 15, 2026, and

December 15, 2028, on water right transfer activity since January 1, 2026, including volumes, outcomes, and protest data.

Fiscal Analysis

The total estimated fiscal impact of the measure is \$466,248 General Fund and two permanent positions; including a full-time position (1.00 FTE), and a part-time position (0.50 FTE) in the 2025-27 biennium, which will roll up to \$501,993 General Fund in the 2027-29 biennium.

Water Resources Department

The fiscal impact for WRD is \$466,248 General Fund and two permanent positions; a full-time Natural Resource Specialist 5 (1.00 FTE), and a part-time Natural Resource Specialist 4 (0.50 FTE) in the 2025-27 biennium, which will roll up to \$501,993 General Fund for the two positions (1.50 FTE) in the 2027-29 biennium. The measure requires WRD to conduct additional review and coordination when evaluating certain water right transfer and permit amendment applications, particularly those involving streamflow reductions or impacts to fish habitat and water quality. WRD must also implement new tribal consultation requirements, which include consulting with a tribe upon request within a 90-day period, unless an extension is granted by the applicant.

Two new positions would be established in the Water Rights Services Division; a Natural Resource Specialist 4 to support implementation, rule development, and processing of more complex applications; and a Natural Resource Specialist 5 to lead tribal consultation efforts, including negotiating and managing agreements with tribes. Additional work includes revising application materials and review guidance, developing interagency procedures with ODFW, and conducting joint training to identify sensitive stream reaches and water quality-limited streams. Based on the technical nature of the measure and the need for cross-agency coordination, the work is not absorbable within existing resources.

Local Governments

The fiscal impact to cities, counties, and special districts is indeterminate and will vary based on the frequency and nature of water right transfers. While not all local governments engage in such transfers, entities involved in transfers may incur increased costs related to legal review, tribal consultation, or mitigation requirements. Costs could range from minimal to significant depending on the type of water right, proposed changes, and site-specific conditions.

Other entities

The fiscal impact of this measure to tribes is indeterminate pending the Legislative Commission on Indian Services' receipt and review of information provided by the tribes. If additional information is provided that changes the measure's current indeterminate impact on tribes, the Legislative Fiscal Office will issue a revised fiscal impact statement. A minimal impact is anticipated for the Oregon Department of Fish and Wildlife and no fiscal impact for Employment Department.

Relevant Dates

WRD must report to the Joint Committee on Ways and Means by December 15, 2026, and December 15, 2028, on water right transfer activity since January 1, 2026.

The measure takes effect on January 1, 2026.