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WAYS AND MEANS

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**To:** Natural Resources Subcommittee  
**From:** April McDonald, Legislative Fiscal Office  
**Date:** June 10, 2025  
**Subject:** HB 2803 – Relating to fees concerning water  
Work Session Recommendations

HB 2803 increases various fees administered by the Water Resources Department (WRD) for a broad range of water-related activities, including water right transactions and dam safety.

The water right transaction fees and the dam safety fees are reviewed every four years, and the fee schedule was last modified in 2021. WRD is facing a revenue shortfall for water right transaction processing in the 2025-27 biennium, due to several factors. Over the past four years, costs have increased, water right transactions have decreased, and one-time revenues from the American Rescue Plan Act have phased-out.

Annual dam safety fees cover about 25% of the dam safety program and provide funding for portions of two engineer positions (0.95 FTE) in the Dam Safety program. A revenue shortfall for the program is anticipated in the 2027-29 biennium.

The measure raises most water right transaction fees by 50% and raises dam safety fees in a range between 56% and 58%. These fee increases are anticipated to generate a total of approximately \$1.4 million in Other Funds revenue, including approximately \$1.2 million for water right transaction processing, and approximately \$0.2 million for dam safety activities. The revenue shortfall for water right transactions is \$2.2 million in the 2025-27 biennium, and the Department would need approximately \$3.3 million to restore a six-month operating balance. Since 2009, the program has been supported by both fee revenue and General Fund, with the goal to maintain a 50/50 split in funding. An appropriation of \$1.3 million General Fund is included in the Department's recommended budget for the 2025-27 biennium to cover the

additional shortfall and restore all 7 positions (7.00 FTE) abolished in the agency's revenue shortfall package.

### **Final Subcommittee Action**

LFO recommends that HB 2803 be moved to the Ways and Means Full Committee.

**MOTION: I move HB 2803 to the Full Committee with a do pass recommendation.**  
*(vote)*

### **Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_