



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to fees concerning water; declaring an emergency.

Government Unit(s) Affected: Water Resources Department

Summary of Fiscal Impact

Costs related to the measure are anticipated to be minimal - see explanatory analysis.

Summary of Revenue Impact

Agency -- Fund Type	2025-27 Biennium	2027-29 Biennium
Water Resources Department -- Other Funds	\$1,419,950	\$1,349,450
Total Revenue Impact	\$1,419,950	\$1,349,450

Measure Description

The measure increases fees administered by the Water Resources Department (WRD) for a broad range of water-related activities, including applications for new or modified rights, temporary transfers, in-stream leases, storage authorizations, and permit processing. Revised fees also apply to activities such as protesting applications, participating in contested case hearings, filing extensions, and submitting claims of beneficial use or vested rights, including those for permits or transfers dated July 9, 1987, or later.

The measure introduces a third-tier fee for stored water exceeding 600 acre-feet, raises annual dam safety fees based on hazard classifications, and increases fees for filing water management and conservation plans. The measure retroactively validates fees charged for services provided on or after July 1, 2025.

Fiscal Analysis

The proposed fee adjustments are estimated to generate an additional \$1,419,950 in Other Funds revenue for WRD programs in the 2025-27 biennium and \$1,349,450 in the 2027-29 biennium.

The measure raises annual dam safety fees based on hazard classification, supporting WRD's Dam Safety Program. New fee revenue, projected at \$193,200 for the 2025-27 biennium, will maintain engineering staff capacity for dam inspections, design reviews, and emergency planning assistance, helping prevent delays in safety evaluations and ensuring public and infrastructure protection.

Since 2009, the legislature has adopted increases to the water right transactions fee schedule every four years, with the last increase in 2021. The measure increases fees for a range of regulatory services processed by WRD's Water Right Services Division. These include, but are not limited to, water right applications, permit extensions, claims of beneficial use, and conservation plan filings. The resulting new fee revenue is projected at \$1,226,750 for the 2025-27 biennium. The Department's 2025-27 current service level budget includes a revenue shortfall package, specific to the fees in this measure, which reduces the agency's budget by \$1,691,331 and seven

positions (7.00 FTE). The revenue anticipated from the measure's fee increase is not sufficient to restore staffing levels or ensure continued delivery of WRD's core regulatory services statewide.

Program costs are approximately \$5 million for the 2025-27 biennium, including a six-month operating balance. This reserve balance is necessary to ensure sufficient funds to cover program costs throughout revenue and expenditure fluctuations. Additionally, according to the statewide budget instructions, agencies with programs supported by Other Funds revenue must retain enough ending balance to cover cash flow needs and contingencies.

Revenue projections without the proposed increases total approximately \$2.5 million for the 2025-27 biennium. With the fee increases included in the measure, WRD will need to reduce the program services, return to the legislature ahead of the 4-year cycle for additional fee increases in order to fund the program, or seek other source of funding for the program.

Relevant Dates

The measure declares an emergency and takes effect on passage.