

HB 3501 STAFF MEASURE SUMMARY

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

Action Date: 04/07/25

Action: Without recommendation as to passage and be referred to Rules.

Vote: 6-3-0-0

Yeas: 6 - Hartman, Helm, Marsh, McDonald, McLain, Owens

Nays: 3 - Boice, Levy B, Scharf

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 3/10, 4/7

WHAT THE MEASURE DOES:

The measure makes changes to the application process for certain water right transfers and prohibits the Oregon Water Resources Department (OWRD) from considering whether the proposed change will impair or be detrimental to the public when evaluating an application.

Detailed Summary

Prohibits the consideration of whether the proposed change will impair or be detrimental to the public in the evaluation of the following water right changes and transfer applications:

- Transfer of a supplemental water right or permit; or a proposed change when a government action results in or creates a reasonable expectation of change in surface water level that impairs or threatens access to a point of diversion (POD).
- Change of use, place of use, or POD.
- Temporary transfers of primary and supplementary water rights.
- Substitutions of a supplemental right (ground water) for a primary right (surface water).
- Changes to POD to allow use of groundwater instead of surface water under existing water right.
- Temporary transfers within a district.

Makes the following additional changes to the application process for change of use, place of use, or POD:

- Requires the OWRD Director (Director) to approve or deny the proposed change within 120 days after receiving a complete application unless an extension is requested by the applicant.
- Prohibits OWRD or the Director from compelling the applicant to waive the 120-day deadline.
- Establishes a \$10,000 fee for protest submissions by anyone other than the applicant or a landowner or holder of an instream water right within the same hydrologic basin as the water right in question.
- Limits the scope of the contested case hearing to determining whether the transfer would harm an existing water right.

ISSUES DISCUSSED:

- Process and intention of a public interest review and their role in the water rights application process
- Agencies involved in water transfer approvals
- Administrative challenges associated with water transfer process
- Role of instream water rights during transfer processes

EFFECT OF AMENDMENT:

No amendment.

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BACKGROUND:

Water right transfers provide a method to change the point of diversion or appropriation, the place of use, or the beneficial use of a water right after its original issuance. The water right holder must obtain advance approval of a water right transfer from the Oregon Water Resources Department (OWRD) before making changes. In reviewing a transfer application, OWRD is responsible for ensuring that other water right holders will not be injured or the water right enlarged as a result of the proposed change. Upon receipt of an application for a transfer, OWRD publishes a notice of the application to provide other water right holders an opportunity to identify any injury that might occur as a result of the transfer.