

DATE: March 10, 2025
TO: House Committee on Agriculture, Land Use, Natural Resources & Water
FROM: Oregon Water Partnership
RE: **HB 3501: Strong Opposition to Anti-Public Interest Water Bill**

Co-Chairs Helm and Owens, Vice-Chair Finger McDonald, and Members of the Committee,

Oregon Water Partnership strongly opposes HB 3501 because it expressly bars the state from considering the public interest in decisions related to our water, and it works to sideline those who fight to uphold it.

Oregon Water Partnership is a diverse partnership of statewide conservation groups with a common goal: to advocate for balanced water policies that ensure cold clean water to sustain healthy communities, livelihoods, and ecosystems. Our priorities are to build resilience for Oregon's water future, bring water data into the 21st century, support smart water management, and protect and restore our waters. We collectively have tens of thousands of members in Oregon communities across the state, and our organizations work collaboratively with cities, counties, Tribes, farmers, ranchers, and forest owners to restore natural habitat and improve watershed function.

Oregon Water Partnership is strongly opposed to HB 3501, a bill that would prohibit the state from considering impairment to public interest values, including harm to fish and wildlife and water quality, when evaluating applications to change existing water rights (a process called a "transfer").

Background on transfers: Existing water rights can be modified to serve new water uses by applying for permission from the state to change the type of use, the point of diversion from the source, or the place of use. But while applications for *new* water rights must demonstrate they will not impair the public interest, *existing* water rights can be changed without any consideration of environmental harm. That's because our transfer laws are currently silent on the topic—a dangerous loophole that has effectively nullified Oregon's ability to protect instream values on hundreds of streams statewide.

Oregon's transfer laws are archaic compared with other states across the West that have adopted more holistic standards of review in order to protect the public interest in water.¹ The "public interest" is a broad category that includes effects on imperiled fish and wildlife, public health, water quality, waste of water, economic development, and any other use of water that may have a special value to the public (e.g., recreation, fishing, navigation, scenic attraction, etc.). Two bills in front of the Senate—[SB 427](#) and [SB 1153](#)—would require the Oregon Water Resources Department (OWRD) to ensure transfers won't harm public values, including streamflows. Both bills would address the transfer loophole, and neither bill would reach current uses of existing water rights.

By contrast, **HB 3501 hardens an outdated standard** that bases application approval solely on whether *other water rights* would be impacted by the change, **mandating that OWRD "may not consider whether the proposed change would impair or be detrimental to the public interest."** The agency charged with sustainably managing our state's waters, including protecting and restoring streamflows, would be expressly prohibited by law from considering harm to our publicly owned water.

¹ These include Idaho, Washington, California, Nevada, Montana, Utah, New Mexico, and Texas.



In addition to being expressly anti-public interest, HB 3501 kneecaps agency review and public participation by:

- rushing OWRD's review of transfer applications by requiring approval or denial within 120 days of receipt, and *mandating approval* of the transfer if the review is not completed in time;
- raising the fee for non-applicants to challenge OWRD's transfer application decisions *tenfold* from \$950 to \$10,000, while keeping the applicant protest fee at just \$480; and
- keeping the non-applicant protest fee at the current \$950 for landowners and "holders of instream water rights" within the hydrologic basin where the water right to be transferred is located (NOTE: OWRD is the holder of all instream water rights, which means the \$950 exception for holders of instream water rights would only apply in the *absurd situation where OWRD protested itself*).

HB 3501's default-to-yes review scheme prioritizes speed over accuracy and disregards our increasingly complex water reality.

HB 3501's contorted fee scheme further elevates applicants over non-applicants and chills the work of legal advocates to ensure the state follows the law in decisions about our public water supply.

HB 3501 is bad for Oregon's water and the public values it provides. Oregon Water Partnership urges the Committee to stop this backward bill from moving forward.

Thank you for considering our testimony, and please contact us with questions.

Oregon Water Partnership

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