

March 12, 2025

House Committee on Agriculture, Land Use, Natural Resources, and Water
Oregon Legislature

RE: Position on HB 3544-2

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

My name is Ryan Krabill and, on behalf of the Oregon Farm Bureau (OFB), thank you for the opportunity to submit testimony on House Bill 3544 and its proposed -2 amendment.

OFB is the state's most inclusive agriculture organization, proudly representing over 6,500 family farms and ranches that produce more than 220 agricultural commodities. From hops and hazelnuts to cattle, cranberries, and timber with operations spanning from just a few acres to thousands, our members utilize all farming methods including organic, conventional, regenerative, biotech, and even no-tech.

We recognize the critical need for a water rights system that is transparent, efficient, and fair. While HB 3544-2 seeks to address long-standing challenges in water rights administration, certain provisions raise concerns about expanded state authority and the potential for new regulatory burdens that could negatively impact agricultural water users.

Support for Efficiency and Transparency in Water Management

Oregon's farmers and ranchers depend on a stable and predictable water system. We support provisions in HB 3544-2 that improve efficiency, including clearer timelines for contested case hearings, stronger public notice requirements, and streamlined permitting for small reservoirs. These measures could help address the current backlog of over 220 contested cases at the Oregon Water Resources Department (OWRD), reducing uncertainty and delay for water users. Increased transparency and more predictable case schedules would provide more clarity for farmers navigating the water rights process.

Flexibility in water right transfers, particularly allowing substitutions of groundwater for surface water without requiring a new application, is another positive step. Recognizing that agricultural water users must adapt to changing conditions, we encourage continued discussions on policies that support flexibility while maintaining water rights security.

Concerns About Expanded State Control and Due Process Limitations

Despite its procedural improvements, HB 3544-2 grants broader authority to OWRD, limiting due process rights for farmers and ranchers. The bill's contested case provisions restrict the scope of hearings, potentially preventing water users from fully presenting relevant arguments. Additionally, defaulting contested case hearings to remote formats could disadvantage rural water rights holders who lack reliable internet access. Fair access to hearings should be a priority.

The bill also introduces new regulatory hurdles for small-scale hydroelectric projects, requiring cumulative impact studies that could delay or prevent much-needed innovations in water management. Given that many irrigation districts rely on hydroelectric projects for water efficiency and cost savings, these additional requirements warrant further scrutiny.

Another significant concern is the potential for administrative law judges to treat prior rulings as controlling precedent, which could reduce the ability of farmers to receive fair, case-by-case consideration of their unique water rights issues. Every water right is different, and it is essential that decisions reflect the specific circumstances of each case rather than applying rigid interpretations of past rulings.

Recommendations for a Balanced Approach

OFB urges refinements to HB 3544-2 to ensure that efficiency gains are not undermined by overreach and regulatory burdens. Due process protections must be preserved, allowing water users to fully participate in contested cases. Remote hearings should remain optional, not the default, to ensure fairness for those in rural areas. Additionally, regulatory changes affecting hydroelectric projects and water rights decisions should be carefully examined to avoid unintended consequences for agricultural water users.

We recognize the complexity of water policy and appreciate the ongoing discussions about how to best address Oregon's water challenges. A balanced approach—one that streamlines administrative processes without restricting access to water or weakening legal protections—is critical to securing a stable water future for the state.

Conclusion

HB 3544-2 offers important steps toward improving water rights administration but raises concerns about expanded regulatory authority and reduced due process. Oregon's agricultural producers need a system that is both efficient and fair—one that addresses the contested case backlog while protecting water rights and ensuring that farmers and ranchers have full access to hearings and decision-making processes.

The Oregon Farm Bureau is committed to working with legislators and stakeholders to refine this legislation so that it benefits both water users and the broader public. We urge the committee to consider adjustments that preserve fairness, transparency, and flexibility in Oregon's water rights system. Thank you for the opportunity to provide testimony, and we look forward to further discussions on this critical issue, particularly in the context of

the broader suite of proposed water policy changes currently under consideration in the Oregon Legislature.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Krabill', with a long horizontal flourish extending to the right.

Ryan J. Krabill
Oregon Farm Bureau