

Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Water Resources Department / Water Right Services Division  
Agency and Division

690

Administrative Rules Chapter Number

Adjustment of Transaction Fees Set By Rule

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: Water-Use Transaction Fees

Statutory Authority: ORS 536.050

Other Authority: HB 2259 (2013)

Stats. Implemented: ORS

Need for the Rule(s): The Legislature periodically increases transaction fees pertaining to water-use authorizations to keep pace with inflation. In the absence of recurring annual fees to cover ongoing field and administrative services, the total costs of water-use transactions are effectively front-loaded.

Documents Relied Upon, and where they are available: HB 2259

<https://olis.leg.state.or.us/liz/2013R1/Measures/Text/HB2259/Enrolled>

Fiscal and Economic Impact: No impact beyond cost of inflation.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

Negligible impact to state agencies and local governments associated with the cost of renewing road-watering registrations or obtaining limited licenses for short-term water uses such as riparian restoration. For example, the fee for an initial registration rises from \$300 to \$340, and the annual renewal fee increases from \$50 to \$60. The impact to businesses and the public who need to obtain new limited licenses for short-term water uses: the fee for a regular limited license would rise from \$250 to \$280, and the fee for each additional point of diversion, if any, would rise from \$25 to \$30.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

All businesses that require either new water-use authorizations or water-right transactions may be affected by the proposed adjustments. The Department receives approximately 200 license applications per year, and it is unusual for any single entity to require more than one such authorization per year. Furthermore, many of the licenses have a duration of up to five years in length. Other transactions are less common, ranging from approximately 100 applications for extension annually, to several applications annually for aquifer storage and recovery projects.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: None

c. Equipment, supplies, labor and increased administration required for compliance: None

How were small businesses involved in the development of this rule?

Stakeholders were consulted in a variety of venues to ascertain the level of support for maintaining transaction fees at a cost-recovery level of approximately 50%; support for that approach which was broad, as evidenced by passage of HB 2259.

Administrative Rule Advisory Committee consulted?: Yes If not, why?:

Cindy Smith  
Signature

Cindy Smith  
Printed name

8/15/14  
Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.