

HOUSE BILL REPORT

HB 3202

As Reported by House Committee On: Appropriations

Title: An act relating to fees pertaining to water rights.

Brief Description: Increasing fees pertaining to water rights.

Sponsors: Representatives Linville and Sommers.

Brief History:

Committee Activity:

Appropriations: 2/28/04, 3/1/04 [DP].

<h4>Brief Summary of Bill</h4>

- Increases the fees associated with acquiring a water right by a factor of 13.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 15 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Cody, Conway, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McIntire, Miloscia, Ruderman and Schual-Berke.

Minority Report: Do not pass. Signed by 12 members: Representatives Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Anderson, Boldt, Buck, Chandler, Clements, Cox, McDonald, Sump and Talcott.

Staff: Alicia Paatsch (786-7178).

Background:

Under the state water code, a person must have a water right for any use of surface water and for all but certain exempted withdrawals of groundwater. A water right is a legal right to use a specified amount of water for a beneficial purpose. The Water Rights Program in Washington is managed by the Department of Ecology (DOE).

The process of acquiring a water right involves a number of steps and the payment of several fees. These fees are established in statute and must be used exclusively for the purpose of carrying out the work and performing the functions of the DOE's division of water resources. An applicant files an application with the DOE and pays a minimum examination fee of \$10 based on the amount of water involved in the project.

After its examination, the DOE makes a formal report of examination with a recommendation to either accept, deny, or condition the water right application. If a permit is to be issued, the applicant must pay a \$5 permit fee. The DOE then issues a permit, specifying a timetable for the applicant to meet in developing the water for a beneficial use. After the applicant has actually started using the water, the applicant sends in a certificate fee of \$5 and proof of appropriation, and the DOE issues the final water rights certificate. There are also fees associated with applying to change a point of diversion or place of use, asking for extensions for putting the water to beneficial use, and other services.

Fees were originally set in 1917 and have been subsequently adjusted over the years. The majority of the fees were last adjusted in 1951, when the minimum examination fee was increased from the 1917 fee of \$5 to the current fee of \$10, although, some fees were last adjusted in 1965, 1987 and, on a temporary basis were changed in 1993.

Summary of Bill:

The fees associated with acquiring a water right are increased to an amount equal to 13 times the current amounts that are set in statute. In addition to increasing the amounts of these fees, the statutory amounts will be automatically increased by the state's fiscal growth factor, beginning in Fiscal Year 2006.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This fee increase of a factor of 13 sounds large, but is actually not significant when compared to the cost of administering the water rights program. The DOE currently collects approximately \$40,000 in fees and the cost of the permit program is \$13 million per biennium. It is appropriate and reasonable that water users pay for the cost of the program. The current fee has not been changed much since it was first set in 1917. The department processed 1,300 permits in the past two years at an average cost of \$11,000. The fees collected for a small volume of water use was \$20, for medium water use was \$60, and for a large volume of use was \$300. The current fees cover less than 1 percent of the cost to administer the water rights program. The proposed fee increase would cover approximately 5 percent of the cost of the program.

Testimony Against: There needs to be more careful examination of the fee structure and of the policy surrounding the fees. Some fees would be raised too high in the bill, while others remain too low. This bill should be deferred until there has been an opportunity to discuss how these fees should be changed.

Persons Testifying: (In support) Paul Parker, Washington State Association of Counties; Keith Phillips, Department of Ecology; and Josh Baldi, Washington Enviro Council.

(Opposed) Kathleen Collins, Washington Water Policy Alliance.

Persons Signed In To Testify But Not Testifying: None.