

House Bill 2296

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Water Resources Department)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates application process for use of special standard in construction, alteration, abandonment or conversion of well. Allows person to obtain advice from Water Resources Department prior to filing application regarding likelihood of approval. Establishes application fee. Dedicates application fee moneys to payment of department personnel costs associated with conceptual, requested or actual use of special standards.

Increases required bond amounts for persons drilling wells. Increases application fee for property owner seeking permit to construct, alter, abandon or convert well. Eliminates use of well drilling machine as condition for requiring property owner to obtain permit.

A BILL FOR AN ACT

1
2 Relating to processes affecting the physical condition of wells; creating new provisions; and amend-
3 ing ORS 537.753.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2017 Act is added to and made a part of ORS 537.747 to**
6 **537.795.**

7 **SECTION 2. (1) A person described in ORS 537.753 may file an application with the Water**
8 **Resources Department requesting that the department allow the use of one or more special**
9 **standards in the construction, alteration, abandonment or conversion of one or more par-**
10 **ticular wells. The person shall pay a fee for filing the application in the amount of:**

11 (a) \$100, if the application requests the use of one or more special standards for one well.

12 (b) \$200, if the application requests the use of one or more special standards for two or
13 more wells.

14 (2) A person that is considering filing an application under this section may request prior
15 consultation with the department. Upon receiving a request under this subsection, the de-
16 partment shall evaluate any information supplied by the person regarding the conceptual
17 construction, alteration, abandonment or conversion, and regarding the conceptual special
18 standards. The department shall:

19 (a) Provide the person with preliminary advice in good faith, based on the evaluation,
20 regarding whether and to what extent department approval for the use of special standards
21 appears likely; or

22 (b) Inform the person of any additional information the department needs in order to
23 provide preliminary advice.

24 (3) Moneys from fees paid under this section shall be deposited in the State Treasury to
25 the credit of the Water Resources Department Operating Fund. Notwithstanding ORS
26 537.763, moneys from application fees authorized under this section and any interest earned
27 on those moneys shall be maintained in a separate subaccount within the fund and applied

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **solely toward personnel costs associated with the conceptual, requested or actual use of**
 2 **special standards in the construction, alteration, abandonment or conversion of wells.**

3 **SECTION 3.** ORS 537.753 is amended to read:

4 537.753. (1) Any person who contracts or offers services to contract to construct, alter, abandon
 5 or convert wells shall have in effect a surety bond or an irrevocable letter of credit issued by an
 6 insured institution, as defined in ORS 706.008, running to the State of Oregon in the sum of
 7 ~~[\$10,000]~~ **\$20,000**, ensuring that in the construction, alteration, abandonment or conversion of wells,
 8 the principal shall comply with all the provisions of ORS 537.505 to 537.795 and 537.992 that are
 9 applicable to such construction, alteration, abandonment or conversion and to the rules and stan-
 10 dards of well construction, alteration, abandonment and conversion that have been prescribed by the
 11 Water Resources Commission. The bond or letter of credit shall be filed with the Water Resources
 12 Commission.

13 (2) The Water Resources Commission or any person injured by failure of a water well
 14 constructor to comply with the provisions of the bond or letter of credit has a right of action on the
 15 bond or letter of credit in the name of the injured person. However, the aggregate liability of the
 16 surety or letter of credit issuer to all such persons may not exceed the sum of the bond or letter
 17 of credit.

18 (3) A proceeding against the bond or letter of credit under subsection (2) of this section may
 19 not be commenced unless the commission notifies the water well constructor of the alleged violation
 20 within three years after the date the water well report is filed with the commission.

21 (4) If a well is to be constructed, altered, abandoned or converted by a person **that is not li-**
 22 **censed under ORS 537.747** on property owned by that person, *[by means of a well drilling*
 23 *machine,]* the person shall obtain a permit from the commission before beginning work. Application
 24 for the permit shall be in the form prescribed by the commission and must be accompanied by a fee
 25 of ~~[\$25]~~ **\$500**. At the time the permit is obtained, the applicant also shall file with the commission
 26 a bond or an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008
 27 running to the State of Oregon in the sum of ~~[\$5,000]~~ **\$10,000**, ensuring that in the construction, al-
 28 teration, abandonment or conversion of the well the landowner shall comply with all the provisions
 29 of ORS 537.505 to 537.795 and 537.992 that are applicable to the construction, alteration, abandon-
 30 ment or conversion of wells and to the rules and standards of well construction, alteration, aban-
 31 donment and conversion that have been prescribed by the commission. Before the person who
 32 constructs, alters, abandons or converts a well referred to in this subsection seals the well, the
 33 person must give 10 days' written notice of the construction, alteration, abandonment or conversion
 34 to the commission. After expiration of the notice period, the well may be sealed even if the com-
 35 mission has not caused the well to be inspected.

36 **SECTION 4. The amendments to ORS 537.753 (4) by section 3 of this 2017 Act apply to**
 37 **permits for which an application is filed on or after the effective date of this 2017 Act.**

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