

Multiple Agency Fiscal Note Summary

Bill Number: 5622 SB	Title: Alternate water rights transfer
-----------------------------	---

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Ecology	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Lisa Borkowski, OFM

Phone:
(360) 742-2239

Date Published:
Final

Individual State Agency Fiscal Note

Bill Number: 5622 SB	Title: Alternate water rights transfer	Agency: 461-Department of Ecology
-----------------------------	---	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Karen Epps	Phone: 360-786-7424	Date: 01/28/2023
Agency Preparation: Jim Skalski	Phone: 360-584-3805	Date: 02/02/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/02/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/04/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Under current law, RCW 90.44.100 authorizes water right holders that hold inchoate municipal groundwater certificates and/or permits (rights that have not been put to continuous beneficial use) to only make changes to such a water right that is consistent with the original intent of the project.

This bill would amend RCW 90.44.100 to allow changes to inchoate water rights held by municipal entities without regard to the original intent of the project as long as the aggregate total amount of water used does not exceed the authorized quantity of the water right.

Section 1 of the bill would declare legislative intent to allow holders of municipal inchoate water rights to be permitted by Ecology to amend their water rights to allow full or partial transfer to other public water systems.

Section 2 of the bill would amend RCW 90.44.100 to create a new class of water right defined as an “alternate water right” that would allow holders of municipal inchoate water rights to transfer that inchoate water to other public water systems.

Section 3 of the bill would declare an emergency and would make the bill effective immediately.

There is no fiscal impact to Ecology. The type of water right change this bill would authorize would be considered from applications submitted within the normal water right change process currently in place within Ecology. Ecology does not anticipate a significant increase or decrease to the number of change applications submitted on an annual basis.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5622 SB

Title: Alternate water rights transfer

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Cities that operate water utilities.
- Counties: Counties that operate water utilities.
- Special Districts: Special districts that provide water utility services.
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: This legislation would give entities the option to transfer their water rights to other public water systems for their benefit.
- Key variables cannot be estimated with certainty at this time: It is unknown how many entities would adopt the local option to transfer their water rights to other public water systems under the provisions of this bill.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Chelsea Mickel	Phone: 518-727-3478	Date: 02/02/2023
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 01/28/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/02/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/04/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill enables the transfer of water rights from current permit and certificate holders to other public water systems for municipal water supply purposes.

Section 1 addresses the intent of the bill, to enable valid permit or certificate-holders of groundwater rights for municipal water supply purposes be permitted by the Department of Ecology (Ecology) to amend their water rights to allow full or partial transfer to and use by other public water systems.

Section 2 amends verbiage in the code concerning regulation of public groundwater. Section 2(2) states that where an amendment enables an alternate water right to be transferred, the amendment preserves the terms of the alternate water right. Section 2(6) states that water rights covered under the Water Code's appropriation procedures may be amended to enable beneficial use within the original or another public water system.

DEFINITIONS:

ALTERNATE WATER RIGHTS: a right that may be used either instead of or simultaneously with another identified water right or rights and where the aggregate amount of water used from all identified sources is not allowed to exceed a total authorized quantity.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would have an indeterminate de minimis expenditure impact on local governments. This bill expands a local option for water districts to transfer water rights.

A water right is a legal right to use a certain amount of public water for a beneficial purpose. Ecology is responsible for managing the state's water resources and administers the permit systems for water rights for surface and ground water. Transfers of water rights are currently allowed. This bill changes the standards on which water rights can be transferred, it allows water rights that have not been fully used (inchoate water rights) to be transferred to other public water systems. If districts choose to transfer water rights under the provisions of this bill, then they would incur costs. According to Ecology, the fee to change, transfer, or amend an existing water right certificate, permit, or claim is \$0.50 per one hundred cubic feet per second (cfs), with a minimum fee of \$50 and a maximum fee of \$12,500. These costs would not change under the provisions of this bill. Since applications for water right transfers already fall under the purview of current water district staff, increases in expenditures due the expansion of the option to transfer water rights would likely be de minimis. Since it is unknown how many water districts would adopt this local option, the impact on local government expenditures would be de minimis.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would not have revenue impacts on local governments. Fees administered for water right transfers are collected by Ecology, not local governments.

SOURCES:

Department of Ecology
Municipal Resource Services Center
Revised Code of Washington, RCW 90.44.100; RCW 90.03.330
Washington Association of Sewer and Water Districts
Washington State Water Resources Association