HOUSE BILL 1132

State of Washington 67th Legislature 2021 Regular Session

By Representatives Kretz and Chapman

Prefiled 01/08/21.

AN ACT Relating to the protection of water supply for farming and rural economic development; amending RCW 90.14.031, 90.14.140, 90.14.140, 90.14.160, 90.14.170, and 90.14.180; creating new sections; providing an effective date; providing an expiration date; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 Sec. 1. In RCW 89.10.005, the legislature has NEW SECTION. found and previously recognized the importance of retaining land in 8 agriculture to produce food, livestock, and other agricultural 9 10 products as well as to maintain the state economy and environmental 11 conditions. The legislature now finds that there have been situations 12 in this state where agricultural land has been lost due to unforeseen circumstances that commonly befall an aging farming population. The 13 legislature finds that there is a public interest in retaining farms 14 15 and the water rights needed to continue the operation of these farms. 16 Small farms, especially, are often owned by families whose history is 17 vested in the land. Farming is often the result of a generational commitment to feeding the nation and the world. Farmers are stewards 18 19 of the land and have learned to adapt over time. The practices they 20 use preserve the land and provide additional benefits of wildlife habitat and open space. Modern times have made it challenging to 21

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1 transition these farms through generations. As such, the legislature finds that temporary reductions in use of water on agricultural 2 property for many reasons, including a future development of the use 3 of property with the intent to continue irrigation in the future upon 4 completion of the development, should not result in relinquishment. 5 6 Additionally, farmers should have the opportunity to maintain their 7 use of water purchased in good faith. The transition of small to midsize farmers to new owners and a new generation of farmers, as well 8 as the transition to more efficient irrigation systems, should be 9 encouraged, not discouraged. The legislature recognizes that there 10 11 are times when these transitions sometimes require more than a five-12 year period and the legislature wants to encourage the retention of the water that is essential to the viability of agriculture. 13

14 Sec. 2. RCW 90.14.031 and 1969 ex.s. c 284 s 12 are each amended 15 to read as follows:

16 <u>(1) The definitions in this subsection apply throughout this</u> 17 <u>chapter unless the context clearly requires otherwise.</u>

18 "Good faith purchaser" means a person who purchased real property 19 after 2000, together with a water right permit, certificate, or 20 claim, and who did not have knowledge at the time of purchase that 21 the water right may have been relinquished due to nonuse under RCW 22 90.14.130.

23 (2) Unless a different meaning is plainly required by the 24 context, the following words and phrases <u>in this subsection</u> as used 25 in <u>this section and</u> RCW ((90.14.031)) <u>90.14.041</u> through 90.14.121 26 shall have the following meanings:

27 (((1))) (a) "Person" shall mean an individual, partnership, 28 association, public or private corporation, city or other 29 municipality, county, or a state agency, and the United States of 30 America when claiming water rights established under the laws of the 31 state of Washington.

32 (((2))) <u>(b)</u> "Beneficial use" shall include, but not be limited 33 to, use for domestic water, irrigation, fish, shellfish, game and 34 other aquatic life, municipal, recreation, industrial water, 35 generation of electric power, and navigation.

36 Sec. 3. RCW 90.14.140 and 2012 c 7 s 2 are each amended to read 37 as follows:

1 (1) For the purposes of RCW 90.14.130 through 90.14.180, 2 "sufficient cause" shall be defined as the nonuse of all or a portion 3 of the water by the owner of a water right for a period of five or 4 more consecutive years where such nonuse occurs as a result of:

(a) Drought, or other unavailability of water;

6 (b) Active service in the armed forces of the United States 7 during military crisis;

8 (c) Nonvoluntary service in the armed forces of the United 9 States;

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(d) The operation of legal proceedings;

(e) Federal or state agency leases of or options to purchase lands or water rights which preclude or reduce the use of the right by the owner of the water right;

(f) Federal laws imposing land or water use restrictions either directly or through the voluntary enrollment of a landowner in a federal program implementing those laws, or acreage limitations, or production quotas;

(g) Temporarily reduced water need for irrigation use where such reduction is due to varying weather conditions, including but not limited to precipitation and temperature, that warranted the reduction in water use, so long as the water user's diversion and delivery facilities are maintained in good operating condition consistent with beneficial use of the full amount of the water right;

(h) Temporarily reduced diversions or withdrawals of irrigation water directly resulting from the provisions of a contract or similar agreement in which a supplier of electricity buys back electricity from the water right holder and the electricity is needed for the diversion or withdrawal or for the use of the water diverted or withdrawn for irrigation purposes;

(i) Water conservation measures implemented under the Yakima
 river basin water enhancement project, so long as the conserved water
 is reallocated in accordance with the provisions of P.L. 103-434;

(j) Reliance by an irrigation water user on the transitory presence of return flows in lieu of diversion or withdrawal of water from the primary source of supply, if such return flows are measured or reliably estimated using a scientific methodology generally accepted as reliable within the scientific community;

38 (k) The reduced use of irrigation water resulting from crop 39 rotation. For purposes of this subsection, crop rotation means the 40 temporary change in the type of crops grown resulting from the

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1 exercise of generally recognized sound farming practices. Unused 2 water resulting from crop rotation will not be relinquished if the 3 remaining portion of the water continues to be beneficially used; or

4 (1) Waiting for a final determination from the department of
5 ecology on a change application filed under RCW 90.03.250, 90.03.380,
6 or 90.44.100.

7 (2) Notwithstanding any other provisions of RCW 90.14.130 through
8 90.14.180, there shall be no relinquishment of any water right:

9 (a) If such right is claimed for power development purposes under 10 chapter 90.16 RCW and annual license fees are paid in accordance with 11 chapter 90.16 RCW;

(b) If such right is used for a standby or reserve water supply to be used in time of drought or other low flow period so long as withdrawal or diversion facilities are maintained in good operating condition for the use of such reserve or standby water supply;

16 (c) If such right is claimed for a determined future development 17 to take place either within fifteen years of July 1, 1967, or the 18 most recent beneficial use of the water right, whichever date is 19 later, regardless of whether there was not any change in purpose of 20 use of the water right;

(d) If such right is claimed for municipal water supply purposes under chapter 90.03 RCW;

(e) If such waters are not subject to appropriation under the applicable provisions of RCW 90.40.030;

(f) If such right or portion of the right is leased to another person for use on land other than the land to which the right is appurtenant as long as the lessee makes beneficial use of the right in accordance with this chapter and a transfer or change of the right has been approved by the department in accordance with RCW 90.03.380, 90.03.383, 90.03.390, or 90.44.100;

31 (g) If such a right or portion of the right is authorized for a 32 purpose that is satisfied by the use of agricultural industrial 33 process water as authorized under RCW 90.46.150;

34 (h) If such right is a trust water right under chapter 90.38 or 35 90.42 RCW;

36 (i) If such a right is involved in an approved local water plan
37 created under RCW 90.92.090, provided the right is subject to an
38 agreement not to divert under RCW 90.92.050, or provided the right is
39 banked under RCW 90.92.070; or

1 (j) If such a right is used for agricultural irrigation and the right or portion of the right is purchased by a good faith purchaser 2 together with real property, and the water is either put to 3 beneficial use within five years after the purchase or any nonuse 4 beyond the five-year period is based on sufficient cause or otherwise 5 6 qualifies as being exempt under this subsection and subsection (1) of this section. This subsection (2)(j) applies only to land being used 7 for agricultural purposes that is located in a county that is east of 8 the crest of the Cascade mountains in which at least forty percent of 9 the county is public land, borders Canada, and where there are no 10 anadromous fisheries in the stream where the diversion of water 11 12 occurs or where the diversion from a groundwater withdrawal occurs.

(3) In adding provisions to this section by chapter 237, Laws of 2001, the legislature does not intend to imply legislative approval or disapproval of any existing administrative policy regarding, or any existing administrative or judicial interpretation of, the provisions of this section not expressly added or revised.

18 Sec. 4. RCW 90.14.140 and 2012 c 7 s 2 are each amended to read 19 as follows:

(1) For the purposes of RCW 90.14.130 through 90.14.180, "sufficient cause" shall be defined as the nonuse of all or a portion of the water by the owner of a water right for a period of five or more consecutive years where such nonuse occurs as a result of:

(a) Drought, or other unavailability of water;

25 (b) Active service in the armed forces of the United States 26 during military crisis;

27 (c) Nonvoluntary service in the armed forces of the United 28 States;

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(d) The operation of legal proceedings;

30 (e) Federal or state agency leases of or options to purchase 31 lands or water rights which preclude or reduce the use of the right 32 by the owner of the water right;

33 (f) Federal laws imposing land or water use restrictions either 34 directly or through the voluntary enrollment of a landowner in a 35 federal program implementing those laws, or acreage limitations, or 36 production quotas;

37 (g) Temporarily reduced water need for irrigation use where such 38 reduction is due to varying weather conditions, including but not 39 limited to precipitation and temperature, that warranted the 1 reduction in water use, so long as the water user's diversion and 2 delivery facilities are maintained in good operating condition 3 consistent with beneficial use of the full amount of the water right;

4 (h) Temporarily reduced diversions or withdrawals of irrigation 5 water directly resulting from the provisions of a contract or similar 6 agreement in which a supplier of electricity buys back electricity 7 from the water right holder and the electricity is needed for the 8 diversion or withdrawal or for the use of the water diverted or 9 withdrawn for irrigation purposes;

(i) Water conservation measures implemented under the Yakima
 river basin water enhancement project, so long as the conserved water
 is reallocated in accordance with the provisions of P.L. 103-434;

(j) Reliance by an irrigation water user on the transitory presence of return flows in lieu of diversion or withdrawal of water from the primary source of supply, if such return flows are measured or reliably estimated using a scientific methodology generally accepted as reliable within the scientific community;

18 (k) The reduced use of irrigation water resulting from crop 19 rotation. For purposes of this subsection, crop rotation means the 20 temporary change in the type of crops grown resulting from the 21 exercise of generally recognized sound farming practices. Unused 22 water resulting from crop rotation will not be relinquished if the 23 remaining portion of the water continues to be beneficially used; or

(1) Waiting for a final determination from the department of
 ecology on a change application filed under RCW 90.03.250, 90.03.380,
 or 90.44.100.

(2) Notwithstanding any other provisions of RCW 90.14.130 through
90.14.180, there shall be no relinquishment of any water right:

(a) If such right is claimed for power development purposes under
 chapter 90.16 RCW and annual license fees are paid in accordance with
 chapter 90.16 RCW;

32 (b) If such right is used for a standby or reserve water supply 33 to be used in time of drought or other low flow period so long as 34 withdrawal or diversion facilities are maintained in good operating 35 condition for the use of such reserve or standby water supply;

36 (c) If such right is claimed for a determined future development 37 to take place either within fifteen years of July 1, 1967, or the 38 most recent beneficial use of the water right, whichever date is 39 later, regardless of whether there was not any change in purpose of 40 use of the water right;

(d) If such right is claimed for municipal water supply purposes
 under chapter 90.03 RCW;

3 (e) If such waters are not subject to appropriation under the 4 applicable provisions of RCW 90.40.030;

5 (f) If such right or portion of the right is leased to another 6 person for use on land other than the land to which the right is 7 appurtenant as long as the lessee makes beneficial use of the right 8 in accordance with this chapter and a transfer or change of the right 9 has been approved by the department in accordance with RCW 90.03.380, 10 90.03.383, 90.03.390, or 90.44.100;

(g) If such a right or portion of the right is authorized for a purpose that is satisfied by the use of agricultural industrial process water as authorized under RCW 90.46.150; ((or))

14 (h) If such right is a trust water right under chapter 90.38 or 15 90.42 RCW<u>; or</u>

16 (i) If such a right is used for agricultural irrigation and the 17 right or portion of the right is purchased by a good faith purchaser together with real property, and the water is either put to 18 19 beneficial use within five years after the purchase or any nonuse beyond the five-year period is based on sufficient cause or otherwise 20 qualifies as being exempt under this subsection and subsection (1) of 21 this section. This subsection (2)(i) applies only to land being used 22 for agricultural purposes that is located in a county that is east of 23 the crest of the Cascade mountains in which at least forty percent of 24 the county is public land, borders Canada, and where there are no 25 anadromous fisheries in the stream where the diversion of water 26 27 occurs or where the diversion from a groundwater withdrawal occurs.

(3) In adding provisions to this section by chapter 237, Laws of 2001, the legislature does not intend to imply legislative approval 30 or disapproval of any existing administrative policy regarding, or 31 any existing administrative or judicial interpretation of, the 32 provisions of this section not expressly added or revised.

33 Sec. 5. RCW 90.14.160 and 1981 c 291 s 1 are each amended to 34 read as follows:

Any person entitled to divert or withdraw waters of the state through any appropriation authorized by enactments of the legislature prior to enactment of chapter 117, Laws of 1917, or by custom, or by general adjudication, who abandons the same, or who voluntarily fails, without sufficient cause, to beneficially use all or any part

1 of said right to divert or withdraw for any period of five successive years ((after July 1, 1967)) within the fifteen years prior to notice 2 3 to the person of an action by the department of ecology under RCW 90.14.130 or by a court of law to relinquish the right, shall 4 relinquish such right or portion thereof, and said right or portion 5 6 thereof shall revert to the state, and the waters affected by said 7 right shall become available for appropriation in accordance with RCW 90.03.250. 8

9 Sec. 6. RCW 90.14.170 and 2013 c 23 s 608 are each amended to 10 read as follows:

11 Any person entitled to divert or withdraw waters of the state by virtue of his or her ownership of land abutting a stream, lake, or 12 13 watercourse, who abandons the same, or who voluntarily fails, without sufficient cause, to beneficially use all or any part of said right 14 15 to withdraw or divert said water for any period of five successive 16 years ((after July 1, 1967)) within the fifteen years prior to notice to the person of an action by the department of ecology under RCW 17 90.14.130 or by a court of law to relinquish the right, shall 18 relinquish such right or portion thereof, and such right or portion 19 20 thereof shall revert to the state, and the waters affected by said 21 right shall become available for appropriation in accordance with the 22 provisions of RCW 90.03.250.

23 Sec. 7. RCW 90.14.180 and 1987 c 109 s 101 are each amended to 24 read as follows:

(1) Any person hereafter entitled to divert or withdraw waters of 25 the state through an appropriation authorized under RCW 90.03.330, 26 90.44.080, or 90.44.090 who abandons the same, or who voluntarily 27 fails, without sufficient cause, to beneficially use all or any part 28 of said right to withdraw for any period of five successive years 29 30 within the fifteen years prior to notice to the person of an action by the department of ecology under RCW 90.14.130 or by a court of law 31 to relinquish the right shall relinquish such right or portion 32 thereof, and such right or portion thereof shall revert to the state, 33 34 and the waters affected by said right shall become available for appropriation in accordance with RCW 90.03.250. 35

36 <u>(2)</u> All certificates hereafter issued by the department of 37 ecology pursuant to RCW 90.03.330 shall expressly incorporate this 38 section by reference. 1 <u>NEW SECTION.</u> Sec. 8. Section 3 of this act expires June 30, 2 2021.

3 <u>NEW SECTION.</u> Sec. 9. Section 4 of this act takes effect June 4 30, 2021.

5 <u>NEW SECTION.</u> Sec. 10. Except for section 4 of this act, this 6 act is necessary for the immediate preservation of the public peace, 7 health, or safety, or support of the state government and its 8 existing public institutions, and takes effect immediately.

9 <u>NEW SECTION.</u> Sec. 11. The provisions of this act apply both 10 prospectively and retroactively to water rights that on January 1, 11 2021, were subject to relinquishment proceedings before the 12 department of ecology or on appeal of a relinquishment order under 13 RCW 90.14.130.

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