

STATEMENT OF PURPOSE

RS25629

Sometimes water right owners need to update their water right places of use or points of diversion to achieve consistency with the Public Land Survey System rather than for actual physical changes to their water diversion and use locations. Currently, the only administrative process available for such updates is the transfer process set forth in section 42-222, Idaho Code, for changing the elements—place of use, point of diversion, season of use, or purpose of use—of an established water right. The quantity-based, sliding-scale transfer filing fee, which can be hundreds or thousands of dollars, deters some water right owners from seeking to update their water rights. When no update is sought, inaccurate water right records complicate property transactions and cause water right administration difficulties for the Idaho Department of Water Resources (IDWR) and water districts. To encourage water right holders to update their water right records, this bill proposes to amend section 42-221O, Idaho Code, to charge a flat fee of only \$50.00 per water right for a transfer application updating the legal description of the point of diversion or place of use for a water right when no physical change is proposed and no unauthorized water use change has occurred.

FISCAL NOTE

The current fee structure for water right transfer applications only partially covers IDWR's processing costs. Most of the processing costs are covered by IDWR's General Fund appropriation. Reducing the fee to \$50.00 per transferred water right for some transfer applications is intended to induce more water right holders to file applications so that water users, IDWR's compliance program, and water districts can avoid administration difficulties resulting from water use inconsistent with water right records. Currently, the cost of time spent investigating and resolving those administration difficulties is also covered mainly by IDWR's General Fund appropriation. Resolving administration difficulties through the transfer application process will save sufficient administration costs in the compliance program to offset the increased application processing costs borne by the General Fund appropriation in the water allocation program. IDWR estimates the reduced transfer application fee will induce new transfer applications generating an estimated \$1,800 per year in transfer fees for IDWR's fee account. The remainder of the processing costs, approximately \$13,200 annually, will be borne by IDWR's General Fund appropriation. As stated above, IDWR is not seeking a General Fund increase, because cost savings due to improvements in IDWR's ability to administer the updated water rights will offset the processing costs.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).