

**A-Engrossed**  
**House Bill 3169**

Ordered by the House April 15  
Including House Amendments dated April 15

Sponsored by Representative BENTZ; Representatives ESQUIVEL, KRIEGER, WHISNANT

**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.

Directs Water Resources Department to conduct study to determine certain information regarding aquifers in this state. Requires department to report findings to interim committee of Legislative Assembly no later than November 30, [2015] **2020**.

Requires department to establish loan program for financing [*drilling, repair, rehabilitation or deepening of*] **specified activities regarding** wells used for domestic purposes. Establishes fund for use in carrying loan program. Authorizes issuance of lottery bonds during biennium beginning July 1, 2015, and allocates bond proceeds to fund.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to water; and declaring an emergency.

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

4 **SECTION 1. (1) The Water Resources Department shall conduct a study of all aquifers**  
5 **in this state. The study shall include, but need not be limited to, a determination of the size,**  
6 **extent and capacity and physical qualities of the aquifers. The department shall report the**  
7 **study results by dividing the state into quadrants and setting forth the information for each**  
8 **aquifer according to the quadrants where the aquifer is primarily located.**

9 **(2) The department shall report the results of the study to an interim committee of the**  
10 **Legislative Assembly dealing with natural resources no later than November 30, 2020.**

11 **SECTION 2. (1) The Domestic Well Improvement Fund is established in the State**  
12 **Treasury, separate and distinct from the General Fund. Interest earned by the Domestic**  
13 **Well Improvement Fund shall be credited to the fund. Moneys in the fund are continuously**  
14 **appropriated to the Water Resources Department for carrying out the loan program de-**  
15 **scribed in section 3 of this 2015 Act.**

16 **(2) The fund shall be held as a special fund against which the department may draw**  
17 **checks for loans under section 3 of this 2015 Act. The department may not write checks from**  
18 **the fund in excess of the available moneys in the fund.**

19 **SECTION 3. (1) The Water Resources Department shall establish a program to provide**  
20 **low-interest loans out of the Domestic Well Improvement Fund for wells primarily used for**  
21 **domestic purposes qualifying as exempt under ORS 537.545. The loans may be used for:**

22 **(a) The drilling, repair, rebuilding or deepening of a well; or**

23 **(b) The lowering of a well pump to compensate for declining water levels.**

24 **(2) The department may make a loan under this section only if:**

25 **(a) The well serves, or will serve, one or more existing dwellings located on a single real**

**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 **property;**

2 **(b) At least one dwelling on the property served by the well is occupied by the dwelling**  
3 **owner or a member of the owner's family;**

4 **(c) The property served by the well is located outside the service area of any municipal**  
5 **water system; and**

6 **(d) The owner of the property served by the well is a person of lower income as defined**  
7 **in ORS 456.055.**

8 **(3) The amount of all loans issued under this section for the same well may not exceed**  
9 **\$20,000. The maximum term for a loan under this section is 20 years. The department shall**  
10 **consult with the State Treasurer not less than annually for advice regarding appropriate in-**  
11 **terest rates for loans issued under this section. All repayments of loan principal and interest**  
12 **shall be deposited in the State Treasury and credited to the Domestic Well Improvement**  
13 **Fund.**

14 **(4) The department may take appropriate measures to ensure the proper application of**  
15 **loan proceeds, including, but not limited to, reports by licensed well constructors prior to,**  
16 **during and after the drilling, repair, rebuilding or deepening of a well or the lowering of a**  
17 **well pump.**

18 **(5) The State of Oregon has a lien for unpaid principal and interest on a loan issued under**  
19 **this section. The lien described in this subsection attaches to the real property benefited by**  
20 **the drilling, repair, rebuilding or deepening of a well or the lowering of a well pump. When**  
21 **the department issues a loan under this section, the department shall file notice of the loan**  
22 **with the recording officer of the county where the benefitted property is located. The notice**  
23 **shall contain a description of the benefitted property, the amount and purpose of the loan,**  
24 **the interest rate and a statement that the State of Oregon has a lien against the property.**

25 **(6) Upon payment of all amounts loaned for a property the department shall file with the**  
26 **county recording officer a satisfaction notice that indicates repayment of the loan.**

27 **SECTION 4. (1) For the biennium beginning July 1, 2015, at the request of the Oregon**  
28 **Department of Administrative Services, after the department consults with the Water Re-**  
29 **sources Department, the State Treasurer may issue lottery bonds pursuant to ORS 286A.560**  
30 **to 286A.585 in an amount not to exceed \$\_\_\_\_\_ in net proceeds for the purposes described**  
31 **in subsection (2) of this section, plus an additional amount estimated by the State Treasurer**  
32 **to be necessary to pay bond-related costs.**

33 **(2) Net proceeds of lottery bonds issued under this section and interest earnings must**  
34 **be transferred to the Water Resources Department in an amount sufficient to provide**  
35 **\$\_\_\_\_\_ in net proceeds and interest earnings for deposit in the Domestic Well Improvement**  
36 **Fund established in section 2 of this 2015 Act to provide loans under the program described**  
37 **in section 3 of this 2015 Act.**

38 **(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs,**  
39 **further economic development, finance public education or restore and protect parks,**  
40 **beaches, watersheds and native fish and wildlife, and is authorized based on the following**  
41 **findings:**

42 **(a) The drilling, repair, rebuilding or deepening of wells used for domestic purposes, and**  
43 **the lowering of pumps in those wells when necessary to compensate for declining water lev-**  
44 **els, will provide jobs for water well constructors and material suppliers in this state; and**

45 **(b) The drilling, repair, rebuilding or deepening of wells used for domestic purposes, and**

1 the lowering of pumps in those wells when necessary to compensate for declining water lev-  
2 els, will help protect watersheds and native fish and wildlife by making more efficient use  
3 of ground water and reducing the potential demand for the appropriation of surface waters.

4 **SECTION 5.** This 2015 Act being necessary for the immediate preservation of the public  
5 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect  
6 on its passage.

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