

SENATE BILL REPORT

SB 6362

As of January 19, 1996

Title: An act relating to establishing a state water bank.

Brief Description: Authorizing a state water bank.

Sponsors: Senators Morton, Roach, Swecker, Hochstatter and A. Anderson.

Brief History:

Committee Activity: Ecology & Parks: 1/22/96, 1/26/96.

SENATE COMMITTEE ON ECOLOGY & PARKS

Staff: Gary Wilburn (786-7453)

Background: Voluntary transfers of water on a seasonal, temporary or permanent basis are being increasingly used in western states as a cost-effective means of meeting new water demands. In other western states, the development of water "markets" is more advanced, with greater information on pricing and interested "buyers" and "sellers." In some states, the developing markets consist of primarily private transactions, subject to review by the state for adverse impacts to other water right holders. In Idaho, the state operates a water "bank" on the Snake system in which water may be leased on a seasonable basis for a variety of instream and offstream purposes. Studies conducted in the Yakima basin have recommended water banking in which voluntary transfers might be publicly funded to enhance stream flows during periods critical for fish passage. A type of water bank has also been proposed to facilitate transfer of water as part of a regional watershed plan for the Methow basin.

Summary of Bill: The Governor is authorized to establish a state water bank on a short-term or long-term basis, for the purpose of facilitating voluntary water transfers. The bank may operate in any way that facilitates transfers, and several types of activities are suggested. The Governor shall appoint a governing board to establish procedures and policies for bank operation, and the Department of Ecology staffs the bank.

At the Governor's discretion, the state bank may be empowered to administer the state Water Code regarding review and approval of transfers and changes in use or point of diversion. In this capacity the bank acts in the place of the Department of Ecology.

Local water agencies and governments may establish a local or regional bank on a temporary or permanent basis, and the types of activities that may be carried out are described. The state-authorized banks may perform the same functions as the state water bank. To form a local bank a person may petition the Governor, and the required contents of the petition are specified. The Governor may approve the local bank formation if the information meets the requirements of the bank statutes and is otherwise satisfactory.

Water rights placed in the state bank or in to local or regional banks are not subject to the relinquishment laws while held in the banks. The use of the state bank or local banks for transfer of water rights is optional.

Appropriation: None.

Fiscal Note: Requested on January 12, 1996.

Effective Date: Ninety days after adjournment of session in which bill is passed.