

SENATE BILL REPORT

SB 6732

As Reported By Senate Committee On:
Natural Resources, Energy & Water, February 6, 2004

Title: An act relating to water availability.

Brief Description: Creating the water supply account.

Sponsors: Senators Honeyford, Mulliken and Rasmussen.

Brief History:

Committee Activity: Natural Resources, Energy & Water: 2/6/04 [DPS, DNP].

SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

Majority Report: That Substitute Senate Bill No. 6732 be substituted therefor, and the substitute bill do pass.

Signed by Senators Morton, Chair; Hewitt, Vice Chair; Hale, Hargrove, Honeyford and Oke.

Minority Report: Do not pass.

Signed by Senators Fraser and Regala.

Staff: Evan Sheffels (786-7486)

Background: Most building permit applicants desiring to construct a building needing potable water are required to provide evidence of an adequate water supply. Acceptable evidence includes a water right permit from the Department of Ecology (DOE), a letter from an approved water purveyor able to provide water, or any other evidence sufficient to verify the existence of an adequate water supply. An application for a water right is not sufficient proof of an adequate water supply. Individuals with exempt wells have indicated that building permit applications have been delayed and denied because of the adequate water supply requirement for building permits.

The water code generally prohibits the withdrawal of public groundwater unless a permit has been granted, though several uses are exempt from groundwater permit requirements. Exempt uses include: "any withdrawal of public ground waters for stock watering purposes, watering of a lawn or of a noncommercial garden not exceeding one-half acre in area, single or group domestic uses in an amount not exceeding 5,000 gallons a day, or for an industrial purpose in an amount not exceeding 5,000 gallons a day."

These exempt uses are entitled to water rights equal to those with DOE issued permits. Owners of exempt wells may apply for a permit, but they are not required to do so. Courts have issued conflicting statutory interpretations regarding the applicability of the 5,000 gallons per day limit to various exempt uses. Due to this uncertainty, it is reported that

financial institutions have refused to extend financing for projects and operations reliant on exempt wells.

Summary of Substitute Bill: Reliance on a well authorized under the exempt well statute shall serve as evidence of an adequate water supply, with regard to building code permit requirements.

The water supply account is created to receive legislative appropriations, or other federal or local funds. The Department of Community, Trade, and Economic Development (DCTED) must provide grants from available funds to county-based economic development agencies. The account is subject to allotment procedures, but appropriations are not required for fund expenditure. Account funds may only be used by the local economic development agency to acquire, lease, or otherwise obtain water for economic development purposes.

On a first-come, first-served basis, the local economic development agency may lease or sell acquired water rights to persons intending to put the water to beneficial use for economic development purposes. Revenues derived from water leases must be placed in the water supply account. DCTED must seek federal and local funds to augment state funding for the account.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on February 6, 2004.

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

Testimony For: None.

Testimony Against: None.

Testified: No one.