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**SUBSTITUTE HOUSE BILL 1000**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** House Agriculture & Natural Resources (originally sponsored by Representatives Blake, Kretz, and Buys)

AN ACT Relating to water rights appurtenant to land managed by the department of fish and wildlife; and adding new sections to chapter 77.12 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 77.12 RCW to read as follows:

(1) The department must maintain and regularly update an inventory of water rights appurtenant to each parcel of land owned or managed by the department. The inventory must include information regarding whether the department is using, has used within the most recent four-year period, or plans to use within the subsequent four-year period all, or a portion of, each water right for out-of-stream or in-stream beneficial uses.

(2) Unless the department's nonuse of a water right meets one of the sufficient causes listed in RCW 90.14.140(1), the department must offer for leasing, at comparable market terms, for out-of-stream or in-stream beneficial uses within the same watershed, as that term is defined in RCW 90.74.010, all water rights indicated in the inventory created under this section:

(a) That are not the subject of current beneficial uses;

(b) That have not been the subject of beneficial uses in the previous four years; or

(c) That are not the planned subject of beneficial uses in the succeeding four years.

(3) Any water right leased for in-stream use may be enrolled in the trust water rights program created in RCW 90.42.040 or any other mechanism whereby the lessee is entitled to receive mitigation credit for committing the water right to an in-stream beneficial use.

(4) All proceeds from water right leases entered into by the department under this section must be deposited into the habitat enhancement and leasing account created in section 2 of this act.

(5) All water right leases entered into by the department under this section must be consistent with chapter 90.03 or 90.44 RCW, as appropriate.

(6) This section does not apply to:

(a) Properties with deed restrictions in conflict with this section or where application of this section would otherwise violate law;

(b) Water rights for which the department has made the affirmative business decision to enroll in the trust water rights program created in RCW 90.42.040 without receiving monetary compensation for the water right or allowing a third party to use the water right as mitigation; and

(c) Nonconsumptive water rights used by fish hatcheries and associated rearing ponds.

(7) The department must report annually to the legislature, consistent with RCW 43.01.036, the number and location of water rights in its ownership, the number of water rights that were purchased or otherwise acquired in the previous year, and the current use and leasing status of all water rights in its ownership.

NEW SECTION. **Sec.**  A new section is added to chapter 77.12 RCW to read as follows:

(1) The habitat enhancement and leasing account is created in the state treasury. All receipts from the leasing of water rights under section 1 of this act must be deposited in the account.

(2) Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used by the department to:

(a) Provide funding to regional fisheries enhancement groups incorporated under chapter 77.95 RCW;

(b) Maintain or increase production at department-managed fish hatcheries; and

(c) Control weeds and other invasive plants on department-managed lands.

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