

**State Water Resources Control Board
Water Right Ownership Change Notification Regulations**

Attachment A to Form STD 399

ECONOMIC IMPACT STATEMENT (PAGE 1)

Section A. Estimated Private Sector Cost Impacts (Page 1)

A.1.

The State Water Board has determined that the proposed regulations would not impose any private sector cost impacts because the proposed regulations only clarify existing regulations that require notification to the state water board of contact information changes or ownership changes and modify the reporting periods and deadlines for existing regulations that require reports. No new reporting requirements are proposed.

The State Water Board does not track or have a way of estimating the total number of businesses contained within the water rights system. The State Water Board also does not track or have a way of estimating the percentage of businesses that meet the criteria of a small business. Nonetheless, the proposed regulations will not impact businesses and/or employees, small businesses, jobs or occupations, or California competitiveness. The proposed regulations merely clarify existing notification requirements for changes in contact information or ownership and adjust the reporting periods and deadlines for existing reporting requirements. The twelve month reporting period remains one year long, but will be shifted from the calendar year (January 1 through December 31) to the water year (October 1 through September 30). The deadlines will be shifted to February 1. For licensees, permittees, and registration and certificate holders, the timeframe between the end of the reporting period and the reporting deadline will increase from three months to four months. Existing regulations already require the reports. Therefore, there will be no impacts to businesses and/or employees, small businesses, jobs or occupations, or California competitiveness.

To the extent that the proposed regulation applies to water rights holders that may be considered businesses pursuant to Government Code section 11342.610, subdivision (b)(8), the aligned reporting periods, aligned reporting deadlines, and notification requirements of contact information and ownership information are essential to the State Water Board's core function of orderly and efficient administration of the state's water resources, which directly impacts health safety and the welfare of the people of the state.

FISCAL IMPACT STATEMENT (PAGE 4)

Section A. Fiscal Effect on Local Government (Page 4)

A.5

The proposed regulations would not have a fiscal impact on local governments. The proposed regulations do not impose new requirements. They merely clarify existing notification requirements for changes in contact information or ownership and modify reporting periods and deadlines for existing reporting requirements. The timeframe between the end of the reporting period and the Revised Water Right Ownership Notice Requirements

reporting deadline will increase by one month for licenses, permits, registrations, and certificates. Therefore, there will be no fiscal impact on local governments.

Section B. Fiscal Effect on State Government (Page 5)

B.2

There will be no change in government expenditures to enforce the proposed regulation. The State Water Board does not anticipate this regulation will result in any increased costs/workload for state water board staff to implement these regulations because the proposed regulation only clarifies the existing notification requirements on water rights holders and modifies reporting periods and deadlines for existing required reports. The proposed regulations impose no new reporting requirements.

There will be a cost-savings to the Office of the Delta Watermaster and the State Board's Division of Water Rights associated with administering the revised regulations. The annual amount of time currently spent researching the lack of water rights change of ownership notification is estimated to be 600 Water Board staff hours each year. Based on experience over the last four years, the Office of the Delta Watermaster estimates that roughly 100 hours per year have been spent tracking down new water right owners who are delinquent in filing required water use reports. Water use reports have due dates set by the Legislature. Following the due dates, delinquents are tracked as anecdotally described in the attachment to the initial statement of reasons. The most common cause of delinquency—and the one most time-consuming to track down—is failure to notify the State Water Board of the transfer of the property underlying the water right.

Although the process of tracking delinquencies has been streamlined, the lack of properly filed notices of the change of ownership, which would be addressed by clarification of the existing reporting requirements, would save 100 hours of staff time within the Office of the Delta Watermaster. Five staff from the State Water Board's Division of Water Rights work on similar water rights change of ownership matters outside of the Legal Delta but report similar experience. Thus, the clarification of the existing regulatory requirement could save 600 hours of staff time annually. The blended hourly rate for an average employee at the State Water Board is approximately \$127. Therefore, the proposed regulation could save \$76,200 annually.