

OREGON



WATER RESOURCES  
DEPARTMENT

# Fiscal Impact Statement

Oregon Water Resources  
Department

September 17, 2024

# Statement of Fiscal & Economic Impacts

## Components of the Fiscal Impact

- **Statement of Fiscal Impact**
- Cost of Compliance

# Statement of Fiscal & Economic Impacts

## Statement of Fiscal Impact (ORS 183.335(2)(b)(E))

- Identifies state agencies, units of local government and the public that may be economically effected by proposed rule changes
- Estimates economic impact on those entities
- Uses available information to project significant economic effect of proposed rule changes on businesses, including the cost of compliance effects on small businesses

# Statement of Fiscal & Economic Impacts

## **Fiscal Impact Analysis (ORS 183.335(2)(b)(E))**

- Economic analysis but does not require original research by the agency
- Needs to address only the impact of the proposed rules on the status quo
- In the past, OWRD has done a qualitative analysis

# Statement of Fiscal & Economic Impacts

## Components of the Fiscal Impact

- Statement of Fiscal Impact
- **Cost of Compliance**

# Statement of Fiscal & Economic Impacts

## Components of the Cost of Compliance (ORS 183.336)

1. Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s)
2. Cost of Compliance Effect on **Small Business**

# Statement of Fiscal & Economic Impacts

## Small Business (ORS 183.310(10)(a))

- Corporation, partnership, sole proprietorship or other legal entity
- Formed for purpose of making a profit
- Independently owned and operated from all other businesses
- 50 or fewer employees.

# Statement of Fiscal & Economic Impacts

## Cost of Compliance Effect on Small Business (ORS 183.336)

- Estimates number of small businesses subject to new rules
- Identifies types of businesses subject to new rules
- Briefly describes projected reporting, recordkeeping and other administrative activities required for compliance with new rules, including costs of professional services
- Identifies equipment, supplies, labor and increased administration required for compliance with new rules
- Describes how agency proposing rules involved small businesses in rule development
- Uses available information



## Limitation of Economic Effect on Small Businesses (OAR 137-001-0018)

- (1) Before the adoption of a permanent rule, the agency will determine whether the economic effect upon small business is significantly adverse, based upon
  - a) Fiscal Impact Analysis
  - b) Statement of cost of compliance
  - c) Recommendations from the Rules Advisory Committee
  - d) Comments made in response to its rulemaking notice

The background features a stylized landscape. The top portion shows brown mountains with white snow-capped peaks and white, fluffy clouds against a light blue sky. The middle section is a solid dark blue band. The bottom section shows rolling green hills with light tan outlines.

# Information Gathered by OWRD

# Statement of Fiscal & Economic Impacts

## Information Gathered So Far:

- Business Case study for the economic value of water
- USDA Census of Agriculture 2022
- Data of Small Businesses in Harney County
- Oregon Agricultural Statistics and Directory 2022
- ECONorthwest Phase 1 and Phase 2: Harney County Economic Analysis
- Study: Economic Benefits Supported by Surface Water
- Study: Beneficial ‘inefficiencies’ of western ranching: Flood-irrigated hay production sustains wetland systems by mimicking historic hydrologic processes

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