



## Media Release

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### Court overturns fees charged to water rights holders

San Luis Obispo County family farmers who were wrongfully required to pay a state water rights fee may have their money refunded as a result of an appeals court ruling. After a four-year legal battle, the 3rd District Court of Appeal in Sacramento decided in favor of farmers and ranchers who protested imposition of a new and unconstitutional state fee that resulted in a total collection of more than \$20 million.

“This three year legal battle is an example of California Farm Bureau at its best - defending its members from improperly imposed fees formulated to sustain the present general payroll of a single department without regard to cost or result value,” said Hy Blythe, San Luis Obispo County cattle Rancher and Farm Bureau member.

Beginning in 2004, water rights fees were levied on about 7,000 water rights holders’ statewide, of which 247 were held in SLO County. The court agreed with the California Farm Bureau Federation that those fees were invalid and unconstitutional.

The California Farm Bureau Federation (CFBF), along with the Northern California Water Association, Central Valley Project Water Association, Imperial Irrigation District and about 200 water users, led the legal challenge to the yearly fee. The court determined the fees far exceeded any benefits to people with water rights, and were used to fund other activities of the State Water Resources Control Board's Water Rights Division.

"Farm Bureau had serious concerns, not just about the constitutionality of the fee, but also about the hasty adoption of the fee provision, lack of budget analysis and the collection of far more money than is needed to administer existing small water rights," said Carl Borden, CFBF associate counsel.

Farm Bureau took legal action after the Legislature passed Senate Bill 1049 in 2003 and directed the board to recover the full costs of its Water Rights Division from Jan. 1 to June 30, 2004, and each year thereafter. SB 1049 passed with a simple majority vote of the Legislature.

Rather than establish fees for actual services provided by its Water Rights Division, the SWRCB instead imposed a 3 cents per-acre-foot fee, with a \$100 minimum, on all water rights permits and licenses, regardless of whether the SWRCB provides any service to these water rights holders. The fees have been imposed annually on the amount of water authorized to be diverted under a permit or license, whether the water is actually used or not.

“The fees must relate to services provided or have a value to the holder of the water right, these fees did not. My hat is off to Farm Bureau for leading the charge against this inappropriate regulatory fee. Farm Bureau has again proven that I have a value in my membership,” said Nick Marquart, San Luis Obispo County cattleman and Farm Bureau member.

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Mission Statement:

“To lead San Luis Obispo County in the protection, promotion and advocacy for the benefit of our members and community”