EXHIBIT 8
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NO. 298

House Bill 298
January 27, 2005
Presented by Jeff Hagener
House Fish, Wildlife and Parks Committee

Mr. Chairman and committee members, for the record I am Jeff Hagener, Director of Montana Department of Fish, Wildlife & Parks (FWP).

This bill provides that FWP can utilize certain federal funds to match up to $500,000 of state funds in the future fisheries improvement program or other designated state funds for voluntary water leases for emergency low-flow conditions.

FWP currently has the ability to match federal funds with state dollars to fund water leases. We have not done so to date because the use of federal funds necessitates the preparation of an appraisal of the value of the water. Montana does not have an active market in water leases, consequently there is very little information on which to base an appraisal. We are not aware of any appraisers in the state that have experience completing water appraisals that would meet the U. S. Fish and Wildlife Service standards.

FWP neither supports nor opposes this bill. We simply point out that using federal funds to lease water creates additional information requirements in the water leasing process that can be difficult and time consuming to complete. These information requirements also increase the cost of obtaining the lease since an appraiser needs to be retained to develop the appraised value of the water.