TROUT
UNLIMITED

May 8, 2023

Representative Nancy Nathanson, Chair
Representative E. Werner Reschke, Vice-Chair
Representative Jules Walters, Vice-Chair
House Committee on Revenue

Re: **Trout Unlimited supports House Bill 2971 A**

Dear Chair Nathanson, Vice-Chairs Reschke and Walters, and Members of the Committee,

Trout Unlimited ("TU") is a non-profit organization dedicated to the conservation of coldwater fish and their habitats. Our mission is to bring together diverse interests to care for and recover rivers and streams so our children can experience the joy of wild and native trout and salmon.

TU supports House Bill 2971 A.

Instream leases are a valuable legal tool that allow parties with a water right to voluntarily transact with third parties on agreements that place water instream for a limited duration (subject to approval by the Oregon Water Resources Department), thereby benefiting fish and wildlife.

HB 2971 A is intended to ensure that landowners who engage in voluntary instream leasing of water rights do not lose their "farm use" tax treatment for real property associated with the leased water right. Deschutes River Conservancy's instream leasing program is responsible for a significant portion of the Deschutes River's instream flows downstream of Bend each summer. If fewer agricultural landowners participate in instream leasing due to concerns about possible impacts to their tax status, the Deschutes River north of Bend would be expected to have less flow, warmer water temperatures, and less hospitable conditions for fish during the summer irrigation season.

Simply put, this bill is a means of providing certainty to agricultural landowners about the tax treatment of instream leasing by clarifying that landowners who lease their water instream under such a program will not risk losing their EFU tax deferral.

Thank you for this opportunity to provide comments on this legislation, and please let me know if you have any questions.

Sincerely,

James Fraser
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Trout Unlimited: America's Leading Coldwater Fisheries Conservation Organization
www.tu.org