EXHIBIT 3
DATE 1.25.05
HB 79

Keep Habitat Montana working for

Wildlife ■ Hunters ■ Ranchers

Habitat Montana

Dramatic shifts in population and economics are having major impact on Montanans and the wildlife they love. Legislators can't turn back the clock but in 1987 they had the foresight to create a law aimed at saving part of our past.

House Bill 526 directed the Montana Department of Fish, Wildlife and Parks to protect "important habitat that is threatened." To fund the effort, legislators raised hunting license fees, earmarking part of the increased revenue for that purpose. The legislation specified that this unique program, called "Habitat Montana," end in 2006 unless reauthorized during the 2005 session.

Benefits resulting from the 1987 Legislature's foresight are remarkable: 258,000 acres have been conserved and 30 ranch families have cooperated and profited. Yet no tax dollars were spent and no property taxes lost.

Habitat Montana helps maintain our most cherished traditions: Family owned ranches, sustainable wildlife habitat and hunting opportunity. At no cost to taxpayers and no loss of tax revenue.

Lloyd and Sandra Maher,
Belgrade

Sold FWP an easement on 880 acres in fast-developing Gallatin County, adjacent to the Bridger Mountains

"We didn't do this for our benefit, we did it for the mule deer...so they'd have some open space, something that wouldn't be subdivided. It's worked well for us. Some of our neighbors are now considering conservation easements too. We all need some open space and we need to take care of the wildlife."

Hunters helping ranchers, ranchers helping hunters

No cost to taxpayers

The 1987 legislation raises approximately $3 million annually, all from hunter license fees. Twenty percent is reserved for operation and maintenance; the balance is allocated to conserve critical, threatened habit through fee title purchase, conservation easement, or term lease. Under Habitat Montana, 83% of the habitat protected has been in easements.

No loss in property taxes

Montana law (76-6-208) provides that conservation easements may not be classified into a tax class affording a lesser assessed valuation solely as a result of the easement. Further, for wildlife lands owned in fee title, FWP must pay to the county "a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen." (87-1-603)

It's strictly voluntary: willing seller, willing buyer

Under the Habitat Montana program, FWP has prioritized wildlife habitat types that are considered seriously threatened. A potential Habitat Montana project starts when a landowner expresses interest by contacting FWP. Does the habitat meet FWP's criteria? Does the landowner feel comfortable with the proposed easement terms? If both parties agree to proceed, a market-based price is negotiated on a willing seller/willing buyer basis.

Before the deal is consummated, an environmental assessment and management plan for the land are drafted and distributed to the public for comment; public hearings are held, and all comments are evaluated and published. If the project is still a "go," FWP staff recommends approval to the FWP Commission. Finally, for projects involving more than $100,000, or more than 100 acres, approval must be obtained from the State Board of Land Commissioners *(Governor, Attorney General, Secretary of State, Superintendent of Public Instruction and State Auditor).*

Marge Gray and her son Doran Lynch, Harris Land and Cattle Company, Highwood

FWP easement maintains 10,000 acres of open space including riparian and foothills habitat in Chouteau County, near Great Falls

"Why did we sell the easement? There was a prolonged drought. We did it for the money, to keep the ranch operating. We had other alternatives and 'walked down the road with them quite a ways.' Some non-residents wanted to build a hunting lodge, lease the hunting. Or we could have subdivided part of it. But we wanted to keep the ranch together as an economic unit. Our family feels the same way.

"We could have sold the ranch, could still sell it even with the easement, and moved to town...but that isn't us. We don't want to do that. This is one of the oldest ranches in Montana and one of the best. We wanted to preserve it intact. It is rare to find a ranch of this quality still in one contiguous bloc.

"I (Marge) am a realtor. I have nothing against subdivision, it's part of my living. But not our ranch. FWP is good to work with, been very cooperative during this drought."

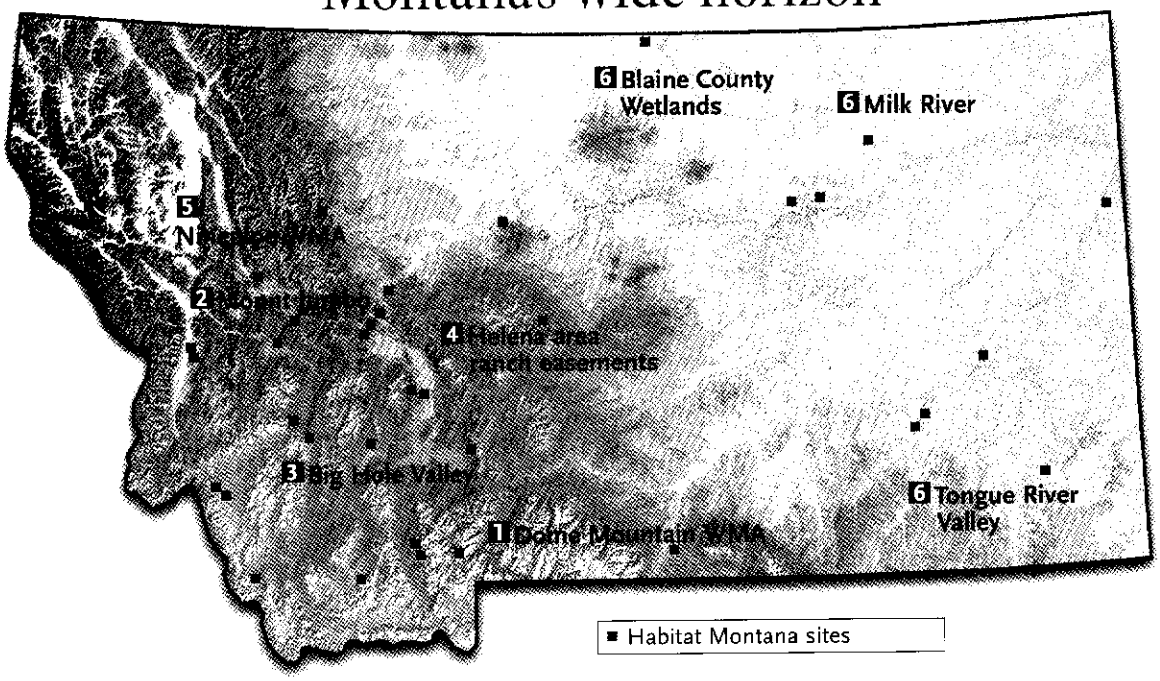
John Cowell, Harlem

FWP easement protects 4,500 acres of prairie habitat in Phillips County

"This easement hasn't hurt me one bit. There have been no surprises, everything is working very fine. We just completed some water projects, some were included in the easement. That will improve the grazing, for cattle and for wildlife.

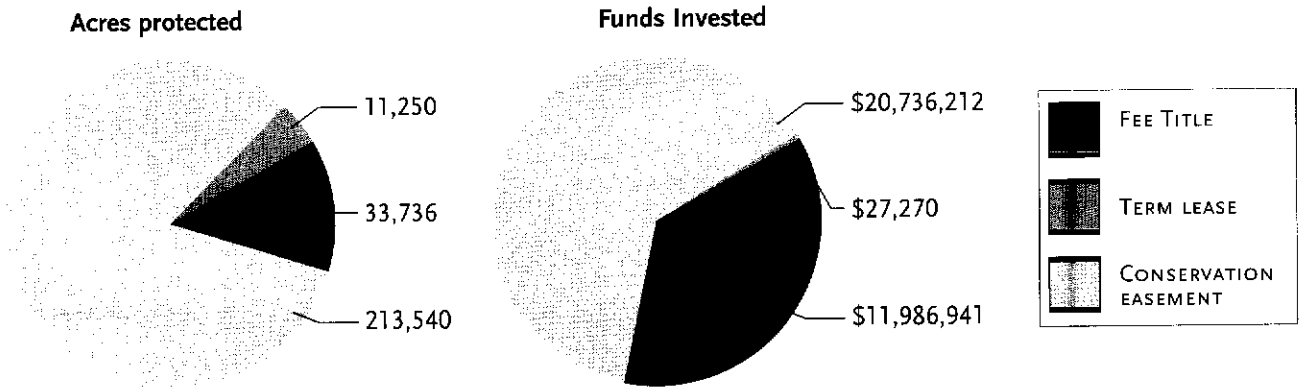
"If my neighbor can decide to subdivide, I can decide not to subdivide. Subdivision is into perpetuity, too. Once broken into smaller pieces, these ranches will never again become an economic unit."

Conserving important habitat across Montana's wide horizon



1. In the Yellowstone Valley, Dome Mountain Wildlife Management Area was enlarged by almost 100% to help accommodate resident elk as well as elk from Yellowstone Park during severe winters.
2. Purchase of 120 acres on Missoula's Mount Jumbo was part of a larger effort to maintain winter elk habitat and open space.
3. In the Big Hole, FWP purchased a conservation easement from the Hirschy ranching family encompassing more than 10,000 acres of elk and moose habitat.
4. The Sieben, O'Connell and Grady Ranch easements north of Helena cover more than 34,000 acres of elk and deer winter range and protect a wildlife movement corridor connecting Glacier National Park with the Gates of the Mountains and island mountain ranges east of the Missouri River.
5. In the Mission Valley, over 650 acres of precious wetlands habitat has been added to the Ninepipe Wildlife Management Area with the assistance of the Confederated Salish-Kootenai Tribe.
6. Conserving productive wetlands, woody draws and riparian habitat, FWP bought easements on 14 miles of the Tongue River bottoms in Custer County, 3,000 acres along Milk River in Valley County, and 15,000 acres (including 652 acres of wetlands) in Blaine County.

Habitat Montana – 1988 through 2003



Partners in making Habitat Montana work

Partners are the key to success in today's complex world. Montana Fish, Wildlife & Parks and the Coalition for Reauthorization of Habitat Montana, gratefully acknowledge the continuing support and involvement of the following:

- Conservation-minded legislators who, in every session even before HB 526 was passed in 1987, expressed concern for the need to protect important habitat on a consistent basis, with funding available when critical sites became available
- The 30 ranching families who have sold conservation interests to FWP and their local County Commissioners who have supported this effort
- The Rocky Mountain Elk Foundation, Montana Trout Unlimited, The Nature Conservancy and Pheasants Forever
- The Confederated Salish and Kootenai Tribes
- The U. S. Fish & Wildlife Service and the U.S. Forest Service
- The Blackfoot Challenge, Montana Audubon, Montana Bowhunters Association
- Big Sky Upland Game Bird Association, Headwater Fish and Game Association
- Montana Wildlife Federation and its affiliates: Anaconda Sportsmen, Billings Rod and Gun Club, Flathead Wildlife, Inc., Great Falls Shooting Sports Complex, Gallatin Wildlife Association, Helena Hunters and Anglers, Red Lodge Rod and Gun, Russell Country Sportsmen, Skyline Sportsmen's Club - Butte, Ravalli County Fish and Wildlife Association
- Five Valleys Land Trust, Rock Creek Trust and several other local land trusts
- The Conservation Fund and Trust for Public Land

Hunting is big business in Montana—

25%
Percentage of Montanans, 16 years and older, who hunt

$300 Million
Economic impact of hunting on Montana's economy

6,665
Number of youth who took Hunter Education last year

1,232
Number of voluntary instructors who taught them

Rachel and Ken Mills,
Rachel Mills is the daughter of Ken, shown with Rachel, and Anke Mills, Belgrade. Rachel is a successful big game hunter and, at age 14, an instructor in FWP's Hunter Safety program.

"I started hunting when I was 12 and have spent a lot of time in the field with my Dad and brothers. It's fun. Hunting has helped me get to know my Dad and brothers a lot better. It's a blast."

OIN US IN SUPPORTING REAUTHORIZATION OF HABITAT MONTANA

Coalition for Reauthorization of Habitat Montana

Prepared, printed and paid for by the above Coalition.

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Meeting the Legislature's mandate

The 1987 Legislature, through HB 526, and subsequent legislatures gave clear direction on how the habitat protection program should be implemented. FWP and its citizen commissioners have taken this direction seriously:

- A comprehensive plan, including public and scientific input, was to be prepared to guide the program. The result is "Habitat Montana," a document that identifies habitat types in need of conservation, the means of public involvement, and many other details.
- Emphasis was to be placed on conservation easements or leases, rather than on fee title acquisition. However, purchase in fee title was still allowed because the legislature understood that the seller would determine which method was in his/her best interest.
- Habitat sites were to be reasonably distributed around the state, benefiting the full range of game and non-game wildlife. The accompanying map demonstrates that this mandate has been met.

Lease, easement, fee title... What's the difference?

FWP conserves important habitat through a "willing buyer—willing seller" process. In negotiating these transactions, the legislature has granted FWP authority to use any of three legal mechanisms. Here's a brief description of each:

- ***Conservation easement:*** Landowner retains ownership and use of the land as in the past, paying taxes, controlling weeds, etc. A management plan, such as rest-rotation grazing, is developed. Water development and fencing, sometimes partially funded by the FWP easement, may be implemented. Landowner agrees to limit specified uses of the land, such as subdivison and development, surface mining or new cultivation of native range. Easement becomes a permanent part of the property's title so restrictions apply to future owners. These restrictions may reduce the property's future value, often by 30 to 40%. Payments by FWP for easements have ranged from $40 to $373 per acre.
- ***Term lease:*** Landowner agrees for a specific number of years (5-10 years is typical) to perform specific activities, such as protecting and/or improving wildlife habitat. Because the agreement is only temporary, payment per acre is limited.
- ***Fee title:*** FWP acquires full ownership of the property with all the benefits and responsibilities of ownership. FWP must control weeds, maintain fences, make payment in lieu of property taxes in same amount as when land was privately owned. FWP may lease grazing to nearby ranchers via competitive bids or enter into cooperative grazing systems to improve habitat on surrounding land.

VIRGINIA BROWN,
Brown Valley Ranch, Stevensville

FWP easement on 1,868 acres adjacent to Three Mile Wildlife Management Area in Ravalli County.

"We feel very fortunate to have been able to preserve 1800 acres of our ranch by way of a conservation easement. As subdivison invades Ravalli County, we take pride and comfort in knowing this portion of the ranch will remain intact, providing wildlife habitat as well as retaining its traditional agricultural use. To us, the ultimate family legacy is the gift of open space."

DONNA AND LES HIRSCH,
Hirsch Ranch, Miles City

FWP easement sustains 13,337 acres of rich riparian and cottonwood habitat along the Tongue River in Custer County.

"We worked with FWP on a conservation easement to conserve wildlife habitat and reduce our debt load. As a result we were able to purchase additional ranch land. It just made good business sense."

Immediate and long-term benefits for conservation-minded ranchers

It's obvious that future generations of Montanans, and the wildlife they will come to love, have much to gain from Habitat Montana.

Perhaps it's not so obvious why traditional ranching families are eager to participate. Here's why:

To preserve the family legacy and its habitat.

- Most participants are multi-generational ranching families with a deep moral commitment to continue the ranching operation and the wildlife that depends on it. They share emotional stories about hardships endured by parents, grandparents and great grandparents. For them, losing the ranch, or any part of it, to subdivision would violate a sacred trust.
- They love the wildlife. Watching wildlife, seeing nature's cycles unfold, is at the core of their existence. They know those wild creatures require secure habitat.

To obtain cash for a variety of family needs

Montana has suffered prolonged drought and unfavorable agricultural prices. Ranching profits are small. A FWP conservation easement generates a lot of cash— hundreds of thousands of dollars, typically— for a participating family. They use it in a variety of ways:

- To retire debt. With debt eliminated, the ranch has a brighter future.
- To expand, buying more land so a son or daughter can stay on the land instead of moving to the city.
- To fund Mom and Dad's, or an uncle's, retirement allowing the older generation to move to town and the young family to take over.
- To facilitate estate planning, paying a share to the children who left the state so that the one remaining will own the ranch free and clear.

Nina and John Baucus,
Sieben Ranch Company, Wolf Creek

Habitat Montana easement covers 15,000 acres and two creeks in Lewis and Clark County

"Ownership of a family ranch fragments as it passes from one generation to the next. Second- and third-generation owners often have different views of ranch ownership and management direction. Those living on the land and operating the ranch often have conflicting objectives with those who have moved away.

"Habitat Montana has helped make it possible for several ranch families to buy out other family members, thereby keeping the land in agriculture and in the hands of families that have worked the land through one or more generations.

"With a conservation easement, those lands will be conserved for future generations of farmers and ranchers, for Montana wildlife, and for all Montanans to enjoy.

"We hope many more acres of Montana ranch land can be conserved through Habitat Montana."

Montanans are big on birds

- 44% of Montanans— twice the national average of 22%— say they engage in birding, according to a national survey.
- Montanans spent $10 million for birdseed in 1996.

Habitat Montana benefits birds and the people who love them.