



EXHIBIT 3  
DATE 2.9.05  
HB 506

February 8, 2005

Mr. Karl Waitschies, Chairman  
House Taxation Committee  
Montana House of Representatives  
PO Box 200400  
Helena, MT 59620-0400

Dear Chairman Waitschies:

Please accept this letter as an expression of my support for HB 506. To me, it boils down to two fundamental issues. Those issues are fairness in taxation and economic development.

This legislation is intended to return equity and opportunity in the treatment of certain tracts of land as it relates to valuation, assessment and taxation. Further, it will assist economic growth and development in Montana communities, large and small by allowing Montanans to hold on to more of their hard earned dollars until development actually begins to take place on their property.

We need to encourage the taxpayer who is making a significant investment in land development to not only improve his or her standard of living, but also that of many other Montanans by helping expand our tax base through increased industry and job creation. It is very expensive to develop land by investing in infrastructure meant to make vacant property ready for commercial development. Streets, water, storm and sanitary sewer, and even lighting and sidewalks may be involved. In addition, there is almost never any guaranty that the development will take place within a reasonable period of time, or even at an amount which will allow the taxpayer to recover all of the costs involved in such a venture.

Montana currently rewards these risk takers by sending their property taxes through the roof. I fully support taxing commercial development, and the parcel upon with the development rests at commercial rates. But it is an entirely separate issue to tax land, which would otherwise qualify for agricultural designation based upon ownership, size, agricultural income generated and current use of the property as something more. This tax increase is not justified, in my opinion.

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In summary, the Montana Legislature needs to address this issue, to help confirm our state's commitment to economic development. We also need to make it very clear that our intent is to allow for ag taxation on these properties, as long as they still qualify from the standpoints of ownership, size and ag value produced. As soon as any of the property fails to do qualify, through its size, development, etc. we need to assess full commercial value, but not until then.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "G. Ron Pierce".

G. Ron Pierce, President  
Pierce Companies