

Bull Mountain Land Alliance
A local affiliate of the Northern Plains Resource Council
13838 Hwy 87 N, Shepherd MT 59079

EXHIBIT 9
DATE 3/23/11
HB 616

My name is Jeanne Charter. My husband Steve and I own and operate a commercial cattle ranch in northern Yellowstone County. I am testifying today in support of HB 616 on behalf of us as individuals and also on behalf of the Northern Plains Resource Council and the membership of our local affiliate--the Bull Mountain Land Alliance.

In our part of Montana, the state's new grazing land valuation procedures can estimate production capacity at 2.5 TIMES OR MORE than the use levels generally recommended!** Taxes based on incorrect production capacity determinations have serious unintended consequences: from undermining economic viability for many operations to overstocking problems and impaired wildlife habitat.

The Department of Revenue appears to have arrived at their numbers by using soil types' totally unrealistic "Historic Climax" potential without adjusting adequately for significant local precipitation differences and more representative range productivity figures. The fact is that only 50% of "Historic Climax" numbers represents rangeland in good shape (example attached)! In our area, the precipitation is wildly over-estimated: 14-16 inches instead of an actual 9-11 inch average. The problem seems to be that PRISM precipitation mapping information (example attached) is based on the closest monitoring stations, which in Yellowstone County all lie along the river valley--which is a different world from our big dry country to the north. The PRISM precipitation data maps need to be locally reviewed. Proposed adjustments could be confirmed by range scientists who can determine by the plants present what average rainfall a given area actually receives.

We support three major reforms to the Department of Revenue's new grazing land valuation process. Representative Randall's bill addresses all three principles:

1. Theoretical soil type productive capacity ratings shall be adjusted for local precipitation zone differences and more typical and realistic range productivity figures.
2. Taxpayers shall be provided clear and detailed disclosure of valuation procedures used for their property.
3. The agricultural advisory board shall be made more geographically representative and more independent—including appointment by the Legislature rather than just the Governor.

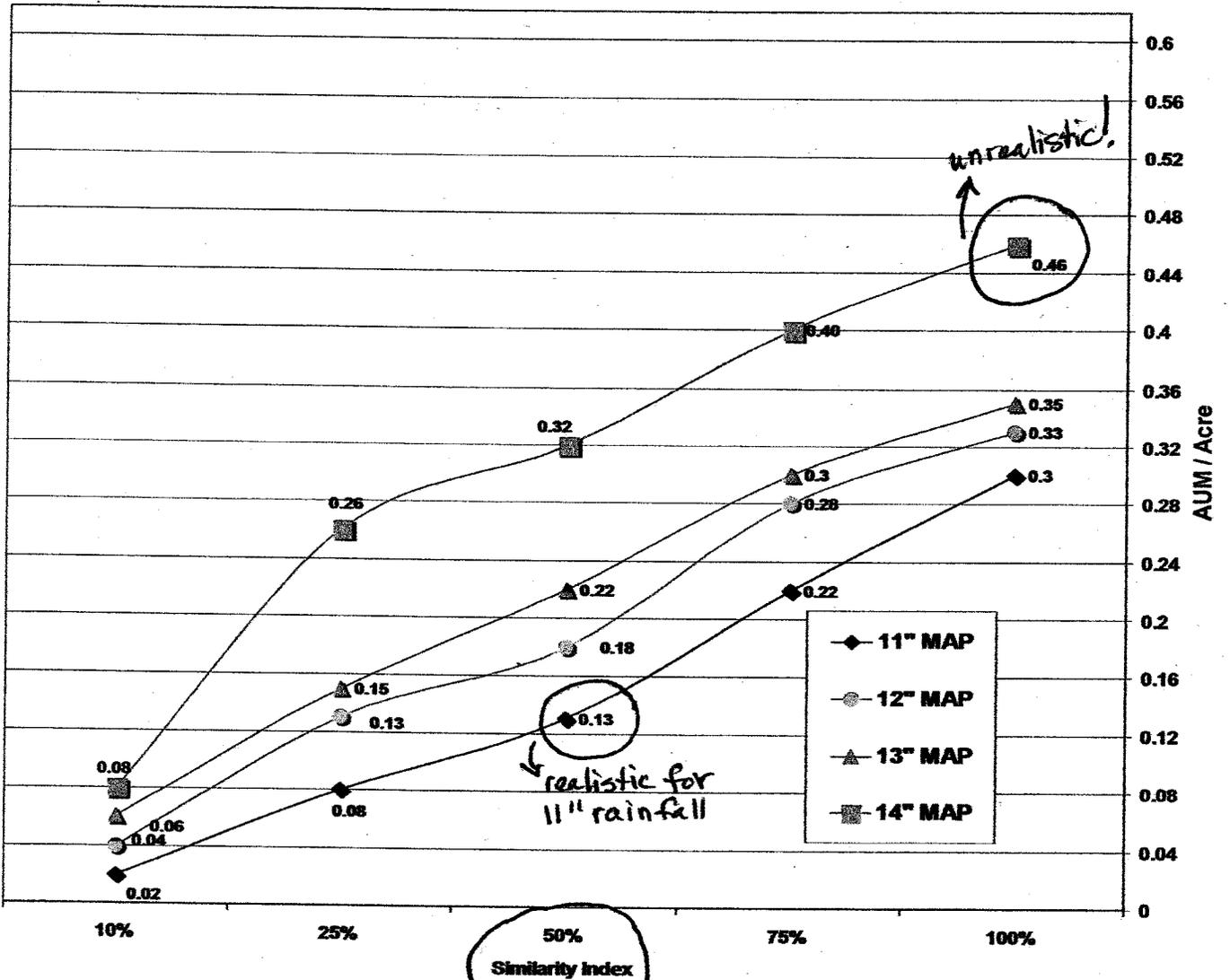
**Here is an illustration of how the Department of Revenue arrives at unrealistic production capacity determinations through inappropriate use of NRCS soils information without applying companion technical guide range condition and precipitation zone factors. For example, northern Yellowstone County lies within the Central Sedimentary Plains area of Montana (MLRA58A). Average annual rainfall in the open country is generally 11 inches or less, and rangeland in good shape is only rated at about a 50% similarity index to "Historic Climax" on forage production. Given these parameters, NRCS would recommend a stocking rate of .13 aum/acre or less. If the grazing land condition is instead rated at 100% similarity to "Historic Climax" and an average annual rainfall of 14 inches assumed, the recommended stocking rate would rise to .46 aum/acre--which is 2.5 TIMES HIGHER than is realistic! This example is based on: www.mt.nrcs.usda.gov/technical/ecs/range/ecolites/MLRA58A. The relevant Stocking Rate Guide is attached.

Ecological Site Description—Rangeland

Sandy (Sy), 11-14" MAP

MLRA: 58AC – Sedimentary Plains, Central
R058AC042MT

Stocking Rate Guide (Cattle)
Sandy 11 - 14", 58AC



realistic production capacity percentage of "historic climax"

