



Montana Stockgrowers Association

Serving Montana's Cattle Industry Since 1884

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September 29, 2005

Senator Jim Elliott, Chairman
Revenue and Transportation Committee
Montana Legislature, Room 137 State Capitol
Helena, Montana 59624

Dear Senator Elliott:

On behalf of the members of the Montana Stockgrowers Association I wanted to provide a few comments relative to the Revenue and Transportation committee consideration of a proposed study of the classification, valuation, and taxation of agricultural land as called for in HJR 43. I will be unable to attend the meeting on September 30th but hope the committee will consider this letter.

I am certain the committee understands the magnitude of an evaluation of the classification, valuation, and taxation of agricultural land in Montana. Of Montana's 93 million acres, 63% of that land is in agricultural production and provides the basis for more than 25,000 farms and ranches. During the past year we have worked with representatives of the Montana Department of Revenue as they undertook a pilot project in several counties to test the accuracy of the existing classification system which has not been updated in 40 years. From those limited results, it is apparent that a significant acreage of agricultural land may not be properly classified. Given the many questions that became obvious it was clear that a study resolution rather than HB 72 was appropriate.

As we review the study questions and the major study areas it would appear that staff has adequately identified the challenges before you. Given the magnitude of this undertaking and its importance to the number one industry in Montana we would like to recommend a couple of individuals to participate in this study as called for in the resolution for consideration. We would like to have Rep. Jim Peterson, House District 30 and sponsor of HJR 43 and Dr. Myles Watts, Agricultural Economics professor at Montana State University for this study group. Both of these individuals are highly qualified to assist the committee in your efforts.

Again, I apologize for not being able to attend and I wish you well in your efforts.

Sincerely,

Steven L. Pilcher, Executive Vice President

Revenue & Transportation Committee
September 30, 2005

Exhibit #13