



Status update on the reappraisal of agricultural land and forest land

**Prepared for Revenue and Transportation
Legislative Interim Committee on December 2, 2005**

Revenue & Transportation Committee Meeting
December 2, 2005

Exhibit #10

Table 1

**Pilot Projects
Misclassified Agricultural Use Classifications*
-- Farmland Acres Currently Misclassified as Grazing Land --**

<u>County</u>	<u>Grazing Land</u>				<u>Farmland</u>				<u>Total Agricultural Acres</u>
	<u>Current Law Acres</u>	<u>Pilot Project Acres</u>	<u>Change in Grazing Land Acres</u>	<u>% Change In Grazing Land</u>	<u>Current Law Acres</u>	<u>Pilot Project Acres</u>	<u>Change In Farmland Acres</u>	<u>% Change In Farmland Acres</u>	
Liberty	224,977	210,034	(14,943)	-6.64%	558,467	573,410	14,943	2.68%	783,444
Richland	752,389	675,867	(76,522)	-10.17%	397,315	473,837	76,522	19.26%	1,149,704
Stillwater	549,055	529,129	(19,926)	-3.63%	193,074	213,000	19,926	10.32%	742,129
Treasure	507,930	504,753	(3,177)	-0.63%	36,605	39,782	3,177	8.68%	544,535
Total	2,034,350	1,919,783	(114,568)	-5.63%	1,185,460	1,300,030	114,568	9.66%	3,219,813

* Based on 15-7-101(3), MCA, the department is required to maintain current the classification of the land.

Table 2

**Pilot Projects
Comparison of Average Assessed Value
Based on the Number of Use Types**

Per Acre Value

<u>Ag Use Type</u>	<u>Current Value (5 Use Types)</u>	<u>2 Use Types</u>	<u>\$ Difference</u>	<u>% Difference</u>
Summer Fallow	\$167.08	\$231.01	\$63.93	38.26%
Irrigated	\$529.43	\$231.01	(\$298.42)	-56.37%
Non Irrigated Hay	\$239.38	\$231.01	(\$8.37)	-3.50%
Grazing	\$41.91	\$39.64	(\$2.27)	-5.42%

The 5th use type is Continuously Cropped (CC) Farmland. There is no CC Farmland in the pilot counties so no comparison can be made.

Agricultural and Forest Land Reclassification Project

August 1, 2005. Start of project; finalize work plan

August 1, 2005.

- Begin work with Natural Resource Conservation Service (NRCS) to identify areas of missing soil data
- Identify issues that affect valuation decisions

Soil Survey Issues:

- Combining acreage using similar soil survey data or identifying each acre using the specific soil survey data
- Missing soil survey data
- How best to acknowledge long-term precipitation concerns

Land Use Issues:

- Review number of land use types
- Review crop rotations on certain land use types

Valuation Issues:

- Communication of data on maps mailed to landowners
Current and ongoing access to Farm Services Agency (FSA) data
- Use of long-term countywide average spring wheat production information
Use of countywide average re-cropping figures - Traditional 50% in crop and 50% in fallow – Current 62% in crop and 28% in fallow
Pilot projects temper effect of optimum production estimates as shown on the soil survey
Evaluate water cost deductions as they relate to irrigated land

Forestry Issues:

- University of Montana (U of M) or United States Forest Service (USFS) do forest productivity modeling

December 15, 2005. Hire Geographic Information System (GIS) Analyst

January 1, 2006. Agricultural Land Advisory Committee organized

February 8 – 9, 2006. Agricultural Land Advisory Committee organizational meeting

March 1, 2006. Secure “land use attribute” data from Farm Services Agency (FSA)

April 1, 2006. Analyze recommendations and make decisions on issues that affect valuation

May 1, 2006. Begin agricultural reclassification in first 10 counties (without forest land)

July 1, 2006. Hire 2 – GIS Technicians

January 1, 2007. Contract with U of M for forest productivity model

July 1, 2007. Hire 3 - GIS Technicians and begin forest land reclassification work

March 1, 2008. Complete agricultural land reclassification work

July 1, 2008. Complete forest land reclassification work

August 1, 2008. Create seamless map integrating agricultural and forest land data

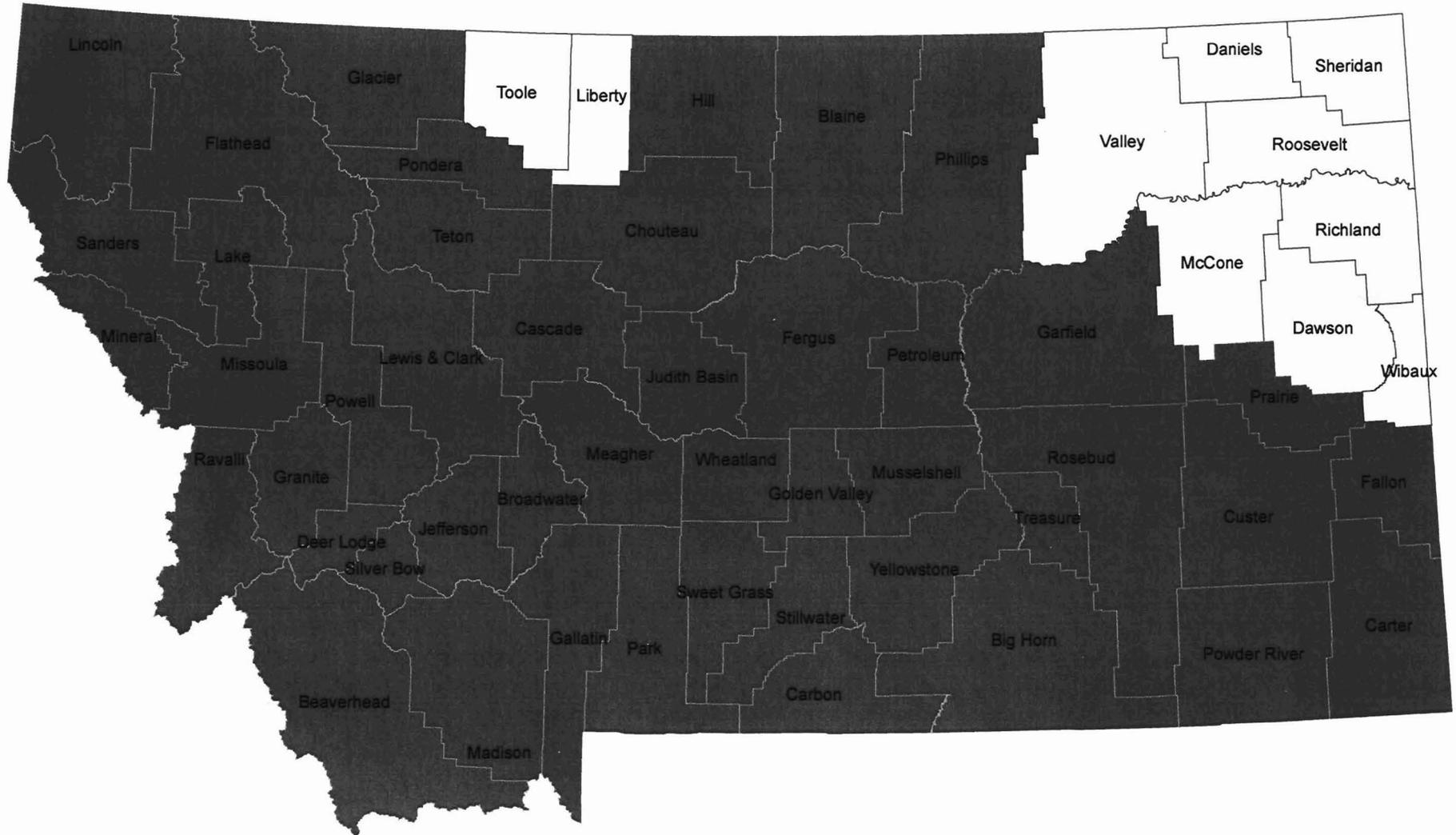
September 1, 2008. Mail reclassification maps to individual owners for verification

December 1, 2008. Finalize agricultural and forest land reclassification

January 1, 2009. Agricultural and forest land data available for legislative review

June 2009. Mail assessments to all agricultural and forest land owners

Implementation of Ag/Forest Reappraisal



Legend

Forest Land vs No Forest Land

- Forest Land
- No Forest Land

Counties with no forest land will be the first group scheduled for ag land classification.