

Hagenbarth Management
Jim Hagenbarth
PO Box 1128
Dillon, MT 59725

August 25, 2017

Montana Taxpayers Association
Robert Story
PO Box 4909
Helena, MT 59725

RE: Property Classification of Irrigated Lands

Dear Bob:

In an attempt to cut costs in our livestock operation we have been managing our irrigated lands around Glen, Montana in Beaverhead County to extend the grazing season and limit the use of supplemental feed which is very expensive. For approximately the last 15 years we have developed an irrigated pasture system rather than continuing to harvest cash crops on our irrigated lands. We are using a sub/flood irrigation system to produce forage from domestic pasture mixes that can be more easily irrigated, are permanent and require little tillage in their management. We use an assortment of cattle classes to harvest the initial growth in the spring through June and then manage the regrowth for use in late September through early April of the following year. Sometimes we leave a class of yearlings to harvest summer growth depending on the dynamics of the market. The brood stock and stocker cattle utilize rangelands south of Glen and in southeastern Idaho during other times of the year. Any supplemental needs of the cattle are met with whatever protein source is cost effective.

The irrigated land in the Glen area is either owned by James F and David J Hagenbarth (240 acres) or Hagenbarth Land Montana LP (879 acres) and both entities are managed by Hagenbarth Management. Only 80 acres of the 1119 irrigated acres are in hay production which leaves a total of 1039 acres being used as irrigated pasture. All our irrigated lands are being assessed under the property classification 1101 which is tillable irrigated land. There is no category for irrigated pasture land. This irrigated pasture certainly has a higher value than dry grazing (classified as 1601) but is not comparable to tillable irrigated land used for cash crop production. This in a nutshell is the essence of my concerns.

I have dialogued with the Department of Revenue and you in the past in an attempt to find a solution to this land classification dilemma and seek mitigation through the development of another property classification that more equitably characterizes irrigated pasture. You have indicated that the Interim Revenue and Transportation Committee have been assigned to look at Ag ground classification and presenting my concerns to the committee is the first step in addressing a solution. Hopefully this explanation is sufficient to start the conversation with the committee in addressing this property classification issue. Please contact me if you need further assistance in presenting this issue to the committee.

Sincerely,

Jim Hagenbarth