

Frequently Asked Questions For the Agricultural/Forest Land Reappraisal

As people call or visit our offices, you may be faced with many of these questions. Please use this information to assist you with answering them. As a reminder, any questions regarding a need to change a boundary line, classification, or number of acres will be incorporated as soon as we can do it. There's no need for field reviews or ground truth activity. However, with productivity issues we'll need to do some more research before we can make the change. In some cases, there may not be a change to the productivity. When someone requests a change, please thank them for bringing this information to our attention and assure them we will research their concern and make necessary corrections.

General Information Questions

What does this letter mean?

- We are sending the letter to every ag and forest landowner in the state asking them to review our work for accuracy
- It's been over 40 years since ag land was reappraised and we want to do it right
- Landowner input is the best way to ensure our accuracy
- Our efforts are focused on the correct classification and productivity of agricultural and forest lands

Why does the department need to do this?

- The Department is charged by law to keep use changes and productivity current
- Ag land hasn't been reappraised in over 40 years. Forest land hasn't been reappraised in 18 years
- Avoids potential lawsuit for unequal tax treatment between different classes of property

Why now?

- By law we are required to reappraise agricultural/forest land and residential/commercial property every 6 years to ensure equity and consistency across the state.
- Other classes of property are appraised annually.
- In the past we've accomplished our reappraisal of residential/commercial property but we've never reappraised agricultural land.
- With advances in technology and the availability of other information, it's time to bring our agricultural and forest land system in compliance with the law and to bring the information about those lands up to current standards.

How much will it cost?

- The Legislature appropriated a little over a million dollars to complete the reappraisal of agricultural and forest land. We are on budget.
- We'll know more about the total cost of completing this around November of 2009.
- Using technology and human input provides more "bang for the buck."
- To hire, train and supervise dozens of new appraisers would be very expensive. Consistency of the product would also be an issue. By asking for your input, we reduce costs and ensure that we end up with a fair and equitable reappraisal.
- There's a potential that if we don't do this agricultural and forest land reappraisal, other property owners will file a class action lawsuit against the Department. The results of a lawsuit are unknown and could very well cost much more than the cost of the reappraisal. In addition, we won't have as much control of the results of a lawsuit and could end up with a vastly different agricultural and forest land appraisal system.

Are they required to send this back (mandatory)

- You do not have to send back the maps if you believe they are correct.
- If you believe they are incorrect, you will need to bring them to your local DOR office at the address is listed on your letter.
- If you irrigate your land, it is to your benefit to return the Irrigated Land Questionnaire, however, it isn't mandatory.

What is the timeframe for them to respond?

- Please encourage them to respond within 30 days. Even if they bring it in late, we will fix.

Can we expand the 30 day deadline?

- Please tell them that we need their corrections in 30 days.
 - However, we will accept maps whenever someone brings them in for correction up to about the middle of April.

What do we do with bad addresses?

- Packets will have local return address.
- Local office needs to research and try to get the information into the hands of the landowner.
- If research fails to produce a good address, send a letter (an e-mail will suffice) to the area manager indicating the steps you took. The area manager should retain those letters. For e-mails, the area manager should set up a separate file to save the e-mails.

What about those who spend the winter in a southern location?

- We are mailing to the address on the system. In the letter we're asking them to send the maps on to the operator of the land.

Can operators sign on behalf of the owner?

- Operators can sign for any part of reclassification process.

Map Questions

They don't have all of their maps, what should they do?

- This is possible due to the maps that have been generated being linked to the physical address.
- Let us know if you believe there are missing maps, and we'll track them down.

Can they purchase more maps?

- Currently, we are not able to sell more maps. We hope to be able to provide that option in the future.

If they lose their map can we replace them?

- Yes, but again, we ask for their patience and understanding about providing replacement maps.
- If they ask for a replacement set, ask them to be patient as we have a lot of work to do and replacing lost maps won't be high on the priority list.

Will the maps have one section per page? And will maps have legal descriptions?

- No, the maps won't show the entire legal description, just the section-township-range of the parcel location. The maps are automatically scaled based on parcel size.

If we send a larger map, how can it be copied?

- If we need to make a change, and they have a large map, we may need to fold and make copies as best we can. We need maps with changes from the citizen. We will send corrected maps to them.

Property Questions

What is their property classified and graded at now?

- Your current property classification can be found on your last assessment notice, or you can visit your local Department of Revenue office and someone can assist you.
- There has been no update to classification or productivity in over 40 years.

- No consistent classification changes on a statewide basis.
- No adjustments to productivity on farm land.
- To ensure the correct classification for the 2009 property assessment, please review the map information we provided and let us know if the classification is correct.

How does their property compare to their neighbors property?

- Property comparisons are difficult due to many factors, for example: soil conditions and soil types can vary.
- 2009 – We are using the same method and criteria for classification of all agricultural and forest land.
 - Generally better soils, better productivity.
 - And poorer soils, poorer productivity.
- Our goal is to be consistent across state.

Is the soil survey a good tool to use for determining productivity?

- Soil survey information is based on science, not subjectivity.
- The Natural Resource Conservation Service (NRCS) constantly updates the soil surveys.
 - The spring wheat model has 30 years of history.
 - Grazing land doesn't change much over time.

They feel their productivity is too high. How can they change it?

- We are using the same methods to determine productivity on a statewide basis.
- Spring wheat productivity is tempered by 12 year countywide average production from Montana Agricultural Statistical Service (MT Ag Stats) info.
- If the overall response indicates there are problems in certain areas.
 - We have time to make recommended adjustments.
 - We can't make adjustments for individuals per se. We will gather information from all producers and if that information indicates a problem area, we'll research it further.
 - There will need to be a recommendation from the Governor or the Legislature for any statewide adjustment.

What if a soil sample or productivity is disputed?

- We will research those questions. We will work with the NRCS and local staff to ensure that the underlying information is accurate.

What if the taxpayer is making changes to their land?

- Any changes being made in 2008 won't be shown on our computer system until 2009.

How does precipitation play into these stats?

- The NRCS currently uses trends of precipitation in their productivity model. They are also exploring a refinement of their precipitation models that will be more accurate and site specific.

Is crop rotation part of the model?

- If by crop rotation you mean planting different crops to keep the land productive, the answer is both yes and no. We recognize that most producers will "rotate" other crops onto the land as part of average management practices. But rather than change our classification and productive information each time a crop is rotated in, we are most interested in the long term use of the land.

We have their land classified wrong, for example: fallow and it is grazing. What can they do?

- We determined our classification based on a number of sources and field reviews. If the classification is in error, we need to correct it.
- You know your land better than we do so bring the maps to the local office, show us where those classification errors are and we'll make the correction.

Would it be better to call everything grazing?

- By law we're required to classify land according to its use. The law specifically says we're to classify land as non-irrigated farm land, grazing land or irrigated land.

Would it be better to classify as non-qualifying rather than anything else?

- Non-qualified land owners won't receive the letter and maps.

What if the landowner just bought the land and doesn't have the necessary documentation regarding irrigation?

- You can work with the previous owner to gather the information until you have energy numbers of your own.

If someone brings in information, what is the turn around?

- For classification and acreage adjustments, we expect a few weeks turn around time.
- For productivity questions, it may take longer as we need to do more detailed research.
- We will do our best to communicate with land owners who have brought concerns to us.

Do we want what current land use, or do we want prominent use?

- We want what the prominent use of the land is.

- Following an explanation of our 5 agricultural uses, we ask that you tell us what your land use is.

What if the land is in CRP?

- CRP land is classified as crop land.
 - CRP payments are based on the productivity of the land so we continue that classification until the CRP contract expires.

Their land is in a conservation easement. How does that affect their ag status?

- It won't have any affect. Unless the conservation easement prohibits all agricultural use, the land will continue to be classified according to its use.

With regard to fertilization, does their management affect their taxes? (fertilizer vs. no fertilizer)

- Agricultural productivity is based on average management. Most agricultural producers fertilize to some degree so the use of fertilizers are considered average management. If someone applies more pounds of fertilizer per acre than most, and get a higher yield because of it, they won't be penalized by having higher valued land.
- Conversely, if a producer applies no fertilizer or is a poor manager, they won't receive any tax advantage for having lower production. The department tries to stay out of management decisions but we have to establish some standard to ensure fair treatment. An average management practice is one of those standards.

Potential Tax Impact Questions

What will happen to their taxes?

- Governor has pledged to take efforts to ensure there will be no tax increase.
- There can be a change in your taxes if you have a change in land classification and/or productivity.
- Ag Advisory Committee's recommendation to the legislature for no increase in taxes.
- The 2009 Legislative will have the ability to mitigate the effects of reappraisal.
- There may be local government and school efforts by adjusting mill levies.