MINUTES OF THE MEETING AGRICULTURE COMMITTEE MONTANA STATE HOUSE OF REPRESENTATIVES

February 15, 1985

The meeting of the Agriculture Committee was called to order by acting Chairman Compton on February 15, 1985 at 3:15 p.m. in Room 317 of the State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL NO. 682: Representative Rapp-Svrcek, District 51, sponsor of the bill, stated that this is a bill to enact the Montana Farm Preservation. He showed the committee the cover of <u>Newsweek</u> from which he read an article. He proposed an amendment which would exempt the Hutterites from the bill. He stated that most of the committee members have been involved in farming for most of their lives, and we are trying to preserve farming for many more generations.

<u>PROPONENTS</u>: Bill Gillin testified that we all know what shape agriculture is in. This committee is set up to find out if we can find a solution to the problem. What we have seen over the years are tax shelters which are eating up the family farms. This is an excellant bill and it will clearly tell the corporations that are buying and selling their tax haven schemes, that they may build their hog factories; they can have their tax shelter feedlots; they can do their sodbusting and turn productive grassland into blowing deserts; and they can apply any schemes that they can come up with to use agriculture for tax write-off purposes; but they are not going to do it in Montana. He handed the committee a booklet which is attached as Exhibit A.

Terry Murphy, President of the Montana Farmers Union, testified in support of the bill. He stated the their goal is "Farm Land For Farm People". His testimony is attached hereto as Exhibit B.

Don Judge spoke in behalf of Jim Murry, who is Executive Secretary for the Montana State AFL-CIO. Mr. Murry's testimony is attached as Exhibit C.

Lyle Quick, who is from Circle, Montana, testified that he sees the problems in agriculture and he urges that this bill is a step in the right direction.

Margie McDonald read a letter from Robert Wilson which is attached as Exhibit D. She also handed to the committee a letter from Randolph Nodland who is from North Dakota. It is attached as Exhibit E.

Tom Ryan, Montana Senior Citizens' Association, testified that this bill is a start in the right direction. He further stated that this bill would preserve what we have as a last way of life.

Keith Kelly, Department of Agriculture, testified that the Montana Rural Community Preservation Act has 24 thousand farms operating in Montana.

Earl Reilly strongly urged passage of the bill.

Hal Price, Montana Wildlife Federation, testified in support of House Bill 682. Their support is based primarily on the fact that farms and ranches in this state support a major share of our total population of big game animals and upland game birds. His testimony is attached as Exhibit F.

John Ortwein, representing the Montana Catholic Conference, stated they see a real threat to agriculture and the family farm. They support the bill.

OPPONENTS: Greg Schwandt spoke in behalf of the Hutterites. He stated they came here to oppose the bill because it would have ended the Hutterite farms. The Hutterites own nothing but they work for their food, clothing and shelter. The amendments would allow the Hutterites to keep their land. They support the bill with the proposed amendments.

Victor Kruegar, Augusta, stated that there is a great misunderstanding about the Hutterites and he would like to clear some things up about them. He said that the Hutterites pay all taxes and all of them pay personal property taxes and file income taxes. They support the bill with the proposed amendments.

Mons Teigan, Representing the Montana Stockgrowers, Woolgrowers and the Cowbells, testified in opposition to the bill. His testimony is attached hereto as Exhibit G.

Marg Green, representing the Montana Farm Bureau, stated they feel this bill is an infringement on the rights to own and manage private property and also that this type of legislation will further cripple an already faltering agriculture industry. Her testimony is attached as Exhibit H.

Howard Liman stated he deals with people that are trying to figure out how to save the farm. The intent of this bill is killing us. Investors are faced with a choice. He supports the concept of HJR 28 on the National level.

Ken Williams, representing the Western Energy Company and the Montana Coal Council, stated he feels this bill can jepordize coal mines. His testimony is Exhibit I.

Terry Carmody, representing the Montana Realtors Association, testified that he is in opposition to the bill for the reason that it will dry up the credit presently available to ranchers and farmers. If this bill is put into affect, they feel it will dry up all revenue. On the personal side, Mr. Carmody said that if this bill is passed they will have to dump their ranch.

Bob Quin, representing the Montana Power, testified that it is necessary for them to buy farm land to construct the plants. This bill is so far reaching that it would prohibit them from providing service.

Dennis Lopach, representing Mountain Bell, stated they believe the bill would prevent them from giving service to people. They would appreciate being exempt from the bill.

Larry Akey testified that the concept of the bill he supports. This bill puts the Secretary of State in a bind for two reasons. First, it does not reflect the stateholders corporation and second, having notification of land purchases they would have to acquire all records. He stated they would be happy to work with the committee to come up with some proposed amendments that would exempt them.

There being no further proponents nor opponents to the bill, Representative Rapp-Svrcek closed the hearing stating they never had any intent to preclude the Hutterites. He understands the Secretary of State position and would work out amendments with them. Said is true with the utility companies. They would have to return the land to the family farm from which it has been taken. He stated it would be a near impossible task to do away with the tax shelters. Future generations will thank you for supporting this bill.

DISCUSSION OF HOUSE BILL NO. 682: Representative Ellerd asked Representative Rapp-Svrcek if this would stop him from buying ranches in Montana because he has a corporation. Rep. Rapp-Svrcek said that it would depend on the structure of the corporation if they fell under the exemptions on Page 2, line 17.

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Representative Ellison asked Mr. Kelly if any statewide figures of the amount held by the corporations are available. Mr. Kelly replied that the figures are very small.

Representative Cody asked Representative Rapp-Svrcek how he would address the "drying up of credit". Rep. Rapp-Svrcek replied that if the bankers and others were aware that the readily tax shelters were no longer available, it would help him systematically.

Representative Ellerd said that he would like to thank Mr. Schwandt for clearing up the misunderstanding about the Hutterites. He asked him if this bill would stop the Hutterites from buying any more land. Mr. Schwandt said it would as it is written.

Chairman Schultz informed the committee that any other questions they had for Representative Rapp-Svrcek could be answered in executive session on the bill.

CONSIDERATION OF HOUSE BILL 789: Representative Abrams, District 24, sponsor of the bill, stated that this bill is for a users fee. The farmer or rancher raise the wildlife and the sportsman consumes what they raise. He handed out Exhibit A which is attached.

<u>PROPONENTS</u>: Dave Donaldson, representing the Montana Association of Conservation Districts, testified in support of the bill. His testimony is attached as Exhibit B.

Representative Gene Ernst testified in support of House Bill 789. His testimony is attached as Exhibit C.

Jo Brunner, representing the Montana Cattlefeeders, and the Cattlemens Association, testified in support to the bill. She stated that the prime source of transportation of weeds is through the sportsman. The farmers and ranchers need assistance to take care of the weed problem.

Mons Teigen, representing the Montana Stockgrowers, Woolgrowers and the Cowbelles, testified in support of the bill. His testimony is attached as Exhibit D.

OPPONENTS: Jim Flynn, Department of Fish, Wildlife and Parks, testified that they oppose the bill primarily because of its threat to other funding sources within the departments revenue sources. Exhibit E attached hereto.

Dan Heinz, representing the Montana Wildlife Federation, stated they feel this bill unfairly taxes the sportsman. His testimony is attached as Exhibit F.

Mary Wright, representing Trout Unlimited, stated they have difficulty believing that the sportsman spreads weeds. There is no good reason for this bill.

There being no further proponents nor opponents to the bill Representative Abrams closed saying that the users fee is on the game not the hunters.

DISCUSSION ON HOUSE BILL 789: Representative Ellison asked Mr. Flynn where the money for the weeds is now coming from. Mr. Flynn replied that it is coming from part of the conservation license. Representative Ellison again asked Mr. Flynn is they are prohibited to using the money on federal lands. Mr. Flynn stated that leased land would be eligible.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 28: Representative Rapp-Svrcek, District 51, sponsor of the resolution, stated that farmers are facing high interest rates and low prices. House Joint Resolution address the problem at a national level. He urged passage of the resolution.

PROPONENTS: Keith Kelly, Department of Agriculture, stated they support the resolution. He stated that outside investors have an advantage of tax shelters.

Bill Gillin stated he supports the resolution.

John Ortwein, representing the Montana Catholic Conference, urged support of House Joint Resolution No. 28. His testimony is attached as Exhibit A.

Lyle Quick stated that this resolution is a good step in the right direction and urged the committee's support.

Terry Murphy, representing the Montana Farmers Union, stated that they think it is appropriate for Montana Legislators to speak up.

Cathy Campbell, representing the Montana Association of Churches, said they support efforts to protect the family farmer who has often demonstrated a genuine commitment to stewardship of human and land resources. Her testimony is attached as Exhibit B.

There being no further proponents nor opponents to the bill, Representative Rapp-Svrcek closed stating that several states are considering a resolution. We must send as strong a message as we can to Washington D.C.

EXECUTIVE SESSION

DISPOSITION OF HOUSE JOINT RESOLUTION NO. 28: Representative Cody made a motion to amend HJR 28. The motion passed with everyone present voting yes.

Representative Switzer moved to amend the resolution. A roll call vote was taken and it showed 10 yes and 5 no. The motion passed. Roll Call vote attached hereto.

Representative Ellerd moved to amend the resolution striking subsection 4. Rep. Ellerd voted yes with everyone else present voting no.

Representative Fritz moved to <u>DO PASS AS AMENDED</u> HJR 28. Everyone present voted yes with the exception of Representative Ellerd who voted no.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 5:50 p.m. The subcommittee on weeds met on adjournment of the meeting.

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DAILY ROLL CALL

Agriculture COMMITTEE

49th LEGISLATIVE SESSION -- 1985

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NAME	PRESENT	ABSENT	EXCUSE
James Schultz, Chairman	X		
Gay Holliday, V-Chairman			X
Bob Bachini	X		
Dorothy Cody	- t		
Duane Compton	X		
Gerry Devlin	X		
Robert Ellerd	X		
Orval Ellison	t		
Harry Fritz	X	· · · · · · · · · · · · · · · · · · ·	
Ramona Howe	X		
Loren Jenkins	X		
Vernon Keller	X		
Francis Koehnke	X		
John Patterson	X		
Bing Poff	*		
Paul Rapp-Svrcek	X		
Gary Spaeth			I.t
Dean Switzer	X		
*			

Please attach to minutes.

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STANDING COMMITTEE REPORT

MR. Speaker		
We, your committee on Agriculture		
having had under consideration	Resolution	Bill No28
reading copy (<u>White</u>) color		
URGING CONGRESS TO ENACT LAWS AGRICULTURE	SUPPORTING FAMILY FARM	
	nt Resolution	23
Respectfully report as follows: That BE AMENDED AS POLLOWS:		. Bill No
 Page 2, line 19. Striks: "75%, with a ceiling Insert: "90%" 	of 1103"	
<pre>2. Page 2, line 22 Following: "ranches;" Insert: "and"</pre>		
J. Page 2 Following: line 22 Strike: subsection (5) in its Renumber: subsequent subsection		
AND AS AMENDED, DO PASS In 7/10		
STATE PUB. CO. Helena, Mont.	Rep. James Schultz,	Chairman.

ROLL CALL VOTE

HOUSE COMMITTEEAgriculture		
DATE 3-15-85 HJ	<u>P</u> Bill No. <u>28</u>	Time_ <u>5:45</u>
NAME	YES	NO
James Schultz, Chairman	X	
Gay Holliday, V-Chairman		<u> </u>
Bob Bachini		<u>X</u>
Dorothy Cody		<u> </u>
Duane Compton	X	
Gerry Devlin		
Robert Ellerd	X	
Orval Ellison	X	
Harry Fritz		X
Ramona Howe	X	
Loren Jenkins	X	
Vernon Keller	X	
Francis Koehnke		
John Patterson	X	
Bing Poff	¥	
Paul Rapp-Svrcek		X
Gary Spaeth		
Dean Switzer		
	X	
<u>Lita Buck</u> Secretary	<u>James Schultz</u> Chairman	۲
Motion: Amend HJR28	- Strike: Sub	section
(5) in its entirety	Renumber:	Subsequent
Subsection		<i>ν</i>
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(Include enough information on motion -- put with yellow copy of committee report.)

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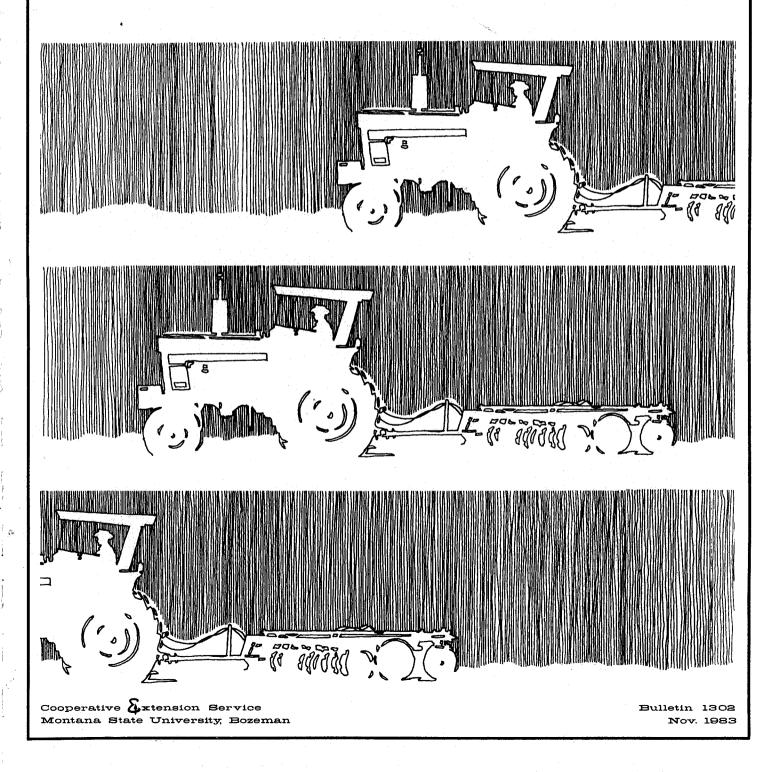
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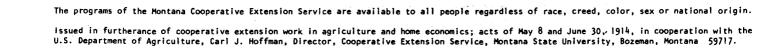
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Economic Incentives for Converting Rangeland to Cropland





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ECONOMIC INCENTIVES FOR

CONVERTING RANGELAND TO CROPLAND

by

Myles J. Watts, Lloyd D. Bender and James B. Johnson *

Introduction

Converting traditional grazing lands to cropland has aroused emotions in Montana and several other western states. Reasons for this conversion by farm and ranch managers and other investors vary from alternative enterprise profitability to speculation. Some farm and ranch managers may have expected a crop such as wheat to more profitable than livestock, and converted rangeland to be cropland. Some farm and ranch managers and other investors mav expect benefits from current and future farm programs to increase net returns and the value of the new cropland. Additionally, investors in higher marginal income tax brackets may have benefited from selected Federal income tax provisions.

^{*} The authors are Assistant Professor of Farm and Ranch Management, Montana Agricultural Experiment Station, Montana State University; Economist, EDD, ERS, USDA stationed at Montana State University; and Farm Management Specialist, Montana Cooperative Extension Service, Montana State University, Bozeman, Montana; respectively.

This report evaluates how farm program and selected Federal tax provisions provide incentives for investors to convert rangeland to cropland for re-sale and to indicate the differing values of these provisions among investors. The economic impacts of an enhanced wheat price, as an indicator of the benefits of all farm program provisions, during the period the investor owns the land, and the economic impacts of capital gains, investment credit, accelerated depreciation, and depreciation recapture Federal income tax provisions are evaluated.

The Base Case

A hypothetical conversion of 2,000 acres of Eastern Montana rangeland, purchased for \$100 per acre, to cropland over a five-year period is used to illustrate the effects of the farm program and tax provisions considered on the breakeven price for Breakeven prices are expressed cropland. in real terms (1983 dollars) with all tax provisions and the farm program in effect for case". Then each major provision is suspended to а "base illustrate the contributions of individual tax provisions and the farm program.

The breakeven prices indicate those prices (for different provisions in effect) that will make investors as well off as they were at the time of the initial investment. The sale of the cropland is assumed to occur after the investor has held it for five years. Sales prices could easily be considerably different

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from the breakeven prices. Sales prices above breakeven prices would result in additional capital gains. Under current capital gains provisions, the investor in the 50 percent marginal tax bracket would incur an additional tax liability of 20 percent of the difference between the sale price and the breakeven price (additional capital gains income multiplied by 40 percent subject to taxation, multiplied by the 50 percent marginal tax rate).

The hypothetical conversion is scheduled as follows:

- Year 1 -- Rangeland is purchased the first year and the sod is turned in late summer.
- Year 2 -- Fallow and land preparation activities are conducted prior to fall planting of winter wheat on the entire 2,000 acres.
- Year 3 -- Weed control activities are conducted prior to harvest of the winter wheat crop of 13 bushels per acre. A tool bar cultivation is performed after harvest.
- Year 4 -- Operations are identical to the second year.
- Year 5 -- Operations are identical to the third year. The yield increases to 26 bushels per acre. The land is sold as cropland after the investor has held it for a full five years.

The Economic Model

The breakeven price of cropland is the price at which the net present value of all cash flows equals zero. The breakeven price includes the value of the all cash flows, including the tax benefits, such as capital gains, that investors would tie up until the re-sale at the end of year five. The breakeven price takes

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account of all operating costs, and includes interest charges and tax benefits of each year.

The breakeven prices in the following tables are presented in current (or time 1) dollars. First, net cash flow is calculated for each of the five years of the operation using the budgets and operations in Appendix Tables A-1, pages 22-23, and A-2, pages 24-25, and the value of any tax advantages for that year. Inflation is assumed to be 5 percent per year. Cash outflows in the first year include purchases of land and machinery, discing and tillage costs, and cash costs for real and personal property Cash inflows include the value of tax benefits from taxes. investment credit and the depreciation allowance. The net cash flow is negative in the first year. Fallow and planting costs result in a negative cash flow the second year. Cash flows the third year include inflows of cash from the sale of wheat and value of the tax benefits. Outflows cover such cash costs as harvesting, other field operations and real estate and personal property The fourth year is similar to the second year and also taxes. in a negative cash flow. In the fifth year, the cash results inflows include the land sale and sale of machinary, and wheat. Cash outflows include the capital gains tax, cash operating costs, and real estate and personal property tax.

The present value of each year's net cash flow is calculated by discounting at an assumed interest rate of 12 percent. Discounting incorporates the time value of money such that cash flows appearing at different points in time can be compared.

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Provisions of Federal Income Tax That Apply to Rangeland Conversion

Several Federal income tax provisions apply to land conversion. Of these, capital gains and investment credit are the most important.

Capital Gains

Farmland sold after one year of ownership may qualify the seller to pay taxes on any profit (above the basis price) as capital gains. The maximum effective tax on capital gains is 20 percent, compared to an ordinary income tax rate that may be as high as 50 percent for Federal income taxes.[1] Therefore, the higher the ordinary income marginal tax rate, the greater the benefit treating income as capital gains.

The tax treatment of rangeland conversion costs contrasts with that of certain soil and water conservation improvement costs. Part of the costs of soil and water improvements (that above allowable amounts) must be added into the basis (acquisition price

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^{1.} Income qualifying as capital gains is first reduced by 60 percent, then the remaining 40 percent is taxed as ordinary income. Thus, the effective tax on capital gains for a taxpayer in the 50 percent marginal tax bracket is 20 percent-40 percent of the capital gains income multiplied by the 50 percent ordinary income tax rate.

of land plus capital improvements) for calculating profits on land sales when the property is sold, and cannot be charged as an expense to reduce income taxes on current ordinary income.[2] In contrast, it is assumed that all of the rangeland conversion costs would qualify for deductions against current ordinary income, and would not affect the basis of the land.

Investment Credit

Farm machinery qualifies for an investment credit of 10 percent of the purchase price. The tax liability for the year the credit is taken is reduced by the amount of the investment credit. An investment credit of 10 percent on \$10,000 reduces that year's taxes by \$1,000.

Provisions of the Farm Program

The current Act allows for these offers to wheat producers:

- 1. A specified loan rate;
- Deficiency payments expressed as the difference between target price and loan rate;
- Diversion payments to compensate producers for a portion of their wheat bases put into conserving use;
- 4. Payments for storage; and

2. The allowable annual amounts and the practices that qualify vary.

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 Payments-in-kind to compensate producers for a portion of their wheat bases put into conserving uses.

The levels of each of these forms of compensation have varied from year to year.

To be eligible, the wheat producer must have established a wheat base. A wheat base could be established under the current Act according to specific criteria. The criterion applied varies from year to year, but was one of the following:

- The base could be the acres planted the prior year;
- The base could be the average of the wheat planted the two prior years; or
- 3. The base could be the higher of the prior year planted acreage, or the average of the two prior years.

The exact level of benefits that would accrue to a wheat producer with new cropland would depend on what year a base was established and which provisions of the program were elected.

In this analysis, a \$0.50 per bushel higher wheat price is used as a proxy for all benefits a wheat producer with new cropland could have realized from farm program participation. The Combined Value of These Selected Federal Tax Provisions to Investors Converting Rangeland to Cropland

The combined effect of the selected Federal income tax provisions is more valuable to investors in high marginal tax brackets than to those in low brackets (Table 1). [3] The breakeven price declines as marginal tax rates increase. Those facing a 50 percent marginal income tax rate can break even by selling their converted rangeland for \$134 per acre. On the other hand, investors facing a 10 percent marginal tax rate must receive \$192 per acre to break even. It is expected that investors facing the higher marginal tax rates are those who have found and will find the purchase, plowout and re-sale of converted rangeland most profitable.

The combined value of income tax provisions to investors at each marginal tax rate is the difference between the value at the zero tax rate (\$219.06 per acre) and the value for each incremental tax rate--a difference of \$84.92 for the investor at the 50 percent marginal tax rate who can break even by selling converted cropland for \$134.14 per acre (Table 2). [4]

The advantages for the conversion of rangeland to cropland by investors could be passed on to farmers who buy the converted

^{3.} Rounded marginal tax rates are used throughout this report for purposes of comparison.

^{4.} Subsequent analysis shows that background assumptions affect the level but not the pattern of these differences greatly.

	Marginal tax rates [b]					
Tax provisions	0	10	20	30	40	50
Base Case		do	llars pe	r acre		
All 1983 tax provision	s 21 9. 06	192.00	177.01	162.39	148.11	134.14
Excluding:						
Capital gains	219.06	199.58	191.81	184.00	176.02	167.61
Investment credit	219.06	203.52	188.40	173.66	159.27	145.00
<pre>[a] See section "Provi Rangeland Conversi [b] Percentages of tax</pre>	on" for d	lefinitio	Income Tons.	ax That	Apply to	

Table 1: Breakeven Prices With Different Tax Provisions and at Different Tax Rates [a]

Table 2: Combined Value of the Selected Federal Tax Provisions at Different Marginal Income Tax Rates

		Marginal	tax rates [a]	
0	10	20	30	40	50
<u> </u>		dollars per	acre differe	nce	
0	27.06	42.05	56.67	70 .9 5	84.92

[a] Percentages of taxable income.

land. The farm manager who is taxed at a relatively low marginal tax rate, rather than purchasing and converting rangeland to expand a farm operation, might have less invested in cropland by buying cropland from an investor who can take advantage of the tax benefits. Investors who specialize in converting rangeland to cropland can take advantage of tax benefits. Profits from the sale of cropland are realized only if the investor can sell the converted cropland at a price above the breakeven price. The price that investors eventually get for converted cropland depends upon the supply of converted and other cropland and the demand for cropland.

Investors who purchased rangeland and converted it to cropland have contributed to the supply of cropland. How great the increase in cropland supply due to investors making use of farm program and income tax provisions is not known. Likewise, these investors' contribution to the increase in agricultural output, and the decrease in crop prices due to cropland expansion, is not known.

> The Value of Capital Gains and Investment Credit Federal Income Tax Provisions

Capital Gains

If sale of converted rangeland were excluded from capital the gains treatment, it would have the effect of increasing the breakeven prices for investors at all nonzero marginal tax rates (Table 3). In the illustrative base case, the breakeven price after land conversion for taxpayers at the 50 percent marginal tax rate would be \$167.61 if the capital gains treatment were not Loss of capital gains treatment increases unavailable. the breakeven price for the taxpayer in the 50 percent bracket by 25 percent.

	Marginal tax rate [a]							
	0	10	20	30	40	50		
		d	ollars p	er acre-				
Capital gains	0	7.58	14.80	21.61	27.91	33.47		
Investment credit	0	11.52	11.39	11.27	11.16	10.86		

Table 3: Value of Selected Federal Income Tax Provisions at Each Marginal Income Tax Rate

[a] Percentage of taxable income.

The value of the capital gains tax provision to investors at each marginal tax bracket is shown (Table 3). If the capital gains provision were to be altered, the breakeven prices for converted cropland would be higher--reducing the incentive for converting rangeland to cropland. The largest increases would occur at the higher marginal tax rates.

Investment Credit

The availability of investment credit to investors who convert rangeland to cropland is more important than might first be apparent. Investors who can take advantage of investment credit are those having tax liabilities from other income sources. The investment credit reduces these tax liabilities on a dollar-for-dollar basis. The investment credit provision allows a value equal to 10 percent of the investment in machinery and equipment in the first year of use to be used to directly offset tax liabilities on other income. [5]

Eliminating investment credit would increase the breakeven prices above the base case for all investors except those who have no tax liability against which to offset the credit. The value of the investment credit is essentially the same across all non-zero marginal tax rates (Table 3).

The Value of Farm Program Provisions

The farm program might have two possible effects on investors converting rangeland to cropland. The first could be increased revenues from the farm program during the period in which the land. Payments for farm program participation investor owns the take on several forms (diversion payments, deficiency payments, guaranteed loan rates, etc.). In this analysis, it is presumed the wheat base and that all farm program investors acquire а participation benefits during the five year conversion/ownership period are reflected in an enhanced product price.

^{5.} The equipment must be owned for a full five years in order to prevent a partial refund of the credit because of an early sale.

The base case assumes investors would benefit from farm program participation during the five year conversion and re-sale period. Program benefits are represented by an enhanced wheat price of \$4.15 per bushel. Breakeven prices of the cropland for investors who benefit from farm program provisions are lower than those for investors who do not qualify for farm program benefits. Investors who received farm program benefits during the five year period do not need to receive as much for their cropland to break even (Table 4). The favorable effects of the farm program on cropland breakeven price vary by marginal income tax bracket.

Table 4: Breakeven Prices and Changes in Breakeven Prices Under Different Wheat Prices

		Margina	l tax ra	tes [a]		
Wheat price	0	10	20	30	40	50
		dol	lars per	acre		
Wheat \$4.15 per bu.	219.06	192.00	177.01	162.39	148.11	134.14
Wheat \$3.65 per bu.	240.82	212.02	195.24	178.76	162.53	146.52
Change	+21.76	+20.02	+18.23	+16.37	+14.42	+12.38

[a] Percentage of taxable income.

The increase in breakeven price for cropland, due to an investor's ineligibility for farm program benefits or a decline in farm program benefits for eligible participants (shown as a lower per bushel price in this analysis) is greater for investors at the lower marginal income tax rates.

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The second effect of farm programs on cropland prices is a higher selling price for cropland if the land is expected to qualify for future farm programs. The expected increased net returns would be reflected in increased selling prices.

> Sensitivity of Cropland Breakeven Prices to Purchase Prices for Rangeland and Rangeland Conversion Costs

Breakeven prices are sensitive to the rangeland purchase prices and rangeland conversion costs. The sensitivity of the breakeven prices for cropland was illustrated by changing purchase price and conversion cost assumptions. The following assumptions were made:

Rangeland prices were assumed to be \$200 rather than \$100 per acre.

Conversion costs were assumed to be \$23.91 per acre rather than \$13.45 per acre.

The breakeven prices calculated under these assumptions are shown (Table 5).

Table 5: Breakeven Prices With Different Rangeland Prices and Conversion Costs, at Different Tax Rates

Background assumptions	0	10	20	30	40	50	
• • • • • • • • • • • • • • • • • • •	_dollars per acre_						
Base case	219.06	192.00	177.01	162.39	148.11	134.14	
Rangeland price double	357.15	325.03	304.88	284.97	265.24	245.62	
Conversion costs double	233.50	204.83	188.28	172.15	156.40	140.99	

[a] Percentages of taxable income.

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The capital gains feature of the current Federal income tax provisions appears to be a major incentive for converting rangeland cropland. The capital gains incentive is much greater for to higher marginal tax rates than for those at lower taxpayers at the marginal rates. To realize capital gains, assets must be sold. Therefore, the capital gains feature provides greater incentives to those at higher marginal tax rates who are not going to retain cropland for production but who are going to take capital gains as soon as other tax advantages are dissipated. In order to expense conversion costs the first year, the investor must have a tax liability on ordinary income from other sources.

The capital gains and investment credit tax features outweigh the higher wheat price effect on breakeven prices for cropland for investors at the higher marginal tax rates (Table 6).

Table 6: Summary of Percentage Increases in Breakeven Prices for Converted Cropland Due to the Deletion of Selected Tax Provisions and Lower Wheat Prices

	Marginal tax rate [a]							
	0	10	20	30	40	50		
	percent increase							
Capital gains	0	3.95	8.36	13.31	18.84	24.95		
Investment credit	0	6.00	6.43	6.94	7.53	8.10		
\$3.65 per bu. wheat versus \$4.15 wheat	9.93	10.42	10.30	10.05	9.74	9.23		

[a] Percent of taxable income.

Various features of the current Federal income tax system could be altered to reduce the tax incentives for converting rangeland to cropland. Changes in existing provisions could be patterned after earlier tax provision changes that were made for similar reasons. Some of these include:

(1) The length of time that rangeland converted to cropland must be held before capital gains could be taken on the sale could be extended. That provision of the Federal income tax code currently applies to tree and fruit farms; [6]

(2) Converting rangeland to cropland may be defined simply as 'treating earth' or 'conditioning land to permit its use as farming land' under current tax regulations.[7] That change would prohibit the initial plowup costs from being deducted as an operating expense to effectively reduce the level of taxable ordinary income. Plowup costs would be considered preproduction expenses that have to be capitalized rather than expensed as is the rule for beginning pistachio tree farms.[8] Alternatively, the conversion costs could be treated similar to soil and water conservation measures that can be deducted as operating expenses over a period of years but in amounts not exceeding 25 percent of a taxpayers gross farm income in any one year.[9]

- 6. See Code Sec. 278(a):Regs. PP1.278-1(a).
- 7. See Code Sec.182(c)(1);Regs. PP1.182-3(a).
- 8. See Regs. PP1.162-12.
- 9. Code Sec. 175(a).

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(3) Allowing agricultural expenses to be used to offset income earned from other sources could be suspended. This could affect taxpayers with farming as the principal source of income but with outside sources of taxable income, and taxpayers whose principal source of income is elsewhere but who are purchasing rangeland for conversion to cropland and re-sale.

There are several bills currently before the U.S. Congress to limit the eligibility for farm program benefits. Senate Bill S.663, commonly referred to as the Armstrong Bill, is designed to prohibit the payment of certain agriculture incentives to persons who produce certain agricultural commodities on highly erodible land. [10]

In the Bill "highly erodible land" means land classified by the Soil Conservation Service of the U.S. Department of Agriculture as class IVe, VIe, VII or VIII under the Land Capability Classification System. Any person who produces an agricultural commodity on "highly erodible" land brought into crop production after the passage of this Bill would be ineligible for:

- Any type of price support assistance for the commodity produced;
- A loan for the construction or purchase of a facility for storage of such commodity;
- Crop insurance for such commodity under the Federal Crop Insurance Act;

10. S.663. 98th Congress, 1st Session.

4. Any disaster payments for such commodity; and

5. Any loan from the Farmers Home Administration.

Exempt from such restrictions under this Bill would be any agricultural commodity produced after enactment that was produced on newly-developed "highly erodible" cropland using a conservation system which had the approval of a soil conservation district, and which was based on the technical standards set forth in the Soil Conservation Service technical guide for the soil conservation district.

Summary

Federal tax provisions provide a major economic incentive for investors who do not plan to retain ownership of converted land to convert rangeland to cropland. Capital gains treatment of the increased value of converted cropland is the most important of the tax incentives evaluated followed by investment credit. [11] These two overshadow the value of other tax features to investors and the value of additional realized returns for wheat attributable to farm program provisions during the period the investor owns the new cropland.

^{11.} The costs of clearing land to make it suitable for farming is generally a capital expense. Included is conditioning "land to permit its use as farming land." (Code Sec. 182(c): Reg P 1, 182-3(a). We assume these provisions do not apply in this analysis.

The value of capital gains is greatest for investors in the higher marginal tax brackets. Capital gains benefits are captured only upon sale of land. Investment credit can be used only if matched against an existing Federal tax liability.

farm program has two possible effects on the investor who The converts rangeland to cropland. The first is increased revenue from farm program benefits during the period the investor owns the land. This analysis has shown that farm program benefits received by the investor during the investor's ownership period will reduce the breakeven price for cropland. These farm program benefits (measured as a higher wheat price) allow for greater reductions in the breakeven price for cropland by investors at the lower marginal tax rate than for investors at higher marginal tax rates. The second probable effect is a higher selling price for cropland if expected to qualify for future farm program the land is provisions. This effect was not estimated in this analysis.

APPENDIX A-Method of Illustrating the Value of Tax Provisions

simulation of the conversion over a 5-year period of 2,000 Α acres of Eastern Montana rangeland to cropland is used to benefits to investors from illustrate the selected Federal tax provisions. Rangeland purchased in the first year is plowed out in the late summer.[12] The cost of the plowout in the first year is machinery (including labor) used in the the operating costs of conversion.[13]

The second year assumes fallowing and land preparation until winter wheat is seeded in the fall on all 2,000 acres. Only 13 bushels of wheat (half the historical average yield for the area) is assumed to be harvested the third year, after which the soil is cultivated once. Fallow operations in the fourth year are the same as the second year; winter wheat is planted in the fall. The wheat is harvested the fifth year and the soil cultivated once before sale of the land and machinery.[14]

12. Operations budgets and total cash outlays for each year are presented in Appendix Tables 1 and 2, and machinery and equipment investments, repair costs, and used equipment salvage values are presented in Appendix Table 3.

13. Several definitions of plowout costs could be used. All costs incurred over the period of years needed to bring land into full productive capacity, including perhaps conservation practices, could be used, for instance.

14. A full five years of ownership qualifies the taxpayer for investment credit, without recapture, on farm machinery and equipment.

The Base Case

A "base case" is one standard of comparison for other results for which assumptions vary from the base case. The assumptions of the base case (other than the technical budgets and costs contained in Appendix Tables 1-3 and in tax codes [15]) are as follows:

> Purchase price of rangeland \$100 per acre Inflation rate 5 percent per year 12 percent per year Interest rate, nominal Depreciation (ACRS) rate Tax Recovery Act of 1981 Depreciation recapture Tax Recovery Act of 1981 Tax Recovery Act of 1981 Investment credit 40 % of ordinary tax rate Capital gains Wheat price \$4.15 per bushel Wheat yield first crop 13 bushels per acre Wheat yield second crop 26 bushels per acre

Breakeven Price

The results are presented as breakeven prices reported for each marginal tax bracket. The breakeven prices are expressed in real terms as if the sale were made by the investor in year 1 for delivery under contract at the end of year 5 at cost. Breakeven prices for cropland expressed in real terms adjusts for the fact that some funds for production costs are tied up for short periods of time while other funds for conversion and production costs are committed for longer periods and returns are received at various times during the five year period.

^{15.} See U. S. Department of Treasury, "Farmers Tax Guide" Publication 225 (Rev. Oct. 1982). Wash. D. C.:Internal Revenue Service.

uel ube epair abor [a] abor Overhead (20%) eal Estate Taxes ns. Pers. Prop. Lisc. TOTAL YEAR 1 eed, 50 lbs./Ac.0.08 itrogen, 16 Lbs./Ac.0.25	Total dol. 9,678 1,452 6,701 2,566 513 3,000 3,000 26,910 8,000 8,000	Year 1 Year 2
ube epair abor [a] abor Overhead (20%) eal Estate Taxes ns. Pers. Prop. Lisc. TOTAL YEAR 1 eed, 50 lbs./Ac.08 itrogen, 16 Lbs./Ac.0.25	9,678 1,452 6,701 2,566 513 3,000 3,000 26,910 8,000 8,000	
ube epair abor [a] abor Overhead (20%) eal Estate Taxes ns. Pers. Prop. Lisc. TOTAL YEAR 1 eed, 50 lbs./Ac.08 itrogen, 16 Lbs./Ac.0.25	9,678 1,452 6,701 2,566 513 3,000 3,000 26,910 8,000 8,000	Year 2
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eal Estate Taxes ns. Pers. Prop. Lisc. TOTAL YEAR 1 eed, 50 lbs./Ac.0.08 litrogen, 16 Lbs./Ac.0.25	3,000 3,000 26,910 8,000 8,000	Year 2
ns. Pers. Prop. Lisc. TOTAL YEAR 1 eed, 50 lbs./Ac.@.08 itrogen, 16 Lbs./Ac.@.25	3,000 26,910 8,000 8,000	Year 2
TOTAL YEAR 1 eed, 50 lbs./Ac.@.08 itrogen, 16 Lbs./Ac.@.25	26,910 8,000 8,000	Year 2
eed, 50 lbs./Ac.0.08 itrogen, 16 Lbs./Ac.0.25	8,000 8,000	Year 2
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itrogen, 16 Lbs./Ac.@.25	8,000	
itrogen, 16 Lbs./Ac.@.25	8,000	
	14,000	
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	10,934	
ube	1,640	
epair abar [a]	6,667	
abor [a] abor Overhead (20%)	3,151 630	
eal Est. Taxes (\$1.50/Ac.)	3,000	
ins. Pers. Prop. Lisc.	3,000	
	0,000	
TOTAL YEAR 2	69,023	_
		Year 3
uel	5,520	
ube	828	
lepair	5,644	
abor [a]	630	
abor Overhead (20%)	126	
pray, \$3.75/Ac.cust.	7,500	
arvest, \$14/Ac.cust.	28,000	
auling, \$0.01/bu./mi.	3,900	
over 5 mi.[b]	2 1 2 0	
Sinning, \$0.12/bu.cust.	3,120 3,000	
eal Est. Taxes (\$1.50/Ac.) ins. Pers. Prop. Lisc.	3,000	

Table A-1: Annual Total Var: Years 1 through 5 Continued		sh Fixed Costs	
Seed, 50 lbs./Ac.@.08 Nitrogen, 16 Lbs./Ac.@.25 Phosphate, 35 lbs./Ac.@.20 Crop Insurance, @5.00/Ac. Fuel Lube Repair Labor [a] Labor Overhead (20%) Real Est. Taxes (\$1.50/Ac.) Ins. Pers. Prop. Lisc.	8,000 8,000 14,000 10,000 10,934 1,640 6,667 3,151 630 3,000 3,000	Year 4	
TOTAL YEAR 4	69,023		
		Year 5	
<pre>Fuel Lube Repair Labor [a] Labor Overhead (20%) Spray, \$3.75/Ac.cust. Harvest, \$14/Ac.cust. Harvest, \$0.12 over 20 Hauling, \$0.01/mi./bu. over 5 mi. [b] Binning, \$0.12/bu.cust. Real Est. Taxes (\$1.50/Ac.) Ins. Pers. Prop. Lisc.</pre>	5,520 828 5,644 630 126 7,500 28,000 1,440 7,800 6,240 3,000 3,000		
TOTAL YEAR 5	69,729		

[b] Grain haul assumed to be 20 miles.

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and the second

Table A-2: Field Operations, Years 1 through 5, for Conversion of Rangeland to Cropland on 2,000 Acres in Eastern Montana

Year and operation	Machine width		Field efficiency	Acres covered	Total time
	ft.	mph	percent	per hour	hours
			Year l		
Plowup Operation Disc in July Disc in Aug Cultivate in Sept. Harrow (tandem) Rod weeder(tandem) Total Field Time	36.00 36.00 36.00	5.00 5.00 5.00	75.00	11.36 11.36 17.45 0 0	176 176 115 467
SUMMARY Total Tractor Total Pickup F Total Truck Fu Total Fuel Cos Total Lube Cos Total Fuel and	uel, gal. el, gal. t, dol. t, dol.		(gal./hr. 9.45 (@10 mi./gal., (@6mi./gal/, 8 (dol./gal.=\$1. (fuel \$x15 per	20,000mi.) ,000 mi.) 25)	4,409 2,000 1,333 9,678 1,452 11,130
			Year 2		
	36.00 36.00	5.00	80.00	17.45	115
Rod weeder(tandem) Cultivate Harrow (tandem)	36.00 36.00	5.00	80.00	17.45	115
Rod weeder(tandem) Cultivate Harrow (tandem)	36.00 36.00	5.00	80.00	17.45	115
Rod weeder(tandem) Cultivate Harrow (tandem)	36.00 36.00	5.00	80.00	17.45	115
Rod weeder(tandem) Drill Total Field Time	36.00	5.00	80.00	17.45	115 573
SUMMARY Total Tractor Total Pickup F Total Truck Fu Total Fuel Cos Total Lube Cos Total Fuel and	uel, gal. el, gal. t, dol. t, dol.	•	(gal./hr. 9.45 (@10 mi./gal., (@6mi./gal.,8, (dol./gal.=\$1. (fuel \$x15 per	20,000mi.) 000mi.) 25)	5,414 2,000 1,333 10,934 1,640 12,574

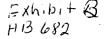
Table A-2: Field Operation	s, Years l	through 5, Cor Year 3	tinued.	
Harvest Operation Spray-Custom Harvest-Custom Cultivate-Spike 36.00 Total Field Time	5.00	80.00	17.45	0 0 115 115
				115
SUMMARY Total Tractor Fuel, ga Total Pickup Fuel, gal Total Truck Fuel, gal. Total Fuel Cost, dol. Total Lube Cost, dol. Total Fuel and Lube, d	•	(gal./hr. 9.4 (@10 mi./gal. (@6mi./gal.,8 (dol./gal.=\$] (fuel \$x15 pe	, 20,000mi.) 3,000mi.) 1.25)	1,083 2,000 1,333 5,520 828 6,348
Ealler-Plant OperationYear 4				
Fallow-Plant OperationCultivate36.00Harrow (tandem)36.00Rod weeder(tandem)36.00	5.00	80.00	17.45	115
Kod weeder(tandem)56.00Cultivate36.00Harrow (tandem)36.00Rod weeder(tandem)36.00	5.00	80.00	17.45	115
Cultivate36.00Harrow (tandem)36.00Rod weeder(tandem)36.00	5.00	80.00	17.45	115
Cultivate 36.00 Harrow (tandem) 36.00 Rod weeder(tandem) 36.00	5.00	80.00	17.45	115
Drill 36.00 Total Field Time	5.00	80.00	17.45	115 573
SUMMARY Total Tractor Fuel, gal. Total Pickup Fuel, gal. Total Truck Fuel, gal. Total Fuel Cost, dol. Total Lube Cost, dol. Total Fuel and Lube, dol.		(gal./hr. 9.4 (@10 mi./gal. (@6mi./gal.,8 (dol./gal.=\$1 (fuel \$x15 pe	, 20,000mi.) 3,000mi.) 25)	5,414 2,000 1,333 10,934 1,640 12,574
Henrycek Oneyekien		Year 5		
Harvest Operation Spray-Custom Harvest-Custom Cultivate-Spike 36.00 Total Field Time	5.00	80.00	17.45	0 0 115 115
SUMMARY Total Tractor Fuel, ga Total Pickup Fuel, gal Total Truck Fuel, gal. Total Fuel Cost, dol. Total Lube Cost, dol. Total Fuel and Lube, d	•	(gal./hr. 9.4 (@10 mi./gal. (@6mi./gal.,8 (dol./gal.=\$1 (fuel \$x15 pe	, 20,000mi.) ,000 mi.) .25)	1,083 2,000 1,333 5,520 828 6,348

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	i Montana					
Machine	New Cost		Annual	Fixed Cost Factor	Fixed	Used Five-Yr. Value
	dol.	%list	dol.	%list	dol. [a]	dol.
Tractor, 4-WD, 175 HP, Diesel	73 ,9 00	4.50	3,326	10.40		33,120
Disc, 25Ft.	1 6,37 5	6.00	983	10.40	1,703	5,334
Cultivator, 36 Ft.	15,500	6.00	930	11.40	1,767	5,049
Harrow, 36 Ft.	2,050	0.20	4	11.40	234	668
Rod Weeder, 36 Ft.	2,375	6.00	143	11.60	276	774
Drill, 36 Ft.	25,650	3.70	949	11.60	2,975	8,355
Auger, 8 In. @1,000 bu./hr.	2,200	3.30	73	11.60	255	717
Truck, 2 1/2 Ton	19,000	3.20	608	11.60	2,204	6,189
Pickup, 1/2 Ton	12,000	5.90	708	11.60	1,392	3,909
TOTAL	1 69, 050		7,722		18 ,491 [a]	64,114
SUMMARY OF REI Year 1 Year 2 Year 3 Year 4 Year 5	PAIR EXP	ENSES	6,701 6,667 5,644 6,667 5,644			

Table A-3: Machinery Investment and Repair Schedule Based on 2,000 Acre Wheat-Fallow Operation Eastern Montana

[a] This is an accounting entry not used for income tax purposes. Tax depreciation is figured differently from this calculation.
Sources: See Delwin M. Stevens and Douglas E. Agee,
Using Farm Machinery Efficiently, "Wyoming Agr. Exp. Sta.
Bul. B 482 R, May, 1979 for efficiency rates.
Used value functions are from AGRICULTURAL ENGINEERS
YEARBOOK 1979, p. 253.





P.O. Box 2447 300 River Drive North Great Falls, Montana 59403 (406) 452-6406 1-800-332-5903

TESTIMONY OF TERRY MURPHY, PRESIDENT OF MONTANA FARLERS UNION IN SUPPORT OF HB 682

MONTANA FARMERS UNION HAS A LONG STANDING POLICY IN SUPPORT OF THE AIMS OF HE682. OUR POLICY STATES "IN ORDER TO PRESERVE THE LEGITIMATE FAMILY FARM, FORIEGN INVESTMENTS OR OWNERSHIP IN AGRICULTURAL LAND MUST BE PROHIBITED! IT ALSO STATES "WE SUPPORT A FAMILY FARM ACT! THIS BILL IS IN KEEPING WITH THAT GOAL. FARM LAND FOR FARM PEOPLE IS OUR GOAL, AND I HOPE THIS COMMITEE WILL GIVE A "DO PASS" RECOMMENDATION TO HE 682.

IM SURE WE'LL HEAR ABOUT FREEDOM TO SELL, CONCERN FOR LAND PRICES, AND SO ON. STATES AND MATIONS HAVE FREEDOM, AND INDEED, THE RESPONSIBILITY TO ENACT PUBLIC POLICIES FOR THE GOOD OF THE OVERALL SOCIETY AND ECONOMY. A NUMBER OF STATES HAVE JUST SUCH LAWS ON THE BOOKS. THE EFFECT ON LAND PRICES HAS NOT BEEN BITHER POSITIVE OR NEGATIVE. NORTH DAKOTA HAS THE MOST RESTRICTIVE ANTI-CORPORTATE LAW OF ALL. LAND PRICES THERE ALWAYS FOLLOW THE SAME PATTERN[†] AS THE SURROUNDING STATES. IN 1984, NATIONAL AVERAGE LAND PRICES DECLINED, WHILE NORTH DAKOTA'S REMAINED CONSTANT. OKLAHDMA HAS HAD RESTRICTIONS SINCE STATEHOOD, BUILT RIGHT INTO THE STATE CONSTITUTION. AGRICULTURE HAS BEEN JUST AS VIABLE THERE AS IN THE SURROUNDING STATES.

WHAT IS SIGNIFICANT THERE IS THAT FARMERS COMPETE WITH FARLERS, RATHER THAN WITH FORIEGN INTERESTS OR LARGE NON-FARM CORPORATIONS. THIS IS THE KEY POINT IN ALLOWING INDIVIDUALS TO HAVE ACCESS TO THE SYSTEM ON AN EQUAL BASIS. CERTAINLY THE 20YEAR OLD NEIGHBOR KID HAS A LEGAL RIGHT TO COMPETE WITH INVESTMENT GROUPS OR INSURANCE COMPANIES. A MOUSE ALSO HAS A RIGHT TO TICKLE THE CAT'S NOSE, BUT IS AT A DEFINITE DISADVANTAGE. IT IS TIME FOR MONTANA TO TAKE THIS STEP.

THANK YOU.



JAMES W. MURRY EXECUTIVE SECRETARY – Box 1176, Helena, Montana -

ZIP CODE 59624 406/442-1708

TESTIMONY OF JIM MURRY ON HOUSE BILL 682 AND HOUSE JOINT RESOLUTION 28, HEARINGS OF THE HOUSE AGRICULTURE COMMITTE, FEBRUARY 15, 1985

The Montana State AFL-CIO is here today in support of House Bill 682, and what we feel is its companion bill, House Joint Resolution 28.

The Montana labor movement has long recognized the importance of the family farm operation to our American way of life. Montana history is filled with the richness of an effective farm-labor coalition working together for a better Montana future. Appearing here today is a continuation of our recognition of that important coalition and recognition of the tradition of the American family farmer in our roots.

Many of Montana's trade union members are native Montanans, raised in our rich agricultural heritage on small family farms, but forced to find work outside of that heritage in response to the economic plight of our farmers. Many trade unionists return home to their family farm roots to celebrate holidays with their parents. They hope someday to return to the soil, but know full well that most family farms cannot support one family, much less a second generation.

America's agriculture is suffering, and Montana's is no different.

What we believe House Bill 682 and HJR 28 will do is send a clear signal to those in responsible governmental positions that Montanans want an end to the exploitation of America's family farms.

We believe that the federal administration's policies of giving high tax breaks to corporations, including write-offs for unprofitable operations, like farms, only accelerates the dismantling of family farms. Giving corporations the financial advantages they currently have over family-owned agricultural operations could well signal the beginning of monopolistic control of our nation's food production. Farms will become subsidiaries of oil companies and multinational corporations. And we will all pay the price for that.

Disallowing corporate takeover of Montana's family farms is a good first step. Urging the Congress to reverse the President's terrible agricultural policies is a good second step. You can take two steps to protect Montana's family farms here today, and I urge you to do so.

Thank you.

:XA, bit h HB 682 Feb. 15, 1985 2-15-85

Testimony of Robert P. Wilson Re: HB 682 Mr. Chairman and Homorable Members of the Committee:

I am a cattle rancher newr Bainville, a small town in the drought-stricken northeast corner of the State. I strongly urge you to pass House Bill 682.

For the past five years, I have felt generally uneasy about the condition of the family farm; within the past two years, I have come to believe strongly that we are witnessing the general collapse of the agricultural economy, of the family farm, of rural America itself. Here in Montana, the extent of the catastrophe is just now being tabulated. By now, I'm sure you've heard all the statistics, but the figures are grim enough to merit repitition. Three PCAs have liquidated. The Crop and Livestock Reporting Service indicates that 31% of the State's farmers are delinquent in their operating loans, and that assuming current trends, only 55% of them will be in business five years from now. As Toni Kelley of Northern Plains Resource Coucil points out, "these numbers cannot begin to describe the proportions of human, family, and community tragedies lurking behind them."

If this is the end of the family farm, is it the beginning of a Corporate Countryside? Current tax law would have it so. Farming offers investors outside the agricultural community wonderful tax savings through the judicious application of laws regarding depreciation, a whole range of deductible expense, and especially capital gains. One study (by the Interreligious Task Force on US Food Policy) demonstrates that a non-farm investor in the 50% tax bracket can realize a savings of as much as \$300

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for every \$1000 of ordinary income invested in a farm. Indeed, it has been reckoned that if a family farmer, unable to make full use of these tax benefits, needs 5.00/bu wheat to break even, an outside investor, farming for tax savings, will perhaps be money ahead with wheat as low a 2.50/bu.

Such tax inequities create an impossible competition for <u>bona fide</u> farmers. They also ravage the land. As Montanans, we have all been victimized by large scale "plow-outs" of marginal rangeland, burchased cheaply by corporate investors, and plowed for the primary burpose of eventual resale--thereby allowing investors to convert ordinary income into capital gains. It is doubtful whether some of this land will recover from such poor stewardship.

HB 682 seems to me an eminently reasonable bill. I does no harm to family corporations. It is quite similar to legislation that has worked well in other states, notably North Dakota. It even has a clause guaranteeing the rights of non-family corporations currently engaging in farming operations within the state. By eliminating a grossly unfair source of competition, it nurtures the family farm; by partially closing an egregious tax loophole, it enhances the revenue of a deficit-ridden government. It protects consumers by the prevention of huge "farming cartels" as well as by curtailing the foreign ownership of Montana farmland.

The one argument that could be made legitimately against this bill is that it will reduce the pool of buyers available to farmers currently forced to sell cut. But that argument is fundamentally unsound; in the final analysis, the only way our system of in-

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dividually owned family farms will survive is if land is valued not because it is a good realestate speculation, not because of its usefulness as a tax shelter, but instead because of the value of the food it will produce forever. You can't have it both ways.

I thank you all for hearing this testimony, and I urge once again that you give this timely and just bill vote of "Do Pass."

Exhibit E 1+13 682 2-15-85

DUNN CENTER North Dakota 58626 February 12, 1985

HOUSE AGRICULTURE COMMITTEE Montana State Legislature Helena, Montana 59601

I AM WRITING THIS AS AN INFORMATIONAL LETTER TO LET YOU KNOW WHAT NORTH DAKOTA'S CORPORATION FARMING LAW HAS MEANT TO ME AS A FARMER-RANCHER.

I LIVE NEAR DUNN CENTER, NORTH DAKOTA, AND HAVE BEEN A FARMER-RANCHER ALL MY LIFE. I AM ALSO A PAST CHAIRMAN OF THE DAKOTA RESOURCE COUNCIL, A GROUP CONCERNED WITH ENERGY AND AGRICULTURAL ISSUES.

NORTH DAKOTA HAS HAD A PROHIBITION ON CORPORATIONS OWNING AND OPERATING FARMLAND SINCE 1932. THIS HAS PROVIDED A GREAT MANY SAFEGUARDS FOR THE FAMILY-TYPE FARMING OPERATION. THE LAW HAS WORKED VERY WELL IN NORTH DAKOTA. WE DO NOT HAVE CORPORATIONS FARMING ON A LARGE SCALE IN NORTH DAKOTA AS THEY DO IN SOME STATES. WE DO NOT HAVE THE SODBUSTING PROBLEMS AS WE HAVE HEARD THAT MONTANA HAS. TO BE SURE, THERE ARE SOME PRIVATE INDIVIDUALS WHO HAVE LARGE HOLDINGS; BUT BY AND LARGE, OUR FARMS AND RANCHES ARE OWNED AND OPERATED BY THE PEOPLE WHO LIVE ON THE LAND AND DO BUSINESS IN THE LOCAL COMMUNITY.

CORPORATIONS OFTEN DO NOT CARE WHAT HAPPENS TO A LOCAL COMMUNITY, AS LONG AS THEY ARE ABLE TO MAKE A PROFIT. THEY DO NOT OFTEN BUY IN THE LOCAL COMMUNITY.

I THINK THAT IT IS ESPECIALLY IMPORTANT TODAY, WITH THE THREAT OF FARM FORECLOSURES LOOMING IN THE FUTURE, THAT CORPOR-ATE FINANCIAL INSTITUTIONS, WHO MAY ACQUIRE LAND THROUGH FORE-CLOSURES, NOT BE ALLOWED TO HOLD THIS LAND FOR INDEFINITE PERIODS OF TIME. NORTH DAKOTA'S CURRENT LAW PROVIDES THE LAND BE DIVESTED WITHIN THREE YEARS AFTER THE INSTITUTION ACQUIRES THE LAND.

AT THE SAME TIME, WE HAVE NOT HEARD TOO MANY COMPLAINTS THAT OUR LAW IS TOO RESTRICTIVE. IN FACT IN SOME STATES WHERE CORPORATIONS HAVE ACQUIRED LARGE BLOCKS OF LAND, THE LANDOWNER MAY BE RESTRICTED IN TO WHOM HE CAN SELL HIS LAND IF HE WANTS TO SELL OUT OR RETIRE. THE CORPORATION FARM MAY BE THE ONLY ONE AROUND. THERE CERTAINLY WOULD BE A LACK OF COMPETITION IN THAT CASE.

IN CLOSING, I WOULD AGAIN REITERATE THAT NORTH DAKOTA'S CORPORATION FARMING LAW HAS BEEN GOOD FOR ME AND FOR THOUSANDS OF NORTH DAKOTA FARMERS! IT HAS PROVIDED A SAFEGUARD SO THAT FARMS AND RANCHES CAN BE PASSED ON TO SUCCEEDING GENERATIONS AND NOT END UP IN THE HANDS OF A FEW CORPORATIONS.

Dia ne officiand

2/15/85 Exhibi 🗗 The Montan Wildlife Federation supports the HB 682 purposes of HB682. Our support in based primarily on the fact that the forms and ranches in this state support a major share four total population of ling game animals, upland game birds. The streams that flow through an agriculture lande provide one of the nation's finest fisheries that we all enjoy. In linef, we recognize that Montana formers and nanchers are custodions of a large portion of our wildlife resource. A healthy agricultural economy cannot help but benefit our wiedlife resource. But there are other reasons for our support of H B 682. Our experience shows that as family operations consolidate and incorporate our apportunities to get permission to hund and fish deminish. Jarge, and corporately owned ranches are typified by "no hunting or fishing poeting." Such aperations are much more likely to leave hunting rights, often to hunting clubs which limit use to members. We value the privilege to pursue our sport on private land and we are fearful of the trend toward " pay" hunting -Sportenen are also concerned about the lose of wildlife habitab when large, corporate antities break up grazing land and destroy native habitet that is of special value to upland birds and big game. Our concerns may appear to be self-serving. chick sense, They are. However, There can be little acquiment that our wildlife resource is, in fact, of great value to all Montanante. We recommend that This commillee que fororable consideration to HB682. Hal Price, mont Wildlife Fed.

Exhibit 6 H13682 2-15-85

	WITNESS STATEMENT	
Name	Mens Teigen	Committee On Acivical time
	Helena	Date 2/15/85
Represent	ting how L Sterrgrowers Cowcelles	Support
	HB 1.82	Oppose
		Amend

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

1. Projosal would remove a significant source of purchasing power for farms and randings. Many agricultural enter prises are for sale right now, Passage of this measure would reduce demand still further. 2. The elimination of limited partnewships from consideration would remove a source of oggital for many vanishers. 3. Bill is uncluly there injurious to family reportions. As long as the start is held by family insurboys it should name no difference who actually manages the property and vessides therean. 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

FORM CS-34 1-83

FARM	BUREAU
5	FEDERATION
\sim	

502 South 19th Phone (406)	/+ 3 Bozeman, Montana 59715) 587-3153	65
TESTIMONY BY: Marg Green		
BILL #HB 682	DATE 2/15/85	
SUPPORT	OPPOSE XXXX	

EXhibit H

Mr. Chairman.and members of the Committee:
For the record my name is Marg Green and I represent the Montana Farm Bureau
Federation. We oppose House Bill 682 for two basic reason:

We feel this is a great infringement on the rights to own and manage private property.

2. This type of legislation will further cripple an already faltering ag industry.

Private property has been an essential part of America's and Montana's growth. Thoughout our development, trust has been placed in the landowners, both rural and urban, to manage their property to the best interest of themselves, and therefore, the general public. House Bill 682 is a drastic departure from this trust.

It is interesting that this departure is made only in the area of agriculture. If you are going to control agriculture in this manner it seems that to be fair and equitable, you should also put the same restrictions on family owned store, restraunts, banks and other businesses. Whith economic conditions as they are many of these small operations are turning to nationally based corporations to sell to.

Ironically, while this bill is meant to help, it actually has many harmful ramifications. On of these is that it will be virtually impossible for people that must sell their land to find buyers. Most farmers and renchers are at this point simply trying to hold on to what they have and can't think of buying their neighbors'*land. This bill only goes futher to limit the possibilities available to those who need to sell.

==== FARMERS AND RANCHERS UNITED ====-

Other states have passed laws similar to this and the results have been disastorous. People have been forced to simply walk away from land because they could no longer afford to stay and yet couldn't anyone to buy their land. Being forced to sell is hard enough, but it must be devastating to simply walk away from land you thought you owned with nothing at all to help make a new start.

Passing this bill would set a dangerous precedence. Legislation of this type, while well meaning, has too many unintended affects. There are many positive ways you can help family farms stay alive. Please, put more emphasis on the areas of research and market development, not greater regulation.

Farmers and ranchers have been told repeatedly by bankers that we must consider agriculture as a business, not a way of life. So please let us work to keep that business alive. Only then will our way of life be safe.

Thankyou

and an and the your

Exhibit I HB 682 2-15-85

HB 682

Mr. Chairman, members of the Committee, my name is Ken Williams. I appear here today on behalf of Western Energy Company and I am also speaking for the Montana Coal Council.

The Montana Coal Council and Western Energy oppose HB 682. This bill could seriously jeopardize our ability to operate coal mines. Many mining companies have 40 year mine plans and are required to bond and insure land management activities on those properties. We feel that this bill will restrict those abilities. Mining companies don't generally wish to be involved is agricultural activities except to control management of the land to insure successful reclamation. We urge a do not pass on HB 682.

Exhib. + A HB 789 2-15-85

WHEREAS noxious weeds continue to be a serious problem throughout Montana; and

WHEREAS deer, antelope, game birds and other wildlife constantly move from one land ownership to another and are frequently responsible for transporting noxious weed seeds, resulting in new noxious weed infestations, and

WHEREAS the sports-person may unknowingly transport and distribute noxious weed seeds on their clothing or with a vehicle, resulting in new noxious weed infestations; and

WHEREAS the conscientious hunter-sportsperson conerned with the environment would be willing to share the cost of controlling these noxious weed infestations; and

WHEREAS these contributions would relieve some of the economic demands borne by the landowners in controlling these noxious weed infestations; now

THEREFORE BE IT RESOLVED that the Montana Association of Conservation Districts encourage the legislators of the State of Montana to direct the Montana Department of Fish, Wildlife and Parks to add a \$2.00 noxous weed control fee to the cost of a conservation license and that this fee be distributed to weed districts throughout the State of Montana for use at their discretion for controlling noxious weeds; and

BE IT FURTHER RESOLVED that these funds be distributed to each county in direct proportion to the area within its boundaries.

ASSOCIATED FACTS

1983 Conservation License Sold

Resident Conservation License	117,599	
Sportsman (Incl Cons License)	19,623	
Combination Cons License	155,125	
TOTAL RESIDENT	ï	292,347

Non Res. Cons License	111,489	
Non Res Combination & Fish	9,666	
Non Res Combo Big Game	17,000	
TOTAL NON RESIDENT		138,155
TOTAL CONSERVATION	LICENSE	430,502
\$2.00 WEED STAMP		\$861,004

Supported by the Montana Association of Conservation Districts and the Montana Association of State Grazing Districts.

BE 1T ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA THAT A \$2.00 NOXIOUS WEED CONTROL FEE BE ADDED TO THE COST OF A MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS CONSERVATION LICENSE AND THAT THE FEE BE DISTRIBUTED TO COUNTY WEED DISTRICTS THROUGHOUT THE STATE OF MONTANA FOR USE AT THEIR DIRECTION FOR CONTROLLING NOXIOUS WEEDS AND THAT THESE FUNDS BE DISTRIBUTED TO EACH COUNTY IN DIRECT PROPORTION TO THE AREA WITHIN ITS BOUNDARIES.

Nontana Association Of Conservation District February 15, 1985

Exh. b.t B HB 789 2-15-85

Helena, Montana 59 Ph. 406-443-5711

7 Edwards

TO: The Honorable Jim Schultz Chairman, House Agriculture, Livestock, and Irrigation Committee

TESTIMONY ON HB 789 TO INCREASE THE COST OF A WILDLIFE CONSERVATION LICENSE FROM \$2 TO \$4.

We recognize the serious problem of noxious weeds in Montana and have seen all the attention that weeds have generated during this 1985 session. I think that we can all agree that something has to be done to solve this problem.

The Montana Association of Conservation Districts has shown a strong interest in the problem of weeds by passing numerous weed resolutions at the Association's past convention. HB 789 is a result of one of those resolutions.

Noxious weeds are spread by the elements of nature such as wind, water, or just the general nature of the plants. There is more and more evidence along public roads and accesses of the spread This cannot be blamed on nature, but rather on of noxious weeds. the public. It is the public's responsibility to contribute to the control of noxious weeds.

The intention of this bill is not to pick on a certain entity and charge them with the full responsibility of controlling weeds, but rather to use HB 789 as a vehicle for the public to help contribute to the weed problem.

The \$2.00 proposed increase seems small when we compare it to other weed efforts. For example, the farmers and ranchers contribute thousands of dollars to the weed problem, In Judith Basin, 18 farmers contributed \$112,000 toward weed control in 1984, which works out to \$6,222 per person. It is estimated that a Lewis & Clark County farmer or rancher pays about \$25 an acre for weed control. These costs don't include the cost of labor. I believe that these examples would be consistent throughout most of the state of Montana.

Granted, the farmers and ranchers should contribute a substantial portion of the weed control costs on their own lands, because of their involvement of the land.

There are 62.1 million acres managed or owned for agriculture proposes. This amounts to about 67 percent of the total acres of Montana. About 2.2 million acres are infested with weeds in Montana. Given the present financial state of agriculture and number of acres infested by weeds, it is impossible for agriculture to contribute the amount of funds needed to control weeds.

There is a movement to improve relations between landowners and sportsman. Probably 95 percent of the landowners don't mind hunting and fishing on their lands. Farmers and ranchers, at some point in time, are going to be forced to charge some figure like \$5 for the access for hunting and fishing on their lands to help offset the costs of weed control on their lands.

The public also contributes to weed control through a state-wide mill levy, which to some, probably seems an inappropriate way of funding weed control. Does an elderly couple confined to their home spread noxious weeds? Yet they are expected to help with weed control.

It is our assumption that sportsman who purchase conservation licenses will be driving in the back country picking up weeds that will unintentially be spread elsewhere.

The Montana Association of Conservation Districts strongly supports HB 789 and would ask for your support.

Thank you for your consideration.

Dave Donaldson Executive Vice President

Judith Bosin County

Exhibit C HB 789 2-15-85

Need Control District

Court House Stanford, Montana

February 1, 1985

 TO: Representative Gene Ernst Senator Jim Shaw Representative Rex Manuel Keith Kelly, Dept. of Ag. Representative Dorothy Brackley Senator Jack Galt
 FROM: William A. Reilly Judith Basin County Weed Supervisor

Enclosed are some figures that we have put together. I think you will find them interesting and an "eye opener."

We have got to do more research on biological control!

We ran a survey three years ago on what it cost 18 farmers and ranchers on the "out-of-the-pocket" costs caused by weeds. This cost included chemical and application costs. It came to \$112,000.00 for the 18 of them. They simply cannot afford this! They have been on their knees begging for help and we have been letting them down someplace. With figures like these, we sure aren't spending auch for a common sense control.

WAR/mlp.

l'helosures



TED SCHWINDEN

GOLCANOR

STATE OF MONTANA DEPARTMENT OF AGRICULTURE

ENVIRONMENTAL MANAGEMENT DIVISION AGRICULTURE/LIVESTOCK BLDG. CAPITOL STATION HELENA, MONTANA 59620-0205 KEITH KELLY DIRECTOR (408) 444-3144

GARY GINGERY ADMINISTRATOR (496) 444-2944

estilizations & regional

January 29, 1985

MEMORANDUM

TO: Bill Reilly

FROM: Gary Gingery

RE: 1983 Herbicide Sales

Montana Department of Agriculture's 1983 sales records show the following breakdown in herbicide sales:

Total:	8,729,107	pounds	\$ 7,969,710
	626,427	gallons	16,587,394
			\$24,357,104

Herbicides Used Primarily on Cropland:

8,675,114	pounds	\$ 7,739,316
195,327	gallons	6,528,764
		\$14,268,080

Please remember that this data includes only 80% of the total cales records received by the department.

 $\circ mr$

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WITNESS STATEMENT			
	Committee On Joirie		
Address Helenn	Date 2/15/85		
Representing 12 Stockarow ens - Woolgrowers Powter	Support_X		
Bill No. <u>HB 739</u>	Oppose		
	Amend		

Exhibit D HB 789 2-15-85

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

FORM CS-34 1-83

Exh.b. + E HB 789 2-15-85

HB 789

Testimony presented by Jim Flynn, Department of Fish, Wildlife & Parks

February 15, 1985

The department opposes passage of HB 789 primarily because of its threat to other funding sources within the department's revenue sources.

The federal Pittman-Robertson Act of 1937 and the Dingell-Johnson Act of 1950 provide for federal excise taxes on all hunting and fishing equipment.

These tax revenues are apportioned back to the states based on a formula which considers the number of hunting and fishing licenses sold in the state as well as the number of hunter days and angler days conducted in the state each year.

The revenues from these taxes that were returned to Montana this past year totaled approximately \$4.3 million. In order for the State of Montana to participate in these federal programs, it was necessary for the state to enact assenting legislation assuring the use of all sportsmen's dollars for certain purposes. These assenting statutes are sections 87-1-701 and 87-1-708 of the Montana codes.

It is our opinion that HB 789 would be contrary to those assenting acts and thus would jeopardize and likely forfeit those federal funds now available and historically used.

Our opinion is bolstered by a similar set of circumstances which took place last year in the State of Oregon. That legislature proposed a \$1.00 fee to be added on hunting tags with the proceeds earmarked for the State Department of Agriculture's weed programs. The Federal Regional Solicitor's Office determined that constituted a diversion of funds and would make the State of Oregon ineligible for further participation in the two federal programs.

We have little reason to believe a similar decision would not be made for Montana.

Aside from this major concern, Mr. Chairman, I would point out that this agency has spent about \$168,000 this biennium for weed control on department lands. We are requesting an additional \$62,000 for the upcoming biennium to maintain our properties in cooperation with neighboring landowners, local weed control districts and the Montana Department of Agriculture. These dollars and this effort are supported by Montana's sportsmen. We acknowledge and have begun to fulfill our responsibility for the control of weeds on department lands. We will continue to do so with the resources at hand.

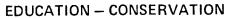
While we acknowledge that responsibility for department lands and the funding of our program, we cannot acknowledge that sportsmen should bear an additional cost for compounding the weed problem by wild animals if such exists. Nor can we accept an additional cost for all sportsmen who may or may not compound the weed problem in the pursuit of recreation.

The wild animals of the state are the property of all the people of the state and do not exist solely for the holders of a conservation license. Many other Montanans besides those license holders benefit from our wild animals.

In a similar manner, not only conservation license holders are afield and potentially dispersing weeds. Many others may be contributing to that situation.

In summary, Mr. Chairman, our primary concern is the matter of diversion of funds. The loss of those funds would seriously affect this agency's budget which would undoubtedly cause our present weed control program to be drastically cut back and likely eliminated. In addition, such a loss would mean that the federal money paid for excise taxes by many Montanans would go to other states.

We request the committee to consider the total impacts of this legislation and assure its defeat.







AFFILIATE OF NATIONAL WILDLIFE FEDERATION

Testimony on HB 789 February 15, 1985



HB 089 Exhibit 1

2-15-85

Mr. Chairman, Members of the Committee, My name is Dantteinz I am here today representing the Montana Wildlife Federation.

The Sportsmen of Mentana have a long track record of paying Their own way. However, we feel this bill vurainy taxes The sportsmen for wood related problems.

Nexicis used spread and propugation is a 365 day a year public The average Antelope hunter spends only 2 days rin The field peryear The deer hunter sclass and Elk hunters 6.5 days. Even bird hunters are oft only 4 days per year. Doublic .

All manner of agricultural and recreation, activities have the potential to spread useds. It wall seen anyone who ever ventures out side an urban over ghas the potential the contributesto the problem.

Jes, sportsmen are willing to pay their fairshare of the wood management program the finding one of the beneral Find. we vige do not pass on HB789

THE WEALTH OF THE NATION IS IN ITS NATURAL RESOURCES



CHAIRMAN SCHULTZ AND MEMBERS OF THE HOUSE AGRICULTURE COMMITTEE

I am John Ortwein representing the Montana Catholic Conference. The Catholic Conference is the liaison between the two Catholic Dioceses of Montana in matters of public concern.

1 am here today to speak in behalf of House Joint Resolution 28.

This society is embarked upon a policy and practice of agriculture which inevitably leads to resource depletion and concentration of wealth. We are a society enamored with efficiency with which we equate bigness, power and wealth. But our efficiency formulae do not include human costs. In a society in which the economy is the ultimate determinant, such human factors literally do not compute.

The National Catholic Rural Life Conference reports that whenever seven family farms cease operations, one small business shuts as well. Rural banks have been failing at a higher rate than any time since the Depression and the rate of failures is expected to spiral even further.

Bishop Maurice Dingman of Des Moines, Iowa stated recently, "We know there is a budget crisis...We know that the budget must be balanced. Yet are not our food producers as important as the defense budget? Is not internal security and solidarity as crucial to a nation's defense budget?" "Or is our dream as a free and equal people dead?"

I urge this committee's support of House Joint Resolution 28.

MONTANA RELIGIOUS LEGISLATIVE COALITION • P.O. Box 745 • Helena, MT 59

EXMDIT

February 15, 1985

WORKING TOGETHER:

Montana

Association of Churches

American Baptist Churches of the Northwest

American Lutheran Church Rocky Mountain District

> Christian Church (Disciples of Christ) in Montana

Episcopal Church Diocese of Montana

Lutheran Church in America Pacific Northwest Synod

Roman Catholic Diocese of Great Falls-Billings

Roman Catholic Diocese of Helena

United Church of Christ MT-N.WY Conference

United Methodist Church Yellowstone Conference

Presbyterian Church (U.S.A.) Clacier Presbytery

Presbyterian Church (U.S.A.) Yellowstone Presbytery MR. CHAIRMAN AND MEMBERS OF THE HOUSE AGRICULTURE COMMITTEE:

I am Cathy Campbell, representing the Montana Association of Churches and testifying in support of <u>HJR 28</u>.

We support efforts to protect the family farmer who has often demonstrated a genuine commitment to stewardship of human and land resources. We encourage changes in tax laws which encourage family-based agriculture and protection of prime agricultural lands, and inhibit speculation and search for windfall profits.

We view the deterioration of the family farm system with alarm and pain. It saps the strength of rural communities. It tends to alienate ordinary people from the land, which is God's free gift to all. Since HJR 28 would help address some of these issues, I urge your support for the resolution.

VISITORS' REGISTER

AGRICULTURE COMMITTEE

BILL NO. HB 682, HB 789, HJR 28 DATE 2-15-85

SPONSOR Rep. Rapp-Svrcek, Rep. Abrams

RESIDENCE	SUPPORT	OPPOSE
Quat Falls	682425	
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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

	COMMITTEE		
BILL NO.	DATE		
SPONSOR			
NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Dan Heinz	Helena	682	789
Mens Teigen Woolgrowers	Helena	7 89 682	682
John Ostwein	Helenn	28	
Marg Green Priver	Helana		682
Dennis Lopach Beil	Heleng	<u>C</u> me	1
David Dietrich : + Light	Kalispell		\$82
Terry Cormocy REALTOR	Helena	E.	HB682
Con Judge MT STATE AFL-CTO	Helena	HB682 HJR 28	
Jee Brand	Helena	HB317 V	1
Cathy Campbell of Churches	Helina	HJR 28	``
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TE YOU CARE TO WRITE COMMENTS	S. ASK SECRETARY FOR WI		

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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