

MINUTES OF THE MEETING  
AGRICULTURE, LIVESTOCK & IRRIGATION  
MONTANA STATE SENATE

March 23, 1979

The twenty-seventh meeting of the Agriculture, Livestock and Irrigation Committee was called to order on the above date in Room 442 of the State Capitol by Chairman Galt at 9:00 a.m.

ROLL CALL: All members were present with the exception of Senator Graham.

CONSIDERATION OF HOUSE BILL 800: Representative Ellerd had introduced this bill which generally revises the livestock marketing laws in Montana. Some of the definitions are changed from the current law and it also increases the penalties for fraud by changing them from a misdemeanor to a felony. He said the industry is growing and the price of livestock is at the highest it has ever been and the amount of fraud has increased. This bill has been several years in the drafting process. It was originally drafted by the Livestock Marketing Association and was not in good shape when he received it. The Legislative Council and Charles Brown from the Department of Livestock worked on the bill and made the necessary changes and he had agreed with the changes. The statement of intent came up in the House Committee on the last day before transmittal and he was opposed to one part of the statement and an attempt to amend the statement failed. He presented a resolution to the committee, attachment #1, from the Board of Livestock and signed by Representative Ellerd and Terry Murphy, lobbyist for the NFO. The objection to the bill came from the NFO because there were some misunderstandings as to the NFO's position under the bill. Under the present bill they are exempt from buying a license to deal in cattle and it was his intention that they be exempt under this bill. The Attorney General cannot make a ruling on this until it becomes law. This attached resolution would make it clear that the NFO be exempt under this bill and that the department goes on record that they would not attempt to license the NFO. He also had a proposed amendment to the statement of intent see attachment #2. This amendment would strike the last sentence, lines 17 through 23 of the statement of intent.

Terry Murphy, representing the NFO, said they did have a problem with the bill as it was originally presented because they felt the NFO's position was not clearly spelled out in the bill. He said currently the NFO is exempt from the licensing provision under the present law and this came from an Attorney General's opinion. They wanted it made clear in the new law that it was the intent of the bill that the NFO's position was

still to be exempt. He said the NFO has agreed to this bill with the resolution and the amendment to the statement of intent in a spirit of compromise to support a new law primarily because of the increase in cattle prices. With the resolution endorsed by the Board of Livestock and Representative Ellerd and in print, if anyone, in the future, tries to challenge the Board to try to get the NFO to purchase a license there would be evidence that it was not the intent of the Legislature or the Board to have the NFO buy a license.

Charles Brown, Department of Livestock, said the department had been involved with the bill during its preparation and they now felt they could support the bill and felt it would provide some much needed protection.

Alice Frysle, Montana Cattlemen's Association, commended the NFO and Representative Ellerd in resolving the problems that had occurred as a result of the bill and the statement of intent. She felt the final result was a good bill and felt the penalties should be more stringent and they supported the bill with the amendment and the resolution.

Mons Teigen, Montana Stockgrowers and Woolgrowers, said this had been a frustrating piece of legislation and felt the statement of intent had been the problem. They now support the bill.

Chris Johanson, Montana Farmers Union, had no objection with House Bill 800 with the proposed amendments.

Representative Ellerd in closing said the livestock dealers license had been increased to a \$50 fee and this would probably generate enough money for the department to enforce the act. He thanked all the people that had been involved in getting this bill satisfactory to all concerned.

Senator Conover moved that the proposed amendment be adopted. Motion carried.

DISPOSITION OF HOUSE BILL 800: Senator Conover moved that House Bill 800 BE CONCURRED IN As Amended. Motion carried. Senator Graham absent.

Senator Galt will carry the bill on the floor.

Senator Hager moved that if the bill could go through the Senate faster that it be placed on the Consent Calendar. Motion carried.

The meeting was then adjourned.

  
SENATOR JACK E. GALT, Chairman

LEWIS L. JUDGE, Governor

ANIMAL HEALTH DIVISION

Glenn C. Holter, D.V.M.

Administrator

BRANDS-ENFORCEMENT DIVISION

James L. "Les" Graham

Administrator

#1



BOARD OF LIVESTOCK

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STATE OF MONTANA  
DEPARTMENT OF LIVESTOCK  
HELENA, MONTANA 59601

(406) 449-2043

March 15, 1979

TO WHOM IT MAY CONCERN:

Impact of HB 800 on NFO Type Marketing Activities

It is the opinion of the attorney of the Department of Livestock that the definitions of livestock dealer, livestock broker, and livestock market, as contained in House Bill 800, do not require the licensing of the NFO for the kinds of marketing in which it presently is engaged. The Department therefore goes on record that should HB 800 become law it will not seek to license the NFO as a dealer for the kinds of livestock marketing activities presently engaged in by the NFO.

ROBERT G. BARTHELMESS, Chairman  
Board of Livestock

Les Graham  
by LES GRAHAM, Administrator

Brands-Enforcement Division

March 23, 1979

I agree with and endorse the above resolution as a true representation of my intent as sponsor of HB 800.

Representative Robert A. Ellerd  
Representative Robert A. Ellerd

Witness:

Terry Murphy NFO Lobbyist

## ROLL CALL

## AGRICULTURE

## COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

SENATE

SENATE AGRICULTURE, COMMITTEE

BILL 1.3 800

VISITORS' REGISTER

DATE 3-23

Please note bill no.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

*E2*  
PROPOSED AMENDMENTS TO HB 800, third reading copy  
Representative Ellerd

1. Page 2, lines 17 through 23.

Following: "brokers."

Strike: remainder of lines 17 through 23 in their entirety

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STATEMENT OF INTENT RE: HB 800

1 A statement of intent is required for this bill in that  
2 it delegates authority to adopt rules in section 4.  
3 The purpose of the "Montana Livestock Marketing Act" as  
4 stated in the bill is to simplify, clarify, and modernize  
5 the law governing livestock marketing businesses and  
6 livestock marketing transactions; to promote open, free, and  
7 competitive factors in the market place in relation to all  
8 market conditions involving the sale and purchase of  
9 livestock; and to encourage, stimulate, and stabilize the  
10 livestock economy of the state.

11 The Department of Livestock is given, under section 4,  
12 authority to enforce and to adopt rules necessary to carry  
13 out the act. It is the legislative intent in delegating this  
14 rulemaking authority that the discretion granted the  
15 Department of Livestock is for the purpose of supervising  
16 and regulating livestock markets, livestock brokers, and  
17 livestock dealers in the state of regulating the  
18 properties, facilities, operations, services, and practices  
19 of all livestock markets, livestock brokers, and livestock  
20 dealers; and of supervising and regulating livestock markets  
21 in all matters affecting the relationship between the  
22 stock market and owners of livestock and between the  
23 dealers; and of supervising and regulating livestock markets

1 livestock markets and purchasers of livestock.  
2 A major concern of the act is to establish stiff  
3 penalties for unfair, deceptive, and fraudulent market  
4 practices. It is intended that by providing stricter  
5 penalties and that by giving the Department of Livestock  
6 authority to assess civil penalties for some violations,  
7 livestock marketing in Montana will be strengthened.

8 It is the intent of this bill that in the adoption of this  
9 rules under section 4 and in the general enforcement of this  
10 act that the Livestock Department's first function is to  
11 protect livestock producers consigning livestock to markets  
12 or selling livestock to or through dealers and brokers.  
13 Secondly, it is the intent of the legislature that so long  
14 as the purpose of protecting livestock producers is met, the  
15 enforcement and rules under this act not unduly interfere  
16 with the operations of the businesses of livestock markets,  
17 livestock dealers, and livestock brokers. It is the  
18 legislature's further intent that the definitions of  
19 livestock broker, dealer, and market contained in section 3  
20 are not applicable to the kind of marketing of livestock  
21 presently undertaken by various agricultural organizations  
22 who group livestock of member producers in order to gain  
23 better prices.  
24 First adopted by the HOUSE COMMITTEE ON AGRICULTURE,  
25 LIVESTOCK, AND IRRIGATION on February 19, 1979.

# STANDING COMMITTEE REPORT

March 23

19 79

President

MR. ....

We, your committee on Agriculture, Livestock & Irrigation

having had under consideration House Bill No. 800

Respectfully report as follows: That House Bill No. 800

third reading bill

BE CONCURRED IN

DOEASKE

GL

STATE PUB. CO.  
Helena, Mont.

Chairman.

STANDING COMMITTEE REPORT

March 23

1979

MR. President

We, your committee on Agriculture, Livestock & Irrigation

having had under consideration Statement of Intent of House Bill No. 800

Ellerd (Galt)

Respectfully report as follows: That Statement of Intent House Bill No. 800, statement of intent be amended as follows:

1. Page 2, lines 17 through 23.

Following: "brokers."

Strike: remainder of lines 17 through 23 in their entirety

And, as amended,  
BE CONCURRED IN

DO PASS