

THE MINUTES OF THE MEETING OF THE AGRICULTURE COMMITTEE
February 2, 1981

The meeting was called to order by CHAIRMAN CARL SMITH on Monday, February 2, 1981 in Room 431 of the Capitol. Roll call was taken with all members present.

BOB PERSON, the new staffer replacing DAVE COGLEY was introduced to the Committee.

HOUSE BILL 488 (EXHIBIT A) was introduced by REPRESENTATIVE JACOBSEN, sponsor, "AN ACT TO REVISE THE AMOUNT AND ALLOCATION OF THE WHEAT RESEARCH AND MARKETING ASSESSMENT; AMENDING SECTION 80-11-206, MCA; REPEALING SECTIONS 80-11-221 THROUGH 80-11-223, MCA; AND PROVIDING AN EFFECTIVE DATE."

The purpose of this bill is to allocate funds to the Wheat Commission for authorization of spending their funds.

Proponents were called for by the Chairman.

DALE SCHNEIDT, President of the Montana Grain Growers, spoke in favor of this bill. Mr. SCHNEIDT stated the voluntary contributions given to the fund have been less than 1%. Funds appropriated from this commission are to promote education and the sale of wheat overseas. The members of the commission are growers who contribute to this fund.

ED KEIL, farmer, member of the Montana Wheat Commission, spoke in favor of this bill. Mr. KEIL stated that the Wheat Commission has done considerable research in South America on their ability to produce wheat. He stated that 8 metric tons of wheat can be produced from there if the people were trained and educated from U.S. Wheat Farmers on the process of raising wheat.

BUD LENSTOHOLD, Secretary of the Montana Grain Growers, spoke in favor of this bill. MR. LENSTOHOLD stated the transportation of wheat from Montana is very costly. The farmers and the Grain Growers Association pay the majority of transportation costs at this time. He felt the Wheat Commission should contribute more in the transportation costs.

JO BRUNNER, Women Involved in Farm Economics, supports this bill. She stated that any funds assessed from the individual growers on a voluntary basis should be handled by the Commission.

There being no further proponents, opponents were called for.

SENATOR DOVER, representing himself, was not in favor of HOUSE BILL 488. He stated this bill was started in the Senate

last Legislative Session. This bill, as such, appropriated \$200,000 to the gasahol program. SENATOR DOVER felt in trying to repeal this bill that \$200,000 appropriated for in this program would be taken out and used for wheat research.

There were no other opponents.

In closing, REPRESENTATIVE JACOBSEN stated, as of now, the Department of Agriculture has the final say in appropriating funds. If this bill is amended, the commission will handle their own funds for allocation. There will continue to be \$200,000 appropriated to the gasahol program for the biennium.

VICE CHAIRMAN SCHULTZ asked why this bill was being considered at the end of the biennium. It takes two or three years to catch up.

REPRESENTATIVE JACOBSEN stated, as of now, the Department has the final say. If this bill is amended, the commission will handle their own funds for allocation.

It was also stated that 1/3 percentage of wheat farmers are members of the Grain Growers Association. The growers feel with this high percentage they should have control of their funds.

REPRESENTATIVE JACOBSEN stated the Wheat Commission is composed of wheat or barley growers. Any grower could find out where funds are being spent.

The hearing on HOUSE BILL 488 was concluded.

The meeting was called into EXECUTIVE SESSION:

HOUSE BILL 524 has been postponed and will be heard at a later date.

In reference to HOUSE BILL 488, REPRESENTATIVE SCHULTZ stated that the people could live with this bill and so could the farmer.

REPRESENTATIVE ROUSH felt the income is necessary and the \$200,000 will continue to be appropriated to the gasahol fund.

REPRESENTATIVE JACOBSEN stated the Wheat Commission sets their budget. Montana has a membership in Overseas Marketing to promote Montana wheat in foreign countries.

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REPRESENTATIVE SCHULTZ MOVED to accept the proposed amendments to H.B. 488 (EXHIBIT B). The MOTION PASSED with all in favor.

REPRESENTATIVE JACOBSEN MOVED that House Bill 488 do pass as amended. The MOTION PASSED.

A motion was made to adjourn the meeting at 1:35 p.m.



CARL SMITH, CHAIRMAN

lmw

HOUSE BILL NO. 488

INTRODUCED BY

Jason M. Mearns

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE AMOUNT AND ALLOCATION OF THE WHEAT RESEARCH AND MARKETING ASSESSMENT; AMENDING SECTION 80-11-206, MCA; REPEALING SECTIONS 80-11-221 THROUGH 80-11-223, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 80-11-206, MCA, is amended to read:

"80-11-206. Annual assessment on wheat and barley grown. (1) There is hereby levied an annual assessment of 2-1/2-mills-per-bushel-(except-for-the-fiscal-years--ending-on--June--30--1980-through-1983--when not more than 5 mills per bushel may-be-levied) upon all wheat grown and 5--mills per--hundredweight--(except--for--the-fiscal-years--ending-on June-30--1980-through-1983--when not more than 10 mills per hundredweight may--be--levied) on all barley grown in the state of Montana and sold through commercial channels. The assessment is hereby levied and imposed on each grower of wheat or barley in the state of Montana:

(a) in the case of sale of wheat or barley, at the time of any sale of wheat or barley by a grower, and shall be collected by the first purchaser of the wheat or barley

from the grower at the time of each settlement for wheat or barley purchased; or

(b) in the case of a pledge or mortgage of wheat or barley as security for a loan under any federal price support program, the assessment shall be collected by deducting the amount thereof from the proceeds of such loan at the time the loan is made by the agency or person making the loan.

(2) The assessment levied under the provisions of this part shall be deducted and collected as provided by this part, whether such wheat or barley is stored in this or any other state. The assessment shall attach to each transaction, but no grower shall be subject to assessment more than once irrespective of the number of times it shall be the subject of a sale, pledge, mortgage, or other transaction, the assessment being imposed and attaching on the initial sale, pledge, mortgage, or other transaction in which the wheat or barley grower parts with title to the wheat or barley, or creates some interest therein in a pledge, mortgage, or other person."

NEW SECTION. Section 2. Determination of amount and allocation of assessment. (1) The committee shall set the amount of the assessment each year in accordance with 80-11-206.

(2) The committee has exclusive authority to allocate

1 assessment funds. Allocation of administrative costs by the
2 committee for services provided by the department of
3 agriculture must be based on an itemized and justified
4 estimate or billing. Estimates or billings must be based on
5 actual and reasonable costs of the department of agriculture
6 incurred in performance of its administrative duties for the
7 committee.

8 Section 3. Codification instruction. Section 2 is
9 intended to be codified as an integral part of Title 80,
10 chapter 11, part 2, and the provisions of Title 80, chapter
11 11, part 2, apply to section 2.

12 Section 4. Repealer. Sections 80-11-221 through
13 80-11-223, MCA, are repealed.

14 Section 5. Effective date. This act is effective on
15 July 1, 1981.

-End-

EXHIBIT **B**

Amendments to HB 488

Adopted by the House Agriculture Committee 2/2/81

1. Title, lines 6 and 7.

Strike: "REPEALING SECTIONS 80-11-221 THROUGH 80-11-223, MCA;"

2. Page 2, line 25.

Following: "(2)"

Strike: "The"

Insert: "Except for money allocated by 80-11-221, the"

3. Page 3, lines 12 and 13.

Strike: Section 4 in its entirety.

Renumber: all subsequent sections.

NAME To Brunner HB
BILL No. 488
ADDRESS 531 S Oakes DATE 2/2
WHOM DO YOU REPRESENT W.I.F.E.
SUPPORT X OPPOSE _____ AMEND _____

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: *Women Involved in Farm Economics*

*supports the passage of H. B 488
We support the assessment on wheat and
barley as stated on page 1, Section 1 at
5¢ & 10¢ respective. We ~~ask~~ the continuance
of the assessment past the year 1983.*

*It is our position that any funds
assessed from the individual grower on a
voluntary basis should be handled by
the Commission allocated to, and not
by the Legislature. (page 2 - sec 2 - lines 21 thru page 3 line 1)*

*It is our position also that the
Montana Wheat Research Commission earn
an appropriate percentage of funds
collected for research into alcohol fuels
and byproducts.*

VISITORS' REGISTER

HOUSE

COMMITTEE

488

2-2

SOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.