

THE MINUTES OF THE MEETING OF THE AGRICULTURE COMMITTEE
February 16, 1981

The meeting was called to order by CHAIRMAN CARL SMITH on February 16, 1981 at 12:30 p.m. in room 431 of the Capitol.

Roll call was taken and all members were present but REPRESENTATIVE CONROY who was excused.

The meeting was opened to H.B. 640 and REPRESENTATIVE LUND, sponsor of the bill made his presentation. H.B. 640 is "AN ACT PROVIDING FOR ASSISTANCE TO FARMERS, RANCHERS, AND BUSINESSMEN ENGAGED IN AGRICULTURAL ACTIVITIES BY ESTABLISHING THE MONTANA AGRICULTURAL DEVELOPMENT BOARD; AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR ACQUISITION OF AGRICULTURAL LAND, LIVESTOCK, BUILDING, OR IMPROVEMENTS; PROVIDING CERTAIN INCOME TAX INCENTIVES TO INDIVIDUALS WHO SELL OR RENT AGRICULTURAL LAND TO BEGINNING FARMERS; AMENDING SECTION 15-30-121.MCA". Bill attached.

REPRESENTATIVE LUND stated that this bill was designed to help beginning farmers to get into agriculture and assist persons that are now in agriculture to stay in business. It is a Montana Preservation Act.

This bill has two components: the sale of tax exempt bonds which proceeds would supply low interest loans to farmers, and a tax incentive for retiring farmers that sell and leave their farms to beginning farmers. The bill is directed to those who have the ability to farm, but are unable to find the desired capital.

It is estimated that the amount the farmer needs is \$175,000 credit each year. High interest rates and payments make it difficult for some and impossible for others.

The Board of Agricultural Development would be created and would be authorized to sell. This would be attached to the Board of Housing. The bill is designed that the Agriculture Board could sell the bonds. REPRESENTATIVE LUND said, that this could cause some problems. The bonds will be tax exempt and the program will not use any state revenue and will be challenged through local banks and will not affect the State of Montana.

REPRESENTATIVE LUND passed out a handout (attached) that shows the bonding provisions for House Bill 640. This shows how these loans would be handled and passed out.

The Board will be picked by the discretion of the Governor.

This bill will allow the young man to have the opportunity to lease or buy the farm. If the retired farmer wants to

rent, he will get a tax credit. (See attachment, EXHIBIT C)

CHAIRMAN SMITH called for Proponents.

JOHN OITSINGER, attorney in Helena and representing the Board of Housing, pointed out section 4 of page 4, making a suggestion that the Board of Housing be the entity which actually issues the bonds, and that the Agriculture Development Board review the loans that are actually made to the individual farmers and ranchers. This will call for amendments to the bill.

DENNIS NATHY, rancher, supported the bill that the federal land bank now is 80% of 80%, and that you must have the 29% to qualify. If the committee decides to go with this bill, they should look at the process of subordinating loans.

There being no opponents, DISCUSSION was called for.

REPRESENTATIVE MANUEL asked if you could get 30% down from this board and then get the remainder somewhere else.

REPRESENTATIVE LUND said "yes", that the big problem for the young farmer is to get the money to get started.

In answer to REPRESENTATIVE ELLERD's question as to weather there would be a problem with land values, REPRESENTATIVE LUND stated that the market value would be what they would go by.

REPRESENTATIVE ROUSH asked if you could draw out all of this money.

MR. OITSINGER said it would be separately accounted for.

Reference was made to the \$100,000 net worth and it was stated that it would not take much to make \$100,000, thus provocation for an amendment there.

REPRESENTATIVE JACOBSEN remarked that if the Board approved these loans, that it is possible the borrower would be put in an adverse position in paying it back.

A question was asked regarding a noncitizen acting on this. The answer was that a noncitizen is eligible, but not a non-resident.

In reference to default, REPRESENTATIVE LUND said that this board could dispose and sell the land.

It was said that under the Homestead act, those over 65 years of age have a credit of \$100,000, one time.

REPRESENTATIVE LUND closed by saying there will be some amendments to this bill.

HOUSE BILL 740 was then presented by REPRESENTATIVE SWITZER. House Bill 740, "AN ACT TO AUTHORIZE THE DEPARTMENT OF LIVESTOCK TO CONDUCT RESEARCH PROGRAMS WITH REGARD TO ALL PHASES OF BEEF PRODUCTION AND TO PROMOTE THE USE AND CONSUMPTION OF BEEF AND BEEF PRODUCTS; PROVIDING FOR A TAX ON CATTLE TO FUND THE DEPARTMENT'S ACTIVITIES; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."
(See EXHIBIT D and Statement of Intent)

CHAIRMAN SMITH asked if there were any Proponents.

ROSANNA WINTERBURN, LEWIS AND CLARK COWBELLES spoke in favor of this bill and asked for a "do pass".

WALT JOHNSON, Montana Beef Council of Belt, Montana, spoke for H.B. 740 and stated that they do not have a good way to collect money for research and they see this bill a way of doing it. Where other states are asking \$1.00 a head, this bill asks for 25¢.

MONS TEIGEN, Montana Stockgrowers Association, spoke in favor of this bill and believes it to be the best way to operate.

JO BRUNNER, W.I.F.E. representative said that W.I.F.E. supports this bill and urges the passage. (See EXHIBIT E).

REPRESENTATIVE GAY HOLLIDAY, spoke as a proponent asking for the support of this bill.

LES GRAHAM, Department of Livestock, said they will not charge administration fees to handle the funds. PCB was different because D. Glosser did research and they were reimbursed. It will not take additional FTEs in the department unless their should be an emergency. Mr. Graham asked for support of this bill.

ALICE FRYSLIE, Montana Cattlemen Association, said the question their people have been asking is answered in the Letter of Intent.

ANN SCOTT, representing the Montana Farmers Union, spoke highly in favor of H.B. 740.

REPRESENTATIVE ELLERD also spoke as a proponent to H.B. 740.

The meeting was opened up for question from the Committee.

REPRESENTATIVE SCHULTZ asked if this tax was paid only one time a year even though the animal is sold twice.

REPRESENTATIVE SWITZER stated that this was a once a year tax.

REPRESENTATIVE ROUSH asked about nonaccessed control to pay this, like those on the reservations.

MR. SWITZER stated, "no comment".

The meeting closed on H.B. 740.

THE MEETING WAS CALLED INTO EXECUTIVE SESSION;

MOTION was made by REPRESENTATIVE FEDA that the Statement of Intent to H.B. 467 (EXHIBIT F) "do pass". MOTION PASSED.

SENATE BILL 4 was brought to the floor and it was MOVED by REPRESENTATIVE ROUSH to accept the copy of Amendments (EXHIBIT G) as presented.

Discussion was held. BOB THOFT told the Committee that the fiscal note on this was \$665,000 a year, the revenue from this bill after it was emined. The cost of collection to the county would be close to \$33,000 and no firm cost to the board or administrative costs. Theses amendments make this an appropriation bill.

REPRESENTATIVE ROUSH spoke to these amendments saying that the main essential part of funding this would come, if the amendments were adopted, from an appropriation of over \$600,000. \$300,000 plus for each biennium. That it would come from an appropriation and not a tax levy of 2 mills.

Because he comes from a reservation area REPRESENTATIVE ROUSH stated that he has alot of problems with that. The people want the weed research but argue with it because of the check-off. The committee is not necessary that is made available under this bill and that this could be done in the University. Everyone will be paying on this and will be benefited by it.

This is earmarked money, thus REPRESENTATIVE ROUSH expressed his backing in the amendments. Senator Melcher is to submit a companion bill, but doubts when the funding will come

through and also doubts about the participation of Burlington Northern and other concerns.

REPRESENTATIVE UNDERDAL said that the bill without the amendments does not accomplish what they want. That the weed problem is everyones problem.

REPRESENTATIVE ERNST stated that he has to resist the amendments and go with the self-tax which will be an on going program. The big fear was "will we get general funds?".

REPRESENTATIVE ELLERD said that he too resisted the amendments. There is no way to get the appropriations, but with the approval of the bill, and go to the original bill which is a volunteer, self-tax and refundable bill. A \$600,000 appropriation will be hard to get.

It was also made mention of the fact that city people should also like the idea of weed kill, but that their production and livelihood does not exist around this problem. August 1st is the deadline to reject the tax, and if an individual does not want to participate and should he miss the deadline, he can still demand a refund.

REPRESENTATIVE ROUSH restated his MOTION to accept copy of amendments as presented. Roll call vote was taken:

SMITH	YES	UNDERDAL	YES
SCHULTZ	NO	McLANE	NO
ERNST	NO	MANUEL	NO
JENSEN	NO	BENGTSON	NO
ELLERD	NO	JACOBSEN	YES
RYAN	NO	ROBBINS	YES
FEDA	NO	HOLLIDAY	ABSENT
BRIGGS	YES	ROUSH	YES
		CONROY	YES

MOTION FAILED.

REPRESENTATIVE ELLERD amended S.B.4 (EXHIBIT H) to show the bill in its original state as a self-tax, volunteer and refundable program and made a MOTION that the amendment 'do pass'. Question was asked with all members voting AYE with the exception of REPRESENTATIVE JACOBSEN AND REPRESENTATIVE ROBBINS who voted NO.

REPRESENTATIVE FEDA made a MOTION that SENATE BILL 4 pass as amended. MOTION CARRIED with REPRESENTATIVES JACOBSEN and ROBBINS voting NO.

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REPRESENTATIVE ELLERD made a MOTION that H.B. 740 Do Pass.
MOTION PASSED.

REPRESENTATIVE SHULTZ MOVED that the STATEMENT OF INTENT
(attached) on HOUSE BILL 740. MOTION PASSED.

MOTION was made to adjourn the meeting at 2:00 p.m.



CARL SMITH, CHAIRMAN

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STATEMENT OF INTENT

HOUSE BILL 640

House Agriculture Committee

A statement of intent is required for House Bill 640 because it delegates rulemaking authority to the Montana agricultural development board in section 5.

The Legislature intends that the Board adopt all rules necessary to establish a sound program that will accomplish the purposes of the Montana Farm Preservation Act of 1981. In adopting loan rules, the Board should assure that loans granted will be large enough to provide necessary capital yet not so large as to support economically unsound practices. The economic viability of the beginning farmer or rancher under a loan should be of paramount importance.

HOUSE BILL #640

Bonding
Provisions

Loans for	Land, buildings, irrigation, equipment & livestock
Lending Institu- tions	Banks & Savings & Loans or P.C.A.'s
Board Members	7 Including Comm. of Agriculture
Staffing	Board of Housing Staff
Acquire Property	May acquire and dispose of property
Accounts	Three: Bond proceeds, reserve & revolving
Investing	Invests its own funds
Terms	Notes-10 years & Bonds-up to 40 years
Secondary Loans	No provision
Applicant Eligi- bility	State resident. Net worth set by rule
Credit of State Pledged	No

Tax Incentive
Provisions

Qualifications of Beginning Farmer	1)Resident of Montana 2)Gets over 1/2 his income from farming & has not begun farming during the tax year for which a deduction is claimed 3)Net worth under \$50,000 less house, car and personal possessions 4)Training in Agriculture
Acres Sold	20 acres or more
Sale Credit to Retiring Farmer	Owner deducts 50% of income from sale after consideration of capital gains from income tax, up to \$50,000
Rent Credit to Retiring Farmer	50% of income from rental for a lease of at least 3 years is deductible, up to \$25,000 and it applies for owner to only one begin- ning farmer.

HOUSE BILL NO. 640

INTRODUCED BY

*Frank Johnston**W. James Conway*

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR ASSISTANCE TO FARMERS, RANCHERS, AND BUSINESSMEN ENGAGED IN AGRICULTURAL ACTIVITIES BY ESTABLISHING THE MONTANA AGRICULTURAL DEVELOPMENT BOARD; AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR ACQUISITION OF AGRICULTURAL LAND, LIVESTOCK, BUILDINGS, OR IMPROVEMENTS; PROVIDING CERTAIN INCOME TAX INCENTIVES TO INDIVIDUALS WHO SELL OR RENT AGRICULTURAL LAND TO BEGINNING FARMERS; AMENDING SECTION 15-30-121, MCA."

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

NEW SECTION. Section 1. Short title. [Sections 1 through 21] may be cited as the "Montana Farm Preservation Act of 1981".

NEW SECTION. Section 2. Purpose. The legislature finds and declares that agriculture is and will continue to be the leading industry in the state and that the long-term future of the state is best served by promoting stable, healthy economic conditions for agriculture. The Montana constitution, in Article XII, section 1, charges the legislature with protecting, enhancing, and developing Montana agriculture. Because of the continuing increases in

costs of land and equipment and the need to operate efficiently, the capital requirements for farming and ranching in the state have increased substantially so that there is a need to make financial assistance available to young and beginning farmers and ranchers at lower than conventional interest rates to enable them to acquire, upgrade, and modernize their land, livestock, and equipment and increase the use of irrigation systems to reduce the risks of adverse weather conditions.

NEW SECTION. Section 3. Definitions. In [sections 1 through 21], unless the context requires otherwise, the following definitions apply:

(1) "Agricultural land" means land suitable for use in farming and ranching and includes improvements to land that make it suitable for irrigation or cultivation.

(2) "Agricultural improvements" means any improvements, buildings, structures, irrigation, farming, or ranching equipment and livestock suitable for use in farming and ranching that are located on or used in connection with agricultural land.

(3) "Board" means the Montana agricultural development board established in [section 4].

(4) "Bonds" means bonds or notes issued by the board pursuant to [sections 1 through 21].

(5) "Loan" means a mortgage or secured loan for the

1 purchase, acquisition, improvement, or rehabilitation of
2 agricultural land or agricultural improvements.

3 (6) "Lending institution" means any public or private
4 entity or governmental agency approved by the board that
5 maintains an office in this state and is authorized by law
6 to make or participate in making mortgage loans in the
7 state.

8 (7) "Mortgage" means a mortgage deed, deed of trust,
9 or other instrument that constitutes a valid lien on real
10 property in fee simple or on a leasehold under a lease
11 having a remaining term at the time the mortgage is acquired
12 which does not expire for at least that number of years
13 beyond the maturity date of the obligation secured by the
14 mortgage established by the board as necessary to protect
15 its interest as mortgagee.

16 (8) "Mortgage loan" means an interest-bearing
17 obligation secured by a mortgage on land and improvements in
18 the state.

19 (9) "Secured loan" means a financial obligation
20 secured by a chattel mortgage, security agreement, or other
21 instrument creating a lien on an interest in depreciable
22 personal property.

23 (10) "State agency" means any board, commission,
24 department, public officer, or other agency or authority of
25 the state.

1 NEW SECTION. Section 4. Agricultural development
2 board -- allocation -- composition -- quasi-judicial. (1)
3 There is an agricultural development board.

4 (2) The board consists of seven members appointed by
5 the governor as provided in 2-15-124. The commissioner of
6 agriculture is an ex officio, voting member and the
7 remaining members shall be informed and experienced in
8 ranching, farming, economics, or finance.

9 (3) The board is designated a quasi-judicial board for
10 purposes of 2-15-124.

11 (4) The board is allocated to the department of
12 administration for administrative purposes only as provided
13 in 2-15-121.

14 (5) A member of the board may not be considered to
15 have a conflict of interest under the provisions of 2-2-201
16 merely because the member is a stockholder, officer, or
17 employee of a lending institution that may participate in
18 the board's programs.

19 (6) The administrator and staff of the board of
20 housing provided for in 2-15-1008(6) shall serve,
21 respectively, as administrator and staff to the board.

22 NEW SECTION. Section 5. General powers and duties of
23 the board. (1) The board shall exercise diligence and care
24 in selection of projects to receive its assistance and shall
25 apply customary and acceptable business and lending

standards in selection and subsequent implementation of the projects.

(2) The board may:

(a) sue and be sued;

(b) have a seal;

(c) adopt all procedural and substantive rules necessary for the administration of [sections 1 through 21], including rules concerning its mortgage, construction, and temporary lending programs and maximum net worth standards for individuals eligible to participate in the programs pursuant to [sections 1 through 21];

(d) make contracts, agreements, and other instruments necessary or convenient for the exercise of its powers under [sections 1 through 21];

(e) enter into agreements or other transactions with any federal, state, or local governmental agency, any persons, and any domestic or foreign partnership, corporation, association, or organization in carrying out [sections 1 through 21];

(f) enter into agreements or other transactions with and accept grants and the cooperation of any governmental agency in furtherance of [sections 1 through 21];

(g) delegate primary responsibility for determination and implementation of its projects to any federal governmental agency that assumes any obligation to repay the

loan, either directly or by insurance or guarantee;

(h) accept services, appropriations, gifts, grants, bequests, and devises and utilize or dispose of them in carrying out [sections 1 through 21];

(i) acquire real or personal property or any right, interest, or easement therein by gift, purchase, transfer, foreclosure, lease, or otherwise; hold, sell, assign, lease, encumber, mortgage, or otherwise dispose thereof; hold, sell, assign, or otherwise dispose of any mortgage or loan owned by the board or in its control or custody; release or relinquish any right, title, claim, interest, easement, or demand, however acquired, including any equity or right of redemption; do any of the foregoing by public or private sale, with or without public bidding; commence any action to protect or enforce any right conferred upon it by any law, mortgage, contract, or other agreement; bid for and purchase property at any foreclosure or other sale or acquire or take possession of it in lieu of foreclosure; and operate, manage, lease, dispose of, and otherwise deal with such property in any manner necessary or desirable to protect the board's interests and the holders of its bonds or notes and consistent with any agreement with such holders;

(j) service, contract, and pay for the servicing of loans;

(k) invest any funds not required for immediate use,

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1 subject to any agreements with its bondholders and
 2 noteholders, as provided in Title 17, chapter 6, except that
 3 all investment income from funds of the board less the cost
 4 for investment as prescribed by law shall be deposited in
 5 the agricultural account established in [section 6];

6 (1) consent, whenever it considers it necessary, to
 7 the modification of the rate of interest, time, and payment
 8 of any installment of principal or interest, security, or
 9 any other term of any contract, mortgage, mortgage loan,
 10 mortgage loan commitment, equipment or livestock loan, or
 11 agreement of any kind, subject to any agreement with
 12 bondholders and noteholders;

13 (m) collect reasonable interest, fees, and charges in
 14 connection with making and servicing its loans, notes,
 15 bonds, commitments, and other evidences of indebtedness;

16 (n) procure insurance against any loss in connection
 17 with its loans, mortgages, mortgage loans and other assets
 18 or property in amounts and from insurers as the board
 19 considers desirable or necessary; and

20 (o) issue notes and bonds and replace lost, destroyed,
 21 or mutilated notes and bonds.

22 **NEW SECTION.** Section 6. Accounts of the board. (1)
 23 There is an agricultural account in the bonds proceeds and
 24 insurance clearance fund provided for in 17-2-102(6). All
 25 funds from the proceeds of bonds issued under the provisions

1 of [sections 1 through 21], fees, and other money received
 2 by the board, money appropriated by the legislature for the
 3 use of the board in carrying out the provisions of [sections
 4 1 through 21], and money made available from any other
 5 source for the use of the board shall be deposited in the
 6 agricultural account except where otherwise provided by law
 7 and except as necessary to maintain the capital reserve and
 8 revolving accounts. All funds deposited in the agricultural
 9 account are continuously appropriated to and may be expended
 10 by the board for the purposes authorized in [sections 1
 11 through 21].

12 (2) There is a capital reserve account in the sinking
 13 fund provided for in 17-2-102(3). The capital reserve
 14 account consists of the aggregate of money retained by the
 15 board under existing agreements with bondholders as the
 16 minimum capital reserve requirement as described in 90-6-119
 17 for each bond issue sold by the board.

18 (3) There is a revolving account in the revolving fund
 19 provided for in 17-2-102(7). Funds appropriated by the
 20 legislature for use of the board in payment of expenses
 21 incurred in carrying out the provisions of [sections 1
 22 through 21] shall be deposited in the revolving account.
 23 Funds expended by the board under this subsection shall be
 24 repaid by the board into the revolving account from the fees
 25 and charges collected under the provisions of [sections 1

1 through 21] and from any other money available for such
 2 repayment in accordance with [sections 1 through 21].

3 ~~NEW_SECTION~~ Section 7. Financing programs of the
 4 board. The board may:

5 (1) make loans to lending institutions under terms and
 6 conditions adopted by the board requiring the proceeds to be
 7 used by the lending institution for the making of loans for
 8 agricultural land and improvements in the state for persons
 9 residing in the state;

10 (2) invest in, purchase or make commitments to
 11 purchase, and take assignments from lending institutions of
 12 notes, mortgages, and other securities for the acquisition,
 13 construction, rehabilitation, or purchase of agricultural
 14 land and improvements in this state, under terms and
 15 conditions adopted by the board;

16 (3) make, undertake commitments to make, and
 17 participate in the making of loans to persons residing in
 18 the state for agricultural land and improvements when the
 19 board determines that loans are not otherwise available,
 20 wholly or in part, from private lenders upon reasonably
 21 equivalent terms and conditions.

22 ~~NEW_SECTION~~ Section 8. Certain restrictions on
 23 loans. The board may finance loans for agricultural land or
 24 improvements under [sections 1 through 21] only when the
 25 board finds that:

1 (1) private enterprise has not provided sufficient
 2 financing for agricultural land and improvements on terms
 3 sufficiently attractive to induce borrowers to proceed; and
 4 (2) the purchase, acquisition, improvement, or
 5 rehabilitation of the agricultural land or improvement will
 6 be in the public interest.

7 ~~NEW_SECTION~~ Section 9. General provisions --
 8 limitations -- bonds and notes. (1) The board may by
 9 resolution, from time to time, issue negotiable notes and
 10 bonds in a principal amount as the board determines
 11 necessary to provide sufficient funds for achieving any of
 12 its purposes, including the payment of interest on notes and
 13 bonds of the board, establishment of reserves to secure the
 14 notes and bonds, and all other expenditures of the board
 15 incident to and necessary or convenient to carry out
 16 [sections 1 through 21].

17 (2) The board may by resolution, from time to time,
 18 issue notes to renew notes and bonds to pay notes, including
 19 interest, and whenever it considers refunding expedient,
 20 refund any bonds by the issuance of new bonds, whether the
 21 bonds to be refunded have or have not matured, and issue
 22 bonds partly to refund bonds outstanding and partly for any
 23 of its other purposes.

24 (3) Except as otherwise expressly provided by
 25 resolution of the board, every issue of its notes and bonds

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1 shall be obligations of the board payable out of any
 2 revenues, assets, or money of the board, subject only to
 3 agreements with the holders of particular notes or bonds
 4 pledging particular revenues, assets, or money.

5 (4) The notes and bonds shall be authorized by
 6 resolutions of the board, shall bear a date, and shall
 7 mature at times as the resolutions provide. A note may not
 8 mature more than 10 years and a bond may not mature more
 9 than 40 years from the date of its issue. The bonds may be
 10 issued as serial bonds payable in annual installments or as
 11 term bonds or as a combination thereof. Notes and bonds
 12 shall bear interest at a rate or rates, be in denominations,
 13 be in a form, either coupon or registered, carry
 14 registration privileges, be executed in a manner, be payable
 15 in a medium of payment, at places within or without the
 16 state, and be subject to terms of redemption as provided in
 17 resolutions of the board. The notes and bonds of the board
 18 may be sold at a public or private sale at prices that may
 19 be above or below par.

20 (5) The total amount of notes and bonds outstanding at
 21 any one time, except a note or bond as to which the board's
 22 obligation has been satisfied and discharged by refunding or
 23 for which reserve for payment or other means of payment have
 24 been otherwise provided, may not exceed \$100 million.

25 NEW SECTION. Section 10. Provision of bond

1 resolutions. A resolution authorizing any notes or bonds or
 2 any issue thereof may contain provisions that shall be a
 3 part of the contract or contracts with the holders thereof
 4 relating to:

5 (1) pledging all or any part of the revenues or
 6 property of the board to secure the payment of the notes or
 7 bonds or any issue thereof, subject to existing agreements
 8 with noteholders or bondholders;

9 (2) pledging all or any part of the assets of the
 10 board, including loans and mortgages, to secure the payment
 11 of notes or bonds or any issue thereof, subject to existing
 12 agreements with noteholders or bondholders;

13 (3) the use and disposition of the gross income from
 14 loans and mortgages owned by the board and payment of
 15 principal of mortgages owned by the board;

16 (4) the setting aside of reserves of sinking funds in
 17 the hands of trustees, paying agents, and other depositories
 18 and the regulation and disposition thereof;

19 (5) limitations on the purpose to which the proceeds
 20 of sale of notes or bonds may be applied and the pledge of
 21 the proceeds to secure the payment of the notes or bonds or
 22 any issue thereof;

23 (6) limitations on the issuance of additional notes or
 24 bonds, the terms upon which additional notes or bonds may be
 25 issued and secured, and the refunding of outstanding notes

1 or bonds;

(7) the procedure, if any, by which the terms of any contract with noteholders or bondholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) a commitment to employ adequate and competent personnel at reasonable compensation, salaries, fees, and charges as determined by the board in conjunction with the department of administration and to maintain suitable facilities and services for the purpose of carrying out its programs;

(9) vesting in a trustee property, rights, powers, and duties in trust as the board determines;

(10) defining the acts or omissions to act that constitute a default in the obligations and duties of the board to the holders of the notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in the event of such default, including as a matter of right the appointment of a receiver. Rights and remedies may not be inconsistent with the laws of the state and the other provisions of [sections 1 through 21]; and

(11) any other matters of like or different character that in any way affect the security or protection of the holders of the notes or bonds.

NEW SECTION. Section 11. Validity of pledge. A pledge made by the board is valid and binding from the time the pledge is made. The revenues, money, or property pledged and thereafter received by the board shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act. The lien of any pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the board, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

NEW SECTION. Section 12. Personal liability. The board members and employees of the state involved in the administration of [sections 1 through 21] are not personally liable or accountable by reason of the issuance of any bond or note issued by the board.

NEW SECTION. Section 13. Purchase of notes and bonds -- cancellation. The board, subject to existing agreements with noteholders or bondholders, may, out of any funds available for that reason, purchase notes or bonds of the board, which shall thereupon be canceled, at a price not exceeding:

(1) the current redemption price plus accrued interest to the next interest payment thereon, if the notes or bonds are then redeemable; or

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1 (2) the redemption price applicable on the first date
 2 after the purchase upon which the notes or bonds become
 3 subject to redemption plus accrued interest to that date, if
 4 the notes or bonds are not then redeemable.

5 NEW_SECTION Section 14. Trust indenture. (1) In the
 6 discretion of the board, bonds may be secured by a trust
 7 indenture between the board and a corporate trustee, which
 8 may be a trust company or bank having the power of a trust
 9 company within or without the state. A trust indenture may
 10 contain provisions for protecting and enforcing the rights
 11 and remedies of the bondholders that are reasonable and
 12 proper and not in violation of law, including covenants
 13 setting forth the duties of the board in relation to the
 14 exercise of its powers and the custody, safeguarding, and
 15 application of all money. The board may provide by a trust
 16 indenture for the payment of the proceeds of the bonds and
 17 the revenues to the trustee under the trust indenture of
 18 another depository and for the method of disbursement, with
 19 safeguards and restrictions it considers necessary.

20 (2) All expenditures incurred in carrying out a trust
 21 indenture may be treated as part of the operating
 22 expenditures of the board.

23 NEW_SECTION Section 15. Negotiability of bonds.
 24 Notes and bonds issued by the board are negotiable
 25 instruments under the Uniform Commercial Code, subject only

1 to the provisions for registration of notes and bonds.

2 NEW_SECTION Section 16. Signatures of board members.
 3 In case any of the board members whose signatures appear on
 4 notes or bonds or coupons cease to be members before the
 5 delivery of the notes or bonds, their signatures shall,
 6 nevertheless, be valid and sufficient for all purposes, the
 7 same as if the members had remained in office until
 8 delivery.

9 NEW_SECTION Section 17. Refunding obligations. (1)
 10 The board may provide for the issuance of refunding
 11 obligations for refunding any obligations then outstanding
 12 that have been issued under [sections 1 through 21],
 13 including the payment of any redemption premium and any
 14 interest accrued or to accrue to the date of redemption of
 15 the obligations. The issuance of obligations, the
 16 maturities and other details, the rights of the holders, and
 17 the rights, duties, and obligations of the board are
 18 governed by the appropriate provisions of [sections 1
 19 through 21] that relate to the issuance of obligations.

20 (2) Refunding obligations issued as provided in
 21 subsection (1) may be sold or exchanged for outstanding
 22 obligations issued under the provisions of [sections 1
 23 through 21]. The proceeds may be applied to the purchase,
 24 redemption, or payment of outstanding obligations. Pending
 25 the application of the proceeds of refunding obligations,

1 with other available funds, to the payment of principal,
 2 accrued interest, and any redemption premium on the
 3 obligations being refunded and, if permitted in the
 4 resolution authorizing the issuance of the refunding
 5 obligations or in the trust agreement securing them, to the
 6 payment of interest on refunding obligations and expenses in
 7 connection with refunding, the proceeds may be invested as
 8 provided in Title 17, chapter 6.

9 NEW_SECTION Section 18. Credit of state not pledged.
 10 Obligations issued under the provisions of [sections 1
 11 through 21] do not constitute a debt or liability or
 12 obligation or a pledge of the faith and credit of the state
 13 but are payable solely from the revenues or assets of the
 14 board. An obligation issued under [sections 1 through 21]
 15 shall contain on the face thereof a statement to the effect
 16 that the state of Montana is not liable on the obligation
 17 and the obligation is not a debt of the state and neither
 18 the faith and credit nor the taxing power of the state is
 19 pledged to the payment of the principal of or the interest
 20 on the obligation.

21 NEW_SECTION Section 19. Annual audit. (1) The
 22 board's books and records must be audited at least once each
 23 fiscal year.

24 (2) The legislative auditor may at any time conduct an
 25 audit at the request of the legislative audit committee.

1 NEW_SECTION Section 20. Tax exemption of bonds.
 2 Bonds, notes, or other obligations issued by the board under
 3 the provisions of [sections 1 through 21], their transfer,
 4 and their income (including any profits made on their sale)
 5 are free from taxation by the state or any political
 6 subdivision or other instrumentality of the state, excepting
 7 inheritance, estate, and gift taxes. The board is not
 8 required to pay recording or transfer fees or taxes on
 9 instruments recorded by it.

10 NEW_SECTION Section 21. Pledge of the state. In
 11 accordance with the constitutions of the United States and
 12 the state of Montana, the state pledges that it will not in
 13 any way impair the obligations of any agreement between the
 14 board and the holders of notes and bonds issued by the
 15 board, including but not limited to an agreement to
 16 administer a loan program financed by the issuance of bonds
 17 and to employ a staff sufficient and competent for this
 18 purpose.

19 NEW_SECTION Section 22. Definitions. In [sections 23
 20 through 25], unless the context requires otherwise, the
 21 following definitions apply:

- 22 (1) "Agricultural purposes" means production of
 23 agricultural crops, livestock or livestock products, poultry
 24 or poultry products, and fruit or other horticultural crops.
 25 (2) "Beginning farmer" means any person who:

HB640

1 (a) is a resident of this state;

2 (b) receives more than half his annual income from
3 farming and has not initially commenced farming during the
4 tax year for which a deduction will be claimed under
5 [sections 23 through 25];

6 (c) intends to use any farmland that he wishes to
7 purchase or rent for agricultural purposes;

8 (d) has had adequate training, by experience or
9 education, in the type of farming operation that he wishes
10 to begin on the purchased or rented land referred to in
11 subsection (c);

12 (e) has a net worth, including the net worth of his
13 dependents and spouse, if any, of less than \$50,000, not
14 including the value of their equity in their principal
15 residence, the value of one personal or family motor
16 vehicle, and the value of their household goods, including
17 furniture, appliances, musical instruments, clothing, and
18 other personal belongings.

19 (3) "Landowner" means an individual owning land in
20 Montana, except that an individual who acquires land for the
21 purpose of obtaining the income tax deduction provided for
22 in [sections 23 through 25] is not considered to be a
23 landowner.

24 NEW SECTION Section 23. Income tax deduction for
25 land sale to beginning farmers. A landowner who sells land

1 consisting of 20 acres or more to a beginning farmer is
2 entitled to a deduction in his taxable income for the year
3 in which the sale occurred in an amount equal to 50% of any
4 income realized and otherwise subject to state income taxes
5 after consideration of any capital gains treatment, up to a
6 maximum of \$50,000.

7 NEW SECTION Section 24. Rent from beginning farmers
8 deductible from income tax. Fifty percent of any income
9 received and otherwise subject to taxation for state income
10 tax purposes resulting from the rental of any land
11 consisting of 20 acres or more by a landowner to a beginning
12 farmer under any agreement providing for a lease for at
13 least 3 years is deductible from income taxes provided that
14 no landowner may deduct more than \$25,000 pursuant to this
15 section in any tax year, nor may any landlord claim this
16 deduction for agreements with more than one beginning farmer
17 for rentals on the same tract or parcel of land.

18 NEW SECTION Section 25. Claim for income tax
19 deduction for land sale or rental to a beginning farmer. In
20 order for a taxpayer to qualify for the deductions provided
21 in [sections 23 and 24] the taxpayer must file with his
22 state income tax return a notarized statement from the
23 beginning farmer who purchased or rented land from him
24 containing a list of the assets, debts, and net worth of the
25 beginning farmer, together with such other information as

1 the department of revenue may require. The value placed on
 2 any real property located in Montana and owned by the buyer
 3 shall be the amount listed as the current market value on
 4 the most recent real estate tax statement for that
 5 particular piece of property. In order for a taxpayer to
 6 qualify for the deduction for rental income provided in
 7 [section 24], the taxpayer shall certify on his tax return
 8 that any rental arrangement with any other person was not
 9 canceled for the purpose of qualifying for this deduction.

10 Section 26. Section 15-30-121, MCA, is amended to
 11 read:

12 "15-30-121. Deductions allowed in computing net
 13 income. In computing net income, there are allowed as
 14 deductions:

15 (1) the items referred to in sections 161 and 211 of
 16 the Internal Revenue Code of 1954, or as sections 161 and
 17 211 shall be labeled or amended, subject to the following
 18 exceptions which are not deductible:

19 (a) items provided for in 15-30-123;

20 (b) state income tax paid;

21 (2) federal income tax paid within the taxable year;

22 (3) child and dependent care expenses determined in
 23 accordance with the provisions of section 214 of the
 24 Internal Revenue Code of 1954 that were in effect for the
 25 taxable year that began January 1, 1974. However, the

1 limitation set forth in section 214(e)(4) of the Internal
 2 Revenue Code of 1954 as that section was in effect for the
 3 taxable year that began January 1, 1974, applies only to
 4 payments made to a child of the taxpayer who is under 19
 5 years of age at the close of the taxable year and to
 6 payments made to an individual with respect to whom a
 7 deduction is allowable under 15-30-112(5) to the taxpayer or
 8 the taxpayer's spouse.

9 (4) that portion of an energy-related investment
 10 allowed as a deduction under 15-32-103;

11 (5) in the case of an individual, political
 12 contributions determined in accordance with the provisions
 13 of section 218(a) and (b) of the Internal Revenue Code that
 14 were in effect for the taxable year ended December 31,
 15 1978;

16 ~~(6) items provided for in sections 22 through 25.~~

17 Section 27. Codification instruction. It is intended
 18 that sections 22 through 25 be codified in Title 15, chapter
 19 30, and the provisions of Title 15, chapter 30, apply to
 20 sections 22 through 25.

-End-

HB640

Farm credit policies abused, experts say

N.Y. Times News Service

NEW YORK — While much of the nation's economy has been chilled by record interest rates, one group has been well insulated from the dramatic rise in the cost of money: farmers.

As the beneficiaries of a host of Depression-era policies, farmers continue to enjoy billions of dollars of relatively easy credit. Through a variety of programs, farmers can qualify for bargain loans at interest rates that recently have run at least 5 percentage points below rates on comparable loans to other borrowers.

"Borrowed funds have become the lifeblood of modern agriculture," three prominent agricultural economists recently concluded in an influential study.

The relative abundance of money for farmers is considered a major factor in the creation of the United States' highly industrialized and productive system of agriculture.

But at the same time, many agricultural experts now contend, federal credit policies may have had unintended side effects far removed from their original purpose of helping small, poverty-stricken farmers.

A sweeping two-year study of American

agricultural policies — undertaken by Bob Bergland, the previous secretary of Agriculture, and released last month — found that loans made by the nation's Farm Credit System "might have contributed to inefficient resource allocation, inflation in land values and further concentration of production and landownership."

In some instances, such lending has been criticized for going to finance condominiums, nonfarm businesses and wealthy "weekend" farmers.

David A. Stockman, the Reagan administration's new budget chief, has said that he would propose restrictions on loans

by the Farmers Home Administration, which he called "one of the great sleeping giants of the whole budget."

But it is unlikely that Stockman's targets will include the farm lending portion of the agency's \$45 billion portfolio, which has included financing of office buildings, fast-food stores, condominiums and such corporations as Perdue Farms.

The Bergland study rested in good part on work by Michael Boehlje of Iowa State University and Stephen Gabriel and John E. Lee Jr. of the Agriculture Department.

The three agricultural economists questioned "whether agriculture needs special credit considerations today," particularly, they said, since the farm sector is now one of "large, capital-intensive businesses earning competitive returns."

Not surprisingly, many farm lenders disagree with the Bergland analysis.

"There is no evidence that credit is a villain responsible for these trends," said George D. Irwin, director of the economic analysis division of the Farm Credit Administration, the federal agency that regulates the Farm Credit System, in a recent interview.

"Farm credit has simply facilitated changes which exist in the underlying economic forces."

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Comments:

Women Involved in Farm Economics
 U. S. B. 740.

The Livestock industry is willing to support this program & the IS & per head is refundable upon application making it a voluntary program.

We are the family of HB740

HOUSE BILL NO. 740

INTRODUCED BY

INTRODUCED BY
Andrew A. Kishin St. Paul

A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE DEPARTMENT OF LIVESTOCK TO CONDUCT RESEARCH PROGRAMS WITH REGARD TO ALL PHASES OF BEEF PRODUCTION AND TO PROMOTE THE USE AND CONSUMPTION OF BEEF AND BEEF PRODUCTS; PROVIDING FOR A TAX ON CATTLE TO FUND THE DEPARTMENT'S ACTIVITIES; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

Section 1. Short title. [This act] may be cited as the "Montana Beef Research and Marketing Act".

Section 2. Definition. As used in [this act], "department" means the department of livestock.

Section 3. Department's research powers and duties.

(1) The department shall:

(a) conduct and promote scientific and practical research with regard to all phases of beef production;

(b) encourage the use and consumption of beef and beef products; and

(c) be responsible for administering [this act].

(2) The department may:

(a) engage in research, education, advertising, promotion, and publicity;

1 (b) research and publicize statistics and other
2 reliable and useful information showing the commercial value
3 of beef and beef products;
4 (c) study state and federal legislation regarding
5 tariffs, duties, reciprocal trade agreements, import quotas,
6 and other matters affecting marketing in the beef industry
7 and protect the interests of and represent the beef industry
8 in Montana with respect to any federal or state legislation
9 or proposed legislation and any federal or state executive
0 action that may affect that industry;

11 (d) apply for grants:

(i) from research agencies that are financing special or emergency studies; or

(ii) for the purchase or acquisition of facilities necessary for the implementation of [this act];

(e) enter into agreements with recognized local, state, or national organizations, public or private, to promote research, education, advertising, and publicity of the beef industry;

(f) cooperate with any local, state, or national organizations, including recognized livestock groups, engaged in work or activities similar to the work and activities of the department provided for in [this act];

(g) accept any grant, donation, or gift from any source, public or private, and spend it in compliance with

1 [this act]; and

2 (h) adopt rules necessary for the administration of
3 [this act].

4 Section 4. Assessments -- refunds. (1) There is
5 levied, in addition to the tax on livestock prescribed in
6 Title 15, chapter 24, part 9, a per head tax of 25 cents on
7 each head of cattle that is more than 9 months of age and is
8 owned or possessed within a county for the support and
9 maintenance of research into beef production as provided in
10 [this act]. The tax shall be paid to the county treasurer of
11 that county on or before March 1 of each year.

12 (2) The tax required in subsection (1) must be paid
13 for each head of cattle that is more than 9 months of age
14 and is brought into the county after March 1 and is subject
15 to taxation and assessment under 15-24-301.

16 (3) Each county is entitled to receive \$250 annually
17 as reimbursement for the administration of this section.

18 (4) A person who has paid the tax required by this
19 section may obtain a refund of the tax upon submission of a
20 written request to the department. The application must be
21 made within 30 days after the payment of the tax and on
22 forms furnished by the department. The department shall,
23 upon receipt of a timely and otherwise properly submitted
24 refund request, refund the tax.

25 Section 5. Beef production research account -- sources

1 -- use -- expenditures. (1) There is an account in the
2 federal and private revenue fund known as the beef
3 production research account. The following shall be placed
4 in the account:

5 (a) the proceeds of all taxes collected under [section
6 4]; and

7 (b) the proceeds from all gifts, grants, and donations
8 to the department for activities authorized under [this
9 act].

10 (2) The account shall be maintained for the purposes
11 of [this act] and shall be separate from all other accounts
12 of the department.

13 (3) At least 20% of all contributions and unrefunded
14 taxes received by the department shall be paid to the
15 national livestock and meat board and at least 20% of such
16 contributions and taxes shall be paid to the national beef
17 industry council to carry out, on a national level, work and
18 programs approved by the department.

19 Section 6. Duration -- expiration -- reversion or
20 remaining funds. [This act] shall be in effect from July 1,
21 1981, to July 1, 1989. If [this act] is not renewed to
22 extend beyond July 1, 1989, any money remaining in the beef
23 production research account shall revert to Montana state
24 university to be used exclusively for beef cattle research.

-End-

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STATEMENT OF INTENT

HOUSE BILL 740

A statement of intent is required for House Bill 740 because it delegates rulemaking authority to the Department of Livestock in section 3.

The purposes of the Montana Beef Research and Marketing Act are similar to those of the Montana Pork Research and Marketing Act and it is the intent of the Legislature that it be administered in a similar manner. Rules adopted under HB 740 should not be significantly different from those adopted under the Montana Pork Research and Marketing Act.

It is the further intent of the Legislature that the Department pursue the goals of the Act by expanding the research and marketing efforts that already exist. The Department should not establish any research unit or agency of its own but should carry out the purposes of the Act in cooperation with local, state, or national organizations, public or private, in carrying out all phases of research and marketing contemplated by the Bill. The Legislature expects that most Montana research and marketing activity will be handled by the Montana Beef Council.

NAME:

Mavis Teigen

DATE:

2/16/81

ADDRESS:

Helena

PHONE:

442-3420

REPRESENTING WHOM?

Mont. Stockgrowers Assn

APPEARING ON WHICH PROPOSAL:

AB 740

DO YOU: SUPPORT?

☒

AMEND?

OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME PAT Underwood Bill No. HB 740
ADDRESS Box 1207 Bozeman, MT. DATE 16 Feb 81
WHOM DO YOU REPRESENT Mont. Farm Bureau
SUPPORT ☒ OPPOSE ☐ AMEND ☐

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

The MTFBF has policy in support
of the provisions of HB 740 and
we recommend a DO PASS.

Pat Underwood

COMMITTEE

14 B 740

Date 2-16-81

OPPOS

Helix

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

HOUSE Int. Affairs Nat. Res. COMMITTEE

Date _____

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STATEMENT OF INTENT

HOUSE BILL 467

House Agriculture Committee

A statement of intent is required for House Bill 467 because it delegates rulemaking authority to the Director of Agriculture in sections 9, 10, and 12.

Section 9 says that the assessment on alfalfa seed must be paid at times the department would prescribe by rule. The rules should allow for administrative convenience for both the department and the growers. Section 10 allows the department to adopt rules relating to procedures for requesting a refund of an assessment under the act. Section 12 grants authority for the department to prescribe records that must be kept by alfalfa dealers as an aid in enforcing the provisions of the act. All such rules should be as simple and easily complied with as possible.

In that the purposes and structure of the Alfalfa Seed Industry Act are to a great degree analogous to the purposes and structure of the Wheat Research and Marketing law, it is the intent of the Legislature that rules adopted should be similar in nature to those adopted under the Wheat Research and Marketing law.

Proposed Amendments to SB 4

failed
2-16-81

1. Title, lines 7 through 12.
Following: "UNIVERSITY;" on line 7
Strike: line 7 through "COMMITTEE;" on line 12
Insert: "APPROPRIATING FUNDS TO SUPPORT THE PROGRAM;"
2. Page 2, line 8.
Following: "through"
Strike: "9"
Insert: "7"
3. Page 2, line 11.
Strike: "9"
Insert: "7"
4. Page 2, line 13 through line 14.
Strike: subsection (1) in its entirety
Re-number: subsequent subsections
5. Page 2, lines 17 through 19
Strike: subsection (3) in its entirety
Re-number: subsequent subsections
6. Page 3, line 5.
Following: "through"
Strike: "9"
Insert: "7"
7. Page 3, line 16.
Following: "control;"
Insert: "and"
8. Page 3, line 18.
Following: "appropriate"
Strike: "; and "
Insert: "."
9. Page 3 line 19.
Strike: line 19 in its entirety
10. Page 3, line 20 through line 21 on page 4.
Strike: Section 5 and Section 6 in their entirety
Re-number: subsequent sections
10. Page 4, line 23.
Following: "report"
Strike: "to the committee by"
11. Page 5, line 9.
Strike: "committee and the"

12. Page 5, line 11.
Following: "through"
Strike: "9"
Insert: "7"
13. Page 5, line 12.
Following: "through"
Strike: "9"
Insert: "7"
14. Page 5, lines 19 and 20.
Strike: subsection (a) in its entirety
Insert: "(a) money appropriated for research or education under
[sections 1-7]; and"
15. Page 5, line 22.
Strike: "the committee or"
16. Page 5, line 23.
Following: "section"
Strike: "8"
Insert: "6"
17. Pages 6 line 2 through line 13 on page 10.
Strike: sections 10 and 11 in their entirety
Renumber: all subsequent sections
18. Page 10, line 13.
Following: line 13
Insert: "Section 8. Appropriation. There is appropriated to the
agricultural experiment station weed research and education account
for the purposes of the Montana Weed Research and Education Act
from the resource indemnity trust interest account:
(1) \$307,000 for the fiscal year ending June 30, 1982; and
(2) \$320,000 for the fiscal year ending June 30, 1983.
Renumber: Subsequent sections.

Senate Bill 4

Amendments to statement of intent required if Rep. Thoft amendments are adopted.

1. Page 1, lines 16 through 20.

Strike: "Recommendations" on line 16 through "rules." on line 20.

SENATE BILL NO. 4

INTRODUCED BY GALT

A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A WEED RESEARCH AND EDUCATION PROGRAM WITHIN THE AGRICULTURAL EXPERIMENT STATION AND THE COOPERATIVE EXTENSION SERVICE OF

MONTANA STATE UNIVERSITY; ~~TO PROVIDE FOR A TAX LEVY OF 2~~

~~MILLS ON AGRICULTURAL AND TIMBER-LAND PRIVATE LAND NOT~~

~~WITHIN AN INCORPORATED CITY OR TOWN FOR THE PURPOSE OF~~

~~FUNDING RESEARCH AND EDUCATION TO IMPROVE WEED CONTROL AND~~

~~MANAGEMENT; ESTABLISHING A WEED RESEARCH AND EDUCATION~~

~~ADVISORY COMMITTEE; AND PROVIDING AN IMMEDIATE EFFECTIVE~~

DATE AND A TERMINATION DATE."

WHEREAS, weeds detrimental to agricultural production are infesting both cropland and rangeland at an ever-increasing rate, and current methods of control are not always reliable, cost effective, or environmentally acceptable, and the fragmented approach to weed control is not always effective; and

WHEREAS, the loss of forage and crop production caused by weeds is uneconomical to producers and consumers, and the people of Montana are generally unaware of the severity and impact of weeds on the production of food and fiber.

THEREFORE, be it declared that the public policy of the

state of Montana is to enter into and expand weed research and education to seek nonchemical and other effective methods of controlling and managing weeds and to provide educational programs to increase public awareness and understanding.

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

Section 1. Short title. [Sections 1 through ⁷] may be cited as the "Montana Weed Research and Education Act".

Section 2. Definitions. As used in [sections 1 through ⁷], unless the context requires otherwise, the following definitions apply:

(1) ~~"Committee" means the Montana weed research and education advisory committee provided for in [section 10].~~

(2) ~~("Director"~~ means the director of the agricultural experiment station of Montana state university.

(3) ~~"Land" means all land classified as agricultural and timber land by the Montana department of revenue private land which is not within an incorporated city or town.~~

(4) "Station" means the agricultural experiment station of Montana state university.

(5) "Weed" means a plant designated as such by the director.

Section 3. Administration. [This act] shall be administered by the agricultural experiment station of

1 Montana state university.

2 Section 4. Powers of the director of agricultural
3 experiment station. The director may:

4 (1) adopt rules necessary for the administration of

5 [sections 1 through 4];

6 (2) designate as weeds plants that have an adverse
7 economic impact on landowners of the state;

8 (3) provide for the conduct of adequate, intensive,
9 and timely research and education into any areas of weed
10 control and management;

11 (4) enter into agreements with recognized local,
12 state, or national research or education agencies, public or
13 private, for the purposes of improving the methods and
14 techniques of controlling or managing weeds and increasing
15 public awareness and understanding of weeds and their
16 control; and

17 (5) publish reports, financial accounts, and other
18 materials considered appropriate.

19 ~~(6) call for special advisory committee meetings.~~

20 ~~Section 5. Weed research and education advisory~~
21 ~~committee -- duties and responsibilities. (1) The committee~~
22 ~~shall, as its primary function, represent the Montana~~
23 ~~agricultural community while assisting the director in~~
24 ~~establishing monitoring, and reviewing the annual and~~
25 ~~long-term goals and objectives for the weed research and~~

1 ~~education program as established by [sections 1 through 4].~~

2 (2) The committee:

3 (a) shall provide advice and make recommendations to
4 the director on rules, designation of plants as weeds,
5 cooperative agreements and contracts, and the overall
6 administration of [sections 1 through 9];

7 (b) may hold public meetings or hearings in
8 cooperation with the director to determine local priorities
9 on weed research and education;

10 (c) may prepare reports; and

11 (d) may perform other advisory tasks as requested by
12 ~~the director.~~

13 ~~Section 6. Cooperative agreements with the advice and~~
14 ~~recommendations of the committee, the agricultural~~
15 ~~experiment station and cooperative extension service shall~~
16 ~~enter into a cooperative agreement establishing the~~
17 ~~responsibilities and duties of each of them in carrying out~~
18 ~~functions of [sections 1 through 9]. The agreement shall~~
19 ~~establish a mechanism for funding the educational activities~~
20 ~~of the cooperative extension service on a long-term and~~
21 ~~biennium basis in compliance with [sections 1 through 9].~~

22 Section 5 Reports. The director shall make an annual
23 report to the committee by February 1 showing all income to
24 and expenditures from the weed research and education
25 account in comprehensive detail. The report must be filed

1 with the governor and must be open to inspection by the
 2 public during office hours. Duplicate originals of the
 3 annual reports of the preceding biennium must be transmitted
 4 by the director to the president of the senate, the speaker
 5 of the house of representatives, and to the chairmen of the
 6 agricultural committees of the senate and house of
 7 representatives by February 1 of each odd-numbered year.

8 Section ~~6~~ Receipt of gifts, grants, or devises. The
 9 ~~committee and the~~ station may receive any gift, grant, or
 10 devise for any research or education conducted under
 11 [sections 1 through ~~7~~] and may spend them in compliance with
 12 [sections 1 through ~~7~~] and the terms of the gift, grant, or
 13 devise.

14 Section ~~7~~ Weed research and education account --
 15 sources -- use. (1) The agricultural experiment station
 16 shall maintain a restricted account known as the weed
 17 research and education account. The following must be
 18 deposited in the account:

19 ~~(a) the proceeds of all taxes collected under section~~
 20 ~~and money appropriated for research or education under~~
 21 ~~sections 1 through 7~~
 22 (b) the proceeds of all gifts, grants, and devises to
 23 the ~~committee~~ ⁶ the station for research and education
 24 under [section ~~7~~].

25 (2) The account must be maintained for the purposes of
 [this act] and must be separate from all other accounts of

1 the station.

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~~Section 10. Weed research and education advisory~~
 committee created -- qualifications and term of members. (1)
 There is a weed research and education advisory committee.
 (2) The committee consists of ~~12~~ ¹¹ members. Seven
 members shall be appointed by the governor and ~~four~~ ^{five}
 members shall be ex officio members as provided in
 subsection (4).
 (3) The governor shall appoint one committee member
 from each of the following districts:

(a) District I consisting of Lincoln, Flathead,
 Sanders, Lake, Deer Lodge, Mineral, Missoula, Powell,
 Ravalli, and Granite Counties;

(b) District II consisting of Glacier, Toole, Liberty,
 Hill, Blaine, Phillips, Pondera, Chouteau, and Teton
 Counties;

(c) District III consisting of Valley, Daniels,
 Sheridan, McCone, Roosevelt, Richland, Garfield, and Dawson
 Counties;

(d) District IV consisting of Lewis and Clark,
 Cascade, Judith Basin, Fergus, Petroleum, Broadwater,
 Meagher, Wheatland, Golden Valley, and Musselshell Counties;

(e) District V consisting of Beaverhead, Silver Bow,
 Jefferson, Madison, and Gallatin Counties;

~~(f) District VI consisting of Park, Sweet Grass,~~

~~Stillwater, Yellowstone, Treasure, Carbon, and Big Horn~~
 Counties:

(g) District VII consisting of Rosebud, Custer, Powder River, Prairie, Wibaux, Fallon, and Carter Counties.

(4) The ex officio committee members are:

(a) the director of the department of agriculture;

(b) the director of the agricultural experiment station;

(c) the director of the cooperative extension service; and

(D) THE DIRECTOR OF THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; AND

(d)(E) a representative of the weed districts in Montana. The weed district representative shall be elected by a majority of the appointed committee members and shall serve at the pleasure of the committee.

(5) Each of the appointed committee members must be a citizen of the state and a resident landowner of the district from which appointed.

(6) (i) The first appointments shall be made for the following terms:

(i) two members shall be appointed for 1-year terms;

(ii) two members shall be appointed for 2-year terms;

and

~~(iii) three members shall be appointed for 3-year~~

(1)

(b) Thereafter, all appointments shall be for 3-year terms.

(7) A member of the committee may not serve more than two consecutive terms.

(8) The committee shall elect a chairman annually from among its members. The committee shall meet at least once every 3 months and at such other times as called by the chairman, by three members of the committee, or by the director.

(9) A committee member may be removed by the governor for cause. Removal proceedings shall be initiated by verified written charges. Within 10 days of the receipt of the charges, the accused committee member may, in writing, request a public hearing. The hearing shall commence within 10 days following receipt by the governor of the request for hearing. The hearing must be conducted by the governor or his designee. At the hearing, the member may be represented by an attorney and may present witnesses in his behalf.

(10) A committee member who ceases to reside in the state or in the district for FROM which he was appointed or ceases to own land is disqualified from membership, and his office becomes vacant. If the member refuses to recognize his disqualification, the refusal is cause for removal.

~~(11) A member or ex-officio member of the committee not~~

1 ~~receiving compensation and expenses from other state sources~~
 2 is entitled to receive from the weed research and education
 3 account compensation of \$25 for each day he is engaged in
 4 the transaction of the official business of the committee,
 5 together with expenses as provided for in 2-18-501 through
 6 ~~2-18-503.~~

7 ~~Section 11. Weed research and education tax on~~
 8 ~~agriculture and timber land--refund LAND ELECTION TO~~
 9 ~~NOT SUPPORT RESEARCH AND EDUCATION county reimbursement~~
 10 ~~(1) There is levied an annual property tax of 2 mills on the~~
 11 ~~taxable value of all agricultural and timber land real~~
 12 ~~property PRIVATE LAND EXCLUSIVE OF IMPROVEMENTS THEREON~~
 13 ~~WHICH IS NOT WITHIN AN INCORPORATED CITY OR TOWN within the~~
 14 ~~state for the support and maintenance of weed research and~~
 15 ~~education as provided in sections 1 through 9.~~

16 (2) Upon submission of a written request to the
 17 director of the agriculture experiment station of Montana
 18 state university a landowner may obtain a refund of the tax
 19 he has paid. The request must be made not less than 30 days
 20 or more than 90 days following payment of the tax. The
 21 director shall, upon receipt of such a timely refund
 22 request, refund the tax paid by the landowner. The director
 23 shall keep a record of all refunds for at least 2 years.

24 (3) ~~A LANDOWNER ELECTING NOT TO SUPPORT AND MAINTAIN~~
 25 ~~THE WEED RESEARCH AND EDUCATION PROGRAM SHALL INCUR UNDER~~

1 ~~(THIS ACT) SHALL FILE A NOTICE OF ELECTION TO NOT SUPPORT~~
 2 ~~THE PROGRAM WITH THE COUNTY TREASURER OF THE COUNTY IN WHICH~~
 3 ~~THE LAND IS LOCATED ON OR BEFORE AUGUST 1. FOR THAT YEAR THE~~
 4 ~~2 MILL TAX LEVY MAY NOT BE APPLIED TO THE TAXABLE VALUE OF~~
 5 ~~SUCH PROPERTY. A SIMILAR ELECTION MAY BE MADE EACH YEAR~~
 6 ~~DURING THE CONTINUATION OF THE PROGRAM. THE COUNTY TREASURER~~
 7 ~~SHALL KEEP A RECORD OF ALL SUCH NOTICES FOR AT LEAST 2~~
 8 ~~YEARS.~~

9 (3) As reimbursement for the administration of this
 10 section, each county is entitled to receive the greater of:
 11 (a) \$250; or
 12 (b) ~~5% of the total tax collected by it, including any~~
 13 ~~tax that be subsequently refunded under subsection (2).~~

14 Section 12. Severability. If a part of this act is
 15 invalid, all valid parts that are severable from the invalid
 16 part remain in effect. If a part of this act is invalid in
 17 one or more of its applications, the part remains in effect
 18 in all valid applications that are severable from the
 19 invalid applications.

20 Section 13. Termination. This act terminates July 1,
 21 1991. If this act is not renewed through legislative action
 22 beyond that date, any money remaining that has been
 23 collected under this act shall revert to Montana state
 24 university to be used exclusively for weed research and
 25 education.

- 1 /0 Section 44. Effective date. This act is effective on
- 2 passage and approval.

-End-

(H)

Representative Ellerd's amendments to SB 4

1. Title, line 8.

Following: "PRIVATE"

Insert: "PRIVATE"

2. Page 2, line 18.

Following: "PRIVATE"

Insert: "private"

3. Page 9, line 8.

Following: "refund"

Insert: "private"

4. Page 9, line 12.

Following: "PRIVATE"

Insert: "private"

5. Page ¹⁰~~1~~, line ⁸~~23~~.

Following line ~~23~~ ⁸ → (3)

Insert: "Upon submission of a written request to the director of the agricultural experiment station of Montana state university, a landowner may obtain a refund of the tax he has paid. The request must be made not less than 30~~6~~ days or more than 90 days following payment of the tax. The director shall, upon receipt of such a timely refund request, refund ~~the~~ the tax paid by the landowner. The director shall keep a record of all refunds for at least 2 years."

Remember: Subsequent subsection.

1 STATEMENT OF INTENT

2 SENATE BILL 4

3 Senate Agriculture, Livestock and Irrigation Committee

4

5 A statement of intent is required for SB 4 because it
6 delegates rulemaking authority to the Director of the
7 Agricultural Experiment Station in Section 4.

8 Such rules are intended to include: procedures for the
9 review of grant applications; criteria for awarding grants,
10 including prioritizing projects and determining which plants
11 will be designated as weeds; procedures for disseminating
12 information to the public, including determining what
13 reports are required; methods for encouraging grant
14 applications from in-state; and a process for developing a
15 needs assessment statement to determine the areas in which
16 research and education will be emphasized. Recommendations
17 for rules shall be developed by the citizens' committee
18 established in Section 5 of the bill and the Director shall
19 adhere to those recommendations as closely as possible when
20 adopting rules. Whenever required by other statute or rule,
21 the Director shall conform to the rules of Montana State
22 University.

23 First adopted by the Senate Agriculture, Livestock and
24 Irrigation Committee on the 21st day of January, 1981.

1 SENATE BILL NO. 4
2 INTRODUCED BY GALT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A WEED
5 RESEARCH AND EDUCATION PROGRAM WITHIN THE AGRICULTURAL
6 EXPERIMENT STATION AND THE COOPERATIVE EXTENSION SERVICE OF
7 MONTANA STATE UNIVERSITY; TO PROVIDE FOR A TAX LEVY OF 2
8 MILLS ON ~~AGRICULTURAL~~--AND--~~TIMBER~~--LAND PRIVATE LAND NOT
9 WITHIN AN INCORPORATED CITY OR TOWN FOR THE PURPOSE OF
10 FUNDING RESEARCH AND EDUCATION TO IMPROVE WEED CONTROL AND
11 MANAGEMENT; ESTABLISHING A WEED RESEARCH AND EDUCATION
12 ADVISORY COMMITTEE; AND PROVIDING AN IMMEDIATE EFFECTIVE
13 DATE AND A TERMINATION DATE."

14
15 WHEREAS, weeds detrimental to agricultural production
16 are infesting both cropland and rangeland at an
17 ever-increasing rate, and current methods of control are not
18 always reliable, cost effective, or environmentally
19 acceptable, and the fragmented approach to weed control is
20 not always effective; and

21 WHEREAS, the loss of forage and crop production caused
22 by weeds is uneconomical to producers and consumers, and the
23 people of Montana are generally unaware of the severity and
24 impact of weeds on the production of food and fiber.

25 THEREFORE, be it declared that the public policy of the

1 state of Montana is to enter into and expand weed research
2 and education to seek nonchemical and other effective
3 methods of controlling and managing weeds and to provide
4 educational programs to increase public awareness and
5 understanding.
6

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

8 Section 1. Short title. [Sections 1 through 9] may be
9 cited as the "Montana Weed Research and Education Act".

10 Section 2. Definitions. As used in [sections 1 through
11 9], unless the context requires otherwise, the following
12 definitions apply:

13 (1) "Committee" means the Montana weed research and
14 education advisory committee provided for in [section 10].

15 (2) "Director" means the director of the agricultural
16 experiment station of Montana state university.

17 (3) "Land" means all ~~land-classified--as--agricultural~~
18 ~~and-timber-land-by-the-Montana-department-of-revenue~~ PRIVATE
19 LAND WHICH IS NOT WITHIN AN INCORPORATED CITY OR TOWN.

20 (4) "Station" means the agricultural experiment
21 station of Montana state university.

22 (5) "Weed" means a plant designated as such by the
23 director.

24 Section 3. Administration. [This act] shall be
25 administered by the agricultural experiment station of

1 Montana state university.

2 Section 4. Powers of the director of agricultural
3 experiment station. The director may:

4 (1) adopt rules necessary for the administration of
5 [sections 1 through 9];

6 (2) designate as weeds plants that have an adverse
7 economic impact on landowners of the state;

8 (3) provide for the conduct of adequate, intensive,
9 and timely research and education into any areas of weed
10 control and management;

11 (4) enter into agreements with recognized local,
12 state, or national research or education agencies, public or
13 private, for the purposes of improving the methods and
14 techniques of controlling or managing weeds and increasing
15 public awareness and understanding of weeds and their
16 control;

17 (5) publish reports, financial accounts, and other
18 materials considered appropriate; and

19 (6) call for special advisory committee meetings.

20 Section 5. Weed research and education advisory
21 committee -- duties and responsibilities. (1) The committee
22 shall, as its primary function, represent the Montana
23 agricultural community while assisting the director in
24 establishing, monitoring, and reviewing the annual and
25 long-term goals and objectives for the weed research and

1 education program as established by [sections 1 through 9].

2 (2) The committee:

3 (a) shall provide advice and make recommendations to
4 the director on rules, designation of plants as weeds,
5 cooperative agreements and contracts, and the overall
6 administration of [sections 1 through 9];

7 (b) may hold public meetings or hearings in
8 cooperation with the director to determine local priorities
9 on weed research and education;

10 (c) may prepare reports; and

11 (d) may perform other advisory tasks as requested by
12 the director.

13 Section 6. Cooperative agreement. With the advice and
14 recommendations of the committee, the agricultural
15 experiment station and cooperative extension service shall
16 enter into a cooperative agreement establishing the
17 responsibilities and duties of each of them in carrying out
18 functions of [sections 1 through 9]. The agreement shall
19 establish a mechanism for funding the educational activities
20 of the cooperative extension service on a long-term and
21 biennium basis in compliance with [sections 1 through 9].

22 Section 7. Reports. The director shall make an annual
23 report to the committee by February 1 showing all income to
24 and expenditures from the weed research and education
25 account in comprehensive detail. The report must be filed

1 with the governor and must be open to inspection by the
2 public during office hours. Duplicate originals of the
3 annual reports of the preceding biennium must be transmitted
4 by the director to the president of the senate, the speaker
5 of the house of representatives, and to the chairmen of the
6 agricultural committees of the senate and house of
7 representatives by February 1 of each odd-numbered year.

8 Section 8. Receipt of gifts, grants, or devises. The
9 committee and the station may receive any gift, grant, or
10 devise for any research or education conducted under
11 [sections 1 through 9] and may spend them in compliance with
12 [sections 1 through 9] and the terms of the gift, grant, or
13 devise.

14 Section 9. Weed research and education account --
15 sources -- use. (1) The agricultural experiment station
16 shall maintain a restricted account known as the weed
17 research and education account. The following must be
18 deposited in the account:

19 (a) the proceeds of all taxes collected under [section
20 11]; and

21 (b) the proceeds of all gifts, grants, and devises to
22 the committee or the station for research and education
23 under [section 2].

24 (2) The account must be maintained for the purposes of
25 [this act] and must be separate from all other accounts of

1 the station.

2 Section 10. Weed research and education advisory
3 committee created -- qualifications and term of members. (1)
4 There is a weed research and education advisory committee.

5 (2) The committee consists of ~~11~~ 12 members. Seven
6 members shall be appointed by the governor and ~~four~~ FIVE
7 members shall be ex officio members as provided in
8 subsection (4).

9 (3) The governor shall appoint one committee member
10 from each of the following districts:

11 (a) District I consisting of Lincoln, Flathead,
12 Sanders, Lake, Deer Lodge, Mineral, Missoula, Powell,
13 Ravalli, and Granite Counties;

14 (b) District II consisting of Glacier, Toole, Liberty,
15 Hill, Blaine, Phillips, Pondera, Chouteau, and Teton
16 Counties;

17 (c) District III consisting of Valley, Daniels,
18 Sheridan, McCone, Roosevelt, Richland, Garfield, and Dawson
19 Counties;

20 (d) District IV consisting of Lewis and Clark,
21 Cascade, Judith Basin, Fergus, Petroleum, Broadwater,
22 Meagher, Wheatland, Golden Valley, and Musselshell Counties;

23 (e) District V consisting of Beaverhead, Silver Bow,
24 Jefferson, Madison, and Gallatin Counties;

25 (f) District VI consisting of Park, Sweet Grass,

1 Stillwater, Yellowstone, Treasure, Carbon, and Big Horn
2 Counties;

3 (g) District VII consisting of Rosebud, Custer, Powder
4 River, Prairie, Wibaux, Fallon, and Carter Counties.

5 (4) The ex officio committee members are:

6 (a) the director of the department of agriculture;

7 (b) the director of the agricultural experiment
8 station;

9 (c) the director of THE cooperative extension service;
10 and

11 (D) THE DIRECTOR OF THE DEPARTMENT OF FISH, WILDLIFE,
12 AND PARKS; AND

13 (d)(1) a representative of the weed districts in
14 Montana. The weed district representative shall be elected
15 by a majority of the appointed committee members and shall
16 serve at the pleasure of the committee.

17 (5) Each of the appointed committee members must be a
18 citizen of the state and a resident landowner of the
19 district from which appointed.

20 (6) (a) The first appointments shall be made for the
21 following terms:

22 (i) two members shall be appointed for 1-year terms;

23 (ii) two members shall be appointed for 2-year terms;
24 and

25 (iii) three members shall be appointed for 3-year

1 terms.

2 (b) Thereafter, all appointments shall be for 3-year
3 terms.

4 (7) A member of the committee may not serve more than
5 two consecutive terms.

6 (8) The committee shall elect a chairman annually from
7 among its members. The committee shall meet at least once
8 every 3 months and at such other times as called by the
9 chairman, by three members of the committee, or by the
10 director.

11 (9) A committee member may be removed by the governor
12 for cause. Removal proceedings shall be initiated by
13 verified written charges. Within 10 days of the receipt of
14 the charges, the accused committee member may, in writing,
15 request a public hearing. The hearing shall commence within
16 10 days following receipt by the governor of the request for
17 hearing. The hearing must be conducted by the governor or
18 his designee. At the hearing, the member may be represented
19 by an attorney and may present witnesses in his behalf.

20 (10) A committee member who ceases to reside in the
21 state or in the district for FROM which he was appointed or
22 ceases to own land is disqualified from membership, and his
23 office becomes vacant. If the member refuses to recognize
24 his disqualification, the refusal is cause for removal.

25 (11) A member or ex officio member of the committee not

1 receiving compensation and expenses from other state sources
 2 is entitled to receive from the weed research and education
 3 account compensation of \$25 for each day he is engaged in
 4 the transaction of the official business of the committee,
 5 together with expenses as provided for in 2-18-501 through
 6 2-18-503.

7 Section 11. Weed research and education -- tax on
 8 agricultural--and--timber--land--refund LAND -- ELECTION TO
 9 NOT SUPPORT RESEARCH AND EDUCATION -- county reimbursement.
 10 (1) There is levied an annual property tax of 2 mills on the
 11 taxable value of all agricultural--and--timber--land--real
 12 property PRIVATE LAND EXCLUSIVE OF IMPROVEMENTS THEREON
 13 WHICH IS NOT WITHIN AN INCORPORATED CITY OR TOWN within the
 14 state for the support and maintenance of weed research and
 15 education as provided in [sections 1 through 9].

16 {2}--Upon--submission--of--a--written--request--to--the
 17 director--of--the--agricultural--experiment--station--of--Montana
 18 state--university--a--landowner--may--obtain--a--refund--of--the--tax
 19 he--has--paid--The request must be made not less than 30 days
 20 or more than 90 days--following--payment--of--the--tax--the
 21 director--shall--upon--receipt--of--such--a--timely--refund
 22 request--refund--the--tax--paid--by--the--landowner--the--director
 23 shall--keep--a--record--of--all--refunds--for--at--least--2--years--

24 (2) A LANDOWNER ELECTING NOT TO SUPPORT AND MAINTAIN
 25 THE WEED RESEARCH AND EDUCATION PROGRAM ESTABLISHED UNDER

1 [THIS ACT] SHALL FILE A NOTICE OF ELECTION TO NOT SUPPORT
 2 THE PROGRAM WITH THE COUNTY TREASURER OF THE COUNTY IN WHICH
 3 THE LAND IS LOCATED ON OR BEFORE AUGUST 1. FOR THAT YEAR THE
 4 2 MILL TAX LEVY MAY NOT BE APPLIED TO THE TAXABLE VALUE OF
 5 SUCH PROPERTY. A SIMILAR ELECTION MAY BE MADE EACH YEAR
 6 DURING THE CONTINUATION OF THE PROGRAM. THE COUNTY TREASURER
 7 SHALL KEEP A RECORD OF ALL SUCH NOTICES FOR AT LEAST 2
 8 YEARS.

9 (3) As reimbursement for the administration of this
 10 section, each county is entitled to receive the greater of:
 11 (a) \$250; or
 12 (b) 5% of the total tax collected by it--including--any
 13 tax--that--be--subsequently--refunded--under--subsection--{2}.

14 Section 12. Severability. If a part of this act is
 15 invalid, all valid parts that are severable from the invalid
 16 part remain in effect. If a part of this act is invalid in
 17 one or more of its applications, the part remains in effect
 18 in all valid applications that are severable from the
 19 invalid applications.

20 Section 13. Termination. This act terminates July 1,
 21 1991. If this act is not renewed through legislative action
 22 beyond that date, any money remaining that has been
 23 collected under this act shall revert to Montana state
 24 university to be used exclusively for weed research and
 25 education.

SB 0004/03

- 1 Section 14. Effective date. This act is effective on
- 2 passage and approval.

-End-

FISCAL NOTE

Form BD-15

In compliance with a written request received January 7, 19 81, there is hereby submitted a Fiscal Note for Senate Bill 4 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

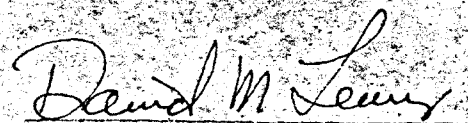
Senate Bill 4 establishes a weed research and education program within the Agricultural Experiment Station and the Cooperative Extension Service of Montana State University. It establishes a weed research and education advisory committee and provides for a tax levy of 2 mills on agricultural and timber land for the purpose of funding research and education to improve weed control and management. An immediate effective date is provided with a termination date of July 1, 1991.

ASSUMPTIONS:

1. The property valuation of agricultural and timber land will grow at a rate of 4-5% per year.
2. The 2 mill-levy equals \$292,462 for 1980-81.

REVENUE AND EXPENDITURE IMPACT:

	<u>FY 82</u>	<u>FY 83</u>
REVENUE	\$307,000	\$320,000
EXPENDITURES	<u>307,000</u>	<u>320,000</u>
NET EFFECT	<u>\$ -0-</u>	<u>\$ -0-</u>



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: _____

	Date: 2-16-81 NO: 384 Amendments	Date: NO:	Date: NO:	Date: NO:	Date: NO:	Date: NO:
SMITH, Chairman	YES					
SCHULTZ, Vice Chairman	NO					
ERNST	NO					
JENSEN	NO					
ELLERD	NO					
RYAN	NO					
FEDA	NO					
BRIGGS	YES					
UNDERDAL	yes					
MC LANE	NO					
MANUEL	NO					
BENGTSON	NO					
JACOBSEN	yes					
ROBBINS	yes					
HOLLIDAY	-					
ROUSH	yes					
CONROY	yes					

7-24-81
19-710