

MINUTES OF THE MEETING OF THE HOUSE AGRICULTURE,
LIVESTOCK AND IRRIGATION COMMITTEE, FEBRUARY 7, 1983

The meeting was called to order by Chairman Jacobsen on Monday, February 7, 1983 at 12:30pm in Room 129, State Capitol. All members were present with the exception of Reps. Holliday and Howe who were excused and Reps. Jensen and Saunders who were absent.

EXECUTIVE SESSION

HOUSE BILL 545. REP. LYBECK moved the bill Do Pass. Chairman Jacobsen read proposed National Farmers Organization amendments to the bill (exhibit).

REP. ROUSH moved the Committee approve the NFO amendments. The motion was seconded by Rep. Schultz and given unanimous committee approval.

REP. SCHULTZ told the Committee, page 5, line 3 relating to where, who and when would be a logical place to insert amendments. REP. KOEHNKE moved the bill be given an immediate effective date. The motion was seconded by Rep. Schultz and unanimously approved.

REP. ROUSH seconded the motion by Rep. Lybeck that the bill Do Pass as Amended, which was unanimously approved by the Committee.

REP. BENGTON moved that Committee adopt the Statement of Intent. Rep. Schultz seconded the motion which met with unanimous committee approval.

SENATE BILL 160. REP. BLISS moved the bill Do Pass and made a motion to amend the bill, striking 10 mills on line 16 and inserting 5 mills and striking line 19 from the bill. Rep. Underdal seconded the motion.

REP. BLISS told the Committee \$200,000 was no longer required for the gasahol program. Chairman Jacobsen advised the Wheat Commission indicated they would continue the program.

REP. SPAETH asked if the Commission could levy less than 10 mills and Rep. Lybeck said he opposed the amendment as the Commission needs flexibility to increase funding if necessary, adding the Wheat Commission is an effective tool in marketing.

REP. BENGTON told the Committee mail from her constituents favored Rep. Bliss' amendment.

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REP. BACHINI said his mail was against the amendment and Chairman Jacobsen advised the Committee much good has resulted from the Wheat Commission, especially the establishing of foreign markets, since Montana relies so heavily on exports.

REP. BLISS related his concern with a statement made by the administrative office of the Wheat Commission, who said it could not continue desired research without the 10 mill increase as he thinks the levy will reach maximum within a short time and his counties contribute 10% of the wheat and 13% of the barely in the Montana market.

CHAIRMAN JACOBSEN told the Committee the State of Oregon assesses 2 cents per bushel and France, 10 cents per bushel. He said the European Common Market is one of Montana's competitors and prior to this legislation less than 1% was spent on wheat marketing. He said it was his personal belief the levy was not high enough.

REP. BENGSTON asked if the Department of Commerce and others were duplicating the work of the Wheat Commission.

REP. SCHULTZ said the Farm Bureau of Fergus County supports the increase in mills, if it's necessary.

REP. UNDERDAL asked if an amendment could be added to provide for donations over and above the mill levy.

CHAIRMAN JACOBSEN explained the gasahol program was funded through the wheat assessment program in 1979 at the request of Sen. Dover since general funding was not available.

REP. BLISS advised the Committee a wheat producer in Oregon would probably have 70-80 cents more when freight is considered and the 10 cents per bushel paid by the French is probably used in lobbying for producers.

REP. LYBECK commented several neighboring states contribute 1 to 1 1/2 cents toward a program to promote dairies and asked Rep. Koehnke what potato growers contribute. Rep. Koehnke said the present level is 1 cent per one hundred pounds of potatoes, adding it might be best to Table the bill.

REP. BENGSTON moved Senate Bill 160 Do Pass as Amended by Rep. Bliss. The motion failed with six members voting aye, eight voting no and 3 members absent (roll call vote attached).

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REP. ROUSH moved the bill Do Pass. The motion was unanimously approved by those present.

HOUSE BILL 486. REP. SPAETH moved the bill Do Pass and then moved the proposed amendments to the bill be approved (exhibit). REP. ROUSH seconded the motion.

REP. SPAETH said his proposed amendment would change funding from 20% to 3/4 or 15% for rangeland improvement and that other changes were for recodification purposes.

REP. BENGSTON stated her concern with insufficient funding. Rep. Spaeth told her the revolving fund should be at \$1.1 million by 1989.

The motion made by Rep. Spaeth was given unanimous committee approval. REP. SPAETH then moved the bill Do Pass as Amended. Rep. Roush seconded the motion which was unanimously approved by the Committee.

REP. UNDERDAL moved the Statement of Intent be adopted. Rep. Bengston seconded the motion, which was unanimously approved by the Committee.

CHAIRMAN JACOBSEN provided committee members with figures calculated from information published by the Department of Revenue on its proposed changes in land classification and assessment. He said continuously cropped farmland would be valued at \$115.31, whereas it is presently valued at \$23.15; grazing land with a G2B rating would be \$14.19, whereas it is presently \$5.42. He explained wild hayland has been valued the same for twenty years at \$10.05 as opposed to \$113.10 and said figures had been compiled by the Sheridan County Assessor. He asked if the Committee would prefer to draft a bill to put a hold on Department of Revenue action and provide it with direction.

REP. SCHULTZ asked why the Committee didn't create a bill to prevent the institution of a new appraisal system. Chairman Jacobsen advised he would appoint a subcommittee to study the situation and make suggestions to the Committee, adding the bill would require support of two-thirds of the Committee.

REP. LYBECK asked if percentages presented by Les Saisbury, Department of Revenue, were correct and wrong on all other tables, adding the Department should be required to apply correct percentages to all other tables, if this were so.

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REP. BACHINI moved the Committee sponsor such a bill. Rep. Hanson seconded the motion, which was given unanimous committee approval.

DAVID NISS, Legislative Council Attorney, told the Committee it may boil down to making a choice in the method to be used by the Department of Revenue in achieving its goal.

REP. ROUSH asked how the committee bill would affect the relationship between agricultural land and other types of property, such as commercial, timber and personal property and if there would be any possibility of rebuttal from such property owners. Mr. Niss said he thought there would be none.

REP. SPAETH told the Committee he thought some sections of authority were fairly broad and they would need to be very specific in requiring substantial alternatives. He said another alternative would be to tell the Department of Revenue it could not adopt the proposed rule changes, adding the Committee could have a problem with the timber industry and might want to form an interim study committee to determine productivity and put a moratorium on Department action.

REP. SCHULTZ advised the Department could use its rule-making authority in spite of a moratorium. Mr. Niss clarified Rep. Schultz' statement saying the Department could implement rules prior to the time a bill was signed by the Governor with regard to new assessment procedures, since the waiting period for public comment is only 30 days. He said a rule could theoretically, be adopted within a short period of time, except in cases where testimony is a problem, but the Department has legal authority to act quickly and can alter an effective date of a proposed rule change.

CHAIRMAN JACOBSEN appointed Reps. Bliss, Holliday, Lybeck, Ernst and Roush to study the matter. Rep. Spaeth was asked to serve as chairman and Mr. Niss, to act as consultant to the subcommittee.

REP. ROUSH expressed his concern with the acquisition of agricultural land in Montana by non-profit and religious organizations. He said some groups are obtaining commodities and have applied for Medicare assistance. Rep. Roush requested a committee resolution to form an interim study committee for review next session.

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REP. ROUSH told the Committee religious groups have a tax advantage in purchasing land from estates adding a great amount of Montana land has been affected by this action.

MR. PAT UNDERWOOD, Montana Farm Bureau, said his organization supported the suggestion and cited incidents in Antelope, Oregon and the Forbes Ranch in Park County, Montana, as examples.

MR. TERRY MURPHY, Montana Farmers Union, said he has received strong suggestions from members of his organizations that too much land is converting to non-profit ownership and offered his support of the measure.

MRS. JO BRUNNER, Women Involved in Farm Economics concurred with Mr. Murphy.

MR. KEITH KELLY, Director, Department of Agriculture, said a study completed a few years ago showed approximately 34 Hutterite colonies in the State, all of which have substantial land holdings. He advised the Department has no position with regard to the matter, but would like to see land purchased on an equal opportunity basis.

MR. MURPHY advised committee members of a U.S. Department of Agriculture census to be taken this year, from which this information might be obtained.

REP. UNDERDAL said those with land for sale want to sell to the highest bidder and getting around this problem might be a little tough.

CHAIRMAN JACOBSEN appointed a subcommittee consisting of Reps. Holliday, Lybeck, Hanson and Ernst to study the matter. Rep. Roush was asked to chair the subcommittee and Legislative Council Attorney, John MacMaster, to serve on a consulting basis.

The meeting was adjourned at 1:55pm.


REP. GLENN JACOBSEN, CHAIRMAN

Joann T. Gibson, Secretary

STANDING COMMITTEE REPORT

FEBRUARY 7, 1933

MR. **SPEAKER:**

We, your committee on **AGRICULTURE**

having had under consideration **HOUSE** Bill No. **545**

FIRST reading copy (**WHITE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A GRAIN INDEMNITY FUND TO PROVIDE PARTIAL REIMBURSEMENT TO A GRAIN PRODUCER WHO SUFFERS A LOSS BECASUE OF A GRAIN DEALER'S BANKRUPTCY OR A GRAIN DEALER'S WRONGFUL DISPOSITIONS OF GRAIN DELIVERED TO HIM; PROVIDING AN ASSESSMENT ON WHEAT AND BARLEY; AND PROVIDING PENALTIES."

Respectfully report as follows: That **HOUSE** Bill No. **545**

Be amended as follows:

1. Title, line 9.
Following: "BARLEY;"
Insert: "PROVIDING AN EXEMPTION;"

2. Title, line 9.
~~Strike~~ "AND"
Following: "PENALTIES"
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

3. Page 5,
Following: line 13
Insert: "Section 7. Exemption. Grain sold through a producer's marketing system on which an assessment is levied for the purpose of protecting the member producer from the loss or wrongful conversion of such grain is not subject to the assessment imposed in [section 4], if the protection under such assessment procedure is equal to or greater than the protection secured under [this act]. No claim may be made under [this act] for any loss of grain for which no assessment was paid under [this act]."
Renumber: subsequent sections

REP. GLENN JACOBSEN

Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 7

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MR. **SPEAKER:**

We, your committee on **AGRICULTURE**

having had under consideration **SENATE** Bill No. **160**

~~THIRD~~ **THIRD** reading copy (**BLUE** ~~WHITE~~)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE MAXIMUM ASSESSMENT ALLOWABLE UPON WHEAT AND BARLEY, THE PROCEEDS OF WHICH ARE USED FOR WHEAT RESEARCH AND MARKETING; ELIMINATING DEPARTMENT OF AGRICULTURE POWERS RELATING TO ALCOHOL BYPRODUCTS; AMENDING SECTION 80-11-206, MCA; REPEALING SECTIONS 80-11-221 THROUGH 80-11-223, MCA; AND PROVIDING AN EFFECTIVE DATE."

Respectfully report as follows: That **SENATE** Bill No. **160**

DO PASS

REP. GLENN JACOBSEN

Chairman.

STANDING COMMITTEE REPORT

PAGE 2 (Continued)

FEBRUARY 7

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Amendments to HOUSE BILL No. 545

4. Page 6.

Following: line 9

Insert: "Section 10. Effective date. This act is
effective on passage and approval."

AND AS AMENDED

DO PASS

STATEMENT OF INTENT ATTACHED

REP. GLENN JACOBSEN

Chairman.

MR. SPEAKER

WE YOUR COMMITTEE ON AGRICULTURE, HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 545 FIRST READING COPY (WHITE), ATTACHES THE FOLLOWING STATEMENT OF INTENT:

"STATEMENT OF INTENT"

This bill requires a statement of intent because section 9 requires the Department of Agriculture to adopt rules to implement the collection of an assessment on wheat and barley and reimbursement from the proceeds of the assessment to producers who suffer a loss because of bankruptcy or wrongful disposition by grain dealers of grain delivered to them. Rules adopted under this act should parallel rules adopted to implement the Wheat Research and Marketing Act, insofar as the two programs are similar.

REP. GLENN JACOBSEN

Chairman.

STANDING COMMITTEE REPORT

FEBRUARY 7 19 83

MR. **SPEAKER:**

We, your committee on **AGRICULTURE**

having had under consideration **HOUSE** Bill No. **486**

FIRST reading copy (WHITE)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH A RANGELAND
IMPROVEMENT LOAN PROGRAM; AMENDING SECTIONS 76-14-103 AND
90-21113, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."**

Respectfully report as follows: That **HOUSE** Bill No. **486**

Be amended as follows:

1. Page 7, line 12.
Following: "1983"
Insert: "3/4 of"
2. Page 7, line 21.
Following: "Sections"
Strike: "1"
Insert: "2"
3. Page 7, line 24.
Following: "sections"
Strike: "1"
Insert: "2"

AND AS AMENDED

DO-PASS-

STATEMENT OF INTENT ATTACHED

REP. GLENN JACOBSEN
~~XXXXXXXXXXXXXXXXXX~~

Chairman.

MR. SPEAKER

WE YOUR COMMITTEE ON AGRICULTURE, HAVING HAD UNDER CONSIDERATION HOUSE BILL NO. 486, FIRST READING COPY (WHITE), ATTACH THE FOLLOWING STATEMENT OF INTENT:

"STATEMENT OF INTENT"

HOUSE BILL NO. 486

A statement of intent is required for this bill because it delegates rulemaking authority to the Board of Natural Resources and Conservation in Section 7.

The intent is to provide the Department with the authority to adopt those rules necessary to administer the Rangeland Improvement Loan Program. This authority is limited by Section 7 to adopting rules prescribing the form and content of applications for loans and the required conservation plan; to adopting rules governing the application, implementation, and interpretation of the criteria for awarding loans and of the procedure for the review of applications by conservation district supervisors, the committee, and the department; to adopting rules providing for the servicing of loans including arrangements for obtaining security interests and the establishment of reasonable fees or charges to be made; to adopting rules providing for the confidentiality of financial statements submitted; and, to adopting rules describing the terms and conditions for making loans.

REP. GLENN JACOBSEN

Chairman.

Proposed by Rep. Manuel

Amend House Bill 545, introduced copy

1. Title, line 9.

Following: "BARLEY;"

Insert: "PROVIDING AN EXEMPTION;"

2. Page 5.

Following: line 13

Insert: "Section 7. Exemption. Grain sold through a
producer cooperative marketing system on which an assessment is levied
for the purpose of protecting the member producer from the loss
or wrongful conversion of such grain is not subject to the
assessment imposed in [section 4], if the protection under such
assessment procedure is equal to or greater than the protection
secured under [this act]. No claim may be made under [this act]
for any loss of grain for which no assessment was paid under
[this act]."

Renumber: subsequent sections

STATEMENT OF INTENT

Bill No. 545 [LC 2087]

This bill requires a statement of intent because section 8 requires the Department of Agriculture to adopt rules to implement the collection of an assessment on wheat and barley and reimbursement from the proceeds of the assessment to producers who suffer a loss because of bankruptcy or wrongful disposition by grain dealers of grain delivered to them. Rules adopted under this act should parallel rules adopted to implement the Wheat Research and Marketing Act, insofar as the two programs are similar.

Amendments to HB 486, Introduced (white) copy

1. Page 7, line 12.

Following: "1989"

Insert: "3/4 of"

2. Page 7,, line 21.

Following: "Sections"

Delete: "1"

Insert: "2"

3. Page 7, line 24.

Following: "sections"

Delete: "1"

Insert: "2"

STATEMENT OF INTENT

Bill No. 486 [LC 705]

A statement of intent is required for this bill because it delegates rulemaking authority to the Board of Natural Resources and Conservation in Section 7.

The intent is to provide the Department with the authority to adopt those rules necessary to administer the Rangeland Improvement Loan Program. This authority is limited by Section 7 to adopting rules prescribing the form and content of applications for loans and the required conservation plan; to adopting rules governing the application, implementation, and interpretation of the criteria for awarding loans and of the procedure for the review of applications by conservation district supervisors, the committee, and the department; to adopting rules providing for the servicing of loans including arrangements for obtaining security interests and the establishment of reasonable fees or charges to be made; to adopting rules providing for the confidentiality of financial statements submitted; and, to adopting rules describing the terms and conditions for making loans.

ROLL CALL VOTE -----

AGRICULTURE

COMMITTEE


	Date: No:	Date: No:	Date: No:	Date: No:	Date: No:	Date: No:
<i>ALERD</i>	<i>2/7</i> <i>Bliss Amendments</i> <i>SB/60</i>					
JACOBSEN	N					
HOLLIDAY	N					
BACHINI	N					
BENGSTON	Y					
BLISS	Y					
ERNST	N					
HANSON	Y					
HOWE	--					
JENSEN	--					
KOEHNKE	N					
LYBECK	N					
ROUSH	N					
RYAN	Y					
SALINDERS	--					
SCHULTZ	Y					
SPAETH	N					
UNDERDAL	Y					

EXCUSE

DATE 2/7/83

REPRESENTATIVE Howe

IS EXCUSED FROM COMMITTEE HEARING.


REP. ~~HUGH ADAMS~~, CHAIRMAN
~~HIGHWAYS AND TRANSPORTATION COMMITTEE~~
Agriculture

PROXY VOTE

Date 2/7/83

REPRESENTATIVE Howe

BILL NO. _____

INSTRUCTIONS HB 509 NO

SB 160 Y

HB 545 Y

HJR 15 Y

HB 486 Y

SB 60 NO

Ramona E. Howe Rep.
SIGNATURE

EXCUSE

DATE 2-7-83

REPRESENTATIVE Rep. Gary Hildebrand

IS EXCUSED FROM COMMITTEE HEARING.

Glenn Jacobsen
REP. GLENN JACOBSEN, CHAIRMAN
AGRICULTURE COMMITTEE

PROXY VOTE

Date 2-7-83

REPRESENTATIVE Rep. Hildebrand

BILL NO. _____

INSTRUCTIONS _____

HSR 15 Yes on the floor

SB 60 Yes on the floor

HR 486 Yes on the floor

HR 545 Yes in committee if amended - yes
on the floor not amended

SB 160 No to amend environment

Yes on the floor - if amended - do floor as
amended

Rep. Gary Hildebrand
SIGNATURE