

MINUTES OF THE MEETING OF THE HOUSE AGRICULTURE,
LIVESTOCK AND IRRIGATION COMMITTEE, MARCH 14, 1983

The meeting was called to order by Chairman Jacobsen,
Monday, March 14, 1983 at 12:30pm in Room 129,
State Capitol. All members of the Committee were present.

EXECUTIVE SESSION

SENATE BILL 317. REP. SAUNDERS moved the bill Be Concurred
In. Rep. Bengston seconded the motion.

REP. SAUNDERS moved the amendments to the bill be approved
(exhibit). Mr. Jack Gunderson, Administrator, State Hail
Board, told the Committee the bill was amended at the
request of the Legislative Audit Committee, adding he did
not believe the bill would be jeopardized by the amendments
since the Senate could still make any necessary changes.

REP. BLISS said he was concerned with the competition
the Hail Board provided for private insurers.

REP. ELLERD asked if a crop could be double-insured and
if the land owner could collect from both carriers. Mr.
Gunderson replied a crop could be double-insured as long
as the coverage did not exceed the value of the crop.

REP. ELLERD asked what the advantage of the Hail Board was
and if its rates were cheaper. Rep. Bliss told him very
few farmers insure for full value of their crops.

REP. JENSEN asked if prices were competitive between the
State and private insurers. Mr. Gunderson said the state
rate is lower for barley and wheat, adding private insurers
have a surcharge for both crops.

The motion made by Rep. Saunders failed with seven members
voting aye, nine voting no and two absent.

REP. BENGSTON asked about amending page 17 of the bill.
Mr. Gunderson advised this section has been ignored since
assessments are sent any time of year now.

REP. ROUSH said he has no problem with language in the
bill and he believes the Hail Board owes people notification
time, but expenditures should be limited.

REP. SCHULTZ suggested the Committee strike "any" means
and insert "appropriate" means.

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REP. BACHINI asked if the "Wheat Scoop" publication would take care of advertising. Mr. Gunderson said it would be much better than any advertising utilized at present.

CHAIRMAN JACOBSEN asked about a Statement of Intent. Mr. Gunderson replied he would have no objection.

REP. KOEHNKE asked about charges of the Department for expenses as outlined on page 7, line 16 of the bill. Mr. Gunderson told him the language was added as a preventive measure.

MR. BOB LOWERY, Crop Hail Insurance, told the Committee private insurers write \$22 million in crop hail insurance annually, while the State writes \$2 million. He said if the Board is reinstate, it would be done in its present form and should be sustained on a 5-10% limit in ratings with no reregulation of the rating structure.

MR. GUNDERSON said language on page 19 would eliminate minimum/maximum rates and he has no problem with continuing the 5-10% limit, adding language would have to be changed accordingly.

REP. ERNST said he was concerned with eliminating the percentage limit. Mr. Gunderson advised the maximum rate has shifted to different areas of the State over the past 65 years.

REP. SPAETH moved the State Auditor/State Insurance Commissioner be stricken from page 6 of the bill, as such membership has the appearance of impropriety, and that the Director of the Department of Agriculture be added on line 21, thus striking "3" members and inserting "4" members.

REP. BENGSTON commented she thought the Insurance Commissioner was not an inappropriate member of the Board and asked who sat on the Board. Mr. Gunderson told her Mr. Omholt, the State Auditor sits on the Board and has been a valuable member because of his experience, adding the other members are of agricultural backgrounds.

REP. SPAETH said the Insurance Commissioner should not sit on the Board since he is not a member of any private insurance boards. Rep. Schultz told him the State Auditor has been on the Board since 1917 without creating any problems.

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The motion made by Rep. Spaeth failed with all members voting no except Rep. Spaeth who voted aye.

REP. SCHULTZ moved the Committee strike "any" after "use" on page 17, line 7. The motion was seconded by Rep. Jensen and unanimously approved by the Committee.

REP. SPAETH moved the Committee strike "shall" and insert "may" on page 17, line 8 of the bill and insert "not to exceed \$1,500 in cost per year" following "communication" on page 17, line 8.

Mr. Gunderson told the Committee the Hail Board spent \$1,027 for advertising in the "Wheat Scoop" last fiscal year.

The motion was split and voted upon separately. The motion to change "shall" to "may" was unanimously approved. The motion to limit advertising costs was approved with 10 members voting aye and 7 voting no (roll call vote).

REP. HOLLIDAY moved the bill Be Concurred In as Amended. Rep. Schultz seconded the motion which was unanimously approved by committee members.

SENATE BILL 401. REP. SPAETH moved the bill Be Concurred In and that Department of Natural Resources and Conservation amendments be approved for the third reading copy of the bill. He explained there was a problem with "valid" on page 4, line 24 and page 4 line 9, since the transfer of water rights is drastically different from a land transfer, referring to amendments proposed by John MacMaster, Legislative Council Attorney, adding he would have to support the DNRC amendments.

MR. JOHN CHAFFIN, Water Courts Attorney, told the Committee, Section 7 of the bill would take care of water rights sold to one party when the land was sold to another by the same owner. He advised there is a legal difference between "void" and "valid" transfers and said Judge Lessley believes an individual can appear in court to state he or she has been affected by a transfer without the Department becoming involved.

REP. SPAETH said both provisions are forgiveness sections and are necessary because of the Kunneman case but he is not certain how "valid" will be interpreted later on, adding it would be better to utilize DNRC at the time of transfer, prior to appearing in court.

REP. SPAETH informed Committee members he saw a problem with language pertaining to transfer of water rights to the State of Montana and its political subdivisions as there would be no recourse later on and he was not certain how the statement would be interpreted since it includes cities and towns and raises litigating questions.

CHAIRMAN JACOBSEN asked how necessary the bill is. Rep. Spaeth replied he was not certain.

MR. JOHN MACMASTER, Legislative Council Attorney, said Section 3 does not clearly indicate a need for DNRC approval of transfers prior to the Section's effective date, adding this was the intent of the Section.

MR. CHAFFIN told the Committee the bill was very necessary for transfers of land and water rights between parties, since there is a need to maintain current records for proper notice to involved parties when water rights status' are filed. He said more than a voluntary system is necessary, adding many problems will arise if the bill does not pass.

CHAIRMAN JACOBSEN said a subcommittee may need to study the matter further since it appears there are three differing legal opinions.

MR. GARY FRITZ, Department of Natural Resources and Conservation, said the Department is presently receiving notification of approximately 10% of transfers and it is anticipated the number will increase to 40,000 annually when a mandatory filing system is imposed.

REP. JENSEN questioned whether it was necessary to transfer water rights when land is transferred.

REP. ROUSH agreed with Chairman Jacobsen that a subcommittee is needed, as did Rep. Lybeck. Chairman Jacobsen appointed Representatives Jensen and Lybeck to serve with Rep. Spaeth as chairman, and asked them to report their findings to the Committee on March 18, 1983.

SENATE BILL 276. REP. HOLLIDAY moved the bill Be Concurred In. Rep. Roush seconded the motion which was unanimously approved by the Committee.

SENATE BILL 277. REP. ROUSH moved the bill Be Concurred In. The motion was seconded by Rep. Ellerd and given unanimous committee approval.

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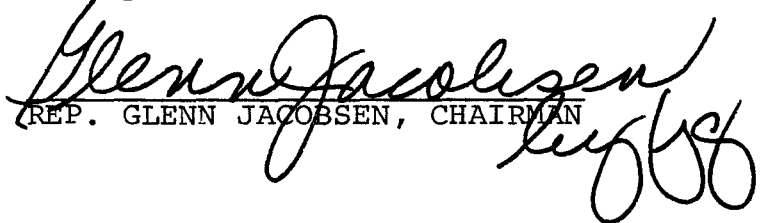
SENATE BILL 265. REP. HOLLIDAY moved the bill Be Concurred In. Rep. Schultz seconded the motion which was unanimously approved.

SENATE BILL 259. REP. ELLERD moved the bill Be Concurred In. Rep. Ernst seconded the motion. Legislative Council Attorney, John MacMaster, advised the Statement of Intent should be changed to correlate with the bill, that is Section 5 should become Section 4 on line 5 and "14" should become "12" on both lines 7 and 13.

REP. HOLLIDAY said language needed to be inserted for penalty fees. Rep. Spaeth commented a penalty fee would not be costly to administer and the fee should be commensurate with the cost. He said language should be added to the Statement of Intent, if the Committee is concerned.

CHAIRMAN JACOBSEN advised the Committee would discuss language for the Statement of Intent at the next executive session.

The meeting was adjourned at 2:20pm.


REP. GLENN JACOBSEN, CHAIRMAN

Joann T. Gibson, Secretary

COMMITTEE OF THE WHOLE AMENDMENT

MR. CHAIRMAN: I MOVE TO AMEND the second reading copy of Senate Bill 317 as follows:

1. Title, line 11.
Following: "LIMITS;"
Insert: "INCREASING COVERAGE LIMITS"
2. Title, line 13.
Following: "80-2-208;"
Insert: "80-2-208,"
3. Page 19, line 6.
Following: "~~insure~~;"
Insert: "Section 8. Section 80-2-208, MCA, is amended to read: "80-2-208. Maximum insurance. When the reserve fund is determined actuarially sound, as provided in 80-2-228, the board may write not more than ~~\$24~~ \$30 insurance on each acre of grain which is on nonirrigated land and not more than ~~\$48~~ \$60 per acre on irrigated land. When more than one party desires hail insurance on the same crop, each party is entitled to the share of the maximum provided per acre as represented by his interest in the crop. Either party may insure his share in the crop for any amount up to and including the maximum per acre if the others waive their right to insure."
Renumber: subsequent sections.
4. Page 29, line 22.
Following: "~~\$30~~"
Strike: "\$24"
Insert: "\$30"
5. Page 29, line 23.
Following: "~~\$60~~"
Strike: "\$48"
Insert: "\$60"

STANDING COMMITTEE REPORT

MARCH 14 19 83

MR. **SPEAKER:**

We, your committee on **AGRICULTURE**

having had under consideration **SENATE** Bill No. **317**

THIRD reading copy (**BLUE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT REESTABLISHING THE BOARD OF HAIL INSURANCE UNDER EXISTING STATUTORY AUTHORITY AND RULES; REVISING PROVISIONS RELATING TO THE BOARD AND TO THE HAIL INSURANCE PROGRAM; EXCLUDING DROP HAIL INSURANCE ADJUSTMENT FROM CERTAIN EMPLOYMENT LAWS; REMOVING RATE LIMITS; AMENDING SECTIONS 2-8-103, 2-15-3003, 39-3-406, 39-51-204, 80-2-201, 80-2-204, 80-2-221, 80-2-222, 80-2-224, 80-2-228, 80-2-232, 80-2-241, THROUGH 80-2-244, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Respectfully report as follows: That **SENATE** Bill No. **317**

Be amended as follows:

- 1) Page 17, line 7
Following: (4)
Strike: "shall"
Insert: "may"
- 2) Page 17, line 8
Following: "communication"
Insert: "not to exceed \$1500 in cost per year"
- 3) Page 17, line 7
Following: "use"
Strike: "any"

AND AS AMENDED

BE CONCURRED IN

~~XXXXXX~~
DO PASS

REP. GLENN JACOBSEN, CHAIRMAN

Chairman.

STANDING COMMITTEE REPORT

MARCH 14

19 83

MR. **SPEAKER:**

We, your committee on **AGRICULTURE**

having had under consideration **SENATE** Bill No. **276**

THIRD reading copy (**BLUE**)
color

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
85-7-1710, MCA, TO PROVIDE THAT THE BOARD OF COMMISSIONERS
OF AN IRRIGATION DISTRICT MAY BY RESOLUTION ESTABLISH THAT
DISTRICT VOTES ARE TO BE CAST BY 1-ACRE RATHER THAN BY
40-ACRE BLOCKS."

Respectfully report as follows: That..... **SENATE** Bill No. **276**

BE CONSIDERED IN

~~DEPOSE~~

REP. GLENN JACOBSEN

Chairman.

STANDING COMMITTEE REPORT

MARCH 14 19 83

MR. SPEAKER

We, your committee on AGRICULTURE

having had under consideration SENATE Bill No. 277

THIRD reading copy (BLUE)
color

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
85-7-1902, MCA, TO PROVIDE THAT A BOARD OF COMMISSIONERS OF
AN IRRIGATION DISTRICT MAY REFUSE DELIVERY OF WATER TO ANY
PERSON WHO OWES MONEY TO THE DISTRICT."

Respectfully report as follows: That SENATE Bill No. 277

BE CONCURRED IN

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REP. GLENN JACOBSEN

Chairman.

STANDING COMMITTEE REPORT

MARCH 14 1983

MR. SPEAKER:

We, your committee on AGRICULTURE

having had under consideration SENATE Bill No. 265

THIRD reading copy (BLUE)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE AND CLARIFY
THE AUTHORITY OF THE DEPARTMENT OF LIVESTOCK TO RECOVER ALL
INVESTIGATIVE AND OTHER RELATED EXPENSES FROM PERSONS WHO
VIOLATE LIVESTOCK LAWS OR DEPARTMENT RULES; AMENDING SECTION
81-2-109, MCA."

Respectfully report as follows: That..... SENATE Bill No. 265

BE CONCURRED IN

XXXXXX
DO PASS

REP. GLENN JACOBSEN

Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY

ROLL CALL VOTE ----- AGRICULTURE COMMITTEE

| | Date: 3/14 No: SB 317 <i>Appr. Amend</i> | Date: 3/14 No: SB 317 <i>\$1500 Cost</i> | Date: No: | Date: No: | Date: No: | Date: No: |
|----------|--|--|--------------|--------------|--------------|--------------|
| ELLEED | | | | | | |
| JACOBSEN | y | N | | | | |
| HOLLIDAY | y | N | | | | |
| BACHINI | N | y | | | | |
| BENGSTON | N | y | | | | |
| BLISS | N | y | | | | |
| ERNST | y | y | | | | |
| HANSON | N | y | | | | |
| HOWE | -- | N | | | | |
| JENSEN | N | y | | | | |
| KOHNKE | N | y | | | | |
| LYBECK | y | N | | | | |
| ROUSH | y | y | | | | |
| RYAN | -- | y | | | | |
| SAUNDERS | y | N | | | | |
| SCHULTZ | N | N | | | | |
| SPAETH | N | y | | | | |
| UNDERDAL | -- | -- | | | | |