

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

March 2, 1983

The Agriculture, Livestock and Irrigation Committee meeting was called to order on the above date, in Room 415 of the State Capitol Building, at 1:00 p.m., by Chairman Galt.

ROLL CALL: All members present.

CONSIDERATION OF HOUSE JOINT RESOLUTION 15: Representative Gary Spaeth, HD 71, said the Resolution came about because of the rising concern about the sugar beet industry in Montana. The sugar beet industry is extremely important to Montana. It is the third largest industry, contributing over \$46 million to the economy in Montana. The Resolution is not intended to place blame on any parties. It is their hope it will help them to resolve their differences.

Representative Tom Asay explained that the principles in the sugar beet industry are in some serious negotiations. They have scheduled more discussions. Their contracts have expired. None of these companies have gone ahead with any contracts. He said the Resolution must get out so they can get together.

Dave Goss, Billings Chamber of Commerce, said it was important to both sides to reach an agreement. They needed to be shown that the people of Montana are interested in that industry so it isn't lost.

There were no opponents.

Senator Aklestad asked Representative Spaeth what they were expecting out of the Department of Agriculture in reference to page 1, lines 11 and 12. Representative Spaeth answered that they included the Department of Agriculture because they wanted to get agency and government interested. There is nothing much they can do but express their concern and lend support in a non substantiative role.

Senator Galt said usually a resolution says who you send it to and who is notified. In answer, Representative Spaeth said the Department of Agriculture would send the Resolution to everyone they felt it should be sent to.

The hearing on HJR 15 was closed.

CONSIDERATION OF HOUSE BILL 349: Representative Gary Spaeth, HD 71, explained that this is an act to revise and clarify conservation law. It allows the conservation districts to have more than one supervisor. Another option is they can have supervisor areas. It gives association supervisors recognition. One major change is on page 3, lines 17 through the top of line 2 on page 4. Right now they do not receive any compensation. They are now included in more activities and their responsibilities have expanded con-

siderably so this allows them compensation, especially in some of the western districts. Page 17 allows funds from county taxing authorities to be placed in a special account. Some of the money still remains in treasuries and others remain in bank accounts. This just makes it simpler. Regarding the signatures, it started cropping up that if someone had a problem they could get 10 signatures. This requires they will have to get 10% of voting people in the area so a family, etc., cannot harass a conservation district to get a change.

Ray Beck, DNRC, has been working with Representative Spaeth on this. It was discussed at 6 area meetings and one annual meeting. He had one amendment. It will adjust the law so the district can administer a loan program. He said the amendment should be prepared and finalized by next week.

Ron Jackson, Vice President, Montana Association of Conservation Districts, supported the bill. Exhibit #1.

There were no opponents.

Senator Aklestad asked Representative Spaeth if one district could encompass a whole county (referring to the change on page 1). Representative Spaeth answered No. The county or district would have to be broken down into 5 or more districts. All the supervisors would be elected county wide or they can be broken up into supervisor districts. This provision is only effective if you have two or less than five districts.

Senator Aklestad said it would be feasible to have two then. You can have a town or city in that area and they can dictate to the rural area what they wanted under that provision. Representative Spaeth's answer was the only requirement is that the district supervisor has to reside in that area. This gives the district a little more flexibility. He didn't see that it would open it up so towns could control a district.

Senator Ochsner wanted to know where the money was coming from. Representative Spaeth said the conservation district. They are not appropriating money for this. Some districts have raised the mill levy. The legislature, two years ago, gave 1/2% of the coal trust fund. Some are mill levies. It will be run at the county level.

Senator Aklestad asked if the Agriculture office had been contacted. He was referring to page 4, line 10. Mr. Beck said the attorney's office and DNR have been, also the attorney for DNR and legal counsel for the Department had provided their services.

Senator Aklestad asked why the conservation districts were trying to become a separate entity of government. Representative Spaeth answered he didn't think the changes are designed to set them out and apart. He didn't think it is a power grab, but is to help them with their problems because they provide a lot of assistance to the people of the state. This just helps them out.

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Senator Ochsner questioned doing away with cities' options to vote themselves out. Representative Spaeth said they are doing away with language the attorney general ruled is no longer in force.

The hearing closed on HB 349.

CONSIDERATION OF HOUSE BILL 486: Representative Gary Spaeth, HD 71 informed the committee that this bill was at the request of the DNR. It establishes a range land improvement and loan program. Under the program they have established this in the past. It is a good program and has been provided for in grants.

Ray Beck, Conservation Department DNR, gave a brief explanation of the range improvement loan program. Exhibit #2.

Ron Jackson, MACD, supported the bill. Exhibit #3.

Frank Thompson, Supervisor Lewis & Clark County Conservation District, said they had 5 loans out in the county and it was working real well. It was getting some conservation on the ground.

Bill Brooke, Montana Stockgrowers, Wool Growers, and State Grazing Districts, said the Stockgrowers passed a resolution supporting the bill.

Pat Underwood, Montana Farm Bureau supported the bill. Exhibit #4.

There were no opponents.

Senator Ochsner asked what interest is paid on this. Representative Spaeth answered 4%; 2% direct, 2% administrative fee for governor's committee.

Senator Galt was not clear where this originally came from.

He was told RFD grants and other; 20% is entitled other; 15% they would be taking. It comes to \$130,000 per biennium. This gives the ability to loan.

Senator Kolstad, referring to the percentage split - 15% timber, 40% water development, 15% agricultural, 10% conservation districts and 20% other projects, range land wasn't even mentioned.

Mr. Beck said they would take 15% of the other category and adjust to 5% other and 15% DNRC.

Representative Spaeth gave Anne Brodsky, Legislative Researcher, an amendment for page 3, line 13, to change the 20% to 15%. He said this is to clarify the language. Exhibit #5.

Senator Ochsner asked how many years the loan was for. Mr. Beck answered a maximum of 10 years with a total amount of \$10,000. It will vary upon the type of project involved.

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Senator Kolstad asked if local conservation districts make approval. Mr. Beck said they make approval then it is sent on the DNRC.

It was asked who makes up the Governor's council. Mr. Beck said it is a seven member board from different areas in Montana. They are all agricultural people. They can work in coordination with any project and he thought they could use the money for share cost loans or contracted projects.

Hearing closed on HB 486.

DISPOSITION OF HOUSE BILL 486: Senator Kolstad moved the amendment page 3, line 13; strike 20%, insert 15%. Motion carried.

Senator Lane moved HB 486, as amended BE CONCURRED IN. Motion carried. Senator Lane will carry the bill on the floor.

DISPOSITION OF HOUSE JOINT RESOLUTION 15: Senator Ochsner moved HJR 15 BE CONCURRED IN. Motion carried. Senator Ochsner will carry the bill on the floor.

Senator Galt announced that HB 545 had been postponed until March 18.

There being no further business, the meeting adjourned.



Jack E. Galt, Chairman

ROLL CALL

AGRICULTURE COMMITTEE

48th LEGISLATIVE SESSION - - 19 83

Date 3/2/83

NAME	PRESENT	ABSENT	EXCUSED
GALT, Jack E.	✓		
KOLSTAD, Allen C.	✓		
AKLESTAD, Gary C.	✓		
OCHSNER, J. Donald	✓		
GRAHAM, Carroll	✓		
BOYLAN, Paul F.	✓		
CONOVER, Max	✓		
LANE, Leo	✓		
LEE, Gary		—	✓

Each day attach to minutes.

DATE 3-2-83

COMMITTEE ON Agriculture

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

Exhibit # 2



Montana Association Of Conservation Districts

7 Edwards
Helena, Montana 59601
Ph. 406-443-5711

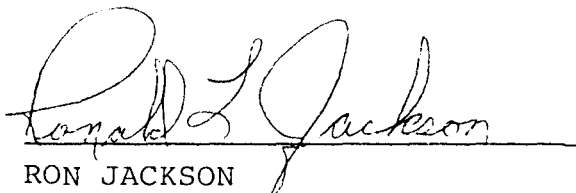
Mr. Chairman, Members of the Senate Agriculture Committee:

I'm Ron Jackson, Vice President of the Montana Association of Conservation Districts.

The changes in the Conservation District law are supported by our Association. These changes will allow the districts to maintain efficient operations.

We urge a "Do Pass" on HB 349.

Thank you.


RON JACKSON

3-2-83
EX 43
Admitted

HOUSE BILL 486

TESTIMONY OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

The Montana Rangeland Resource Act which was signed into law by the 45th legislature is administered by the Conservation Districts Division of DNRC. The Range Improvement Loan Program which was initially funded by the Legislature through an RRD Grant in 1979 has been incorporated into our Rangeland Resource Program.

The thinking behind the initial funding of this program was that since rangeland is Montana's largest renewable resource that assistance should be available for improvements that have low pay back capabilities.

The application and loan process includes:

1. Applicant applies directly to local conservation district.
2. Application and conservation plan are reviewed by board of supervisors and prioritized within district.
3. Approved application and conservation plan sent to CDD/DNRC.
4. Program Coordinator, CDD/DNRC, reviews application and conservation plan for completeness - often requests additional information.
5. Rangeland Resource Executive Committee reviews applications in an advisory capacity to the Department.
6. Applicants, whose applications are approved by Ex. Comm., are requested to provide financial statement and security information sheet.
7. DNRC Economist reviews information for recommendation to the Director.
8. Director gives or denies final approval.
9. Applicants order current appraisal and commitment for title insurance on land used as security. Documents to CDD/DNRC.
10. Loan is closed.
11. Applicant submits invoices for materials, labor etc. to DNRC to claim loan funds.

12. Invoices are processed for payment. Check is transmitted to applicants.

To date we have closed 38 loans for \$519,551. seven loans are pending leaving a balance of \$59. Total applications received is 87 totaling \$1,356,116.

The improvements include:

- 51 springs developed
- 11 wells drilled
- 47 miles pipeline installed
- 73 1/4 miles fence installed
- 5921 acres of range reseeded
- 1940 acres of range renovated by mechanical methods
- 3225 acres of brush and weed control
- 25 stockwater pits and reservoirs dug
- 6 new grazing systems installed
- 102 stockwater tanks installed
- 165,090 acres into proper use management

House Bill 486 would extend funding for this program through June 30, 1989. We feel at that time that the program would be funded substantially and could continue on its own.

As I mentioned the projects that are being funded have low pay-back capabilities. They are projects that are essential for improving rangelands that probably would not be completed at least at this time without assistance from a low interest loan program. It is important to remember that this is not a grant program and that all funds are paid back and will be reused.

We urge your favorable consideration of HB486

Thank you.

Program Goal

A list of the 10-year goals for the Program was established in 1970. Included were range improvement, intensive management, stockwater development, forage production, recreational use, and wildlife habitat improvement. Although some of the goals were perhaps too idealistic and were not fully achieved by 1980, it is reasonable to assume that through the work of many people, great progress can be made in each category. Range improvement can't be accomplished overnight. It is a long-range process requiring ample time and patience before results can be seen.

RANGE IMPROVEMENT LOAN PROGRAM

The Loan Program, an important part of the entire Rangeland Resources Program, was originally established to provide no-interest loans to Montana farmers and ranchers for rangeland development including improvements such as stockwater development, cross fencing, establishment of grazing systems, reseeding, mechanical renovation, sagebrush management, and weed control.

Initial funding for the program was established by the 1979 Legislature. The program received \$300,000 from the Renewable Resources Development Fund for fiscal years 1980-81. Twenty-two loans were funded from this amount, totalling \$299,770.

The 1981 Legislature appropriated an additional \$350,000 to continue the program. Although the objectives remained the same, some changes were made in the program. The zero percent interest was raised to two percent annually and the original one percent administrative fee was raised to two percent. Program funds are disbursed by the Conservation Districts Division

Loan applicants apply directly to their local conservation districts where the application, along with the conservation plan, is reviewed by the supervisors. If the application receives favorable review, it is forwarded to the Conservation District Division. The application is then reviewed by the Rangeland Resources Executive Committee. Those applications approved by the Committee are referred to the Director of the Department for final approval.

Loan funds can be disbursed over a maximum of three years. In certain cases, a repayment deferral of two years can be granted, and installments can be spread over ten years up to a maximum twelve-year repayment schedule. The maximum loan is \$20,000. Loans are secured by either a first or a second mortgage and preference is given to the applicant who has additional funding available. The loans are limited to residents of Montana who are engaged in the farming/ranching business and show the necessary expertise to make a rangeland loan practical.

For more information contact:

Your local conservation district, or

Conservation Districts Division

Department of Natural Resources

and Conservation

32 S. Ewing

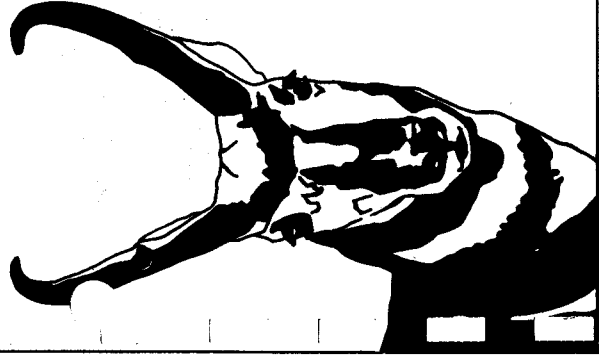
Helena, Montana 59620

Telephone: (406) 449-5640

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MONTANA RANGELAND RESOURCE PROGRAM



THE RESOURCE

Montana is primarily a rangeland state. Approximately 70 percent of the state land area is grassland or grazed woodland. In addition to providing feed for domestic stock, these lands supply habitat and forage for 90 percent of the wildlife in Montana.

Western rangelands are a reliable source of high-quality water, and are an important element in the control of erosion and pollution. The grasslands of the state retain 8 or 9 times more soil moisture than the croplands.

The natural beauty of these lands provides prime recreational areas used extensively by the public. In some cases they have value as urban and industrial sites. In addition, most of Montana's nonrenewable mineral wealth is found beneath the rangelands.



The greatest single demand on Montana's rangelands is production of forage for domestic livestock. Nearly 90 percent of the livestock grazing is on privately owned lands. A possible increase of as much as \$70 million in annual income could be realized if our rangelands were developed to their maximum production. To ensure a stable economic base for the future of the livestock industry, rangeland condition must be constantly improved.

In past years, range management has made progress; even so, today in Montana, rangelands are producing at only a little over half of their potential. Although over percent of the range in Montana is in good or excellent condition, further improvement is essential.

Because the land ownership pattern in the state is diverse, a coordinated effort is needed to ensure the best possible management of our rangelands. The Montana Rangeland Resource Program was developed to accomplish this task and to demonstrate to the public rangeland's importance as a natural resource, and its value to the economy of the state.



THE PROGRAM

The Montana Rangeland Resource Program was established in 1969 at the request of the Hill County Conservation District. When the legislature approved the program in 1971, the Conservation Districts Division of the Department of Natural Resources and Conservation was directed to administer it.

When the legislature convened for the 45th session in 1977, the Rangeland Resource Program had been in successful operation for about six years. That year the Montana Rangeland Resource Act was signed into law, making the program a statutory part of Montana state government and establishing the first rangeland resource law in the United States.

Administration

The Conservation District Division (CDD) coordinates and disperses the information needed to accomplish the objectives of the range program. The State Program Coordinator is employed by the CDD to organize the rangeland activities of both public and private landowners. The Coordinator's job is to get information about the Rangeland Resource Program to interested groups and

individuals, and to the range leader in each conservation district, who will actively implement the program at the local level. Since the program is neither a physical nor a technical undertaking, but rather is aimed at coordinating the efforts of several groups and agencies, the Coordinator acts only as an advisor and counselor.



The Rangeland Resource Executive Committee, consisting of six ranchers appointed by the Governor, acts in an advisory capacity to the Coordinator and to the Department of Natural Resources and Conservation.

At the local level, advice and guidance are given by the conservation district supervisors. The implementation of the program is the responsibility of the County Range Leaders and their committees. These people must have the ability to communicate with and negotiate among ranchers, agencies, and other affected parties.



Montana Association Of Conservation Districts

Exhibit #3

7 Edwards
Helena, Montana 59601
Ph. 406-443-5711

Mr. Chairman, Members of the Senate Agriculture Committee:

I'm Ron Jackson, Vice President of the Montana Association of Conservation Districts.

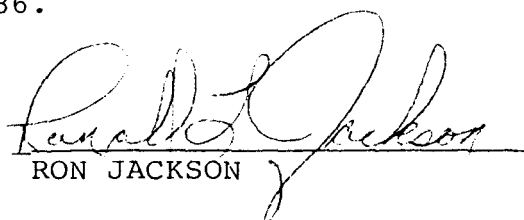
The State's 59 conservation districts would like to go on record as supporting continuation of the Rangeland Resource Loan Program.

I want to emphasize that this is not a grant program, but a loan that is repaid to the state and it insures that vital conservation work gets done when it could well be put on the back burner until the economic climate improves. Efficient use and improvement of native range not only enhances the forage production for the operators use, but it also limits soil erosion, helps maintain water quality and provides habitat for wildlife.

By continuing the range program we not only guarantee a future for the livestock industry in Montana, but continue to provide food and fiber for a hungry world.

We urge a "Do Pass" on HB 486.

Thank you.


RON JACKSON

WITNESS STATEMENT

Name Pat Underwood Date Feb 2, 83
 Address Boreman, MT. Support ? X
 Representing Mont. Farm Bureau Oppose ? _____
 Which Bill ? HB 486 Amend ? _____

Comments:

The Mont. Farm Bureau members fully support
 HB 486. We have known for
 policy supporting this legislation and we
 have record supporting it for years.

Please leave prepared statement with the committee secretary.

2000, 11/15

Amendment to HB 486, Reference Bill (Salmon)

1. Page 3, line 13.
Following: "account"
Strike: "20%"
Insert: "15%"

STANDING COMMITTEE REPORT

March 2 19 83

MR. **PRESIDENT**

We, your committee on **AGRICULTURE, LIVESTOCK & IRRIGATION**

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

Spaeth (Lane)

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

third reading, blue be amended as follows:

1. Page 3, line 13.
Following: "account"
Strike: "20%"
Insert: "15%"

**And, as so amended
BE CONCURRED IN**

~~XXXXXX~~
DO TABS

STANDING COMMITTEE REPORT

March 2

19 83

MR. **PRESIDENT**

We, your committee on **AGRICULTURE, LIVESTOCK & IRRIGATION**

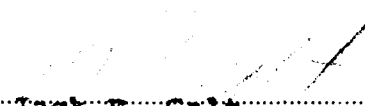
having had under consideration **HOUSE JOINT RESOLUTION** ~~XXX~~ No. **15**

Spaeth (Ochsner)

Respectfully report as follows: That **HOUSE JOINT RESOLUTION** ~~XXX~~ No. **15**
third reading, blue

BE CONCURRED IN

~~XXXXXX~~


..... **Jack E. Galt,** Chairman.

