

MINUTES OF THE MEETING  
AGRICULTURE, LIVESTOCK AND IRRIGATION  
MONTANA STATE SENATE

February 15, 1985

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 Boylan.

ROLL CALL: All members present, except Senator Lane who was excused.

HB 70: Representative Bill Hand, HD 73, Dillon, said the bill addresses a problem in the Beaverhead area. The forty million dollars a year from these fees help run the school districts and government. Under the present law, when strictly enforced, it does not meet the reality of these improvements. State Lands recognized this. The idea of the bill is to place high production cost methods at a reduction of less than a 1/4 cost share because the state can afford to give less than a unit. The fiscal note is amended.

PROPOSERS: Greg Hilton testified in favor of the bill. Full testimony, Exhibit #1.

Dennis Hemmer, Department of State lands presented his testimony. Exhibit #2.

OPPOSERS: None.

Committee Questions: Senator Conover - One fourth of the crop is high rental? Hilton - It is under sprinkler irrigation. The investment amount comes to about \$800 an acre that the state did not share in. He is the only one that has the water to do this. If it was put under bid, it would go for grazing land.

Senator Lybeck - What was the carrying capacity of this land? Hilton - Less than a AUM an acre. He just put it under sprinkler irrigation last year and raised about 2 1/2 ton of hay. With good water they can probably raise 4 ton of hay. It cost about \$800 an acre to put the irrigation system in. That capital outlay needs to be recovered before you can show a profit. At his elevation there is no dry land farming. It is only good for pasture or irrigation.

Senator Kolstad - The grazing rate would be \$1.00 an acre. That comparison is what would have to be used.

Senator Conover - If this bill passes, would this relate to other farm lands that use irrigation? Hemmer - No, this gives the Board the flexibility to look into other cases where they could make more money.

Hearing closed on HB 70.

HB 297: Representative Duane Compton, HD 17, Malta said the bill was at the request of the Department of Agriculture. The biggest percent of leaf cutter bees are used in his area. All this bill does, in lines 13 and 14, is strike out keeping the lab at MSU. The original bill says the lab for leaf cutter bees shall be located at MSU. The lab was put in at MSU and the Department found it could operate more efficiently if it was located in Helena. They looked at the word, "may" in the original bill and it did not designate MSU had to be a permanent place. It is more economical to do the testing for parasites, etc., right here in Helena as the man who does the testing is here. People who bring the bees in from out of state get the larva tested at \$25 currently and in Helena they can have it done for \$20 by the same person doing the testing in Missoula.

PROPOSERS: Keith Kelly, Department of Agriculture, said the bill primarily saves the bee producers money. He ran it through the Secretary of State's office and there is no problem. They will drop the fee from \$25 to \$20. If the leaf cutter bee industry expands, they can locate it in Malta or any other place so they are not saying it can only be located in once place. It is heavily supported by the leaf cutter bee and alfalfa seed producers.

OPPOSERS: None.

Committee questions: Senator Lybeck - How big is the leaf cutter bee business in Montana? Kelly - Right now it is a small industry but it is growing. Malta is probably the largest area. They have increased alfalfa seed production substantially. There are 100 people raising the bees and selling them by the gallon.

Hearing closed on HB 297.

DISPOSITION OF HB 297: Senator Hammond moved HB 297 BE CONCURRED IN. Motion carried. Senator Kolstad will carry the bill on the Senate floor.

HB 349: Representative Eugene Donaldson, HD 43, said the main discussion in the bill two years ago was to prevent the Coast Trading Company bankruptcy from happening again. They are suggesting some changes dealing primarily with exempting commercial feedlot operators from the filing of a financial statement. They are moving the \$10,000 limit up to \$30,000. If you bought grain from a licensed dealer you would not have to be licensed or bonded. He talked with Senator Bengtson and they agreed to amend the House bill, Section 80-4-601. If an individual was buying grain through a commodity dealer, then you would not have to be licensed. Senator Bengtson thought that was the way to go. It would make it easier for the small feed lots. Representative Donaldson thought it important to continue to license the dealers for the protection of the

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people selling the grain. It was difficult for the Department of Agriculture to license everyone and he referred the committee to the amendments, Exhibit #3.

Jo Brunner, Montana Cattlefeeders Association, supported the bill. Exhibit #4.

Mons Teigen, Montana Stock Growers Association rose in support of the bill.

Keith Kelly, Department of Agriculture said if you buy grain from another dealer a financial statement is not required. It is the position of the Department if they are well over \$30,000 and do not go through another dealer, a financial statement would be required but not for amounts less than \$30,000.

Bob Stephens, Montana Grain Growers, said he felt it will help the feeders.

Lorna Frank, Montana Farm Bureau, supported the bill, testimony attached as Exhibit #5.

OPPONENTS: None

Committee questions: Senator Severson said he was on Senator Bengtson's subcommittee when they worked on this. It was their agreement they would use this bill as a vehicle and ammend Senator Bengtson's bill into HB 349 to make it compatible.

Senator Galt to Kelly - The amendments say commercial feed lot operators do not have to file a financial statement period. Is that what you want? Kelly - I would be in opposition to that.

Representative Donaldson, in closing, said the amendments limit the need of a financial statement for the people who are presently excluded and those people would not have to provide a financial statement if they were excluded. He realized there may be a problem with the amendments, but felt something could be worked out to make it work for the small feed lots.

Senator Conover said the expanding could mean a feed lot of 100,000 head, the way the amendments were written. Representative Donaldson replied that was not the way he wanted it.

Senator Boylan told the committee they would have to go over the amendments with Senator Bengtson, who was currently not present, and we would look at the bills and the amendments again on Monday.

SB 129: John MacMaster, legislative council, announced that he finally had all the amendments for SB 129. Attached as Exhibit #6. He said they were a compromise that the Ag/Lien

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Filing Committee and county clerks and recorders had worked out.

Mike Cronnin, Montana Bankers Association, said the compromise allows the Secretary of State's Office to pay the lien charges when the computer is operating and lets the clerk and recorders hook into the system. They asked for the present filing based on misunderstanding since copies are not filed as fixtures. The cost of refiling fees is estimated at \$7.50 per lien. Certified copies from the clerk and recorders are running about \$2 to \$3. New lien filings have not changed, they will be about \$10. It will either be an up front fee or built into the filing fee.

Senator Galt - At the former testimony, I heard the bankers say they will pick this up. Cronnin - That is right on all new filing fees. The \$10 on a new filing will pay for subsequent access to the system. Senator Galt - There will be a fee at the clerk and recorders office for the certified copy. Cronnin - You do not have to pay for punching into the computer and walking away, just for the certified copy.

Senator Aklestad - Page 2, of the amendments, item #12 inserted on p. 14 - The Secretary of State shall provide for the installation of the equipment - Are you going to pay to furnish all the county clerks and recorders with the equipment? Mr. Akey - Right, that would include installation. Senator Aklestad - How will you recover your costs? Akey - Through the requirement that everybody refile their liens through the Secretary of State's office. A \$7.50 fee for refiling. The lenders will be paying for the cost. Senator Aklestad - Why does it cost more to file a new lien than to refile? Akey - We have not locked into what those fees will be. It will be somewhere within the range of \$7 - \$8 but we put in \$10. Every time there is a filing there is a \$2 charge. Certified copies are \$3. They will have one fee, the filing fee. This way somebody will pay once and not 3 or 4 times.

Senator Galt - Have you talked this over with the county clerk and recorders and they agree with this? Stephens - We worked on the amendments with Mr. Akey so that is why it is clear who is paying for those fees. There is no cost where the systems are housed. They are in agreement but will be interested in the fiscal note.

Senator Boylan - If there is no expenditure of funds, do you still have to have a fiscal note? Stephens - They will be losing \$2 and do not know what the volume will be as to what they will lose.

Senator Williams - What else can you use the equipment for? Akey - The equipment would not preclude other uses. Once it is in the courthouse you can look up water right filings,

brands, etc.

Senator Lybeck asked Blake Wordell to comment. Wordell - The committee needs to consider that a number of other people beside bankers will be required to file; finance corporations, equipment dealers, etc. They will be interested in seeing a fiscal note also. Ten percent of refilings may be farm machinery.

Senator Boylan said he would request a fiscal note and Mr. Akey said he would help with the fiscal note.

Senator Galt moved the amendments for SB 129. Motion carried.

SB 202 and HB 349: - Senator Bengtson said they agreed on the financial statement but were not in agreement about the \$30,000 limitation.

John MacMaster - 3G, under the amendments, every feed lot no matter how much feed he is buying, will be exempted from a financial statement. On the bottom of the page of amendments, he does have to give the Department any information the Department needs to carry out this part.

Kelly - The only time it will require a financial statement is when he is going to become relicensed. They are going to have to request being licensed so they will request their financial statement. When they are approaching the \$30,000 limit, the Department will ask for a financial statement.

Senator Galt - Some of the people who testified here handle more than \$30,000 worth of grain. With this amendment in here, you could require them to get a license but not require them to file a financial statement? Kelly - The Department would still ask him to provide a financial statement to keep on file unless the committee passes this amendment. The whole debate on the financial statement was to measure if they were in good financial condition. The whole theory behind bonding and licensing is that they be soluable in cases of more than \$30,000.

John MacMaster had a letter the Montana Grain Growers Association gave Senator Bengtson which says essentially the feedlot operators would be exempted from the whole act. Letter, Exhibit #7.

OTHER BUSINESS: Senator Cecil Weeding, SD 14, asked the committee to present a committee bill as the filing deadline had passed. The CMR game ranch is administered by Fish Wildlife and Parks and they have proposed to raise grazing fees from \$4.61 to \$5.61 this coming year. That fee is about three times what the adjoining BLM land is and two times what state land is. The people in Hysham asked him to develop a resolution to freeze the fees at

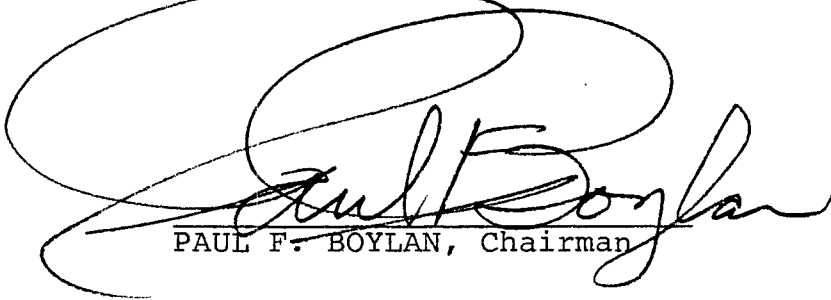
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the 1984 level. He asked the committee to consider a request to Legislative Council to draft a resolution.

Senator Galt made a motion to recommend Legislative Council draft a resolution for the above. Motion carried.

Senator Boylan asked John MacMaster to draft the resolution for the committee.

There being no further business, the meeting adjourned.



PAUL F. BOYLAN, Chairman

ROLL CALL

AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2/15/85

SENATE  
SEAT  
#

	NAME	PRESENT	ABSENT	EXCUSED
1	SENATOR GARY AKLESTAD	✓		
27	SENATOR ESTHER BENGSTON	✓		
35	SENATOR JACK GALT	✓		
34	SENATOR H. W. (SWEDE) HAMMOND	✓		
10	SENATOR ALLEN KOLSTAD	✓		
38	SENATOR LEO LANE			✓
8	SENATOR RAY LYBECK	✓		
31	SENATOR ELMER SEVERSON	✓		
39	SENATOR BOB WILLIAMS	✓		
29	SENATOR MAX CONOVER, V. CHMN.	✓		
50	SENATOR PAUL BOYLAN, CHAIRMAN	✓		

Each day attach to minutes.

DATE Feb 15, 1985

COMMITTEE ON AGRICULTURE

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
J. Regg Hilton	self	HB 70	✓	
Kelly Blake	Dept of State Lands	HB 70	✓	
Dennis Hemmer	Dept of State Lands	HB 70	✓	
Bob Stephens	M. G. G. A.	HB 70	✓	
Roy Bunker	MI Dept of Ag	HB 349		
Mike Thompson	MI Dept of Ag	HB 349	✓	
John Bunker	MI Cattle Feeders	HB 349	✓	
Lorna Frank	Nat. Farm Bureau	HB 349	✓	
Bob Stephens	Nat. Grain Growers	HB 349	✓	
KEITH KELLY	Dept of Agr	HB 349	✓	
Alene Torga	MI Stockgrowers - Cattle MI Stockgrowers - Hockgrowers	HB 349 HB 70	✓	





DILLON, MONTANA 59725

Exhibit #1  
Feb. 15, 1985  
H.B. 70  
Phone: 406-683-4992

2200 Bond Road

Remarks by Gregg Hilton before the Senate Agriculture Committee  
Feb. 15, 1985 in support of HB 70.

Mr. Chairman, Ladies & Gentlemen:

I thank you for the privilege of appearing before your  
committee.

I think that the best way to show the merits of House Bill 70  
and in fact the necessity of change in the law regarding  
rental rates of agricultural land under lease from the state  
is to tell you of my experience.

In 1979 I planned the conversion of my farm land from flood  
irrigation to sprinkler irrigation. As most of you know,  
sprinkler irrigation is more effecient than flood irrigation  
but much more expensive. I determined that I could farm more  
land with sprinkler irrigation and in fact farm all the deeded  
land I have and still have excess water. Adjoining the deeded  
land are 1480 acres of state land under lease to me as grazing  
land. The grazing lease cost approximately \$1 per acre per year.  
Some of this land fit into my plans and could be good farm land  
if irrigated.

I contacted Mr. Wilbur Erbe, Administrator of State Lands,  
and went to Helena to see him. He encouraged me in the  
conversion of grazing land to agricultural land and, after  
some correspondence and investigation of costs and potential  
by Mr. Erbe, we negotiated a cash lease of \$8.40 per acre  
per year on 300 acres to be farmed. This is over 8 times the  
rate previously earned by the state on the same land.

On this basis I made the considerable investment to convert  
\$150 per acre grazing land to \$1100 per acre sprinkler irrigated  
agricultural land.

All went well for three years. The state lands dept. made  
more money and I raised some good crops (although at recent  
prices, no profit) on the state land. In Jan. 1983 one of the  
leases covering 150 acres of the state land under irrigation  
came up for renewal. It called for 1/4 crop share. I  
suspected an ~~error~~ and contacted the Dept. of State Lands.  
No error. I protested but Mr. Dennis Hemmer, Commissioner  
of State Lands, said that the legal department advised that  
he could not legally offer an agricultural lease for less  
than 1/4 crop share.



2200 Bond Road

DILLON, MONTANA 59725

Phone: 406 683-49

So here I am. The investment is made and I am locked into a lease that is guaranteed to lose money even with ideal growing conditions and much better than present commodity prices. In 1984 that lease cost \$31.80 per acre - almost 4 times the negotiated cash rate. Under ideal conditions it could increase to \$80/acre, on land worth \$150/acre without the capital investment totally supplied by the lessee to make it more productive.

Sprinkler irrigation is high cost farming. It in no way will support a 1/4 crop share lease. I know of several projects under consideration to convert state land to sprinkler irrigated ag land but in every case they have been shelved because of the 1/4 crop share provision. This is not good for the school trust fund and not good for the economy of the area.

Since my cash lease agreement with the state land dept. in 1979, Mr. Erbe has retired. We have a new Governor and a new Commissioner of State Lands. The new administration interprets the law differently than the old. I thought that I had a contract with the state which was good for both the State Land Dept. and for me. The law must be clarified so that it is not open to varied interpretation by succeeding administrators.

I would have preferred a stronger law, but the wording as revised by the House Committee on State Administration does give the State Land Dept. room to negotiate and can work if the department will seriously consider the economics of sprinkler irrigation farming.

Thank you

Exhibit # 2  
Feb. 15, 1985  
HB 70

TESTIMONY ON HOUSE BILL 70

FROM DENNIS HEMMER, COMMISSIONER OF STATE LANDS

The Department of State Lands endorses the passage of H.B. 70 which allows the Board of Land Commissioners to reduce crop share rentals on state leases using high production cost methods.

The Department feels H.B. 70 would allow the Board of Land Commissioners the flexibility to determine rental rates under certain conditions which would be in the best interests of the trust. As the costs of production of agricultural crops have increased, especially crops under intensive farming methods, state lands may lose that production because of cost economics. The bill would also allow the Board to keep current on rental rates or structures that may be better suited to different types of farming methods.

For Sen. Bengtson

Proposed Amendments to HB 349, third reading copy.

1. Title, line 13.

Following: "YEAR;"

Insert: "EXEMPTING COMMERCIAL FEEDLOT OPERATORS FROM THE FILING  
OF A FINANCIAL STATEMENT;"

~~2. Title, line 13.~~

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS"

Following: "80-4-402"

Insert: "AND 80-4-601"

2.

Page 6, line 3.

Following: line 2

Insert: "Section 2. Section 80-4-601, MCA, is amended to read:

"80-4-601. Commodity dealer license requirements --  
financial responsibility. (1) A person may not engage in  
the business of a commodity dealer in this state without  
first having obtained a license issued by the department.

(2) An application for a license to engage in business as  
a commodity dealer must be filed with the department and  
must be on a form prescribed by the department.

(3) A license application must include the following,  
except that a commercial feedlot operator need not include  
the financial statement required by subsection (3)(g):

(a) the name of the applicant;

(b) the names of the officers and directors if the  
applicant is a corporation;

(c) the names of the partners if the applicant is a  
partnership;

(d) the location of the principal places of business;

(e) a sufficient and valid bond as specified in 80-4-604;

(f) the number and description of trucks or  
tractor-trailer units owned or leased by the applicant that  
will be used in the transportation of agricultural  
commodities purchased pursuant to the provisions of this  
part;

(g) a complete financial statement prepared by a licensed  
accountant according to generally accepted accounting  
principles, setting forth the applicant's assets,  
liabilities, and net worth. The commodity dealer shall have  
and maintain current assets equal to or greater than current  
liabilities. Assets must be shown at original cost less  
depreciation. Upon written request filed with the  
department, the director may allow asset valuations in  
accordance with a competent appraisal.

(h) any other reasonable information the department finds  
necessary to carry out the provisions and purpose of this  
part.

(4) In order to receive and retain a commodity dealer's license, a commodity dealer shall have and maintain net assets of at least \$50,000 or maintain a bond in the amount of \$2,000 for each \$1,000 or fraction thereof of net assets deficiency. However, a minimum of \$10,000 net assets is required by a commodity dealer to qualify for a license. A bond submitted for purposes of this subsection is in addition to any bond otherwise required under this part.

(5) The department shall adopt rules relating to the form and time of filing of financial statements. The department may require additional information or verification regarding the financial resources of the applicant and the applicant's ability to pay producers for agricultural commodities purchased from them."

Renumber: Subsequent section.

JM1EE/ee/HB 349

NAME: \_\_\_\_\_

DATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_

REPRESENTING WHOM? \_\_\_\_\_

APPEARING ON WHICH PROPOSAL: \_\_\_\_\_

DO YOU:

SUPPORT? \_\_\_\_\_

AMEND? \_\_\_\_\_

OPPOSE? \_\_\_\_\_

COMMENT: \_\_\_\_\_

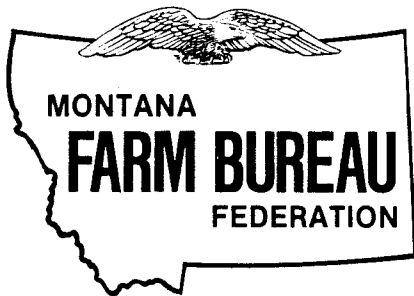
The Cattle Feeders Association is in agreement with the additional wording on page 2 sub (3) lines 13-15.

We are also in agreement with the amendment concerning the title change exempting commercial feedlot operators from the filing of a financial statement and on page 6 paragraph 3 and the consequent change in that paragraph (9) will provide the answer.

We ask a do pass -

I thank you -

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



502 South 19th

Bozeman, Montana 59715

Phone (406) 587-3153

Exhibit # 5

TESTIMONY BY: Lorna Frank

BILL # HB 349 DATE 2/15/85

SUPPORT X OPPOSE

Mr. Chairman, members of the committee, for the record my name is Lorna Frank, representing Montana Farm Bureau.

Farm Bureau supports HB 349. Raising the <sup>bonding</sup> figure from \$10,000 to \$30,000 on a person who buys agricultural commodities, helps the agricultural producers cut costs. We all know that with the cost of everything going up it doesn't take very much of a purchase to reach that \$10,000 limit.

Farm Bureau hopes this committee will give HB 349 a do pass recommendation..

Lorna Frank  
SIGNED

PROPOSED AMENDMENTS TO SB 129, INTRODUCED COPY.

1. Title, lines 7 through 9.  
Following: "COMPUTERS;" on line 7  
Strike: "PROVIDING" on line 7 through "SYSTEM;" on line 9
2. Title, line 10.  
Following: "30-9-403,"  
Insert: "AND"
3. Title, line 11.  
Following: line 10  
Strike: "AND 45-6-315,"
4. Page 2, line 5.  
Following: "[section]"  
Strike: "7"  
Insert: "6"
5. Page 4, line 22.  
Following: "obtaining a"  
Strike: "printout"  
Insert: "certificate"
6. Page 7, line 3.  
Following: "provided in"  
Strike: "subsection"  
Insert: "subsections"  
Following: "(6)"  
Insert: "and (10)"
7. Page 11, line 7.  
Following: "subsection (9)."  
Insert: "The secretary of state shall deposit all fees he collects in the state treasury and the fee money is allocated to the secretary of state to pay the expenses of establishing and operating the computerized access system. The expenses to be paid by the secretary of state shall include the costs of maintaining the terminals and printout capability provided for in [Section 6(2)] and the costs directly attributable to any technology used to link those terminals with the computerized access system described in subsection (9)."
8. Page 11, line 23.  
Following: "financing statement."  
Insert: "The secretary of state shall maintain adequate errors and omissions liability coverage to protect against input errors causing loss to a secured party."



(10) When a financing or continuation statement covers property described in subsection (8), its effectiveness lapses on July 1, 1986, unless prior to that date there is filed in the office of the secretary of state a certified copy of the statement on file with the county clerk and all related documents as provided in [Section 7]."

9. Page 12, line 24.  
Following: "If a"  
Strike: "printout"  
Insert: "certificate"
10. Page 13, line 1.  
Following: "charged."  
Insert: "If a certificate is made on a terminal provided for in [Section 6(2)], only the fee provided for in section 7-4-2631(1)(p) shall be charged."
11. Page 13, lines 2 through 25.  
Following: line 1  
Strike: Section 6 in its entirety  
Renumber: Subsequent section
12. Page 14, lines 16 through 18.  
Following: "30-9-407." on line 16  
Strike: remainder of subsection (2)  
Insert: "The secretary of state shall provide for the installation of the technology and any equipment required to link the terminals in the offices of each county clerk and recorder with the computerized access system provided for in section 30-9-403(9)."
13. Page 14, line 21.  
Following: "recorder"  
Strike: "on July 1, 1986,"  
Insert: "prior to July 1, 1985,"
14. Page 14, line 24.  
Following: "centrally filed"  
Insert: "as provided in [Section 7]"
15. Page 14, line 25 through page 15, line 19.  
Following: line 24 on page 14  
Strike: Sections 8 and 9 in their entirety.  
Insert: "NEW SECTION. Section 7. Implementation schedule - refiling of existing financing statements. (1) A financing or continuation statement covering property described in 30-9-403(8) filed after June 30, 1985, must be filed in the office of the secretary of state."

(2) A financing or continuation statement that covers property described in 30-9-403(8) and is filed and of record with a county clerk and recorder lapses as provided in 30-9-403 (10).

(3) The refiling of a financing or continuation statement in the office of the secretary of state that covers property described in 30-9-403(8) is accomplished by:

(a) presenting a certified copy of the statement as filed and of record with the county clerk and recorder together with certified copies of all related documents, including all continuances, releases, assignments, or amendments;

(b) filing with the county clerk and recorder a notice that the statement and related documents have been filed in the office of the secretary of state; and

(c) tendering the filing fee.

(4) The secretary of state shall by administrative rule establish fees for filing and indexing documents as required by this section. The fees must be commensurate with the costs of processing the documents and establishing the computerized access system described in 39-9-403(9). The secretary of state shall deposit all fees he collects in the state treasury and the fee money is allocated to the secretary of state to pay the expenses of establishing and operating the computerized access system. The costs of establishing the computerized access system shall include the costs of acquisition and installation of the terminals, printout capability, and related technology described in [Section 6(2)]."

Renumber: Subsequent sections.

16. Page 15, line 21.  
Following "Section"  
Strike: "7"  
Insert: "6"
17. Page 15, line 23.  
Following: "section"  
Strike: "7"  
Insert: "6"
18. Page 15, line 25.  
Following: "effective"  
Strike: "July"  
Insert: "October"
19. Page 16, line 1.  
Following: "through"  
Strike: "11"  
Insert: "9"

LC1036

Exhibit #7

56202

November 24, 1984 (NOV 24)

Feb 15, 1985

1984 Resolutions Committee

Montana Grain Growers Association

Great Falls, Montana

Dear Chairman;

The Montana Cattle Feeders Association considers several aspects of the Montana Grain Dealers Licencing Act, of the last legislative session, objectionable and detrimental to the best interests of feedlot operators. The members consider themselves valuable customers of Montana grain producers and respectfully request a review of portions of the Act by the Montana Grain Growers Association.

The Montana Cattle Feeders Association respects and supports efforts of Montana grain producers to protect their own interests and it is their hope that the Montana Grain Growers Association will see fit to support changes in the law which will make compliance less burdensome for commercial feedlots in the State.

Ideally, commercial feeders would prefer their operations excluded from coverage by the Act. The bureaucratic record-keeping and reporting requirements demand non-productive waste of time and money and, in our opinion, do nothing to reduce grain producers risks.

However, in lieu of exemption from dealer status, the Montana Cattle Feeders Association seeks the following changes in the law:

- 80-4-407  
80-4-601(3)(g)
1. Elimination of the requirement to furnish the State with a financial statement.

Financial statements must be given to companies which provide bonding. Distribution to State employees is unnecessary, extremely distasteful and potentially detrimental.

- 80-4-402
2. Elimination of licencing and bonding requirements for feedlot operators who purchase grain, above the exclusionary limit, (of 10,000?) through bonded grain brokers.

Any benefit from licencing and bonding has already been achieved. Additional requirements would serve no purpose.

also amend 80-4-402(3)(2) to raise it to \$30,000.

3. Elimination of licencing and bonding requiremnts for feedlot operators who purchase grain entirely with contractual agreements between the feedlot operator and the grain producer. (rougher)

The force of law already exists with legal contracts, and recourse for nonpayment would not be improved by the imposition of another licence requirement.

The Montana Cattle Feeders Association sincerely appreciates this opportunity to present its position regarding the Grain Dealers Licencing Act. We hope you will find our expressed positions compatable with your own goals and that you will adopt a resolution to support our stated desires for changes in the law.

We look forward to working with you in the coming legislative session on matters of mutual benefit.

Thank you,

*Dan Barkemeyer*

Dan Barkemeyer  
President,  
Montana Cattle Feeders Association

# STANDING COMMITTEE REPORT

February 15

1985

MR. PRESIDENT

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

having had under consideration **HOUSE BILL** No. **297**

**third** reading copy ( **blue** )  
color

**Compton (Hammond)**

**REMOVES REQUIREMENT THAT LEAF-CUTTING BEE LABORATORY BE LOCATED AT MSU**

**HOUSE BILL**

**297**

Respectfully report as follows: That..... No.....

**BE CONCURRED IN**

**~~XXXX~~**  
**DO PASS**

**~~XXXXXX~~**  
**DO NOT PASS**

**PAUL F. BOYLAN,** Chairman.

# STANDING COMMITTEE REPORT

February 15

19 85

MR. PRESIDENT

## AGRICULTURE, LIVESTOCK & IRRIGATION

We, your committee on

having had under consideration

HOUSE BILL

No. 70

third

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Hand (Kolstad)

## REDUCING LEASES OF STATE LANDS WHEN UNDER SPRINKLER IRRIGATION

Respectfully report as follows: That

HOUSE BILL

No. 70

BE CONCURRED IN

~~REPORT~~

~~REPORT~~

PAUL F. BOYLAN, Chairman.