

49th LEGISLATURE, SECOND SPECIAL SESSION

MINUTES OF THE SENATE JOINT
AGRICULTURE COMMITTEES AND THE
HOUSE APPROPRIATIONS COMMITTEE

March 26, 1986

The Senate Joint Agriculture Committees and the House Appropriations Committee was called to order on the above date in room 325 of the State Capitol at 1:00 p.m. by Chairman Boylan.

ROLL CALL: Senator Boylan asked committee secretaries to note the roll for the individual committees. Attached are copies of House Agriculture and Appropriations roll call. Senate Agriculture members were all present.

Senator Boylan introduced the Chairman of the House Agriculture Committee, Representative Jim Schultz and Representative Francis Bardanouye, Chairman of the House Appropriations Committee.

CONSIDERATION OF SENATE BILL 7: Senator Ted Neuman, SD 21, Great Falls, chief sponsor, explained the bill. The bill pertains to the agricultural production loan linked deposit program. It provides for the placement of \$50,000,000 of public investment funds to financial institutions at a rate 1% below the current six month CD rate. Senator Neuman's full testimony is attached as exhibit #1 and #1a.

PROPONENTS: Mike Grove, Governor's Council of Economic Development, said he had listened to testimony the past three months and has looked into what other states have done. He said the Council supports the linked deposit program. Presently there appears to be a lot of people without financing in place. Most of the banks had money to lend. The money in place is not the critical factor. It is with the qualifying of the borrowers. Banks can take that money and reloan it when their money is short. The program, used properly, could be of some assistance to farmers.

Keith Kelly, Montana Department of Agriculture supports the bill. He said that it is not just last year's drought, but goes all the way back to 1930. This program may offer financial institutions some assistance for the few additional borrowers scattered around the state. Something needs to be done and addressed immediately because many producers have not been able to get financing lined up and crops are ready to go in. He said there should be an immediate effective date.

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Terry Murphy, President Montana Farmers Union, said they support the bill. It is not the solution to agricultural problems, but it is help that is desperately needed.

Ron Pyfer, Montana Credit Union League, said the league represents 111 of the 114 credit unions in Montana. While they have very limited loan authority they do have some credit unions throughout the state that make agricultural loans. They appreciate being able to participate in the program.

Pat Underwood, Executive Vice President of the Montana Farm Bureau, said they would like to go on record in support of the bill. They have worked in the last month on the national level on long-term legislation on debt restructure. One of the things they have been asked to do on the individual state level is to support programs that can be effective to some people. The problem is wide spread across the nation.

Mons Tiegen, Executive Vice President of the Montana Stock-growers Association and Montana Cowbelles, on record in support on the standpoint that something has to be done. The only reservation they may have is that it may not go far enough. This will be helpful to their people who have had to sell their cow herds. Now they will have some money to restock.

Bill Nelk, Northern Plains Res. Con. on record in support.

Robert VanDerVere, concerned citizen and lobbyist, thinks this is a good program. He feels the big corporations will come in and buy the land, tieing it up so nobody can hunt or fish on it.

Esther Ruud, Executive Secretary for the Montana Cattlemen's Association International, supports the bill.

Chet Kinsey, Montana Low Income Coalition, said agriculture puts 61 million dollars in Hill County in a year. A lot of that is labor and they are interested in keeping people in work. Testimony attached as Exhibit #2.

Jim Murry, Executive Secretary, Montana AFL-CIO, wished to go on record in support.

Representative John Cobb, HD 42, talked about the ripple effect on the 50 million dollars. For every dollar invested it has a ripple effect that shoots over and over in the communities. For agriculture it is \$2.23. The first 50 million goes to a person who is getting an operating loan. When he spends it there is a 50 million dollar ripple effect to the community. It is better to take the money from out of state and put it into this state. If you take money already invested

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in the state and push it around, there is less of a ripple effect.

Bill Campbell, Montana Education Association said many of their members support the bill. They feel it will help the schools as well.

Al Verschoot, MPA, rancher at Ronan, supports the bill.

Del Rodrigues, MPA, in support. Testimony attached as Exhibit #3.

John Allhands, Commissioner from Madison County, in support. He brought along a thick book containing the delinquent tax list from Madison County. He said many are delinquent because they cannot get financing at local banks. The PCA is not involved fully. The FmHA is procrastinating on their loans. In Madison & Beaverhead Counties they had a 100 year flood in 1984. In 1985 they had the drought. As far as he could find out from the FmHA they hadn't processed one flood loan in Madison or Beaverhead County. He felt the bill is very essential.

OPPONENTS: None

Senator Neuman in closing thanked the people and organizations that came to testify. He said he thought the bill was very important and you can see by the turnout the people in Montana feel it is very important also.

Committee Questions: Senator Williams was concerned about line 24, page 2 - eligible lending institutions. He wondered why nobody from the FmHA or PCA had testified. Senator Neuman answered that the PCA's capital structure does not allow them to use this program. Other institutions such as savings and loans and credit unions would be accessible to this as well as banks or other traditional lenders.

Representative Bardanouve asked Senator Neuman if he had any signals from bank authorities that they will cooperate or use this bill. He hadn't heard any bankers testify in favor of the bill. Senator Neuman said he had communications from some bankers that they could use the funds. Currently in Montana the banks have sufficient capital to loan. When interest rates fall, people with CDs in the banks cash them in and move into other areas. For small rural banks he felt this was a concern.

Representative Koehnke inquired about a natural disaster being a priority. Senator Neuman said they haven't prioritized that in the bill. They would leave that to the lenders. The lenders would look at individual cases and take those good operators who for some reason other than management, are in financial trouble and can't secure financing. It is not a bail-out bill for operators who have for long periods of time been unable to get the capital. It is for those operators close to cash-flowing but, for some unforeseen reason been brought into situations where they need capital.

Senator Neuman answered Rep. Swift that he had not discussed the 30% ratio with any bank or lender. The intent of the 30% floor was so the loans wouldn't flow to top raters who don't need these loans. They didn't think there was a need for a cap because the lenders who use the funds make these decisions as to how high the debt to asset ratio is. Since the state is not at risk, why should we put a ceiling on it.

Representative Kohnke called on John Cadby to answer Representative Bardanoue's question on behalf of the bankers. Mr. Cadby, Montana Bankers' Association said he had with him their counsel, George Bennett, and two bankers, Philip Johnson First Bank, Helena, and John Patterson with the Bank of Montana. The Association has not taken a formal position on the bill. They are at a neutral position because they can't predict without surveying all 170 banks how much of this money will be used, if any. He felt it may be a successful experiment, or it may not.

Representative Peck asked if, according to the bill, they are getting money at 2 points less than they are lending it out. Mr. Cadby responded that banks typically try to operate on a spread of 3 to 5 points, and you're asking them to operate on 2 points. This obviously would not make it as attractive as a normal loan. Under the Farmers Home Loan Administration's interest rate buy-down program, the FmHa takes up to a 2 point cut. The lender and the bank also takes up to a 2 point cut, or a total of 4 points. The borrower gets that money at 4 points below normal, or market rate. The lender, in giving up his 2 points in yield, does get from FmHA up to a 90% guarantee of that loan. So the federal agency, in essence, is assuming a portion of the risk, sharing it with the lender. That program is in place right now. FmHA is putting out guaranteed funds as rapidly as they can and also utilizing the interest rate buy-down program. Banks are actively seeking those funds right now.

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Representative Peck asked Mr. Cadby if from his statement this is not a highly attractive piece of legislation from the banker's standpoint. Were there any features to the bill that would make it more attractive. Mr. Cadby said that in his conversations with a few bankers, they may have a few customers where the lower rate of interest might be utilized but it would have to be a performing farm unit. They would need to improve the cash flow by raising the amount of the loan from \$50,000 to a higher limit. \$50,000 doesn't amount to much money in a typical Montana farming unit. The higher the amount, the more attractive to the lender or borrower.

Representative Bardanoue asked if Mr. Cadby felt the bankers really supported the bill. Mr. Cadby answered that when it could be predicted with more certainty, they could come in with a more certain attitude. In today's climate it is impossible to predict what will happen to the ag community over the next few years. As a lender they hate to come in and say one way or another.

Representative Ellerd asked if there were any restrictions as to how the money could be used. Sen. Neuman referred the committee to section 2, page 4. "The operation must certify on its loan application that the reduced rate loan will be used exclusively for its necessary production expenses, etc., " was put in to indicate the money is to be used to get the crop in the ground this spring or for yearlings to put out on the grass for the summer. They didn't want to absolutely prohibit any capital investment in case a tractor blew up or other major expense was incurred. It is their intention to use it for production.

Representative Jenkins asked in regard to the FmHa guaranteed loans, would anyone who could not qualify for them qualify for this program. Phil Johnson, 1st Bank, Helena, said if a person can't meet the requirements under a FmHa guarantee program, the bank would probably not entertain the loan request under this program. If we are talking about a trouble borrower and they have a loan that is already in jeopardy, and whether we're going to utilize this program to get him through one more year, there's going to have to be some guarantee for the additional \$50,000 that is loaned, whereby the bank is going to get that back plus the interest that accrues.

Rep. Ellison asked how large a segment of ag people this addressed. Mr. Johnson answered 50 million. Mr. Johnson also asked

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about page 6, lines 19 through 21, penalties, where a person knowingly makes a false statement concerning a loan operation and you are identifying this as a misdemeanor, he thought it should be "fraud". He wasn't sure one year would be enough time for the program to work.

In answer to Rep. Cody's question, Sen. Neuman responded that 5 or 6 other states have programs similar to this and there is currently over 6 hundred million dollars put out on the programs.

Rep. Bachini asked if \$50,000 is adequate for a stockgrower. Senator Neuman answered it won't restock an entire ranch but if they could use this plus some from other lenders they may. Mons Teigen answered that \$50,000 is minimal. Most of the livestock operations spend more. This bill is a test which may or may not work.

Hearing closed on Senate Bill 7.

CONSIDERATION OF HOUSE BILL 10: Representative Jim Schultz, HD 30, Lewistown, chief sponsor of HB 10 said his bill is the appropriation follow-up to Senate Bill 7. The bill says they will have \$250,000 for the interest buy down. The effective date is immediately and termination date is March 15. Loan making terminates on August 15, 1986.

PROPONENTS: Keith Kelly, Department of Agriculture said their department supports the bill.

OPPONENTS: None

COMMITTEE QUESTIONS: Senator Aklestad asked since general fund money is involved, at what point was it going to be allocated? Rep. Schultz said this will be done as the loans come in. We could have a mass of \$50 million available and nobody use it. If the loan program did not work, they didn't want to have to expend any of the appropriation made for the program,

Hearing closed on House Bill 10.

CONSIDERATION OF HOUSE BILL 11: Rep. Gay Holliday, HD 31, Roundup, chief sponsor of HB 11, said it is a bill out of the Agriculture Interim Committee and is an act establishing an agricultural assistance and counseling program to aid financially distressed farmers. Full testimony attached as exhibit #4.

PROPONENTS: Keith Kelly, Department of Agriculture, presented a survey made in February 1986. He referred the

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committee to the tables and charts given to the committee. The pie chart, page 1, is the Debt/Asset Ratio in Montana. It is broken down by age groups. Page 2, Target Group Needs shows the percent of needs. Thirty-three percent of Montana agriculture is going in the wrong direction because of declining land prices, the drought of last year and low commodity prices. Eleven percent cannot face the problems they are faced with now. Forty-six percent with good equity positions may not be able to ride this out in a few years. Montana may have the worst record of servicing debt, both in real estate and non real estate. It is probably due to two factors. First, the severe drought of last year and drought in eastern Montana. Second the foreclosures. Page 3 pertains to the structure of the program. The hot line has a toll free telephone number where people can call in with their problems. Also provided will be financial consultants, CPA's, farm credit managers, and professional people whose business is providing advice and consultation to anyone who wants it. In addition, a financial consultant could provide financial analysis, enterprise analysis, cash flow analysis, debt service, debt reduction analysis, and anything else to make the place more cash flowable during these debt times.

The Peer Counselor group would be the first point of contact with the producer in regard to a particular problem. They should be able to sort out what type of support or service is needed, such as whether the individual needs mental health services, job training or access to one of the financial consultants. They would help identify or maybe even do the 1st inventory of the assets and liabilities. They would help organize them, then go to a financial consultant. Maybe some night a telephone call would come in from a very distressed person. They would be the first point of contact to refer the person to the mental health group if that is what's necessary. The other resource provided in this group would be some training. We could contract in this case with the university system, both through the Extension Service and the College of Agriculture, to do some assistance of training of the counselors. We may have some further training if necessary for the program to get up and on its way. The proposals are for a very minimal amount of legal assistance. We would contract with the University of Montana Law School to put together some resource information that is available to all lawyers across the state of Montana and pertinent to agricultural law. We would additionally contract with Montana Legal Services for a minimal amount of legal services to the financial consultant, or whoever it is they are working with. Another example is mental health. That would be one other category where the Peer Counselor Group could identify

some of the local community service support programs available.

Mr. Kelly has had conversations with SCORE people about what they can do, as well as with the VISTA program. Mr. Kelly called attention to the technical amendments and the 4 substance changes. The substance changes on page 2 of the amendments require financial statements and performance cash-flow statements. The administration did not propose mediation. He thought voluntary mediation may be okay. It would be up to the committee. He did not think they had the financial resources to be able to do mandatory mediation. One part of the bill has the Department of Agriculture screening all the requests for mediation. He did not think the Department wanted to be in the bureaucratic position of making these decisions. The cost to do this would be horrendous and take most of the mediation money to make sure the Department had gone through a complete analysis. The other two substantive changes to the bill have to do with sovereign immunity and a severability clause. The chart and amendments are attached as exhibit #5.

Marty Connall, Billings, does agriculture consulting and financial workouts. He came at the request of Keith Kelly. The figures they worked out are: category a; farmers and ranchers. Ten percent are okay and will survive regardless; category b; 40 percent are in trouble and they are workable; category c; 25% are broke and don't know it; category d; 25 percent are broke and know it. He said one of the big problems we face today in agriculture in the state of Montana is that for too long we thought of farming as a way of life. It is a business, and those that run it like a business will survive. Those that don't, won't. He cautioned the committees on the mediation of any type of moratorium. He was concerned with the effect it could have on the banking institutions. He thought even involuntary mediation would scare the banks. The banks have come through tough times here on bad faith law suits. The money is pouring out of Montana to the stock market and to other banks where they can get a better return on their money. If we scare the bankers and they don't make any loans to agriculture, he felt we would be a lot worse off. He thought we should do as Nebraska did and have a center for agricultural affairs. This is a private group endowed through state funds, federal funds and other institutions that act as a clearing house for a lot of the problems. The equity levels in a ranch or farm to survive today must be between 70 and 80 percent and a lot of them aren't there. They must reduce debt. The state debt laws should be reviewed. He said the best money to be spent in Montana should be in education. The education system could

go out through the state of Montana and educate the farmers, ranchers, accountants, lawyers and bankers as to what the problem is and how it can be solved. He did not think we needed advisors and consultants with ideas. We need people with solutions.

Barbara Archer, coordinator of the Montana Farm Counseling and Advocacy Coalition was a rancher for nearly 20 years. They support the goals, but feel some amendments are necessary. The amendments are in regard to Peer Counseling. (amendments attached as Exhibit #6a). They also support Rep. Rapp-Svrcek's amendments on the borrower's right to mediation. The Montana Farm Counseling and Advocacy Coalition is a group of volunteer farmer advocates who are linked in to a farm crisis hotline. They respond to farmers in financial stress. The yellow sheet describes the Coalition's work (attached as Exhibit #6b). Presently nine advocates are working with over 120 active cases. The hotline system has received over 100 calls a week during the last month.

Dale and Mary Ann Fossen, farmers from Joplin, Montana were in favor of the amendments, including Peer Counseling. He is a third generation farmer, was in education in the Havre school system, and has had extensive advocate training. Mrs. Fossen is on the Mental Health Board and is involved in the "Bread Basket Blues", which talks about farm stress and helps farmers and communities. Mrs. Fossen explained that their analysis is based on their experience as Montana farm advocates since June 1985. She referred to the time-lock syndrome. The first stage of the four stage syndrome is temporary impotence. Wherever they turn they cannot get help for what they need. They are in a semi-frozen state. They are incapable and unable to function normally and cannot voluntarily engage their personal or impersonal management skills. Stage two is where farmer/rancher farm advocate intervention is very critical. Stage three is the realization stage. He realizes he is not alone and there are options available. Stage four is motivation. A voluntary restoration of management skills that had been previously put on hold in stage one and two. Mr. Fossum said they have clients of all ages and all situations.

Mary Kee, Roundup, has been ranching for 30 years and is a member of MPA. They are in favor of the amendments to the right to mediation. Ranchers and farmers are being called into court by the Federal Land Bank because the PCA has refused to negotiate. They are facing total and complete liquidation.

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They feel if their lenders had been willing to cooperate they would not be losing their farms or ranches. She said they need mediation and help now. Exhibit #7.

Joan Voise, Ryegate, Montana, member of MPA in support of the bill with the amendments. Full testimony is attached as exhibit #8.

Susie Tilton Chiovaro, Great Falls, bankrupt rancher, Farmer Advocate. Full testimony attached as exhibit #9.

Joe Duffy, Great Falls attorney said 4 years ago he didn't have any farm clients. Now he has more than he can handle. He supports the bill and endorses the advocacy level in the amendments. He felt the greatest emphasis should be placed on the Peer Counselor. He suggested that the 7 blocks the farmers are invited to check on the 1942 and 1926 forms the FmHA are sending out are matters he would probably conduct an entire afternoon seminar on, yet the farmer is given a 30 day notice to have the forms sent back in. An advocate could help with this problem through the hot line. He felt lawyers, CPA's, etc. could call in on the hot line as a resource area.

Ray Patte, Ryegate, in favor of HB 11 with addition of either mandatory mediation or right of mediation. Full testimony attached as exhibit #10.

Curtis Haskens, Polson, Montana Advocate and member of MPA, cited a case where he had a call from the hope line with a 54 year old widow in distress. She had lost her husband and a son in the last 15 months and the lender wanted to foreclose on her. He set up a meeting with the lender and as of Monday, she has a loan to operate. He asked the people in the audience who have had a bankruptcy, sheriff's sale or foreclosure in the last year to raise their hand. Several raised their hands. He asked the people in the committees if they knew someone who had a bankruptcy or sheriff's sale last year. Several hands went up.

Jack Heyneman, Chairman of the Northern Plains Resource Council, and a rancher living in Fishtail, Montana, said he was very strongly in favor of the Rapp-Svrcek amendment with regard to mediation. He passed out a handout explaining the amendment, attached as exhibit #11. He said the amendment gave the lender and the borrower a chance to sit down with a third party and talk. If a working arrangement can be worked out, everyone wins. The lender, the borrower and the community win.

Mike Grove, White Sulphur Springs, Governor's Council on

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Economic Development, AG Credit Subcommittee, said his committee on the linked deposit bill spent a lot of time listening to testimony on the counseling program. They feel the counseling program has a lot of merit. On the financial and legal side it should have highly qualified intelligent people. It includes Extension Service, CPA's, attorneys and the volunteer groups. Regarding mediation, they supported it on a voluntary basis.

Jo Bruner, Power Farmers Elevator Company was in support.

Lavina Lubinus, WIFE, in support. Full testimony attached as exhibit #12.

Steve Waldron, Executive Director, Montana Council of Regional Mental Health. In support. Full testimony attached as exhibit #13.

In view of the shortage of time, Senator Boylan asked if there were any opponents who wished to testify. Mr. L. C. Terrett came forward.

OPPONENTS: Mr. L. C. Terrett, Billings consultant and ex-banker was concerned about the portion on mediation. He said you are leading banks in to positions where they are going to frown on making any ag loans. The legislature should think about what is happening in the farm credit system also. Brief testimony is attached as exhibit #14.

Representative Bardanoue asked Mr. Terrett what a Montana banker would rather have, mediation or the long-time moratorium for a year on all foreclosures. Mr. Terrett answered that they would favor neither one. Rep. Bardanoue thought maybe they should take one or they wouldn't have anything.

There being no further opponents, Senator Boylan directed questions back to proponents.

PROPONENTS: Wink Nyhart, Twin Bridges. Testimony is attached as exhibit #15.

Bill Milton, sheep and cattleman from the Roundup, Montana area, representing farmers and ranchers in that area. He said he supports the right to arbitrate. He said if you don't allow the right to mediate, why are you going to provide counselors. Why should we ask farmers and ranchers to get their house in order and then not give them

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the opportunity to sit down and have a fair hearing with their lender. He said mediation and counseling go hand in hand. He told the committees they have before them today some options to find some direct relief and assistance to the operators in the state of Montana. Every foreclosure that comes down reduces everybody's equity.

Neil O. Petersen, Sheridan, Montana, MPA, in support of the right to mediate and the advocacy program.

Esther Ruud, Montana Cattlemen's Association International, Malta, Montana. She said a month ago the headlines in their Phillips County newspaper reported 40 FMHA residents in Phillips county received foreclosure notices. She said 20 of the notices were category 1 action notices and 20 were notices to get loans current. She said she has been working for 9 years to get a better price for agriculture and she is still trying.

Al Verschoot, Ronan, Montana, MPA, said he has been pushing mandatory mediation for 6 months. Many people in their later years are going to lose their place because they are being called bad managers. Many have been farming for 30 years and in those 30 years have probably had 10 good years. He thought they were the best managers in the world. He didn't think any bank or business could operate or stay on the place as long as the farmers and ranchers have with the adverse conditions and opposition they've gotten from their government, bankers and elsewhere.

Nancy Collins, co chairman of the Women's Lobbyist Fund wanted to go on record for her group in support.

John Ortwine, Montana Catholic Conference in favor. Full testimony attached as exhibit #16.

Jim Murry, executive secretary Montana AFL-CIO in support. Full testimony attached as Exhibit# 17.

Terry Murphy, President of Montana Farmers Union, in support. Testimony attached as Exhibit # 18.

Pat Underwood, Montana Farm Bureau and Montana Stockgrowers Association, in support of the bill as it is, at this time, without amendments.

John Allhands, Madison County County Commissioner, referred to the delinquent taxes previously mentioned in testimony on Senate Bill 7. Over 40% is agricultural delinquency. There is over \$580,000 on real estate in 1985 and personal property is \$37,000. It effects county government tremendously.

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Seventy-two percent goes to schools, coming close to \$480,000 that the schools are short. They have received no tax dollar back from the bankruptcies in Madison County. The banks are selling personal property, cattle and machinery, collecting the money, but not paying the taxes. He thought mediation would give the county time to take out the taxes the banks are putting in their pockets.

COMMITTEE QUESTIONS: Rep. Koehnke asked Mr. Cadby to comment regarding the objections to mediation. John Cadby said the bank is in a no win situation because if they refuse to mediate they can subject themselves to a law suit. If they mediate and don't accept the conclusion, they are also subjecting themselves to litigation. He thought they had about 100 cases pending statewide. He said they can support the spirit and intent of the bill. The bankers are sympathetic to the situation of the ag customers. You have to keep in mind that they are loaning your savings so they have to be prudent investors when they do that. He wanted the bill kept in a voluntary, unbiased spirit. If the bill is altered in some way as to become an advocacy program for the ag customer, or the other way, then he felt the whole program would be jeopardized.

Senator Aklestad asked Mr. Kelly if he felt that under the existing bill, his department would be liable if bad advice is put out. Keith Kelly said they have offered an amendment to exempt the liability on the department people working on the program. They thought they should have professionally trained people to minimize the liability of the Peer Counseling group.

Senator Aklestad asked if Mr. Kelly was concerned about liability and therefore wanted immunity in the bill. Mr. Kelly said that was correct.

Rep. Bardanouye said Mr. Kelly was a little premature on sovereign immunity. Until the legislature passes a constitutional amendment and until the voters approve it in November and the 1987 legislature puts in some limitation on liability, he didn't think the amendment was worth the paper it was written on. Kelly said they had attempted to structure a program to minimize the liability.

Rep. Ellinson asked Mr. Kelly if it would be wise to not put anything into the bill to increase our chances of getting liability coverage. Kelly answered that they had offered mainly technical amendments to minimize liability.

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Rep. Rapp-Svrcek asked Senator Towe to address the problems alluded to by Mr. Kelly and Mr. Cadby regarding the liability.

Senator Towe said that as an attorney he represents bankers, farmers and ranchers and has been on both sides. Because he knows a bit more about the banking industry he has been very successful as an attorney in mediating. He said bankers are very receptive. Mediation is the single most important thing the legislature can do for the farm crisis at this time. He was not talking about mandatory mediation or moratoriums. The voluntary part in the bill was not bad he said but he would like to see a requirement that if one of the parties wants mediation they can request it. Once it is requested and the procedure is outlined, the parties would have from 30 to 60 days or less to find if it would work. He felt with suggested solutions, possibly 80 percent would settle out. He said that after the 30 days if either side wanted out they should be able to get out. He felt that this little bit would have an enormous impact on the farm economy in the state. In regard to "bad faith", it is true that if anyone in this state bargains with another person in bad faith, they may be held liable. The bad faith we are talking about is where they are really not intending to bargain, but are out to get that person for some other reason. If their actions are such that they tell them one thing and then do another, they might have a problem. He said if we work out the language it will give the bank the opportunity to go through and demonstrate their good faith.

Senator Boylan said it has been brought out today that the bankers have been blamed for a lot of this. He said there are other institutions that have farmers and ranchers as their Board of Directors. None of them are appearing here today. They are to blame as well.

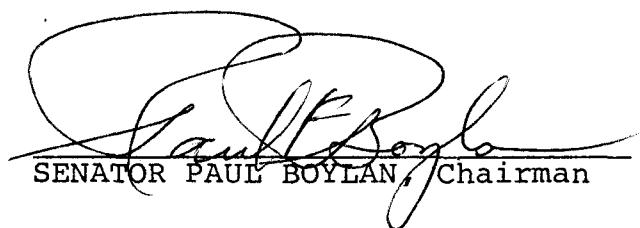
Senator Towe said he was not fearful of most of the bankers. It was some of the out-of-state insurance companies, foreign lenders and people who don't understand what is going on. Those are the people we need to get into that bargaining table. We need more teeth than this bill has in it right now.

There being no further questions, the joint hearing was closed.

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Additional exhibits attached are #19, letters and written testimony for HB 11 and #20, proposed amendments for HB 11.

ADJOURN: There being no further business, the hearing was adjourned at approximately 3:40 p.m.



A handwritten signature in black ink, appearing to read "Paul Boylan". Below the signature, the text "SENATOR PAUL BOYLAN, Chairman" is printed in a smaller, sans-serif font.

ROLL CALL

AGRICULTURE

COMMITTEE

49th LEGISLATIVE SESSION -- 1986

Date 3/26/86

NAME	PRESENT	ABSENT	EXCUSED
#50 SENATOR BOYLAN, CHRMN.	✓		
#29 SENATOR CONOVER, V. CHRMN.	✓		
# 1 SENATOR AKLESTAD	✓		
#27 SENATOR BENGTSON	✓		
#35 SENATOR GALT	✓		
#34 SENATOR HAMMOND	✓		
#10 SENATOR KOLSTAD	✓		
#38 SENATOR LANE	✓		
#48 SENATOR LYBECK	✓		
#31 SENATOR SEVERSON	✓		
#39 SENATOR WILLIAMS	✓		

Each day attach to minutes.

DAILY ROLL CALL

AGRICULTURE

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date

Date March 26, 1986

DAILY ROLL CALL

HOUSE APPROPRIATIONS COMMITTEE
 SPECIAL SESSION II
 49th LEGISLATIVE SESSION -- 1986

Date 3/26 1:00 pm.

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUVE, FRANCIS - Chairman	✓		
DONALDSON, GENE - Vice Chairman	✓		
BRADLEY, DOROTHY	✓		
CONNELLY, MARY ELLEN	✓		
ERNST, GENE	✓		
FRITZ, HARRY	✓		
HAND, BILL	✓		
LORY, EARL	✓		
MANUEL, REX	✓		
MENAHAN, WILLIAM	✓		
MILLER, RON	✓		
MOORE, JACK	✓		
NATHE, DENNIS	✓		
PECK, RAY	✓		
QUILICI, JOE	✓		
REHBERG, DENNIS	✓		
SPAETH, GARY	✓		
SWIFT, BERNIE	✓		
THOFT, BOB	✓		
WINSLOW, CAL	✓		

VISITORS' REGISTER

APPROPRIATIONS

SENATE & HOUSE AGRICULTURE AND HOUSE / COMMITTEE

BILL NO. HB 11DATE MARCH 26, 1986

SPONSOR _____

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Al Verschoot	Ronan	✓	
Mark Kee	Roundup	✓	
Josh Vaise	Ryegrass	✓	✓
Bernard Hartness	Deer Park	✓	
W. R. PATT	RYEGATE	✓	
Lavina Lubinus	WIFE	HB 11	
Lavina Lubinus	WIFE	SB 7	✓
Wink Rykert	Twin Bridges	✓	
Carl Hoffman	Bozeman	✓	
John Welsh	Bozeman	✓	
Robert Jordan	Red Butte	✓	
Margret Holmgren	Absarokee	✓	
Paul Holmgren	Absarokee	✓	
David Holmgren	Absarokee	✓	
Jerry Rykert	Twin Bridges	✓	
Selma Guscione	MSA	✓	
Tom Reischmann	MISSOULA	✓	
Tom Murphy	MT Farmers Union	✓	
Cathy Campbell	MT Association of Churches	✓	

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DATE MARCH 26, 1986

COMMITTEE ON SENATE & HOUSE AGRICULTURE AND HOUSE APPROPRIATIONS

VISITORS' REGISTER

S B 7 No

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Robert Van Der Veen	Self	S B 7	X	
Ted J. Doney	MT. Dairymen's Assn	HB 11 SB 7	X	
Rep. Janet Moore	HD-65	HB-11		✓
Jack Heyman	MT. P.R.C.	HB 11		
Barbara Becker	MT. Farm Counseling Adm. Comittee	HB 11		✓
Dale Torn	"	HB 11		
May Ann Torn	"	HB 11		
Austin Hopkins	"	HB 11		
Sueie Chiavaro	"	HB 11		
John Datz	"	HB 11		
George Cushing	"	HB 11		
Bill Migan	Self-Readiness Group	HB 11		
John L. Vipin	Muskegshell Chapter of Montana Peoples Action	HB 11		✓
Richard Mattingly	" " "	HB 11		✓
Nancy Collins	Women's Lobbyist Fund	HB 11		✓
Bernadyl Harkness	Reindeer	HB 11		✓
Debi Brammer	MACD	SB 7		✓
Marcia Pilgerum	My family	HB 11	X	
Darnell Gedney	Self	HB 11		✓
Dorothy Todd	Todd Ranch	HB 11		✓
Mary Ka	Lee Angus Ranch	HB 11		✓
Richard L. Todd	Todd Ranch	HB 11		✓
Colter Rund	Montana Cattlemen's Assn. Int.	HB 11 SB 7		✓
C. L. T. Upston	Spencer 27	HB 11		✓
Tom Morris	Mont. State AFL-CIO	HB 11		✓
Rudy Zindler	Receptant	HB 11		✓

(Please leave prepared statement with Secretary)

COMMITTEE ON SB 7 HB 10 & HB 11SENATE & HOUSE AGRICULTURE AND HOUSE APPROPRIATIONS
VISITORS REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Joel Conley	Alder MPA	11	X	
James R. Penner	Board of Investments	10		
Mark Teigen	Mont Stockgrowers	SB 7	X	
See Conley	Alder MPA	11	X	
Mugget Halvorsen	Absarokee	"	X	
Billy				
John Ellsworth	Mad Co	"	X	
Tim O'Brien	Shoshone Mt. MPA	11	X	
Carol Mosher	Mt. Cow Bells	"	X	
Philip Johnson	First Bk Helena			
Jo Bunn	Power Finance Corp	11	X	
Chris Kennedy	Helena	"	X	
Bob Ryser	Mont. Credit Unions League	SB 7	X	
Nancy Burnham	Helena		X	
Tom Murphy	MT Farmers Union	SB 7, HB 11	X	
Ray Hayes	MT INDEPENDENT BANKERS	HB 11	X	
Phil Campbell	Mont. Ed. Assoc	SB 7	X	
LARRY AKGI	SEC OF STATE	"		
KEITH KELLY	DEPT. OF AGRICULTURE	7 & 11	X	
Tom Wallson	Mental Health Centers	"	X	
Jeff Knutson	MPA	"	X	
James Wilson	Farmers	"	X	
Del Rodriguez	MPA		X	
Andrew Walzer	MPA	"	X	
Tom Angels	MT. Co. of C	SB 7	X	
Ted J. Dorey	MT Dairymen's Assn.	All	X	

(Please leave prepared statement with Secretary)

COMMITTEE ON SENATE & HOUSE AGRICULTURE AND HOUSE APPROPRIATION

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Turner	Red Lodge	11	X	
Gregg Voice	Missoula Chapter of Montana R.R. Association	"	X	
Vilas Maffey	Missoula Chapter Montana People's Action	11	X	
John Daniels	Montana Conf. Helena	11	X	
TONI KREUZY	N.P.R.C.	11	X	
Tony Minetti	Montana R.R. Association	11	X	
Ed Gunnane	Missoula			
Debi Martini	Mont. Peoples Action Ruby Valley	11	X	
Lenore Smith	" "	11	X	
Marcia Pilgram	Gold Creek	11	X	
Robert J. Stearns	Missoula MPA	11	X	
Debby Kline	Twin Bridge	HB 11	X	
April C. Lee	Roundup	HB 11	X	
David C. Peterson	Sheridan, MT MPA	HB 11	Amendments X	
Barbara Fair	Rogate 7th MPA	HB 11	X	
Greg Nelson	Roberts	HB 11	X	
Nelson Morris	Miss Valley M. P. A.	HB 11	X	
Walter Morris	Twin Bridges			
Walter Morris	Ruby Valley M. P. A.	11	X	
Wallace B. Anderson	Rogate	11	X	
W. R. Gath	Rogate (Montana P. A.)	HB 11	X	
Susan J. Gath	Rogate (Montana People's Ad.)	HB 11	X	
Larry Martini	Twin Bridge MPA	"	X	
David Brown	Rogate MPA	"	X	
Martin A. Connell	Billings, MT			
LG Terrell	Billings area			
Bruce O'Brien	Coors Ad	"	✓	

Members of the committees I offer for your consideration
SENATE BILL 7. Senate Bill 7 is a bill to provide the use of
\$50,000,000 short term investment pool funds to financial institutions
at a rate 1% below the current six month CD rate. These funds
would be invested in Montana financial institutions who agree to
pass on these funds to agricultural borrowers at no more than 2%
above the cost of these state funds.

In order to be eligible for these loans the agriculture
businessman must have a debt to asset ratio greater than 30%. He
must also make more than 70% of his income from a Montana farming
operation. No loan to any individual could exceed \$50,000. These
loans would be short term production loans and could also be used
to purchase livestock for other than breeding purposes. Senate Bill 7
contains several provisions that would insure these loans are not
used in a manner other than is contemplated by this bill.

This bill is similar to legislation in many other agricultural
states that is providing 600 plus millions of dollars to help farmers
survive the financial crisis of their lives brought on by low
commodity prices and high interest.

A recent study at M.S.U. stated that for each 1% drop in
interest rates about 2.3% additional Montana farms would cash flow.
Montana has about 16,000 professional farmers. That would indicate
about 1400 farmers would be helped by a 4% write-down of interest.
These figures must be adjusted down somewhat because as the interest
rate declines fewer farmers are helped by each point.

I think you can reasonably assume then, based on the study,
that approximately 1000 farmers would be helped by this program.

-2-

What types of individuals will benefit from this program? Will farmers who have been marginal for a number of years be helped? The answer is probably not, but it will help the farmer who is marginal because of drought or other factors that are not attributable to poor management.

I believe the lenders, especially in the heavily agricultural areas, want to keep as many farmers on the land as they possibly can. So, I believe they will use this money to help those good managers who can structure their operations so that this interest savings is in concert with other savings or innovations and will make the difference in obtaining an operating loan for this spring or fall.

The most critical need for this program, I think, is in the livestock industry where many operators have been forced to sell their cow herds because of the drought and now are not able to buy yearlings to use their grass this summer. I hope the lenders who look at this program will give special attention to that particular sector of the agricultural industry.

I will be glad to answer any questions.

TED NEUMAN

TN/jim
3/26/86

BILL SUMMARY

(Senate Bill 7 / House Bill 10)

Prepared by Dave Cogley
Staff Attorney
Legislative Council

Senate Bill 7 authorizes the Board of Investments to place up to \$ 50 million dollars in 6-month certificates of deposit with lending institutions wishing to participate in a linked deposit loan program, at an interest rate 1% below the current market rate for such certificates.

Under a linked deposit loan program, participating lending institutions would be required to make agricultural production loans not exceeding \$50,000 per borrower at an interest rate not exceeding 2 percentage points greater than the rate payable on the certificates of deposit, resulting in loans at around 8-1/2%.

The lending institutions would make loans using "usual lending standards" and would retain all risk of loss or default on loans issued.

Procedures and requirements for investing funds with financial institutions are contained in Senate Bill 7. To avoid low interest rate loans under the linked deposit program being issued to the lender's best customers, a producer is required to have at least a 30% debt to asset ratio in order to qualify for a loan.

The linked deposit program provided for by Senate Bill 7 is temporary, with the authority to place linked deposits

terminating August 31, 1986. The bill would terminate some 6 months later, unless extended by the 1987 Legislature.

House Bill 10 provides for an appropriation to fund the program established by Senate Bill 7. The appropriation is made from the general fund in the amount \$ 250,000 to replace the potential earnings lost because of the required 1% discount in the purchase of certificates of deposit under the program.

NAME: CHESTER KIRSEYDATE: Mar 25 1986ADDRESS: 6860 APPLEGATE Dr HELENAPHONE: 458-5620REPRESENTING WHOM? Montana Low Income CoalitionAPPEARING ON WHICH PROPOSAL: SB 7 - ~~HB 10~~ HB 11DO YOU: SUPPORT? YES AMEND? _____ OPPOSE? _____COMMENTS: We are in support because farmers
are also experiencing problemsWe are interested in the jobs
that agriculture generates

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Del Rodriguez DATE: 3/20/84

ADDRESS: 722 Cedar St. Missoula Mont 59601

PHONE: 442-1740

REPRESENTING WHOM? Farmers Montana peoples action

APPEARING ON WHICH PROPOSAL: Farmers Mediation

DO YOU: SUPPORT? AMEND? _____ OPPOSE? _____

COMMENTS: Farming is just about the only industry we have left in the state of Mont. and if the farmers are foreclosed on we won't have no industry left. besides we need our steaks & potatoes. The farmers provided the Cheapest food in the world..

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Agriculture producers have always believed that hard work would solve any problem. That is no longer true, because of the variables we ~~know~~ experience in agriculture. —

Whether it be the policy of the Federal Government, prices received for the commodity, drop in land values, limited credit or drought.

All of these, contribute to the financial crisis we are now in, and financial problems ^{often} lead to legal problems, extreme stress and often mental health problems.

Farmers are often poorly informed about bankruptcy or foreclosure proceedings, deeds in lieu of foreclosure, appeal rights on loan decisions and other legal issues. They may also need information on tax issues surrounding liquidation of assets.

Many states (18) have counselling and assistance programs in place now, and several states are utilizing the volunteer programs as we have done in HB 11 which includes the peer counselling.

The mediation concept has allowed some farmers and lenders to work out differences short of bankruptcy or foreclosure actions. Tax assistance programs also have helped some farmers avoid costly mistakes in liquidating assets.

Most people in agriculture are not

familiar with the options that might be available, therefore, the need for the services provided for in this act.

March 26, 1986

House Bill 11

An Act Establishing An Agricultural Assistance and Counseling Program
To Aid Financially Distressed Farmers.

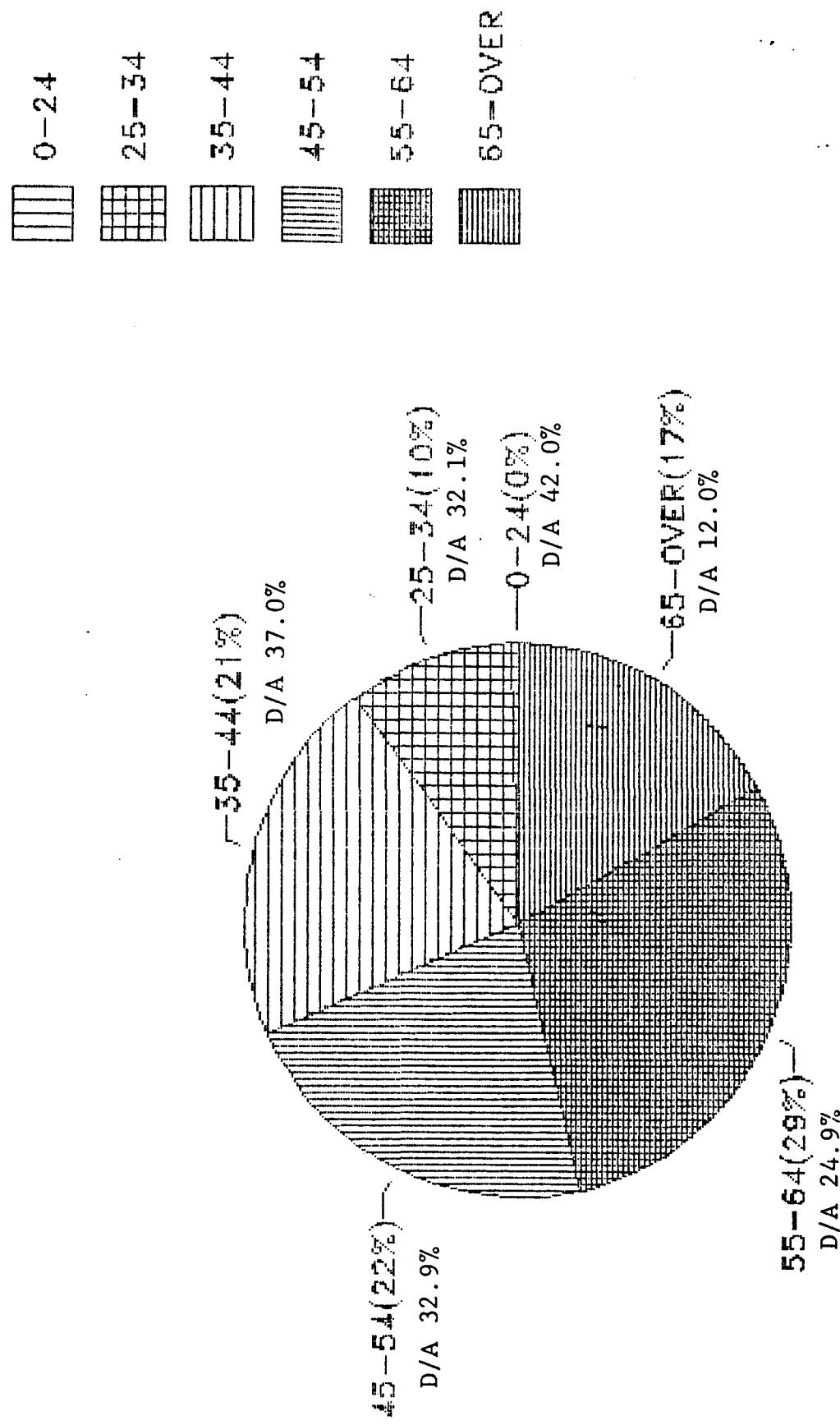
House Agriculture Committee
Senate Agriculture Committee
Appropriations Committee

Presented by

Keith Kelly
Director
Montana Department of Agriculture

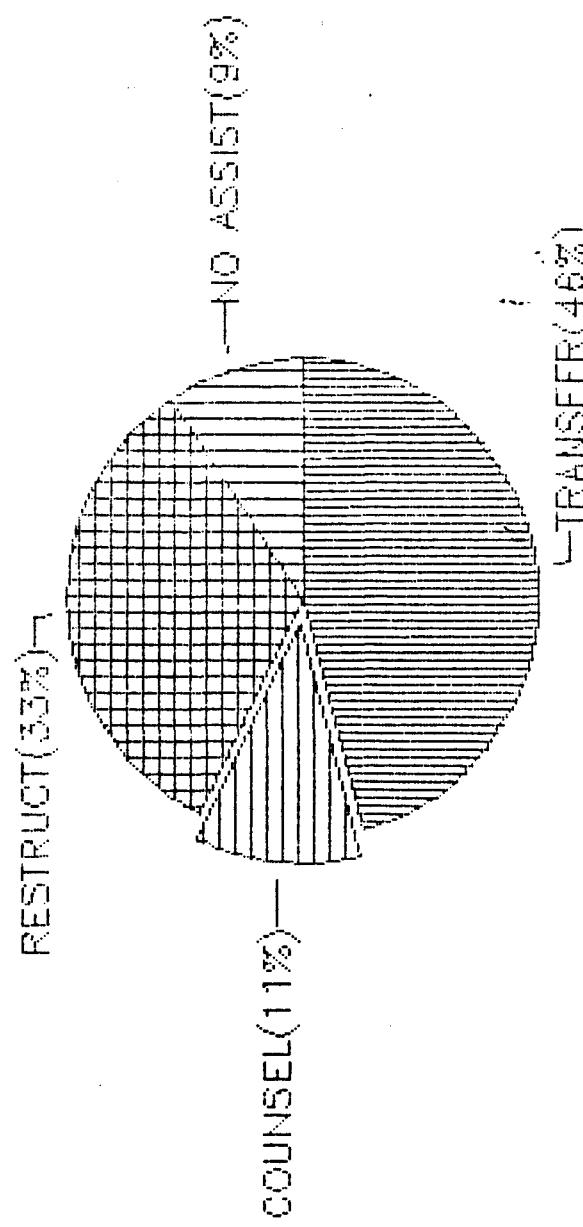
MONTANA DEBT/ASSET RATIO BY AGE

1985

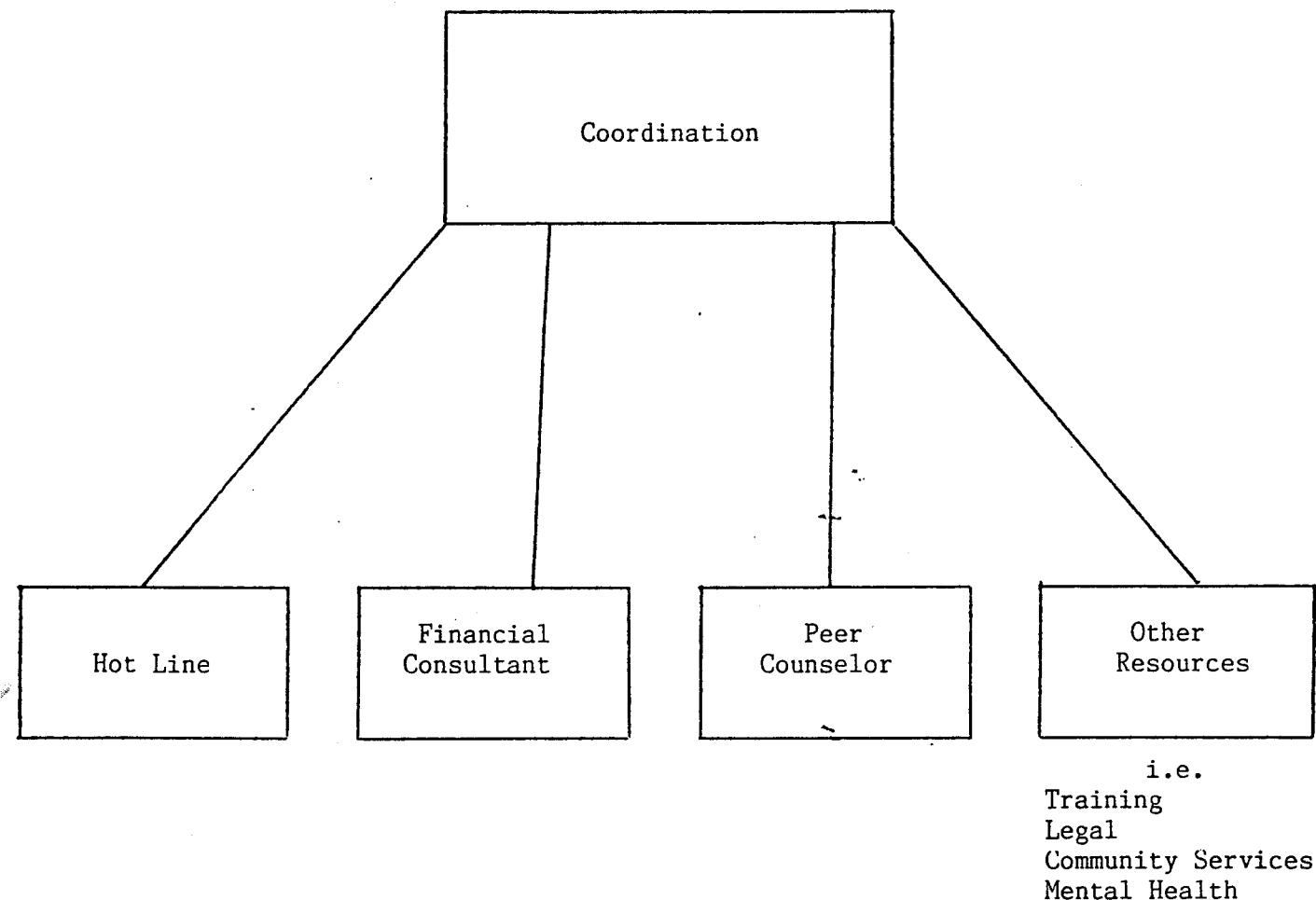


TARGET GROUP NEEDS

- NO ASSIST
- RESTRICT
- COUNSEL
- TRANSFER



Agricultural Assistance/Counseling Program



Amendments to HB11
Proposed by the Montana Department of Agriculture

Amend page 1, section 1, line 21

following: "avoid"
insert: or mitigate

Amend page 3, section 2, subsection (7)(c), line 1

Subsection (7)(c) reads as follows:
(c) a person with a statutory lien or a perfected security interest in agriculture property; or

Amend page 3, section 2, subsection (8), line 6

following: "without"
insert: a perfected security interest

Amend page 3, section 3, subsection (2), line 14

following: "financial"
strike: ~~consulting~~
insert: consulting

Amend page 3, section 3, subsection (2), line 15

following: "management"
strike: ~~training~~
insert: consulting

Amend page 3, section 3, subsection (2), line 16

following: "legal"
insert: information

Amend page 4, section 4, line 1

following: "service"
insert: college of agriculture

Amend page 4, section 4, line 3

following: "state"
insert: or federal

Amend page 4, section 4, line 4

following: "corporation"
insert: or the University of Montana Law School,

Amend page 4, section 4, line 15

following: "coordinator"
insert: and necessary staff

Amend page 5, section 6, line 11

strike: ~~imminent~~

Amend page 5, section 6, line 11 and 12

strike: ~~or who has received a notice of foreclosure~~

Amend page 5, section 6, line 16

following: "filing"

insert: or responding to

Amend page 5, section 6, line 23

insert: new subsection (d) to read as follows:

(d) financial statement(s) and proforma cashflow statement (profit/loss) including any non-farm activities.

Renumber subsequent subsections

Amend page 5, section 6, line 25

insert: new subsection (3) and it reads as follows:

(3) In filing or responding to a mediation request, the secured creditor(s) shall provide:

- (a) The information pertaining to the basis of the credit determination;
- (b) Financial statement(s) and proforma cashflow statement on the respective borrower;
- (c) Statement regarding status of the borrowers loan performance;
- (d) Indicate name and title of authorized representative of the creditor authorized to enter into a binding mediation agreement; and
- (e) any additional information the department may require.

Renumber subsequent subsections

Amend page 5, section 6, line 25

following: "farmer"

strike: ~~requesting~~

insert: or secured creditor in

Amend page 6, section 6, lines 4 and 5

following: "department"

strike: ~~or its agent shall evaluate each request and may~~

insert: shall

Amend page 6, section 6, line 8

following: "agrees"

strike: ~~?~~

insert: or if the mediator determines that an unsecured creditor is a necessary party to the mediation.

Amend page 8, section 12, line 24

insert: new section 12 as follows:

Section 12. Sovereign Immunity. The state of Montana acting by and through the Department of Agriculture, its employees, contracted services and personnel shall be immune from liability in the performance of the duties and responsibilities of this act. The State shall not be liable for any action brought against it as a result of any errors, omissions, or negligence that occurs as a result of providing services pursuant to this act.

Renumber subsequent sections

Amend page 9, line 6

insert: new section as follows:

Section Severability. If a part of this act is invalid all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more applications, the part remains in effect in all valid applications that are severable from the invalid application.

AMEND SECTION 1:

Purpose. It is the declared purpose of [this act] to establish an emergency program to directly assist individual farmers who are financially distressed by providing them assistance and counseling to manage farm credit problems, to avoid forced liquidation or farm foreclosure, to cope with the financial stress resulting from adverse conditions of agriculture in this state, and to maximize the effectiveness of this program by utilizing peer counselors and cooperating with the private sector.

AMEND SECTION 2 (definitions) TO ADD:

(8) "Peer Counselor" means a person who is or has been involved in production agriculture and who has been trained through the Department and others in financial counseling and mediation/negotiation techniques and who works to aid financially distressed farmers through this program.

AMEND SECTION 4(a) TO ADD AS NEW SECTION (i), RENUMBER SUBSEQUENT SUBSECTIONS:

(i) a network of trained peer counselors who can directly assist financially distressed farmers;

AMEND SECTIONS 4(b):

(b) contract for services with qualified personnel, including peer counselors, farm management specialists, accountants, attorneys, and mental health professionals, to provide the assistance required under [section 3];

AMEND SECTION 4(d)

(d) provide training for peer counselors to assist farmers needing help with farm financial management problems;

ADD SECTION 4(g):

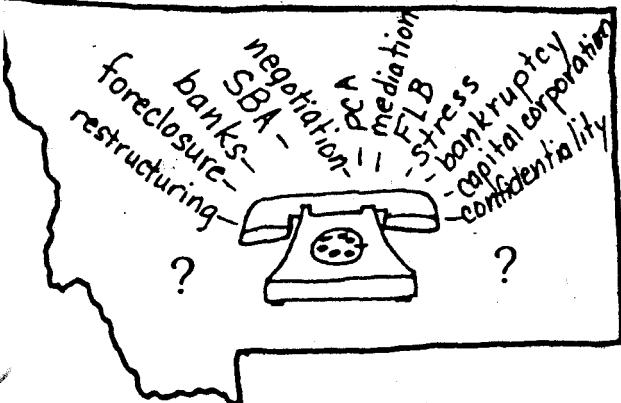
(g) provide peer counselor access to computer and computer programs.

THE MONTANA FARM COUNSELING AND ADVOCACY COALITION

"In any real understanding there aren't any good guys and bad guys. There are only human beings in a leaking boat. When we look to the right or left we do not see . . . (farmers or bankers or small business people or borrowers or lenders) . . . All we see are some people bailing and some people rowing because there are children in this lousy boat and we are in deep trouble." The Rev. Leonard Kayser, from Violence in Rural America, Catholic Rural Life. November, 1985

FARM CRISIS HOPELINE

653-2492



"Farmers Helping Farmers"

The idea of farmers helping farmers in Montana originated within farm and ranch communities. Assessment of needs was done by farmers and ranchers themselves. The Montana Farm Counseling and Advocacy program was designed and activated by farmers and ranchers.

"Farmers can be very effective self-and lay advocates. . . farmers as advocates are often more effective, especially when they have support, than an attorney or paralegal would have on the "front lines" (with the lender). Farmers speak the language of farm operations and credit, know the operations, may use more effective informal means of negotiation, and do not pose the same kind of adversarial threat at the administrative level that legal workers do." Jim Massey, Atty. Minnesota Legal Services

The MFCAC is committed to the idea that PEOPLE ARE NOT EXPENDABLE, therefore:

*All people affected by the farm crisis can be helped in some way.

*MFCAC encourages self-development, self-help, and self-advocacy within the community, thereby avoiding creating new dependencies of the sort which led to the current farm crisis.

*MFCAC encourages calls from people BEFORE the situation is desperate. There may be opportunities through reservicing and restructuring to avoid the heartache others have experienced.

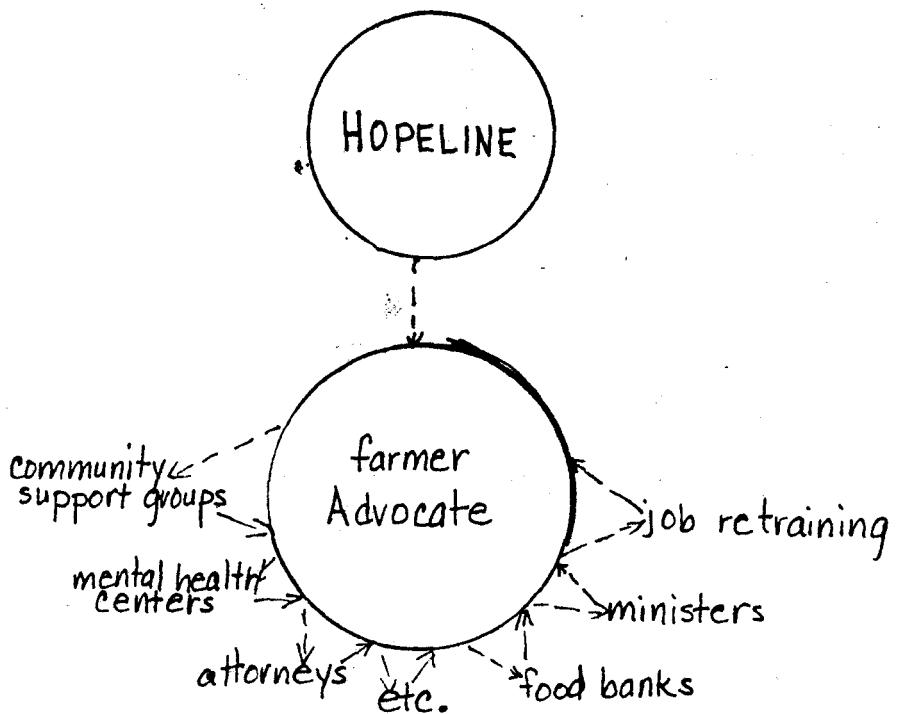
*MFCAC is committed to helping so-called "worst cases" as well as those who have a good chance of making it on the land. People in the worst situations need the most support. Their literal, physical survival is at stake. These persons have the most potential for violence because, "I have nothing to lose." They are also most vulnerable to improper advice and they carry the most tax liability.

*MFCAC sees itself as a mediator and negotiator between borrowers and lenders, thus, preventing polarization and splitting of communities and enhancing the life of communities.

The MFCAC OFFERS THESE SERVICES:

- 1) Direct service and counseling by trained advocates who are farmers and ranchers, many of whom have themselves experienced foreclosure or bankruptcy. They will a) listen, b) offer support, c) explain rights/options, d) refer to advocates or other support systems, 2) follow up by advocates with a) information dissemination, b) assistance in developing cash flow projections, c) mediation and negotiation, d) explain rights/options, e) geographical referral of calls, 3) referral to a) legal help, b) professional emotional or mental health counseling, c) where necessary, professional financial advice.

The HOPELINE is a central number answered by a trained person who calms and assures the caller if need be, assesses needs, and refers to a trained advocate. At the present time the number is not toll-free. An 800 number and additional staff are needed. HOPELINE staff must be familiar with the unique characteristics and problems of farm families.



Among the advocates, who are all production agriculturalists, is the kind of assistance that farm people need and respond to, people who have, 1) absolutely no vested interest with lenders, including FmHA, banks, PCA, FLB, insurance, etc., 2) familiarity with the major pertinent farm cases, e.g., Coleman, Nicholson, Curry, Allison, etc., and the particular issues involved in the cases, such as overcharge of interest, non-recording of payment of principle, relative position of unequal parties, etc., 3) willingness to meet/with officials of banks, lending supervisors, etc. on behalf of any borrower, 4) willingness to set up a cadre of attorneys who have no conflict of interest with lenders, 5) familiarity with farm manuals, the 36 items of the Farmer's Guide checklist, the Center for Rural Affairs' loan manual, etc., and with policies, rules, regulations of PCA, FLB, FmHA and its A.N.'s and P.N.'s, 6) working knowledge of farm plans, principle and interest both accrued and paid, loan balance, loan history analysis, deferrment and reamortization, and refinancing, and much more. They are also trained to give emotional support.

NAME: Mary Kee DATE: 3-26-86ADDRESS: 16945 Hwy 124, Roundup, Mt.PHONE: 223-2557REPRESENTING WHOM? Dad Mary Kee (The Angus Ranch)APPEARING ON WHICH PROPOSAL: HB 11 w amendmentsDO YOU: SUPPORT? X AMEND? X OPPOSE? _____COMMENT: The neutr is critical.We need assistance and the
right to mediateIn 5 days our ranch through summary
judgment will be awarded to the BLM
we have a day, and opportunity
to negotiate.PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

My name is Joan Voise of Ryegate Montana. I am a member of Montana People's Action and I'm here to testify in support of HB 11 with amendments. My husband Laurence and I farm ~~the land ranch~~.

Our lender has sent notice to us that they are accelerating our mortgage payment. They have already foreclosed on our machinery as of last August, and refused to negotiate any solutions except liquidation. We believe that ~~we~~ with some adjustments in our loan, that our place could be made productive and viable.

Throughout our dealings with our lender, we feel that we have been dealt with in bad faith. When the bank sent out an appraiser, he appraised our place at half the previous value. We learned on January 23rd, 1986, that a paragraph had been added by the bank to our security agreement which stated that the bank "may retake possession of collateral without a hearing, which debtor hereby specifically waives."

We had never approved of this paragraph being added to the language of our contract and only learned of it ~~when~~ we requested copies of all of our contracts. We tried to have this language removed and our banker refused, even though we had never seen the language and it was not printed in our contract when we signed it.

We believe that if we had the Right To Mediation that this situation would never have arisen. Furthermore, we know that many other people in agriculture have had similar experiences.

The family farm is the backbone of my community and the nation. If the farmer is unfairly forced out the economic repercussions will ripple down Main Street., as is presently happening in Montana communities right now. Lenders are going to be a lot better off keeping productive farmers on the land, then they will be if they become owners of these farms and have to take even greater losses on resale.

I am a fifth generation Montanan. My family moved to Virginia City in 1863. I am proud of my heritage, and of my ties to the good Montana land.

I am also a bankrupt rancher. That is not a fact I state proudly, but rather with pain and sorrow for those who are facing similar circumstances. That is also why I am a farmer advocate.

I know only too well the pain I felt when I held my children through their nightmares of people taking things away--the only comfort I could offer was that their father and I loved them very much.

I know only too well the sleepless nights which go hand in hand with the hours contemplating financial paperwork which doesn't improve with continued reading. I know only too well the impotent fury which I felt and directed at my lender--ultimately to translate into a recognition that there were powers beyond his control--or mine. I did not create the weather; I did not create the plague of grasshoppers; and I did not create a system which revolves around a price for production which does not take into account the cost of production.

What, then, can I offer to others in similar straight--what do I tell the seventy year old woman whose husband is ninety when the property they have framed for sixty years is to be taken away? What do I tell the man who calls because he ran out of heating fuel for his house two hours ago, it's below zero, and he has nowhere to turn?

What do I tell the young person who bought his family's homestead and wants to make a go of agriculture? All of these people have contracted debts, as I did, with the intention of paying them. All of them felt there was a reason to try. Do I then tell them that Gee, what a shame. The state of Montana is only interested in statistics, and you are part of the whatever percent we write off?

Or do I tell them that this State really does care about its agricultural people and recognizes the need for lenders and borrowers to work together to achieve an equitable solution--one which is in the best interests of them, and of the taxpaying population as a whole?

Please help me and the other advocates to take home a message

Mr. Chairman, member of the committee,
I am Ray Patte from Biggate, Montana.
I am a former County Commissioner of Golden
Valley County and a past director on the Mental
Health Board in Billings,

I am in favor of HB-11 with the addition
of either mandatory mediation or right of mediation.
There are three things which affect the farm plight
or economic situation today, low price, high interest
and unrelieved weather condition. We can do something
about low price by minimum pricing or other state
have done and we must reduce interest so as to
obtain a cash flow.

Tax situation - with a loss in state and local
taxes by the loss of taxes to not only the state
but also to the local tax structure.

There is about 36,000 farmers and ranchers in
Montana losing about 10% a year & because
of foreclosure and self liquidation. The last two years
we have lost nearly 5,000 farmers and ranchers,
if this keeps up in two or three more years
there will be less than half of the farmers and
ranchers left in Montana.

Ten to fifteen years ago we listened to
banks and lenders for the high equity and value
placed on lands and property. Because of the loss
of equity due to decreased valuation has placed
the farmers and ranchers in the position we are
in today. We listened to them now they should
listen to us.

If we are going to build Montana, let us begin
at the foundation, the grass roots, keep our farmers
and ranchers on the land.

Submitted by
W. R. Patte

Explanation of Right to Mediation Amendments in HB 11

The right to mediation applies to agricultural property greater than \$5,000.

The right may be exercised by a farmer facing or in foreclosure.

The amendments suspend execution of debt during the mediation period.

The amendments bring the borrower and creditor together with a mediator to attempt to work out an agreement that will prevent further foreclosure action and stabilize the rural economy.

The mediation period extends 75 days from service of notice to the end of mediation.

The mediator does not have any binding authority to impose an agreement on either the farmer or the creditor.

WIFE Women Involved in Farm Economics



HB 11

Support

March 26, 1986

Chairmen and Members of the committees. For the record my name is Lavina Lubinus and I am here today representing Women Involved in Farm Economics.

WIFE formed the original Advocacy program, the Crisis Line, in Jan. of 1985 when it became clear that someone had to help the rural people in trouble.

^{awIFE member} JoAnn Forsness was and is the voice at the other end of the Hot Line. In its first 3 months JoAnn received 100 calls a month. During the summer the calls went down to 35 calls per month. In January of this year, from the 5-8 she received 38 calls.

JoAnn took training where it was available and brought in speakers to train and educate others. All with funding from donations.

There is a world of hurt still out there. Not only on farms and ranchers but in small rural communities that depend on the agriculture economy.

The advocates in the field have had "hands on experience" with this hurt.

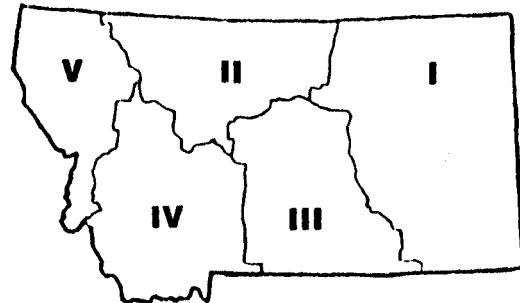
There is a great deal of reluctance by those in trouble to speak to or turn to professional help such as mental health until they have talked to someone who has "been" there.

That is where the advocates now in the field come in. Those with problems need to know that the people they talk to can relate to their problems with understanding of the situation from personal experience.

The advocates that are now working with the Hot-Line have all earned a degree in the "School of Hard Knocks" and have attended seminars to refine that training.

We hope that with the passage of HB11 that these advocates will be asked to work as they have been because of their first hand experience, Knowledge of the problems and their talent.

Thank You



SENATE AGRIC. COMM.
3/26/86
HB 11
EXHIBIT #13

Montana Council of Regional Mental Health Boards, Inc.

3/26/86

For the record my name is Steve Waldron, Executive Director of the Montana Council of Regional Mental Health Boards. I represent the Montana Community Mental Health Centers.

The Community Mental Health Centers of Montana support HB 11. We believe there is a justified need for an agriculture crisis line to be manned by peer counselors volunteers when possible. However, it is critical that there be a paid staffer to coordinate the volunteers and insure that they get the necessary screening and training.

Many of the farm families will be experiencing extreme emotional stress. Some may even be suicidal. The phone volunteers must know the appropriate techniques for dealing with a person who is in an emotional crisis. The volunteers must be able to know when a referral to a professional is necessary. They will also have to know where the nearest available resource is located and how to contact that resource. Training of these volunteers is critical.

The crisis line volunteers would also be assisting the Mental Health Centers by screening out those persons who are not in serious need of our services. Thus it makes sense to have a separate ag crisis line rather than trying to utilize Mental Health Center hot lines.

We also believe that the financial counseling and advocacy functions should be separated from the crisis line functions. The phone volunteers should be making referrals to appropriate financial advocates but should not attempt to provide extensive financial counseling over the telephone.

Our experience indicates a need to respond to the emotional and financial needs of people in the agricultural community. HB 11 is a laudable effort to address those needs. The Community Mental Health Centers urge your adoption of this legislation.

REGION I
EASTERN MONTANA COMMUNITY
HEALTH CENTER
1819 Main Street
Miles City, Montana 59301
(232 0234)

REGION II
GOLDEN TRIANGLE COMMUNITY
MENTAL HEALTH CENTER
Holiday Village Shopping Center
P. O. Box 3046
Great Falls, Montana 59403
(751 2100)

REGION III
MENTAL HEALTH CENTER
1245 North 29th Street
Billings, Montana 59101
(252 5658)

REGION IV
MENTAL HEALTH
SERVICES, INC.
512 Logan
Helena, Montana 59601
(442 0310)

REGION V
WESTERN MONTANA COMMUNITY
MENTAL HEALTH CENTER
Fort Missoula 1-12
Missoula, Montana 59801
(728 6870)

(This sheet to be used by those testifying on a bill.)

NAME: L.C. Torrett DATE: 3-25-86

ADDRESS: 1009 No 31st Billings Mt.

PHONE: 248 3028

REPRESENTING WHOM? Myself

APPEARING ON WHICH PROPOSAL: #B11

DO YOU: SUPPORT? _____ AMEND? X OPPOSE? _____

COMMENT: I oppose mediation portion as well as
a 1 year moratorium. I would rather see pressure
put on the 1986 Fars relating to the Fars Credit
Corporation. Regs ®s are being written
on the loan buy out program and further
regulation at a national level

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Wink Lyhart DATE: _____

ADDRESS: Turn Bridge 117

PHONE: 684-5498

REPRESENTING WHOM? Montana People's Action Group

APPEARING ON WHICH PROPOSAL: HB 11 amendment

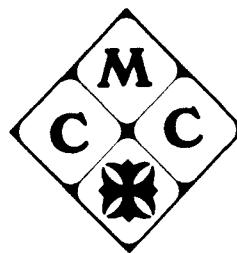
DO YOU: SUPPORT? ✓ AMEND? _____ OPPOSE? _____

COMMENT: For those who have a chance to continue our agriculture, we need the right to mediate.

Please support this bill. Keep Montana alive.

We need agriculture.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



Montana Catholic Conference

EXHIBIT #16

CHAIRMAN AND MEMBERS OF THE AGRICULTURE COMMITTEES:

I am John Ortwein representing the Montana Catholic Conference.

Most of us know what we mean when we say family farm. The family farm is a production unit in an agricultural system in which most of the farms are similar. There is a certain harmony to the system-- farms owned and operated by working farmers whose children learn responsibility by growing up in an environment where work and play go together, where taking care of the land is not just good economics but doing what's right, and where the loss of a neighbor is an occasion for sorrow more than an opportunity to enlarge the farm.

Why save the family farm? First, there is almost universal agreement among economists who have studied the question of farm efficiency that when a farm is big enough to keep one or two people fully employed, it has reached full efficiency. Second, there is a greater tendency to appreciate the future and to conserve on farms where the owners hope to leave something for their children. Thirdly, family farming brings with it certain democratic and community values-- widespread ownership of economic resources, equality of opportunity, a belief in the dignity of work and the integrity of the individual, and a concern for the good of community.

As we all know, this way of life is being threatened at this time as it has not been in many years. It is for this reason that the Montana Catholic Conference is here today. We support H.B. 11 with the amendments.



 Box 1176, Helena, Montana

 JAMES W. MURRY
 EXECUTIVE SECRETARY

 ZIP CODE 59624
 406/442-1708

Testimony of Jim Murry before the House Agriculture Committee on House Bill 11, March 26, 1986

Mr. Chairman and members of the Committee, my name is Jim Murry, and I'm appearing here on behalf of the Montana State AFL-CIO in support of House Bill 11.

Members of the Committee, those of us with the labor movement recognize that our friends, Montana family farmers and ranchers, are going through a crisis that can only be compared to that of the Great Depression of the 1930s.

Agriculture is the backbone of our state's economy, and we are concerned about farm foreclosures that are increasing at an alarming rate. Crop prices have not kept pace with inflation and production costs. Cheap farm imported products have stripped many of our former markets.

Figures released by the U.S. Department of Agriculture show that Montana farmers had a net loss of more than \$55 million in 1984. With last year's drought, grasshopper infestation and early snow, 1985's numbers are expected to be equally as devastating.

For the first time in history, federal deficiency and crop-insurance payments to Montanans exceeded the total value of this state's wheat crop. In fact, fully one-third of all indemnities paid in the entire United States went to Montana farmers.

The U.S. Department of Labor predicts that more than half of Montana's 24,000 farms will not survive over the next five years. And those farm failures affect more than farm and ranch families.

According to Montana Department of Labor statistics, 23,200 people were employed by agriculture during December 1984. Just twelve months later, that figure fell to 19,500, for a loss of 3,700 jobs. Members of the Committee, last year almost ten primary jobs in agriculture were lost every day of the year.

Montana's agriculture accounts for roughly one-third of the total industry in our state, providing not only needed jobs for the farmer or rancher, but business for Main Street merchants and work for countless others dependent on the farm economy.

House Bill 11 will help provide financial and personal counseling, farm management training and debt mediation. The need for this bill is obvious during these difficult economic times.

Testimony of Jim Murry
House Bill 11
March 26, 1986

Farmers and ranchers and their families are going through horrible times in their professional and personal lives. They are going through much the same kinds of stress that workers and their families are facing while losing their jobs with no place to go.

The Montana State AFL-CIO welcomes the effort by this legislative body to assist with the personal and family crisis that is facing Montana's farmers and ranchers.

The Montana State AFL-CIO is the largest operator of dislocated workers' programs in this state. Over 15% of the current participants in our program come from the agricultural community.

Mr. Chairman and Members of the Committee, on behalf of the Montana State AFL-CIO, I want to pledge our continued support of Montana's family farmers and ranchers and our support of House Bill 11.

NAME: Terry Murphy DATE: 3-26-86

ADDRESS: Box 9417 Great Falls, MT 59403

PHONE: 453-1456

REPRESENTING WHOM? Montana Farmers Union

APPEARING ON WHICH PROPOSAL: HB 11

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENT: We support HB 11 in the basic concept as introduced. We support the appportion for counselling of advocates and also support the "right to mediate" as long as it stops short of an imposed solution.

Compulsory negotiations through a neutral mediator - No!
Binding arbitration - No!

Thank you

Terry Murphy, President Mont. Farmers Union

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

The following written testimony
from Jack J. Lasch of Two Bridges
Montana is to be presented by the

Montana Peoples Farm Action Organization
at your Committee's hearing on Wednesday
March 26.

During the last 6 years our ranching
operation has lost or gone behind \$37,000.
We are losing a whole lifetime of hard
work in a very few years. We are
producing more today and getting less.
I have spent my entire life

in the ranch (60 years) and only in the
last few years as bad as now. If things
don't turn around very soon and corporate
farmers take over, what do you think
will happen to the price of food? If

see how much they pay for food
since they have had corporate farms.
This is on record, not an assumption.

Last year our small family ranch
had an income of \$96,000, expenses of
\$120,000 -- interest alone runs between
\$25,000 and \$30,000 a year, it doesn't take
a very intelligent person to see what
is happening.

Due to the fact that we are dealing
with a perishable product, our hands
are tied when it comes to marketing it.
And, by then it is too late to cut
production. The need greatly for our
product if we are to stay in business.

Our numbers in livestock go down --
we import more meat -- it keeps the
price down. We need import duties on
these products and administered to
the producers to bring their income

up to parity! (3)

I sincerely hope that this special session can find a way to bring us lower interest for the present time, and perhaps help get us a parity price for our product.

Inasmuch as the needs of the bottling and automobile industries have been assisted (and their products are not perishable) we ask only for the same consideration.

We need help now --- badly.

Jack G. Sosich
2525 Hwy. 41 S
of Twin Bridges, MT

59754

Phone 406-684-5423

NAME: Christ Hussey for Montana Low IncomeDATE: 3/26/86ADDRESS: 6860 Eagle gatePHONE: 458 5620REPRESENTING WHOM? Montana Low Income CollectionAPPEARING ON WHICH PROPOSAL: H.B. 11DO YOU: SUPPORT? Yes AMEND? _____ OPPOSE? _____COMMENTS: We support farmers and this bill should keep some farmers in business. This helps low income people as it creates jobs and keep some farmer out of poverty

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Mons TeigenDATE: 3/26/86ADDRESS: HelenaPHONE: 442-3420REPRESENTING WHOM? Mont Stongowers + PowbellesAPPEARING ON WHICH PROPOSAL: HB 11DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: We support the bill as is without amendments.
The interim committee has held fairly extensive discussions
on the issue and have reached a more or less tenuous
resolution. We must have something that lenders and borrowers
can both accommodate.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

DISTRIBUTED BY: MONTANA PEOPLES ACTION

BOX 1105 Helena Mt. 59624

BOARD OF GOVERNORS

OF THE

FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

SENATE AG. COMMITTEE

3/26/86

HB 11

EXHIBIT #19

SR 83-15 (FIS)

DIVISION OF BANKING
SUPERVISION AND REGULATION

March 30, 1983



TO THE OFFICER IN CHARGE OF EXAMINATIONS
AT EACH FEDERAL RESERVE BANK

SUBJECT: Home Mortgage, Farm and Small Business Loans

The economic environment over the past several months has resulted in financial pressure on a rising number of bank customers, particularly certain farmers, small businesses and individuals.

These financial pressures are, at times, reflected by delinquent business and residential loans in the portfolios of the nation's financial institutions. Some borrowers who are experiencing financial difficulties face the prospect of foreclosure on their homes and family farms, or the failure of their small businesses. Often these problems are transitory and the borrowers are able to resume payments when general economic conditions improve. Under such circumstances, the financial institutions may find that the most prudent policy is to stretch out payments and exercise forbearance rather than to take more precipitous action such as foreclosure and/or forcing a borrower into bankruptcy.

As a supervisor of State-member banks and bank holding companies, the Federal Reserve does not wish its examinations or its supervisory actions to be pursued in a manner that discourages this type of forbearance. On the contrary, such forbearance is in the public interest and should be encouraged when it is consistent with safety and soundness considerations. It is requested, therefore, that you remind the Federal Reserve examiners in your District of the need to be particularly sensitive to these problems at this time and to refrain from criticizing bank management for exercising forbearance in the circumstances described. Moreover, in accordance with long-standing instructions, examiners should not recommend foreclosure or other precipitous action. Supervisory staff should also take these policies into account when dealing with the supervised institutions' boards of directors and when designing remedial action plans.


JOHN E. RYAN
Director

Twin Bridges Public Schools

SENATE AGRICULTURE COMMITTEE

3/26/86

HB 11

EXHIBIT #19

CONSOLIDATED SCHOOL DISTRICT NO. 7, MADISON COUNTY

Drawer AC, 216 West 6th Avenue

Twin Bridges, Montana 59754

Phone 684-5656

March 25, 1986

PHIL WABER, Superintendent
SYLVIA DULANEY, District Clerk
DOUGLAS R. DENSON,
Elementary Principal

BOARD OF TRUSTEES
DAVID L. SMITH, Chairman
STEVE DAVIS, Vice Chairman
MARY REYNOLDS
SHEILA GILTRAP
DAN OWSLEY

Dear Committee Members:

I urge you to include a provision for mediation of foreclosure procedures in the Ag bill under consideration. Mediation could help school districts in two ways - financially and on a personal basis for our students.

Financially, a foreclosure results in property taxes not being paid for a minimum period of one year. With a majority of our local school budget based on property taxes, any non-payment has a negative effect on both our operating funds, already limited, and our reserves, also limited.

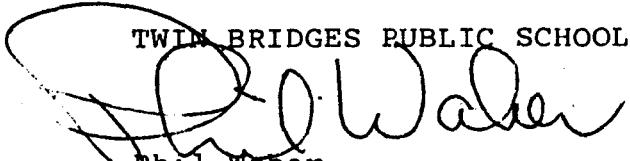
On a personal basis, the credit crisis is having a negative impact on the students in our school district. Family stress is increasing and many families in our area are going through divorce. This situation at home is causing many students to have difficulties in their academic work.

Any help you can provide for our agricultural community will benefit all parties concerned, especially, in my opinion, our youth.

Thank you.

Sincerely,

TWIN BRIDGES PUBLIC SCHOOLS


Phil Waber
Superintendent

P
W
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W
S

We, the undersigned members of the Twin Bridges Chamber of Commerce do hereby support the proposed Right to Mediation bill which is being presented by The Montana People's Action Group to a joint House/Senate Ag Committee.

James B. Sykes - part owner Campbell Garage
firms Repair Shop

Cal Banks, part owner Twin Tie
David A. Banks, part owner Twin Tie
(atty for Sykes)

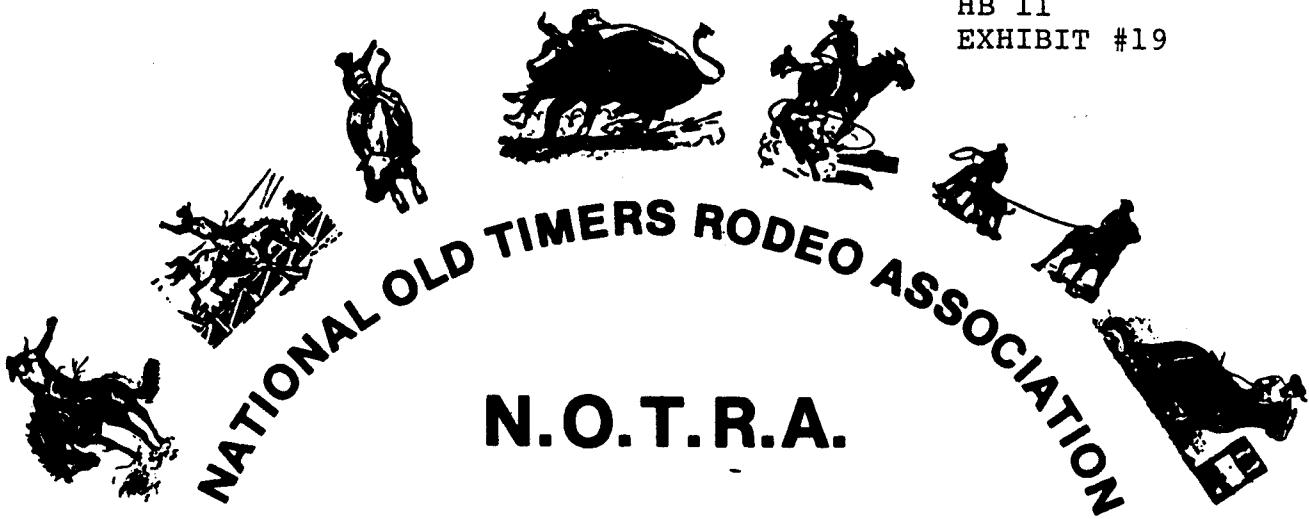
DeAnn Allen owner Allen Import Export
Bryan Ballou - Co Owner B&B Enterprises

Craig Ballou - " " " " " Larry S. Moulard

Martha Nelson Co owner Nelson Auto Parts

Melvin Nelson Co owner Nelson Auto Parts

Carlotta Scott " 3 Rivers Exxon



TO WHOM IT MAY CONCERN:

I AM WRITING THIS LETTER TO HELP BRING SOME MORE ATTENTION TO THE PROBLEMS CAUSED BY THE STATES ECONOMIC FAILURE.

MY RANCH IS VERY SMALL COMPARED TO THE ONES I READ ABOUT IN THE PAPER, THAT ARE LOSING THOUSANDS TO THE BIG INSURANCE COMPANIES. NEVERTHELESS, IT'S ALL I HAVE. I STARTED HAVING JACKPOT TEAM ROPINGS A FEW YEARS BACK TO MAKE A LITTLE EXTRA MONEY TO HELP PAY MONTANA POWER, TAXES, INSURANCE, + ETC. FOR A WHILE THINGS WERE BREAKING OUT EVEN, THEN THE POWER CO RAISED THEIR RATES. CATTLE PRICES FELL + INTEREST RATES MORE THAN DOUBLED. TEAM ROPERS, (WHICH WERE MOSTLY RANCHERS + FARMERS) COULDN'T EVEN AFFORD A COUPLE OF HOURS ON A SUNDAY AFTERNOON TO JACKPOT. THERE IS NO MONEY. AND IF ONE SMALL RANCHER, LIKE MYSELF, IS HAVING A TOUGH TIME, THEN WHAT IN THE WORLD ARE THE BIG RANCHES DOING.

THIS DEPRESSION WE ARE GOING THROUGH SHOULD NOT BE ALLOWED TO HAPPEN. NOT IN AMERICA, WHERE WE HAVE THE FINEST GOVERNMENT IN THE WORLD. OUR GOVT IS TO PROTECT IT'S PEOPLE. OUR CONSTITUTION WAS FOUNDED ON THAT PURPOSE. THERE IS AN ANSWER, I'M SURE OF THAT. I'M JUST NOT SMART ENOUGH TO KNOW IT. I ONLY KNOW HOW TO WORK HARD LIKE MOST RANCHERS + FARMERS DO. SOMEWHERE, SOMEHOW, YOU FOLKS IN OFFICE MUST HELP US TO KEEP OUR LAND. - Sincerely, *Benji Pugh*

Committee Members:

As I cannot be in Helena in person to speak on behalf of the Ag bill, of Mr. Halt's. I hope you all will give it your serious consideration, and help us Ranchers & Farmers get this bill through. I strongly believe we need this mandatory mediation to minimum pricing for my products of grain as well as livestock. Something has to be done for the Agriculture sector, because if they aren't here & making money they don't buy tractor, truck, cars, other machinery, seed, parts & repairs & etc. which in turn gives other people jobs. And if we aren't buying these things we aren't producing, and it in turn people won't eat if we don't produce.

I am 43 yrs old and have a cattle ranch here plus we do livestock trucking also. The ag related business being in the shape it is in today has sure made a difference in our business. There is not the livestock to haul and a lot of the larger haul loads are going to bigger out of state outfits that come in and cut the price to try to buy going a little longer, but that don't work either for very long. Because when you try to quota below the cost of production it eventually catch up with you. I hope you will support me on these bills.

Lincerely yours
Harry A. Hubert

Mountainview Veterinary Service **HB 11**
Dr. Layne E. Carlson **EXHIBIT #19**
Route 1
Twin Bridges, Montana 59754
(406) 684-5831

March 25, 1986

TO THE MONTANA STATE LEGISLATURE:

I have been a practicing veterinarian for the past seven years. In 1983 I established my own mixed practice in my native Ruby Valley area. Increasingly, I have felt the effects of a depressed agricultural economy on my business. This negative effect has been in primarily three areas:

1. An increased number of delinquent accounts receivable. We estimate our past due accounts have risen approximately 15 percent in the past year.
2. A decrease in the number of clients with livestock. Some of our better ranch accounts have been forced to sell off their cattle or sheep herds due to lack of financing or foreclosure.
3. Clients foresaking good management practices due to poor economic conditions. Many ranchers in this area have been forced to eliminate or drastically cut back on my services in order to make ends meet. Pregnancy testing cows and herd vaccination programs are two examples.

Many of my colleagues practicing across the state have expressed the same negative effects on their own businesses. I urge the legislature to act in a positive way to help Montana's failing agricultural economy.

Thank you.

Sincerely yours,



Layne E. Carlson, DVM

Box 430

Moreover, agricultural products are faced at present of production, creating economic crisis in agriculture and agricultural products (staples) and, therefore, Public Policy determining direction of agricultural products (protecting level of income for agricultural products, growth in agriculture & the nation) and standards, department policy, the export preference have interfered with long term goals of agriculture, causing financial loss & dependence on food programs for survival, & the people involved in agriculture, continue our State legislature for relief of Foreclosure on Farm Land & Improvement, until such time as Fair Value with LABOR & THRESHOLD is established by 1949, see my bill, cast in 1942 to 1952 under the SENATE AGRICULTURE,

<u>Floyd McPhay</u>	Box 430 Longview, Wash.
<u>Joe Peters</u>	Box 42 " " "
<u>Alfred Beckley</u>	717-12th Ave, Wash.
<u>C. J. Gentry</u>	Box 44 2 Emporia, Mo.
<u>Edellene Quigley</u>	Box 4381 Emporia, Mo.
<u>Gray Nichols</u>	Aberdeen, Wash.
<u>Sammy Seward</u>	Box 44c, Simpson St, Hanra, Mt.
<u>Stan Seward</u>	" " " " "
<u>Dan J. La Cava</u>	Imperial, Wash.
<u>Steve Mcintosh</u>	Simpson St, Box 934A, Hanra Mt.
<u>Wally O'Leary</u>	Box 24 Longview, Wash.
<u>Frederick W. McWherter</u>	Box 49 Simpson, Wash.
<u>Michael J. McWherter</u>	Box A-51-B Simpson, Wash.
<u>Paul E. McWherter</u>	Box 51, Simpson, Wash.

PETITION

Whereas, agricultural products are priced at below cost of production, (creating economic chaos in agriculture and agricultural related industries) and whereas, Public Policy determines world pricing of raw agricultural products (creating loss of income for sustained economic growth in agriculture & the nation) and whereas, Government Policy in export preference has interfered with long term goals of agriculture, causing financial loss & dependence on farm programs for survival, we, the People involved in Agriculture, petition our State legislature for relief of Foreclosure on Farm Land & Improvements, until such time as Fair Value with LABOR & INDUSTRY is established by law, as was the case in 1942 to 1952 under the STEGALL AMENDMENT.

<u>George Cremer</u>	<u>931-Bellet Harry Mkt</u>
<u>Donald Bruce Cremer</u>	<u>931-Bellet Harry mkt</u>
<u>G. E. Ayers</u>	<u>1501-Bent 0 Mkt</u>
<u>Ida & John Wolf</u>	<u>20th & Benton Mkt</u>
<u>Donald C. Glass</u>	<u>504-5th St</u>
<u>Donald C. Wolf</u>	<u>Orange & 7th</u>
<u>Walter - Arnold Jaeger</u>	<u>Hawee</u>
<u>Ed. Zimmerman</u>	<u>Bonne Mkt</u>
<u>Eric Sadler</u>	<u>Harlem Mkt</u>
<u>Elmer Sallies</u>	<u>St. Louis Mkt</u>
<u>Marie Hirsch</u>	<u>Haus Ind</u>
<u>Leonard Blakemore</u>	<u>Hause, Ind</u>
<u>Great Grandfather</u>	<u>Hudson Ind</u>
<u>Harold M. Elkins</u>	<u>Opelousas</u>
<u>Healy Birek</u>	<u>Parkland</u>
<u>Albert Naarson</u>	<u>Pudgyard Mkt</u>
<u>Bob S. Turner</u>	<u>59522</u>
<u>Jim Zimmerman</u>	

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Whereas, agricultural products are priced at below cost of production, (creating economic chaos in agriculture and agricultural related industries) and whereas, Public Policy determine: World pricing of raw agricultural products (creating losses of income for sustained economic growth in agriculture & the nation) and whereas, Government Policy in export preference has interfered with long term *Health* of agriculture, (causing financial loss & dependence on farm programs for survival), whereas the People involved in Agriculture, Petition our State Legislature for relief of Foreclosure on Farm Land & Improvements, until such time as Par Value with LABOR & INDUSTRY is established by Law, as was the case in 1942 to 1952 under the STEAGALL AHEADMENT.

Bart Chamberlain	Harlan, Mont
William English	Harlan, Mont
Don Stant	Harlan, MT
Paul Davis	Harlan, MT
Edith Breitner	Harlan, MT
Cottage Hay Ross	Chenow, MT
Colleen Brymmer	Hayden, MT
Joe T. Hall	Stark, MT
John Lee	Harlan, MT
Josephine Gorder	Gallatin, MT
Lydia Lee	Gallatin, MT
Paula Black	Harlan, Mont
John Stant	Harlan, Mont
Grace W. oneself	11
People of Sandpoint	11
John and Alice	11
Levitt & Chamberlain	11

House Bill 11 Amendments

1. Title, line 10.
Strike: "VOLUNTARY"
2. Page 3, line 17.
Strike: "voluntary"
3. Page 5, line 9.
Following: "Section 6."
Strike: remainder of lines 9 through 15 in their entirety.
Insert: "Right to mediation -- notice -- waiver --
conditions of mediation. (1) Except as provided in
subsection (3), no secured creditor may initiate
foreclosure against agricultural property subject to a
mortgage or trust indenture, terminate a contract for
deed to agricultural property, or enforce any judgment,
lien, or security interest against agricultural
property unless a notice of default and intent to
proceed against such secured property is served on the
debtor and a copy is filed with the department.
(2) The notice must inform the debtor that he has
a right to request mediation and that such a request,
to be effective, must be filed in writing with the
department within 14 days after service of notice.
(3) This section does not apply to agricultural
property with a fair market value of less than \$5,000.
(4) A debtor who fails to file a mediation
request as provided in [this act] waives the right to
mediation. Upon such failure, the department shall
file a release order with the creditor allowing the
creditor to proceed against the agricultural property."
Renumber: subsequent subsections
4. Page 6, line 4.
Following: "request"
Strike: remainder of lines 4 through 21 in their entirety.
Insert: "from a qualified debtor, the department shall,
within 14 days, serve notice of mediation on each
creditor indicated in the mediation request and shall
direct a mediator to meet with the debtor and creditors
to arrange for mediation.
Section 7. Stay of action pending mediation. If
a creditor is served with notice of mediation, neither
the creditor nor the creditor's successors in interest
may begin or continue proceedings against agricultural
property subject to mortgage, trust indenture, contract
for deed, judgment, lien, or other security interest
until the department issues a release order to the
creditor. Proof of service of notice of mediation is

effective in any court of this state to obtain a continuance or delay, provided that no delay may be granted that:

(1) causes any right to be lost or adversely affected by any statute of limitation;

(2) substantially diminishes or impairs the value of the contract or obligation of the person against whom relief is sought without reasonable allowance to justify the exercise of police power under [this act]; or

(3) causes irreparable harm or undue hardship to any secured creditor or his successors."

Renumber: subsequent sections

5. Page 7

Following: line 5

Insert: "(i) reduces either the interest obligation or the principal repayment obligation, or both;"

6. Page 7

Following: line 20

Insert: "Section 9. Mediation period. (1) The initial mediation meeting must be held within 15 days of service of the notice of mediation.

(2) The mediator may hold additional mediation meetings for up to 60 days after the initial meeting."

Renumber: subsequent sections

7. Page 8

Strike: lines 7 through 10 in their entirety

Insert: "Section 11. Release order. (1) Upon completion and adoption of a mediation agreement, the department shall issue a release order in accordance with the terms of the mediation agreement.

(2) If after 60 days have elapsed since the initial mediation meeting no mediation agreement has been adopted, the mediator shall issue a release order unless:

(a) the debtor and creditor agree to an extension of the mediation period; or

(b) the creditor has not participated in the mediation meetings.

(3) Any decision of the department or the mediator under [this act] may be appealed to the mediation panel established in [section 12].

Section 12. Mediation panel. (1) The governor shall appoint a mediation panel consisting of three persons, one who is a farmer, one who is a lending officer of a financial institution, and one who is

neither a farmer nor a lender. The panel is attached to the department for administrative purposes.

(2) The mediation panel shall advise the director of the department in the hiring and training of the mediators, in promulgating administrative rules, and in all other matters involving the operation of the mediation program established in [this act]."

Renumber: subsequent sections

8. Page 8

Following: line 23

Insert: "Section 15. Mediation of ongoing proceeding. A debtor whose agricultural property as of [the effective date of this act] is subject to ongoing legal foreclosure or debt enforcement action may, within 20 days after [the effective date of this act], request mediation as provided in [this act]. Such a request is subject to the same conditions and has the same effect as a request filed under [section 6]."

Renumber: subsequent sections

COGHMI/hm/6085a

AMEND SECTION 1:

Purpose. It is the declared purpose of [this act] to establish an emergency program to directly assist individual farmers who are financially distressed by providing them assistance and counseling to manage farm credit problems, to avoid forced liquidation or farm foreclosure, to cope with the financial stress resulting from adverse conditions of agriculture in this state, and to maximize the effectiveness of this program by utilizing peer counselors and cooperating with the private sector.

AMEND SECTION 2 (definitions) TO ADD:

(8) "Peer Counselor" means a person who is or has been involved in production agriculture and who has been trained through the Department and others in financial counseling and mediation/negotiation techniques and who works to aid financially distressed farmers through this program.

AMEND SECTION 4(a) TO ADD AS NEW SECTION (i), RENUMBER SUBSEQUENT SUBSECTIONS:

(i) a network of trained peer counselors who can directly assist financially distressed farmers;

AMEND SECTIONS 4(b):

(b) contract for services with qualified personnel, including peer counselors, farm management specialists, accountants, attorneys, and mental health professionals, to provide the assistance required under [section 3];

AMEND SECTION 4(d)

(d) provide training for peer counselors to assist farmers needing help with farm financial management problems;

ADD SECTION 4(g):

(g) provide peer counselor access to computer and computer programs.

49TH LEGISLATURE, SECOND SPECIAL SESSION

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

MARCH 26, 1986

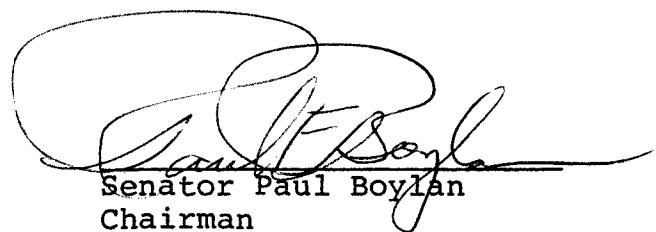
The Agriculture, Livestock and Irrigation Committee was called to order on the above date in Room 415, of the State Capitol Building at 4:20 p.m. by Chairman Paul Boylan.

ROLL CALL: A quorum was present.

CONSIDERATION OF SENATE BILL 7: Senator Galt reminded the committee that this was the Linked Loan Deposit Bill.

DISPOSITION OF SENATE BILL 7: Senator Galt moved SB 7 DO PASS. Motion carried.

ADJOURN: With no further business the meeting was adjourned.



Paul Boylan
Senator Paul Boylan
Chairman

ROLL CALL

AGRICULTURE

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date March

Each day attach to minutes.

STANDING COMMITTEE REPORT

March 26

86

19

MR. PRESIDENT

AGRICULTURE, LIVESTOCK AND IRRIGATION

We, your committee on.....

SENATE BILL

having had under consideration..... No. 7.....

first

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color

AGRICULTURAL PRODUCTION LOAN LINKED DEPOSIT PROGRAM WITHOUT APPROPRIATION

Respectfully report as follows: That..... No. 7.....

SENATE BILL

DO PASS

XXXXXX

SENATOR PAUL BOYLAN,

Chairman.

49TH LEGISLATURE, SECOND SPECIAL SESSION

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

MARCH 27, 1986

The Agriculture, Livestock, and Irrigation Committee was called to order on the above date in Room 415, of the State Capitol Building at 9:00 a.m. by Chairman Paul Boylan.

ROLL CALL: Senator Galt was in Judiciary Committee, all other members of the Committee were present.

CONSIDERATION OF SENATE JOINT RESOLUTION 2: Senator Kolstad, chief sponsor of the resolution, said this bill urged the U.S. Secretary of Agriculture to advance the CCC loans to be effective as soon as possible. It is a hope that he will do this. He called the committee's attention to the paper prepared in the Legislative Council Office explaining the Resolution. Exhibit #1.

PROPONENTS: Senator Ted Newman of Senate District 28, Cascade rose in support of the resolution saying that these commodity credit loans, in order to be arranged, the farmer would have to be participating in the federal crop insurance programs. The loans would be repayable this fall or the grain put on a 9 month period, as with all commodities.

Terry Murphy, Farmers' Union, rose in support of the Resolution.

Bob Stevens, Montana Grain Growers, rose in support.

OPPONENTS: None

QUESTIONS FROM THE COMMITTEE:

Senator Williams asked what the interest rate was. Senator Kolstad answered 7 1/2%; it is variable.

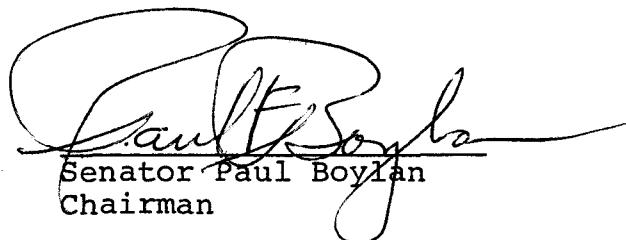
Senator Bengston asked if you could participate if you didn't carry crop insurance. Senator Newman answered that crop insurance is the collateral for the government.

HEARING CLOSED on SJR 2.

Senate Agriculture
March 27, 1986
Page Two

DISPOSITION OF SENATE JOINT RESOLUTION 2: Senator Conover
moved SJR 2 DO PASS. Motion carried unanimously.

ADJOURN: With no further business the meeting was adjourned.



A handwritten signature in black ink, appearing to read "Paul Boylan", is written over a horizontal line. Below the signature, the text "Senator Paul Boylan" and "Chairman" is printed in a smaller, sans-serif font.

Senator Paul Boylan
Chairman

ROLL CALL

AGRICULTURE

COMMITTEE

49th LEGISLATIVE SESSION -- 1986

∴ Date 3/27/86

Each day attach to minutes.

ADVANCE CCC RE COURSE LOAN
AUTHORIZATION

Prepared by Tom Gomez
Staff Researcher
Legislative Council

Under the Food Security Act of 1985, the U.S. Congress has authorized the Secretary of Agriculture to make advance CCC recourse loans available to certain agricultural producers if the Secretary finds that such action is necessary to ensure that adequate operating credit is available to producers.

As stated in recent amendments to the Food Security Act of 1985, P.L. 99-260, it is intended that:

- (1) Advance recourse loans would be made available to producers of certain commodities, including wheat and feed grains;
- (2) Advance recourse loans would be made to producers of a commodity at the applicable nonrecourse loan rate for the commodity in an amount equal to one-half of the farm program yield multiplied by the farm program acreage intended to be planted to the commodity for harvest in the crop year; and
- (3) Advance recourse loans would be subject to a maximum payment of \$ 50,000 for any one producer.

Based upon 1985 CCC program information for program acreage, and assuming certain applicable loan rates and program yields for commodities under the CCC program, the following is an estimate of the amount of advance CCC recourse loan money which Montana agricultural producers would qualify for if the U.S. Secretary of Agriculture makes advance recourse payments as authorized by Congress:

Advance CCC Recourse Loans Authorized (Estimate)

<u>Commodity</u>	<u>Eligible yield</u> (Bushels)	<u>Loan rate</u> (Per bushel)	<u>Loans authorized</u>
Wheat	67,267,060	\$ 2.40	\$ 161,440,944.00
Barley	33,152,957	\$ 1.46	\$ 48,403,317.22
Oats	2,066,064	\$ 0.99	\$ 2,045,403.36
Corn	754,820	\$ 1.92	\$ 1,449,254.40
			<hr/>
		TOTAL:	\$ 213,338,918.98

STANDING COMMITTEE REPORT

March 27

86

19

MR. PRESIDENT

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

having had under consideration..... **SJR** **2** No.

SJR No. 2

No. 2

first reading copy (white)
color

URGING ADVANCE CCC REOURSE LOANS TO MONTANA FARMERS FOR THE
1986 CROP

Respectfully report as follows: That..... **SJR**..... No. **2**.....

SJR No 2

No. 2

DO PASS

EXCELSIOR

RECTOR PAUL MORAN,

.....
Chairman.

49TH LEGISLATURE SECOND SPECIAL SESSION
MINUTES OF THE MEETING
AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
MONTANA STATE SENATE

March 28, 1986

The Agriculture, Livestock and Irrigation Committee meeting was called to order on the above date in room 415 of the State Capitol Building, at 6:00 p.m. by Chairman Boylan.

ROLL CALL: Senator Bengtson excused, all other members present.

CONSIDERATION OF HJR 3: Representative William Glasser, HD 98, Billings, chief sponsor of the Resolution told the Committee that this is an Interim Subcommittee on Agricultural Problems Resolution. He said we are asking Congress and the President not to cause any additional financial impact on agriculture by imposing an excise tax on imported crude. An \$8.00 tax on a barrel of crude oil is equivalent to a 19 cent per gallon increase on the price of diesel fuel or gasoline. This relates to approximately 8 cents increase per bushel of wheat or grain or 3% of the 1986 loan value of wheat. This also holds true with pesticides, herbicides, fertilizers, etc. In the House testimony, the Petroleum Association said they didn't have any problem with this. From their point of view, if an import tax were placed on oil, it would be detrimental to the total American economy. The Montana Auto Association was for it because it will be helpful for the motoring public.

PROPOPNENTS: None.

OPPONENTS: None.

COMMITTEE QUESTIONS: Senator Kolstad added that agriculture uses about 50 million gallons of fuel a year. This adds up to quite a multiple with a few cents increase.

DISPOSITION OF HJR 3: Senator Kolstad moved HJR 3 BE CONCURRED IN. Motion passed unanimously. Senator Neuman will carry the bill on the Senate floor.

CONSIDERATION OF HJR 2: Representative Gay Holliday, HD 31, Roundup, presented the Resolution, on behalf of Representative Asay who had a bill in another committee. She told the Committee that the Resolution came out of the House Ag Interim Committee dealing with problems of agriculture. It was a proposal made by the Committee and agreed to by Representative Asay and Mr. Cadby from the Bankers Association.

PROPOPNENTS: John Cadby, Montana Bankers Association endorsed the Resolution as an effort to try to make more guaranteed funds and interest tie down funds available to farmers and

Senate Agriculture Committee

March 28, 1986

page 2

ranchers through the FmHA program and also encourage the continuance of the SBA program. It attempts to encourage Congress to create a secondary market the banks are not into now. The banks could service farm property and, in turn, sell that to a secondary market like they do home mortgages. They think it will go a long way toward stabalizing farm industry values throughout Montana.

OPPONENTS: None.

COMMITTEE QUESTIONS: Senator Aklestad asked for more clarification on the trading and secondary market for farm real estate. Mr. Cadby answered that presently half your farm real estate is financed by federal land banks, 20% by individuals, and 15% by insurance companies. Banks finance only about 10% of all real estate. The reason is because they won't make long term loans. The Resolution would enable them to do that, and also be good for the home market. The American Bankers and Independent Bankers Association of America have both made similar recommendations to Congress to do this as an effort to help stabalize farm real estate values.

Hearing closed on HJR 2.

DISPOSITION OF HJR 2: Senator Lybeck moved HJR 2 BE CONCURRED IN. Motion carried unanimously. Senator Lybeck will carry the bill on the Senate floor.

RECONSIDERATION OF HB 11: Senator Kolstad felt the bill did pretty much what we wanted it to do without the amendments. He did feel, however, one amendment was very important to the bill. He said there was a very active advocacy group working in the State at this time. On page 2, line 7, of the Statement of Intent, it mentions liability; "all contracts should contain a clause requiring insurance against liability for the negligence of personnel in providing assistance or counseling to financially distressed farmers and ranchers". They checked this out and the liability insurance isn't available to the advocacy people. As he understood it, there aren't any states where they have their advocacy people insured against liability because they aren't considered contracted services. They are just being paid their expenses, not a salary, so they shouldn't be held liable. He would like to add at the end of sentence 10 just before the period, the words ", if available".

He called on Barbara Archer, to comment on this.

Barbara Archer, Coordinator of the Montana Counseling and Advocacy Coalition said when they first started, they looked into liability and found it wasn't available so they just took a chance. They did get some funding through the Montana Association of Churches. When the church executives found

Senate Agriculture Committee

March 28, 1986

page 3

out, and thought of the possibility of liability, they nearly fainted. So they checked with their insurance company and the insurance company said as long as the advocates are volunteers, they can't come back on them with liability suits. Her group has a lot of precautions in the training to keep advocates from being liable. They have checked with other states. This sort of insurance is just not available.

John Cadby, Montana Bankers Association, said they didn't have any objection to the amendment but it would cause the bill to go back to the House for approval. With the lack of time, they were fearful it would not make it back out. He pointed out that the word on line 7 says "in addition all contracts should have liability insurance", it does not say "shall". They don't know whether "if available" makes that any more effective than it is already written. It should preclude the necessity of them obtaining such insurance.

Senator Kolstad agreed and said he hadn't noticed the word "should". He thought that didn't make it mandatory. He asked Dave Cogley, Legislative Council, if that was correct.

Dave Cogley answered that "should" certainly isn't mandatory, and "should" seems to contemplate the situation where insurance is not available.

Senator Kolstad asked if Mrs. Archer agreed with that.

Mrs. Archer agreed, as long as these statements are in the record.

Keith Kelly, Department of Agriculture, said the Department had offered the amendments on page 7, lines 16, 17, and 18, which is the underlined language in the following quote: "An unsecured creditor may participate in mediation between a farmer and secured creditor if each party agrees OR IF THE MEDIATOR DETERMINES THAT AN UNSECURED CREDITOR IS A NECESSARY PARTY TO THE MEDIATION." The Department felt the amendment was necessary to insure all necessary unsecured creditors were represented in the mediation. He stated that Jo Bruner had similar concerns about some unsecured creditors being excluded, and had suggested some different amendatory language to him. The Department thinks her language says the same thing and would like to have it stated in the record that we are saying exactly the same thing. The Department would interpret the language as meaning if either the producer or the lender protests the participation with the unsecured creditor in the mediation, the mediator will determine if the unsecured creditor is a necessary party in the mediation. We think it says the very same thing and agree we both want the same thing. We thought our amendments did it. If you interpret the law, that is exactly the way he read the last one.

Senate Agriculture Committee

March 28, 1986

page 4

Senator Boylan asked Dave Cogley what he thought about that. Mr. Cogley said it was fine.

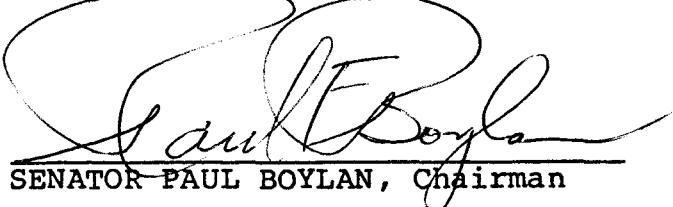
Senator Williams asked Mr. Cogley if this bill would in any way make the State liable. Mr. Cogley said that was a complicated question. You have to look at what actions are involved in this bill that might expose the Senate to liability. As long as the services that are going to be provided under the bill are contracted services, there are ways, and the Statement of Intent addresses them, of defining the method of delivering those services that will help to insulate the State from liability. He said he was not going to say that the State is not going to be exposed to liability under this bill because, given the state of our law at this time, concerning liability, he didn't think anyone could answer that confidently. He thought the bill went as far as it could to shield the State from liability for this kind of program. He didn't think there was a great risk of exposure from a bill of this kind.

DISPOSITION OF HB 11: Senator Kolstad moved HB 11 BE CONCURRED IN.

Senator Aklestad had a concern with the bill. He hoped the agriculture problems could be worked through the existing people and through the mental health programs so there would be help for the people who feel they need help. He was concerned over the liability which the staff attorney alluded to. More than that, the Department Director, during the hearing stated he was fearful the State would be liable. When the Department said they would like sovereign immunity, he thought that indicated they are very fearful of liability. If, for no other reason, Senator Aklestad thought we should be very careful about this bill. For those reasons he could not support the bill.

Senator Boylan called for a roll call vote; 9 Senators voted yes, 1 no, 1 excused. See attached exhibits. Motion carried. Senator Neuman will carry the bill on the Senate floor.

There being no further business, the meeting adjourned.



SENATOR PAUL BOYLAN, Chairman

6:00 pm
on Adjournment

ROLL CALL

AGRICULTURE

COMMITTEE

49th LEGISLATIVE SESSION -- 1986

∴ Date 3/28/86

Each day attach to minutes.

DATE

DATE March 28, 1986

COMMITTEE ON

VISITORS' REGISTER

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE, LIVESTOCK AND IRRIGATION

Date March 28, 1986 HOUSE Bill No. 11 Time 6:20 p.m.

NAME	YES	NO
SENATOR AKLESTAD		✓
SENATOR BENGTON	excused	
SENATOR GALT	✓	
SENATOR HAMMOND	✓	
SENATOR KOLSTAD	✓	
SENATOR LANE	✓	
SENATOR LYBECK	✓	
SENATOR SEVERSON	✓	
SENATOR WILLIAMS	✓	
SENATOR CONOVER, Vice Chairman	✓	
SENATOR BOYLAN Chairman	✓	
	9 Yes	1 No

Rita Tenneson
Secretary

SENATOR PAUL BOYLAN
Chairman

Motion: HOUSE BILL 11 BE CONCURRED IN.

STANDING COMMITTEE REPORT

March 28, 1986

MR. PRESIDENT

We, your committee on **AGRICULTURE, LIVESTOCK AND IRRIGATION**
having had under consideration..... **House Joint Resolution** No. **3**

blue reading copy (third)
color

Glaser (Neuman)

AGAINST IMPOSITION OF CONGRESSIONAL EXCISE TAX ON IMPORTED CRUDE OIL

Respectfully report as follows: That..... **House Joint Resolution** No. **3**

RE CONCURRED IN

RECD

RECD

..... **Senator Paul Boylan,** Chairman.

STANDING COMMITTEE REPORT

MARCH 28, 1946

MR. PRESIDENT

We, your committee on **AGRICULTURE, LIVESTOCK AND IRRIGATION**,
having had under consideration **HOUSE JOINT RESOLUTION** No. 2

THIRD reading copy (**BLUE**)
color

URGING CONGRESS TO ENACT CERTAIN AGRICULTURAL FINANCIAL AID

ASAY **(LYBECK)**

Respectfully report as follows: That **HOUSE JOINT RESOLUTION** No. 2

~~XXXXXX~~

~~XXXXXX~~ **BE CONCURRED IN**

SENATOR PAUL BOYLAN

Chairman.

STANDING COMMITTEE REPORT

MARCH 28

1986

MR. PRESIDENT

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

having had under consideration..... **HOUSE BILL**..... No. **11**.....

third reading copy (blue)
color

Holliday (Neuman)

AG COUNSELING PROGRAM

Respectfully report as follows: That..... **HOUSE BILL**..... No. **11**.....

BE CONCURRED IN

XXXXXX

XXXXXX

SENATOR PAUL BOYLAN

Chairman.