

MINUTES OF THE MEETING  
AGRICULTURE COMMITTEE  
SECOND SPECIAL 49th LEGISLATIVE SESSION  
HOUSE OF REPRESENTATIVES

March 27, 1986

The meeting of the Agriculture Committee was called to order by Chairman James Schultz on March 27, 1986, at 1:00 p.m. in Room 325 of the State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 20: Representative Bob Marks, District 75, chief sponsor of the bill, stated that the established state government agency of the Extension Service would use their networks to concentrate on the high priority needs of Montana's farming industry. The bill will establish farm management and counseling service programs to assist financially distressed farmers and ranchers by creating a committee within the Cooperative Extension Service. Marks pointed out that many of these farmers and ranchers have been working with the Extension Service and they have built a trust rapport. He stated that the bill also addresses the coordination of mental health counseling, and urged attention be directed to high priority agricultural needs.

PROPOSERS: John Cadby, representing the Montana Bankers Association, supports HB 20, indicating that it is in the interest of the Montana taxpayers to pursue a method that provides the least possible expense, and also indicating that the Extension Service is capable of providing strong, experienced support.

Steve Waldron, representing the Montana Mental Health Services, indicated that he held a neutral position on HB 20. He addressed the funding issue, and questioned the expense of a toll-free hotline, and committee reimbursement expenses. Explaining that the mental health services are private, non-profit corporations, he questioned the state's ability to dictate their priority programs. The top priority of SRS is the chronically mentally ill-1,100 clients. Mental health services are willing to work with the agricultural communities, but question reallocated funds, or denied services based on new priorities.

Rep. Dean Switzer, District No. 28, wished to be acknowledged as a proponent.

OPPOSERS: Gordon Morris, Executive Director of the Montana Association of Counties, stressed the potential fiscal impact on Montana counties from the standpoint of the added respon-

sibilities designated to the county extension agents. Morris acknowledged that HB 11 incorporates \$650,000 in funds and that his association prefers HB11 over HB 20. He added that the county commissioners of Montana share the concern for the distressed farmers and ranchers and sympathize with the agricultural economic problems.

Douglas Allen, Chairman of the Montana's Peoples Action, stated that HB20 does not meet the needs of the Montana agriculture industry as well as does HB11. He pointed out that agriculture is the foundation of this state's and nation's wealth, and if we spend a few dollars towards the agricultural interests, it will come back, but if the farmers and ranchers fail, we run the risk of depleting the nation's supply of food.

Dr. Carl J. Hoffman, Vice-President for Montana Cooperative Extension Service, expressed concern for HB 20, but stated that the Extension Service supports the need for confidential farm management and mental health counseling. He questioned the Extension's ability to provide such services due to the shortage of funds and staff members.

Bill Nelson, Northern Plains Research Council, opposes HB 20 and stated that the designated Extension Service is not funded to fulfill the responsibilities expected by this bill.

Edford Hershee, President of Montana's People Action, opposes HB 20 because the Extension Agency is not staffed or equipped to accomplish the needs of the Agricultural community in such a way that HB 20 designates.

Susie Tilton Chivaro, representing Montana Farm Counseling and Advocacy, opposes HB 20 because it would strike the existing advocacy program, and she feels that adequate peer counseling would not be available.

Nancy Collins, Co-chairman of Women's Lobbyist Fund, expressed her opposition to HB 20 in stating that the funding outlined in the amended HB 11 is a better approach to the needs of the farmers in crisis.

There being no further proponents or opponents to HB 20, Chairman Schultz closed this portion of the Agriculture hearing.

QUESTIONS ON HB 20: Rep. Ellerd asked Dr. Hoffman, if the Extension Service was properly funded, could the program be handled. Hoffman said that there was a role for a number of agencies, but it just was not in the cards.

HOUSE AGRICULTURE COMMITTEE

March 27, 1986

Page 3

Rep. Rapp Svrcek asked Rep. Marks about the cost of implementing HB 20. Rep. Marks replied that overall it would be less expensive to implement the established Extension network. Working with the advisory committee of the Experiment Station and the Extension Service, and the House Agriculture staff researcher, Marks expressed his efforts to keep informed of the needs of Montana's agricultural industry.

Rep. Devlin addressed Mr. Verschoot, MRA Montana Political Action, and asked if the county agents supported HB 20 and the funding of the advocacy program. Verschoot said that they were absolutely opposed because they were not qualified for this type of work. Rep. Devlin asked Morris if the Extension Agents altered their priority, would there be any more cost to the county. Morris said that to add this on top of the current work program, there would be added expense, but if you used the same individuals, decisions of priorities would have to be made, and other issues would have to be sacrificed.

Rep. Marks was asked by Rep. Jenkins whether he saw any obstacle in this bill to prevent volunteer groups from offering their services and remaining effective in their services. He saw no obstacle. Morris responded to the question by saying that the extension service incorporates such services at the present time, but they express concerns about capabilities and liabilities. He further explained that the extension service points out different options; they do not tell the farmer what to do.

Rep. Cody addressed the issue of property tax, and asked Rep. Marks about the added expense of more property tax being assessed as described on Page 6, Sec.9, Lines 21-25. He answered that it is an option; each county may individually address the problem of value and not necessarily the state.

Rep. Ellerd asked Dr. Carl Hoffman if every FTE had to have expertise in every field, noting that you must address the production of the FTE. Dr. Hoffman replied that the Extension Service would rely on the expertise of their specialists.

There being no further proponents or opponents, Rep. Marks closed on the discussion by saying that there may be some grant money available, and hopefully the farming community can benefit. He also stated that the counseling will be made available to everyone, but that emphasis would be placed on those of greatest need.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 3: Representative Glaser, District No. 98, Chief Sponsor of the Resolution, stated that the State of Montana is requesting the United States Congress to not impose an excise tax on imported crude oil. This would further impact Montana's financially stricken agricultural economy. Rep. Glaser reported that estimates by the petroleum industry reflects \$8.00 on a barrel of crude oil is the equivalent of a \$.19 per gallon increase in the price of diesel fuel or gasoline. This is approximately \$.08 per bushel in the cost of producing wheat, or three percent of the loan value of wheat. Rep. Glaser urged consideration of HJR 3.

PROPOSERS: Larry Tobiason, President of the Montana Auto Association, wished to go on record in support of HJR 3.

Terry Murphy, President of Montana Farmer's Union, offered support for HJR 3. He stated that the National Farmer's Union also developed a policy position identical in nature.

DISCUSSION ON HOUSE JOINT RESOLUTION NO. 3: There was no discussion on HJR 3.

At this time the Agriculture committee adjourned to room 317.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 2: Rep. Asay, District No. 27, Chief Sponsor of HJR 2, stated the intent of this resolution was to urge the United States Congress to enact temporary legislation to aid agricultural borrowers and lenders during the current financial crisis in Montana agriculture and to request Congress to expand the Farmers Home Administration loan guarantee and interest rate buydown programs. It also asks to preserve the Small Business Administration guarantee loan program for businesses in rural farm communities, and to create a secondary market for farm real estate to stabilize land values. Rep. Asay urged passage of HJR 2.

PROPOSERS: John Cadby, representing the Montana Bankers Association, offered support of HJR 2. He stated that this will help the local commercial banks to become involved further with farm real estate, and help out its Ag customers.

There being no further proponents and no opponents, Rep. Asay made closing statements, saying it is very critical that every option of credit be made available to the farming and ranching industry.

QUESTIONS ON HOUSE JOINT RESOLUTION NO. 2: Rep. Cody asked Cadby about the time process on the Farm Home Administration loan, particularly the guarantee program. Rep. Cadby explained that the delay in processing FmHA loans was a concern, due to their lack of clerical help. Some were delayed since last November.

EXECUTIVE SESSION

Chairman Schultz called the committee into Executive Session at this time. The first bill placed before the committee was HJR 3. Rep. Koehnke made a motion that HJR 3 DO PASS, the motion was seconded by Rep. Patterson, and passed unanimously. The next bill to be acted on was HJR 2. Rep. Jenkins moved that HJR 2 DO PASS. Rep. Comptom seconded the motion, which passed unanimously.

The Chairman allowed questions by the committee on SB 7 before action was taken.

DISPOSITION OF SENATE BILL NO 7: Rep. Ellison moved that the Cobb Amendment be accepted for inclusion in SB 7, Rep. Holliday seconded the motion, the motion passed unanimously. (Ex. 2)

QUESTIONS ON SENATE BILL NO. 7: Dave Cogley, attorney, was questioned concerning the definition of fraud. He explained that fraud consists of certain elements and if all those elements exist in the incident, then that person would be charged with fraud under the criminal statutes. It would be a misdemeanor until determined fraud.

Rep. Jenkins questioned the two percent bank interest. Keith Kelly explained that the amount was determined through testimony offered by the financial institutions in regards to the economic development board. He explained that when the board was set up two sessions ago, there was a two percent add-on involved and that is where the figure came from.

Cadby was asked to define actual costs concerning the two percent projected figure. He explained that there is such a range in each individual institution, and that a great many of these institutions operated at a loss. He thought that the two percent was adequate because these loans were SBA guaranteed; although the banks would like a higher margin of operation to provide a higher spread to work with. A borrower might be able to cash flow at two percent, but might not be able to cash flow at three percent.

DISPOSITION OF SENATE BILL NO. 7: A motion was called for by Rep. Rapp-Avrcek who moved Senate Bill 7 BE CONCURRED IN AS AMENDED. Rep. Stang seconded the motion which passed unanimously.

DISPOSITION OF HOUSE BILL NO. 11: Rep. Holliday made a motion to DO PASS HB 11. The motion carried unanimously. HB 11, an Appropriation Committee bill was discussed in the House Agriculture committee and the following discussion and action was taken.

Rep. Ellerd made a motion that all the Department of Agriculture amendments, with the exception of amendment No. 12, be accepted. Rep. Patterson seconded the motion. The Motion Carried unanimously. See exhibit A.

The Statement of Intent was then considered. Rep. Ellison moved that the Statement of Intent be approved. The motion was seconded by Rep. Switzer and PASSED unanimously. See exhibit B.

Rep. Bardanoue was present at this committee meeting to receive the recommendations of the Agriculture Committee.

At this time, Chairman Schultz called for a roll call vote on these amendments. Rep. Rapp-Svrcek moved that the Kolstad amendments be adopted. The motion was seconded by Rep. Cody, and the motion failed on a vote of 8 ayes to 9 nays. See attached roll call vote.

At this time, Rep. Schultz, Chairman, further questioned the witnesses concerning HB 11.

Chairman Schultz asked Keith Kelly if he supported the right to mediation vs. the voluntary offer to mediate. He strongly supported the voluntary offer because of the monetary liability impact; the \$100,000 appropriated money would not even begin to cover the expense.

Cadby was asked the bankers' view of mediation. He stated that the right to provision prevents any lender from initiating legal action until the mediation process is completed, which could take 30 to 60 days. He explained the way the bill was presently written, it addresses one creditor where in most cases the farmer or rancher has a dozen or more creditors. If each creditor has the right to mediate for 30 to 60 days, you are looking at a one or two year moratorium on foreclosure proceedings. Both the creditor and the farmer are prohibited from taking any further legal action in the court concerning the farmer's indebtedness until the mediator has a signed release order. If one creditor is bound by this agreement, their hands are tied. The problem is that you are tying one creditor's hands and releasing the others to take the necessary action to recover what is owed.

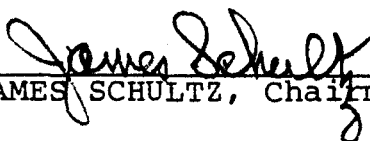
Cadby stated there is not a whole harmless clause in the right to mediate, and you are trying to hold the state harmless from liability, but you don't attempt in these amendments to hold either the farmer or the lender from liability from suits that one may bring against the other as a result of mediation. Our fear is since it is mandatory, you are driving a wedge between the lender and the borrower and creating an animosity that may not have existed before that current time. The Farmers Home Administration has allowed five years to go by without any payment on the principal or on the interest. Most of these folks are having their problems with the farm credit system; all are federal agencies, none of which would be obligated to comply with the law if passed.

Rep. Holliday moved HB 11 DO PASS AS AMENDED with the STATEMENT OF INTENT. Rep. Ellison seconded the motion which PASSED unanimously. This recommendation was duly made to the House Appropriations committee chairman, Francis Bardanoue.

DISPOSITION OF HOUSE BILL 20: Rep. Ellerd made a motion to amend HB 20 by removing Section 10, Rep. Switzer seconded and the motion FAILED upon a voice vote with Reps. Ellerd and Switzer voting yes.

Rep. Devlin moved to table HB 20. Rep Rapp-Svrcek seconded the motion and the bill was TABLED. The vote was unanimous.

ADJOURN: There being no further business before the Agriculture committee, the meeting was adjourned.

  
\_\_\_\_\_  
JAMES SCHULTZ, Chairman

## DAILY ROLL CALL

AGRICULTURE

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date

March 27, 1986

NAME	PRESENT	ABSENT	EXCUSED
SCHULTZ, JAMES, CHAIRMAN	✓		
HOLLIDAY, GAY, VICE CHAIRMAN	✓		
BACHINI, BOB	✓		
CODY, DOROTHY	✓		
COMPTON, DUANE	✓		
DEVLIN, GERRY	✓		
ELLERD, ROBERT	✓		
ELLISON, ORVAL	✓		
STANG. BARRY	✓		
HOWE, RAMONA	✓		
JENKINS, LOREN	✓		
KELLER, VERNON	✓		
KOEHNKE, FRANCIS	✓		
PATTERSON, JOHN	✓		
POFF, BING	✓		
RAPP_SVRCEK, PAUL	✓		
SPAETH, GARY		<del>###</del>	✓
SWITZER, DEAN	✓		



# STANDING COMMITTEE REPORT

**Agriculture** March 27, 1986 19

Mr. Speaker: We, the committee on \_\_\_\_\_  
report **HOUSE JOINT RESOLUTION NO. 3**

- |   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> do pass | <input type="checkbox"/> be concurred in     | <input type="checkbox"/> as amended                   |
| <input type="checkbox"/> do not pass        | <input type="checkbox"/> be not concurred in | <input type="checkbox"/> statement of intent attached |

**Rep. James Schultz**

Chairman

**REQUESTING THE UNITED STATES CONGRESS NOT TO IMPOSE AN EXCISE  
TAX ON IMPORTED CRUDE OIL**

# STANDING COMMITTEE REPORT

March 27, 1986

19

Agriculture

Mr. Speaker: We, the committee on

report **House Joint Resolution 2**

☒ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☐ as amended  
☐ statement of intent attached

Chairman

Rep. Jim Schultz

**Urging that The United States Congress Enact Temporary Legislation  
To Aid Agricultural Borrowers and Lenders**

**FIRST**

**WHITE**

reading copy ( )  
color

# STANDING COMMITTEE REPORT

March 27, 1986

Agriculture

19

Mr. Speaker: We, the committee on  
**Senate Bill 7**  
report

☐ do pass  
☐ do not pass

☐ be concurred in  
☐ be not concurred in

☒ as amended  
☐ statement of intent attached

James Schultz

Chairman

## BE AMENDED AS FOLLOWS:

1) Page 4, line 22

Following: "deposit"

Insert: ", and ratio of total financial liabilities  
to total assets of each borrower"

Third

Blue

reading copy ( )  
color

# ROLL CALL VOTE

AGRICULTURE

COMMITTEE

DATE

3/27/86

BILL NO.

NO HB 11

NUMBER

NAME	AYE	NAY
SCHULTZ, JAMES, CHAIRMAN		✓
HOLLIDAY, GAY, VICE CHAIRMAN	✓	
BACHINI, BOB	✓	
CODY, DOROTHY	✓	
COMPTON, DUANE		✓
DEVLIN, GERRY		✓
ELLERD, ROBERT		✓
ELLISON, ORVAL		✓
STANG, BARRY	✓	
HOWE, RAMONA	✓	
JENKINS, LOREN		✓
KELLER, VERNON		✓
KOEHNKE, FRANCIS	✓	
PATTERSON, JOHN		✓
POFF, BING	✓	
RAPP-SVRCEK, PAUL	✓	
SPAETH, GARY		
SWITZER, DEAN		✓

TALLY

8

9

MARY FLORENCE ROOT

Secretary

JAMES SCHULTZ

Chairman

(See Ex. 1)

MOTION: Rep. Rapp-Svrcek motion to adopt Kolstad amendments

Motion seconded by Rep. Cody.

MOTION FAILED 8-9

# *Latest Amendment - Exhibit 1*

## AMENDMENTS TO HOUSE BILL 11

- 1) Page 1, line 23.  
Following: "state"  
Insert: " and to maximize the effectiveness of this program by utilizing peer counselors, and cooperating with the private sector."
- 2) Page 2, line 20.  
Following: line 19  
Insert: "(6) "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."  
Renumber: subsequent subsections
- 3) Page 4, line 4.  
Following: line 3  
Insert: "a network of trained peer counselors who can directly assist financially distressed farmers;"  
Renumber: subsequent subsections
- 4) Page 4, line 12.  
Following: "including"  
Strike: "financial"  
Insert: "peer"
- 5) Page 4, line 18.  
Following: "persons"  
Insert: ", including peer counselors,"

Rapp's

AMENDMENTS TO HOUSE BILL 11

- 1) Title, line 10.  
Following: line 9  
Strike: "VOLUNTARY"
- 2) Page 2, line 18.  
Following: "section"  
Strike: "7"  
Insert: "11"
- 3) Page 5, lines 9 and 10.  
Following: "Section 6."  
Strike: "Voluntary"  
Insert: "Right to"  
Following: "procedure"  
Strike: remainder of line 9 through "requests" on  
line 10
- 4) Page 5, line 16.  
Following: (2)  
Strike: "In filing a mediation request, the farmer  
shall"  
Insert: "A properly completed mediation request form  
must"
- 5) Page 5, line 18.  
Following: "address"  
Insert: "the farmer and"
- 6) Page 6, line 5.  
Following: "request"  
Strike: "and may direct"  
Insert: " . The department shall serve a notice of  
mediation on the farmer and each creditor named in the  
request for mediation. After serving such notice, the  
department shall appoint"
- 7) Page 6, lines 9 through 21.  
Strike: subsections 5 and 6 in their entirety  
Insert: "Section 7. Effect of mediation notice - stay  
of action. (1) Upon service of a notice of mediation,  
neither the farmer nor the creditor may take any further  
legal action in court concerning the farmer's indebtedness  
to that creditor until the mediator has signed a release  
order as provided for in [section 8]. Such release order is  
final and is not subject to an appeal."

(2) Proof of service of a notice of mediation is effective in any court in this state to obtain a continuance or delay, except that such delay may not cause any person to lose any legal rights, and all applicable statutes of limitations must toll.

Section 8. Mediation - good faith requirement - release order. (1) The department shall commence mediation within 14 days following service of a notice of mediation.

(2) If the farmer and creditor have acted in good faith to mediate, the mediator shall sign a release order after 45 calendar days have elapsed following commencement of mediation. However, the mediator, in his discretion, may declare that either party has failed to act in good faith during mediation and may extend the 45 day period accordingly, provided that the mediator notifies the farmer and creditor that days have been lost because either party has failed to act in good faith as provided in [section 9].

(3) Once the 45 day period provided for in [ subsection 2 ] has ended, no mediation may continue beyond 10 days if either the farmer or creditor serves notice that further mediation would not be effective.

Section 9. Obligation of good faith. (1) A farmer and creditor who are parties to mediation under [ section 6 ], must act in good faith with respect to mediation. A farmer or creditor does not act in good faith if he:

(a) fails on a regular or continuing basis to attend and participate in mediation sessions without good cause;

(b) does not provide full information regarding his financial obligations to other parties;

(c) fails to designate a representative to participate in the mediation with adequate authority to fully settle, compromise, or otherwise mediate the matter; or

(d) demonstrates other similar behavior which evidences lack of good faith to mediate.

(2) A failure to reduce, restructure, refinance, or forgive debt does not, in itself, evidence lack of good faith by the creditor.

Section 10. Notice of right to mediation required - exceptions. (1) Except as provided in subsection (2), no secured creditor may initiate a foreclosure action on agricultural property subject to a mortgage or trust indenture unless he has provided the farmer notice of his right to mediation as provided for in [ section 6 ].

(2) This section does not apply to agricultural property with a fair market value of less than \$5,000.

Renumber: subsequent sections

8) Page 8, lines 7 through 10.  
Strike: section 9 in its entirety  
Renumber: subsequent sections



Mary Florence

Exhibit #2

POSSIBLE AMENDMENT TO SB 7

John Cobb  
House District 42

page 4, line 16  
after "deposit"  
strike "period"

insert:       ", and ratio of total financial liabilities to total  
                  assets."

why?

This amendment allows Legislature immediate feedback as to where loans are going as to terms of debt/asset ratio. Right now loans go to debt/asset ratios of over 30%. We hope that the money goes to those in serious problems who cannot get a operating loan. By knowing debt/asset ratio it gives Legislature an idea of who gets the loan and if there is a relationship to the loan and how much trouble these people are in.

It also gives the board an idea where the loans are going and helps them to direct loans to persons in more need than others. The loan applications all say they are in need. However, for instance, if there are too many loans to give out, the Board needs to know some more detail in order to give them out instead of giving them out on a first come- first out basis. We would hope that as the loans come in- for instance if there are loans that have only a debt/asset ratio of 30% and many at 60%, that the Board would help those in a larger debt/asset ratio if the Bank is willing to help those.

We can also find out who the banks are really helping. A debt/asset ratio does not give us all the information to base on who needs the money, but it at least helps us track the loans. The board still decides who gets the loan. But if the banks send to the Board mostly 30% debt/asset ratio applications and not 70% debt/ asset ratio loans, this will tell the Legislature quite a bit.

You may also ask the counsel of your staff if the board must give you this information when you request it.

By June when we meet again, we will not only know if the loans are being loaned but also an idea of to just who it is being loaned to as to debt/asset ratio. I believe it is the intent of the Leg. to help those in higher debt ratios than others if the banks are willing to take a chance on them.

Ex. A  
(Contains Dept. of Ag Amend-  
ments)

March 26, 1986

House Bill 11

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

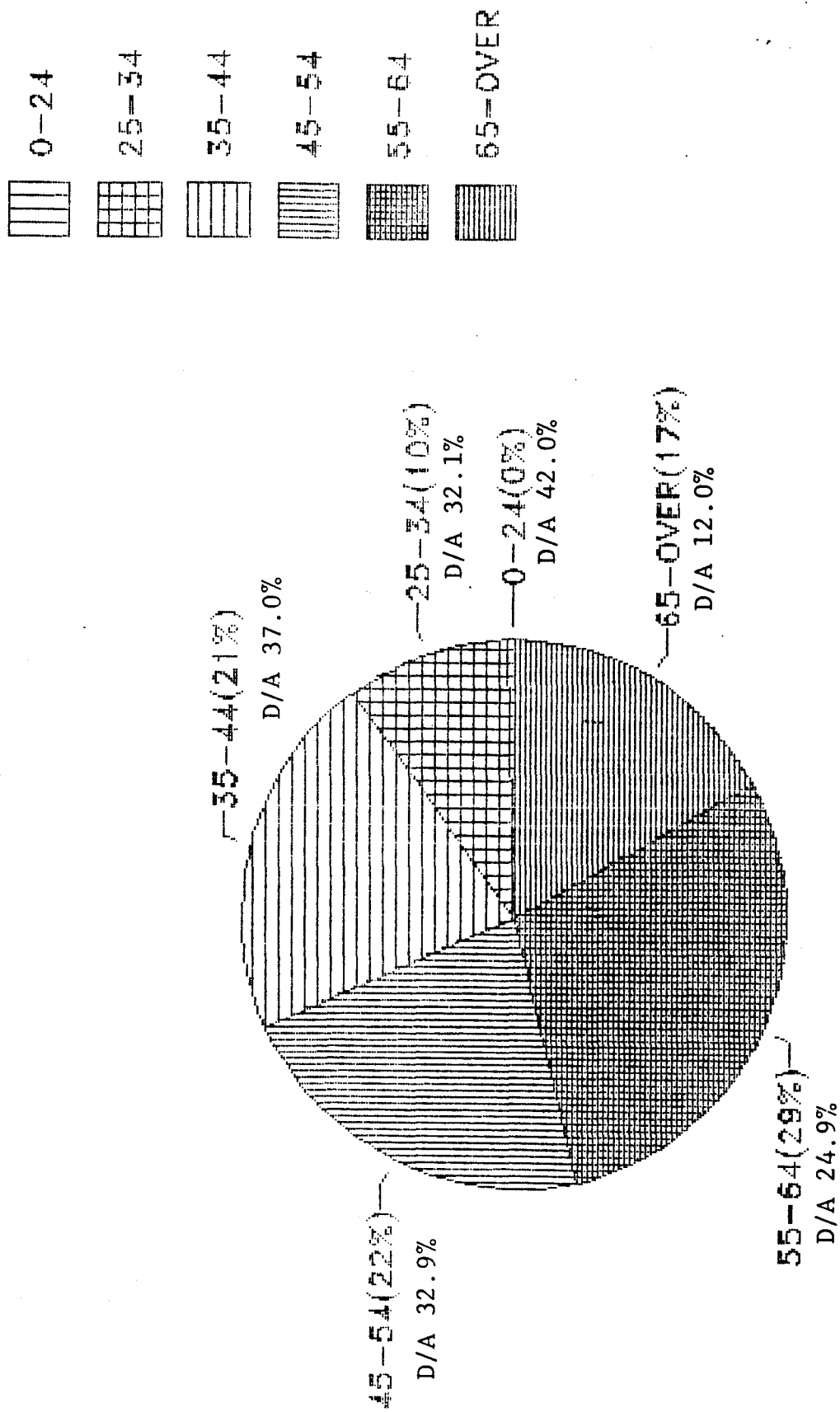
House Agriculture Committee  
Senate Agriculture Committee  
Appropriations Committee

Presented by

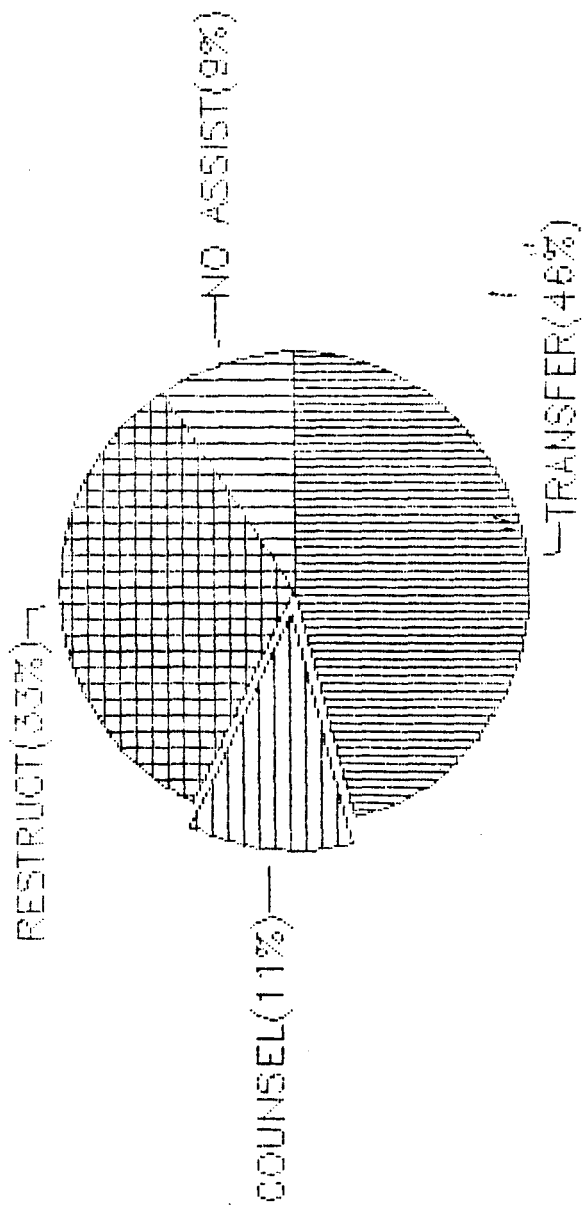
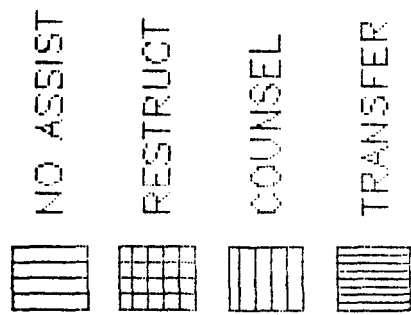
Keith Kelly  
Director  
Montana Department of Agriculture

# MONTANA DEBT/ASSET RATIO BY AGE

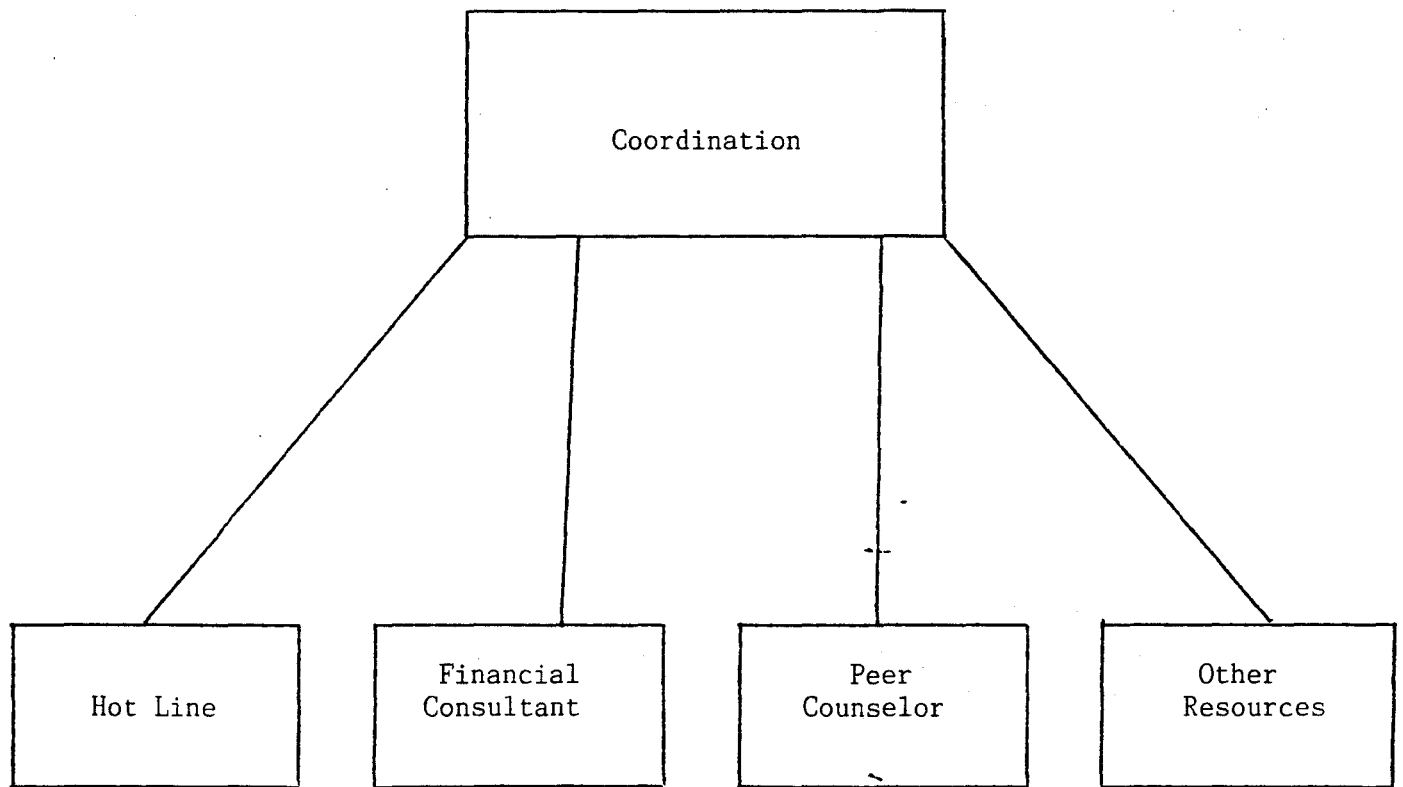
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# TARGET GROUP NEEDS



# Agricultural Assistance/Counseling Program



i.e.  
Training  
Legal  
Community Services  
Mental Health

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: ~~counseling~~  
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, it's 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.



## STATEMENT OF INTENT

( LC 7 )

A statement of intent is required for this bill because it contains a delegation of authority to allow the department of agriculture to adopt rules necessary for the administration of an agricultural assistance and counseling program.

It is the intent of the legislature that the department of agriculture establish an emergency program fulfilling the purpose stated in section 1. Under such program, the department must provide to financially distressed farmers and ranchers the types of assistance enumerated in section 3.

To the best extent possible, the department should first utilize the available services of the cooperative extension service, state agencies, private businesses, professional organizations, volunteer groups, and other persons having knowledge and experience in providing the type of assistance and counseling required by this bill. The cooperative extension service and other state agencies should cooperate with the department of agriculture in providing needed services.

In contracting for services mandated in section 3, the department should ensure that contracted personnel are properly qualified and trained to provide assistance. Moreover, the department should establish a procedure to monitor the delivery of services and to guarantee the proper expenditure of public funds.

All contracts for services should be issued on a fair and impartial basis. In addition, 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.

In devising an agricultural assistance and counseling program, the department should examine the various financial counseling, debt mediation, and other programs established in many states to aid agricultural producers who are in serious financial trouble. Specifically, the department should consider the success of similar programs in North Dakota, South Dakota, Iowa, Illinois, Minnesota, Missouri, and Kansas.

Amendments to House Bill 11

- 1) Title, line 9.  
Following: line 8  
Strike: "COUNSELING,"  
Insert: "AND"  
Following: "MANAGEMENT"  
Strike: "TRAINING"  
Insert: "CONSULTING"  
Following: "LEGAL"  
Insert: "INFORMATION"
- 2) Page 1, line 21.  
Following: "avoid"  
Insert: "or mitigate"
- 3) Page 1, line 23.  
Following: "state."  
Insert: "It is a goal of this program to maximize  
program effectiveness by utilizing peer counselors and by  
cooperating with the private sector."
- 4) Page 2, line 20.  
Following: line 19  
Insert: "(6) "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 or negotiation techniques and who  
works to aid financially distressed farmers through this  
program."  
Renummer: Subsequent subsections
- 5) Page 3, line 1.  
Following: "with a"  
Insert: "statutory"  
Following: "or"  
Insert: "a perfected "
- 6) Page 3, line 6.  
Following: "without"  
Insert: "a perfected"  
Following: "security"  
Insert: "interest"
- 7) Page 3, line 14.  
Following: "financial"  
Strike: "counseling"  
Insert: "consulting"
- 8) Page 3, line 15.  
Following: "management"  
Strike: "training"  
Insert: "consulting"

- 9) Page 3, line 16.  
Following: "legal"  
Insert: "information"
- 10) Page 4, line 1.  
Insert: "(i) a network of trained peer counselors who  
can directly assist financially distressed farmers;"  
Renumber: Subsequent subsections
- 11) Page 4, line 1.  
Following: "service"  
Insert: "and the college of agriculture"
- 12) Page 4, line 3.  
Following: "state"  
Insert: "or federal"
- 13) Page 4, line 4.  
Following: "corporations"  
Insert: ", the university of Montana law school,"
- 14) Page 4, line 12.  
Following: "including"  
Strike: "financial"  
Insert: "peer"
- 15) Page 4, line 15.  
Following: "coordinator"  
Insert: "and necessary staff"
- 16) Page 4, line 18.  
Following: "persons"  
Insert: ", including peer counselors,"
- 17) Page 5, lines 11 and 12.  
Following: line 10  
Strike: "imminent"  
Following: "foreclosure" on line 11  
Strike: ", or who has received a notice of  
foreclosure,"

- 18) Page 5, line 16.  
Following: "filing"  
Insert: "or responding to"
- 19) Page 5, line 22.  
Following: " ; "  
Strike: "and"
- 20) Page 5, line 23.  
Following: line 22  
Insert: (d) any financial statements and pro forma cash flow statements, including those related to any nonfarm activities; and"  
Renumber: subsequent subsection
- 21) Page 5, line 25.  
Following: line 24  
Insert: " (3) In filing or responding to a mediation request, a secured creditor shall provide:  
(a) information pertaining to the basis of the credit determination;  
(b) financial statements and pro forma cash flow statements on the respective farmer;  
(c) statements regarding the status of the farmer's loan performance;  
(d) the name and title of the representative of the creditor authorized to enter into a binding mediation agreement; and  
(e) any additional information the department may require.  
Renumber: Subsequent subsections
- 22) Page 5, line 25.  
Following: "farmer"  
Strike: "requesting"  
Insert: "or secured creditor who agrees to participate in"
- 23) Page 6, lines 4 and 5.  
Following: "department"  
Strike: "or its agent shall evaluate each request and may"  
Insert: "shall"
- 24) Page 6, line 9.  
Strike: (6)  
Insert: (7)

25) Page 6, line 8.

Following: "agrees"

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

26) Page 8, line 24.

Following: line 23

Insert: "Section 12. Waiver of immunity. All parties who voluntarily enter into the mediation process as described in [ this act ] shall waive their right to take civil action against the state of Montana and its designated mediator and thereby release the state and its designated mediator from civil liability for actions occurring within the scope of the mediation services.

Section 13. Severability. If a part of this act is invalid, all parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid application."

Renumber: Subsequent sections



JUDY RIPPINGALE  
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA  
*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/449-2986

March 26, 1986

Representative Robert Marks  
House Republican Leader  
House of Representatives  
State Capitol Building  
Helena, MT 59620

Dear Representative Marks:

In response to your request, attached is a report showing services which are available for assistance to those persons engaged in agricultural business who are suffering financial stress because of poor economic conditions in agriculture. This report covers the following agencies:

1. Cooperative Extension Service
2. Department of Commerce
3. Community Mental Health Centers
4. Department of Agriculture and Livestock

If we can be of further assistance please let us know.

Sincerely,

A handwritten signature in dark ink, appearing to read "James Haubein".  
James Haubein  
Principal Analyst

JH1:bn:rm

## MONTANA COOPERATIVE EXTENSION SERVICE

The following information is a program description of the MCES. This is summarized in the following four categories.

- 1) Summary of extension services personnel with detail for specialists;
- 2) Current unrestricted operating budget;
- 3) Location and number of county agents; and
- 4) Description of tasks performed by county agents and specialists.

---

Table 1  
Extension Service Personnel by Units

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<u>Unit</u>	<u>FTE</u>	<u>Percent of Total</u>
1. Agriculture and Natural Resources Specialists		
Economist	2.44	
Agronomist	1.68	
Tillage	1.22	
Beef	1.22	
Dairy	1.22	
Swine	1.22	
Farm Management	3.66	
Pesticide Education	1.22	
Entomologist	1.22	
Sheep	1.22	
Range	1.22	
Horticulturist	1.22	
Weed	1.22	
Plant Pathologist	1.22	
Soils Scientist	1.22	
Energy	1.22	
Farm Safety	.16	
Ag Engineering & Technology	<u>2.64</u>	
Subtotal	26.44	19.5
2. Community Development Specialists		
Human Development	1.22	
Community Development	<u>1.22</u>	
Subtotal	2.44	1.8

- - - - - Continued - - - - -

3. Home Economics Specialists		
Family Economist	1.22	
Foods & Nutrition	1.22	
Interior Design	1.22	
Clothing/Textiles	1.22	
Health Education	<u>.61</u>	
Subtotal	5.49	4.1
4. 4-H Youth Specialists	<u>2.44</u>	<u>1.8</u>
TOTAL SPECIALISTS	<u>36.81</u>	27.2
5. Administration/Clerical/Recharges	46.46	34.3
6. County Agents <sup>2</sup>	<u>52.03</u>	<u>38.5</u>
TOTAL	<u><u>135.30</u></u>	<u><u>100.0</u></u>

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<sup>1</sup> Energy is spread across specialty units.

<sup>2</sup> This is the MCES portion only. There are 87.2 FTE county extension service agents.

---

There are 26.44 FTE specializing in agriculture and natural resources; 3.66 FTE are working on farm management programs. An additional 2.44 FTE are concentrating on farm management: the human development specialist is focusing on agriculture stress-related services and the family economist is providing agriculture land transfer and estate management program.

Table 2 shows the current unrestricted fiscal 1986 operating budget allocated to each of the expenditure categories. This table also shows the source of funding for this budget.



Table 2  
Cooperative Extension Service  
Fiscal 1986 Current Unrestricted Operating Budget

<u>Expenditures</u>	<u>FY86 Budgeted</u>	<u>Percent of Total</u>
Personal Services		
Salaries	\$2,912,115	68.0
Hourly Wages	5,252	.1
Employee Benefits	721,481	16.9
Subtotal Personal Services	\$3,638,848	85.0
Operating Expenses		
Contracted Services	\$ 52,255	1.2
Supplies and Materials	130,753	3.1
Communications	62,256	1.5
Travel	236,595	5.5
Rent	12,650	.3
Utilities	23,900	.6
Repair and Maintenance	14,755	.3
Other	133,969	3.1
Subtotal Operating Expenses	\$ 667,133	15.6
Equipment	\$ 20,222	.5
No Object Budgeted	\$ (45,772)	(1.1)
Total Budgeted Expenditures	<u>\$4,280,431</u>	<u>100.0</u>
<u>Funding Sources</u>		
General Fund	\$2,242,837	52.4
Federal Funds	1,976,222	46.2
User Fees	61,372	1.4
Total Funding	<u>\$4,280,431</u>	<u>100.0</u>

Federal Smith-Lever funds support 46.2 percent of the fiscal 1986 unrestricted operating budget. The purpose of these federal funds is to help people and communities identify and solve their farm, home, and community problems and to provide educational programs based upon local needs. Counties provide offices, in-county travel, equipment, and secretarial support for county agents which are located as shown in Table 3.

Table 3  
Location and Number of County Agents

<u>County</u>	<u>FTE</u>	<u>County</u>	<u>FTE</u>
Beaverhead	1	McCone	1
Big Horn	2	Meagher <sup>2</sup>	0
Blaine	2	Mineral	1
Broadwater	1	Missoula	3
Carbon	2	Musselshell	
		<sup>b</sup> (Golden Valley Shares)	.5
Carter <sup>a</sup> (Fallon shares)	1	Park	2
Cascade	4	Petroleum <sup>2</sup>	0
Choteau	1.6	Phillips	1
Custer	2	Pondera	2
Daniels	1	Powder River	1
Dawson	2	Powell	1
Deer Lodge	1	Prairie	1
Fallon <sup>2</sup> (Carter shares)	1	Ravalli	2
Fergus	2	Richland	3
Flathead	3	Roosevelt	2
Gallatin	3	Rosebud <sup>d</sup> (Treasure shares)	1
Garfield	1	Sanders	1.5
Glacier	1.6	Sheridan	2
Golden Valley <sup>b</sup> (Musselshell shares)	.5	Silver Bow	1
Granite	1	Stillwater	2
Hill	2	Sweet Grass	1
Jefferson <sup>c</sup> (Madison shares)	.75	Teton	3
Judith Basin	1	Toole	2
Lake	2	Treasure <sup>d</sup> (Rosebud shares)	1
Lewis & Clark	3	Valley	2
Liberty	1	Wheatland <sup>2</sup>	0
Lincoln	1	Wibaux	1
Madison <sup>c</sup> (Jefferson shares)	.75	Yellowstone	4
Total County Extension Service Agents			87.2

Source: Montana Cooperative Extension Service; March 26, 1986.

<sup>1</sup> When a county shares agents with another county, the FTE are divided already, for example Carter and Fannon share 2 FTE, an agricultural specialist and a home ec/youth specialist.

<sup>a</sup> Carter County has no office -- services from Fallon County.

<sup>b</sup> Golden Valley County has no office -- services from Musselshell County.

<sup>c</sup> Madison County has no office -- services from Jefferson County.

<sup>d</sup> Treasure County has no office -- services from Rosebud County.

<sup>2</sup> Three counties have no agents, no offices, and no cooperative agreements with other counties for services: Meagher, Petroleum, Wheatland.

County agents provide workshops, technical assistance to governmental and private entities, and information to individuals in the four areas of cooperative extension public service: (1) Agriculture and Natural Resources, (2) Home Economics, (3) Community Development, and (4) 4-H. Priorities for county agent time include livestock and crop management, pesticide recertification and calibration testing, farm management, responding to special needs -- disease outbreak, grasshopper infestations, nitrate testing, federal agriculture programs -- plus organizing and supervising 4-H work, and responding to requests about energy, gardening, canning, etc.

MCES also provides training, out-of-county travel, brochures, publications, supervision, and the expertise of specialists to support the work of county agents. Each specialist is responsible for: (1) continually evaluating the research data published in his or her subject-matter field; (2) preparing the data for practical application in Montana; (3) training agents and clientele groups, as necessary, on how to use the data; and (4) answering technical questions raised by agents and others seeking specialist help. Specialists work with the Agricultural Experiment Station scientists to obtain information about certified seed, cropping systems, pest monitoring and control, beef production, farm equipment, fertilizers, irrigation, etc.

JLH1:kj:MCES

## DEPARTMENT OF COMMERCE

There are three programs which could provide some assistance for agriculture--Small Business Advocacy and Business Licensing Center, Business Development and Assistance Program, and Development Finance Technical Assistance Program.

The center could be available for coordination and central communication assistance. Currently this program operates a toll-free business assistance hotline for small business throughout the state. The current responsibilities of the program are:

1. To assist prospective and existing small business owners in resolving any questions, complaints or problems they may be experiencing in dealing with state, local, or federal agencies;
2. To assist prospective business owners in obtaining and meeting all licensing, permitting, and regulatory requirements involved in operating their businesses; and
3. To promote small business development by collecting and disseminating information on funding sources, training and counseling opportunities, and other business-related concerns.

The goals of the Business Development and Assistance Program are:

1. Increased employment and production by assisting businesses in planning and preparing for new or expanded production.
2. Retention of existing businesses that are experiencing difficulties with current operations.

The goals of the Development Finance Technical Assistance Program are:

1. Identifying alternative business financing sources, both private and public;

2. Counseling businesses on tax incentives, financial planning, loan application preparation, presentations of proposals to lending institutions, and debt restructuring;
3. Assisting local areas in qualifying for designation as certified development corporations capable of administering 503 Loan programs.

### Budget For Programs

Table 1 shows the appropriation and budget for each program.

Table 1 Fiscal 1986 Budget For Programs in The Department of Commerce which could assist Agriculture				
<u>Budget Item</u>	<u>Small Business Advocacy and Business Licensing Center</u>	<u>Business Development and Assistance Program</u>	<u>Development Finance Technical Assistance Program</u>	<u>Total</u>
F.T.E.	1.35	1.95	1.25	4.55
Personal Services	\$43,206	\$69,275	\$38,525	\$151,006
Contract Services	680	52,100	16,371	69,151
Supplies and Material	729	848	682	2,259
Communications	3,711	4,315	3,470	11,496
Travel	2,250	5,000	4,954	12,204
Rent	1,255	1,458	1,173	3,886
Repairs	157	182	147	486
Other	4,498	6,229	4,605	15,332
Equipment	984	1,144	920	3,048
Total	<u>\$57,470</u>	<u>\$140,551</u>	<u>\$70,847</u>	<u>\$268,868</u>
<u>Funding Source</u>				
General Fund	<u>\$57,470</u>	<u>\$140,551</u>	<u>\$70,847</u>	<u>\$268,868</u>

## MENTAL HEALTH SERVICES

The community mental health centers provide an array of mental health services within the communities which would be available to those persons engaged in agricultural business who would have need of such services due to stress caused by poor economic conditions in agriculture.

The mental health centers currently provide the following range of community-based services:

Inpatient Services - Therapeutic mental health care provided to a person who is hospitalized in the community due to a mental disorder;

Day Treatment Services - Treatment which is provided during a part of the day (at least an hour duration) that includes a variety of therapeutic interventions designed for maximum reduction of mental disability and restoration of the client's ability to function adequately in the family, on the job, and in the community.

Outpatient Services - Individual and group counseling, psychotherapy, testing, medication review, and other mental health interventions such as bio-feedback.

Emergency Services - Unscheduled mental health treatment to a person experiencing an emotional crisis which requires immediate intervention. Emergency services may include both face-to-face and client initiated telephone contact.

Community Living Support Services - Activities other than direct therapy which help a client function in the community; e.g., recreational and social events, helping a client apply for benefits, visiting the clients home, and case management.

Transitional Living 1. - Community-based residential services that include structured therapeutic programs within the facility itself. The home is staffed at least eight hours per day.

Transitional Living 2. - This is also community-based residential service but does not include a structured therapeutic program within the facility. Staff of the CMHC do visit the home on a regularly scheduled basis.

Prevention Services - Activities that serve to promote mental health in the community, general awareness of mental health problems, education and training on mental health issues to social service workers, school personnel or nursing home staff.

These services are required by law. Section 53-21-206, MCA, states:

The services of the department and of the incorporated regional mental health centers are available without discrimination on the basis of race, color, creed, religion, or ability to pay and shall comply with Title VI of the Civil Rights Act of 1964.

The state contracts with each region for these services based on fee-for-service contracts. The funding comes from the state general fund, federal block grant funds, and medicaid funds.

Each region maintains clinical offices in major communities in their respective region. The following is a list of the mental health office locations by region:

<u>REGION</u>	<u>COMMUNITY</u>	<u>COUNTIES SERVED</u>
Region I	Miles City	Custer, Carter, Fallon, Garfield, Powder River
	Forsyth	Rosebud, Treasure
	Glasgow	Phillips, Roosevelt Valley
	Plentywood	Daniels, Sheridan
	Scobey	Daniels
	Malta	Phillips
	Glendive	Dawson, McCone, Prarie, Richland, Wibaux
	Sidney	Richland
Region II	Great Falls	Cascade, Teton, Pondera, Glacier, Toole, Hill, Blaine, Liberty
	Chester	Liberty
	Chinook	Blaine
	Choteau	Teton
	Conrad	Pondera
	Cut Bank	Glacier
	Havre	Hill
	Shelby	Toole
Region III	Billings	Yellowstone, Carbon, Stillwater, Sweet Grass, Fergus, Wheatland, Musselshell, Petroleum, Judith Basin
	Big Timber	Sweet Grass
	Bridger	Carbon
	Columbus	Stillwater
	Harlowton	Wheatland
	Lewistown	Fergus, Judith Basin, Petroleum
	Red Lodge	Carbon
	Roundup	Musselshell
Region IV	Helena	Lewis and Clark, Broadwater, Jefferson
	Butte	Silver Bow, Powell
	Anaconda	Anaconda/Deer Lodge, Granite
	Dillon	Beaverhead, Madison
	Livingston	Park, Meagher, Yellowstone Park
Region V	Missoula	Missoula
	Kalispell	Flathead
	Ronan	Lake
	Libby	Lincoln
	Thompson Falls	Sanders
	Hamilton	Ravali
	Superior	Mineral

## DEPARTMENTS OF AGRICULTURE AND LIVESTOCK

There is one program within the Department of Agriculture and one program within the Department of Livestock which would provide some assistance to agriculture. Within the Department of Agriculture is the Wheat Marketing and Research Program which is directed by the Wheat Marketing and Research Committee. The powers of the committee as stated in Section 80-11-205 are:

1. provide for the conduct of research into the production, marketing, and uses of wheat and barley;
2. enter into contracts or agreements with Montana state University and other local, state, or national organizations, public or private, for the purposes of improving wheat or barley quality, increasing the efficiency of production, developing marketing knowledge, developing markets, determining new uses for wheat or barley, developing alternative crops for wheat or barley, and carrying out all research and marketing contemplated by this part. The committee may not establish research units or agencies of its own.

Likewise within the Department of Livestock is the Beef and Pork Marketing and Research Program. The powers of the Pork Marketing and Research Committee as stated in Section 81-8-606 are:

1. conduct adequate, intensive, and timely research into the promotion marketing, production, and uses of pork in all phases and relationships;



2. enter into written contracts or agreements with recognized agencies public or private, within or without the state of Montana, for the purpose of but not limited to, improving pork quality, increasing the efficiency of production, developing marketing knowledge, developing markets, and promoting pork and pork products.

Under Section 81-8-802 the Department of Livestock is responsible to:

1. promote scientific and practical research with regard to all phases of beef production;
2. encourage the use or consumption of beef and beef products; and
3. be responsible for administering this part.

The Department may also:

1. engage in research, education, advertising, promotion, and publicity;
2. research and publicize statistics and other reliable and useful information showing the commercial value of beef and beef products;
3. study state and federal legislation regarding tariffs, duties, reciprocal trade agreements, import quotas, and other matters affecting marketing in the beef industry and protect the interests of and represent the beef industry in Montana with respect to any federal or state legislation or proposed legislation and any federal or state executive action that may affect that industry;
4. apply for grants from research agencies that are financing special or emergency studies or for the purchase or acquisition of facilities necessary for the implementation of this part;

*Glaser*

HJR 3

We are in full support of Rep. Glaser's resolution not only from an agriculture stand-point which alone is reason enough for not imposing an import tax on oil, but from the general motoring public's concern of what this would do to their pocket book. Without doubt a \$10-a-barrel tax on oil imports would raise the cost of fuel at a time when we are beginning to get some relief from the high cost of years past. Advocates now argue that the tax is a quick and easy way to offset the federal deficit by taxing a certain segment of our population for the benefit of all.

Motorists who for the past decade have conserved fuel at an unprecedented rate would doubtless pay the majority of the tax. An increase in the cost of fuel would not be spread equally among all Americans. For example, motorists in Montana use twice as much gasoline as those in New York (658 gallons to 268 gallons on a per capital basis). This raises an obvious question: Should motorists from states with large land areas and little mass transit bear greater responsibility for cutting the budget deficit?

Households with incomes less than \$7,400 spend more than twice as much of their incomes on gasoline (8.2%) as households with incomes of \$36,900 or more 3.7%?

A recent study shows that 80 percent of Americans earning less than \$5,000 a year commute to work by private vehicles. And in Montana with practically no mass transit the percentage is even higher.

Additionally it is our belief that an import tax would signal foreign oil producers that the U.S. is willing to sustain oil price increases and such an increase would definately have a negative effect on the nation's tourism industry, one that Montana rely's very heavily upon.

We strongly urge this committee to send a message back to congress opposing any type of import tax or increase in fuel prices/

Montana Auto Association  
LARRY TOBIASON, PRES.

MR Chairman

HJR #3 is a defense agricultural product  
Committee Resolution

as much as we can be allowed  
to carry this Resolution

In HJR 3 we are asking congress  
and the president not to cause <sup>any</sup> additional  
financial impact on agricultural operations  
by imposing an Excise tax on imported  
crude.

It is estimated by the petroleum industry  
that \$<sup>00</sup><sup>tot</sup> on a barrel of crude oil is  
equal to 19¢ per gallon increase in  
price in a finished product such as diesel  
fuel or gasoline. This relates to \$4 million  
per barrel of wheat, or 3% of the 1986  
low value of ~~per~~ wheat. A  
significant impact. Furthermore, this will  
also hold true with pesticides, herbicides  
and fertilizers

I have here testimony by Gary Tobiasson  
of the Motora Auto Association. They  
must be considered the spokes  
of such a tire with the motoring Public.

In addition, Jennelle Follmer  
of the Motor Patrons Association is  
in the audience and she has informed  
me that we are in complete agreement.

Applying an Excise tax on imported  
crude. would be detrimental to <sup>most</sup> all  
portions of the American Economy.

WITNESS STATEMENT

NAME Elfred Verschoot BILL NO. HB 11  
ADDRESS Ronan mont DATE March 27  
WHOM DO YOU REPRESENT? Montana Peoples action  
SUPPORT ✓ OPPOSE HB 20 AMEND H 13 11

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Oppose HB 20 because:

- ag groups not consulted in drafting
- county extension may lose funding
- county gen'l funds can't support it
- doesn't include mediation

WITNESS STATEMENT

NAME Susie Tilton Chiovaro BILL NO. HB 20  
ADDRESS Box 165, Richey, MT DATE 5-27-89  
WHOM DO YOU REPRESENT? MT Farm Counseling & Advocacy  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

HB20 alone will not meet the needs which currently exist. Those needs involve a program which distressed farmers will seek and utilize.

HB20 does not provide adequate training of the depth needed.

There is an existing framework which should be utilized and supported.

WITNESS STATEMENT

NAME CHET KINSEY BILL NO. 20  
ADDRESS 6860 Cypriate Dr. Helena DATE 3/27/88  
WHOM DO YOU REPRESENT? Claysoil Local Farmers Union  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:



WITNESS STATEMENT

NAME Barbara Archer BILL NO. HB 20  
ADDRESS 832 Burlington, Billings, MT. 59102 DATE Mar. 27  
WHOM DO YOU REPRESENT? Montana Farm Counseling + Advocacy Coalition  
SUPPORT \_\_\_\_\_ OPPOSE ☒ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Will this bill provide <sup>financial</sup> support for the type of support for farmers already being done by farmer advocates?

Does it provide training for counselors?

Are there going to be co. agents in place a yr. from now with funding cutbacks?

Are there farmers clamoring for this type of support?

WITNESS STATEMENT

NAME Douglas Allen BILL NO. HB. 90  
ADDRESS Box 715 Silver Star, MT 59251 DATE 3-27-86  
WHOM DO YOU REPRESENT? Montana Peoples Action  
SUPPORT ☒ OPPOSE ☒ AMEND ☒

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments: Will leave Copy,

Executive Committee on Agriculture - Montana  
House of Representatives.

March 27, 1986

Douglas Allen - Silver Star  
Member - Montana Peoples Action

If we allow farmers & ranchers to fail we run the risk of depleting the great, seemingly endless food supply our nation presently enjoys.

True, the property will pass into other hands, but if no one can make a profit, they too, will fail.

Agriculture is the only industry that annually produces from land, air, sunshine and water a vitally needed product, FOOD.

The only other such industry is the timber industry but it takes much longer, all others either recycle something produced by someone else, or deplete a non-renewable resource.

Agriculture, therefore, is the foundation of this states and nations wealth.

We have arguments and concern on cost of HB11 - if we spend a few dollars right now - it will come back through continuing some of those people in business. For this reason I oppose HB20 as it does not meet the needs as well as HB11

We hear other concerns on liabilities of the Farm Counseling & Advocacy people. There is a release provided to be signed by the farmer or rancher to absolve liability.

oppose  
in  
HB 20 We are dubious of the proposed use of co. extension to try to save money. Federal funding for this is in jeopardy & may be curtailed - and it is partly funded by the state & the counties - we all know they are strapped for funds. - I urge passage of HB11 with amendments as a step in the right Direction.

\* \* \* \* PETITION TO LIMIT LIABILITY \* \* \* \*

THE UNDERSIGNED MONTANA CITIZENS AND VOTERS STRONGLY URGE THE LEGISLATURE TO PASS A CONSTITUTIONAL REFERENDUM WHICH WOULD ALLOW THE LEGISLATURE TO LIMIT OR CONSTRAIN PRIVATE SECTOR LIABILITY. LET THE PEOPLE OF MONTANA VOTE ON THIS ISSUE!

-----  
THIS PETITION WAS SIGNED BY OVER 4200 MONTANA CITIZENS FROM THE FOLLOWING COMMUNITIES:

ANACONDA	ANTELOPE	ARLEE	BAINVILLE
BAKER	BASIN	BELFRY	BELGRADE
BELT	BIGFORK	BILLINGS	BONNER
BOULDER	BOZEMAN	BRADY	BROADUS
BROCKTON	BROWNING	BUTTE	BYNUM
BIG TIMBER	CARDWELL		
CARTER	CHESTER	CHINOOK	CLANCY
CLINTON	CLYDE PARK	COHAGEN	COLSTRIP
COLUMBIA FALLS	CONRAD	CORAM	CORVALLIS
CULBERTSON	CUT BANK	DAGMAR	DEER LODGE
DEVON	DILLON	DRUMMOND	DUPUYER
DUTTON	EAST HELENA	EMIGRANT	EUREKA
EVERGREEN	FALLON	FLAXVILLE	FLORENCE
FORSYTH	FORTINE	FOUR BUTTES	FRENCHTOWN
GALATA	GALLATIN GATE	GARDINER	GLASGOW
GLENDIVE	GREAT FALLS	HAMILTON	HARDIN
HARLOWTOWN	RYGATE		
HAVRE	HELENA	HERON	HIGHWOOD
HINGHAM	HINSDALE	HUNGRY HORSE	HUNTLY
HUSON	HYSHAM	JEFFERSON CITY	JOPLIN
KALISPELL	KEVIN	KILA	KREMLIN
LAKESIDE	LAMBERT	LAUREL	LEDGER
LEWISTOWN	LIBBY	LINCOLN	LINDSAY
LIVINGSTON	LOLO	MALTA	MANHATTAN
MARION	MEDICINE LAKE	MELSTONE	MILES CITY
MILLTOWN	MISSOULA	MONTANA CITY	NOXON
OPHEIM	OUTLOOK	PARK CITY	PEERLESS
PENDROY	PLAINS	PLENTYWOOD	POLSON
POPLAR	PRAY	PRYOR	RAYMOND
RED LODGE	REDSTONE	RESERVE	REXFORD
RICHLAND	ROBERTS	ROSEBUD	ROUNDUP
SCOBY	SEELEY LAKE	SHAWMUT	SHELBY
SHEPHERD	SIDNEY	SOMERS	STEVENSVILLE
STOCKETT	SUNBURST	SUPERIOR	SWEETGRASS
THOMPSON FALLS	THREE FORKS	TOWNSEND	TREGO
TROY	VALIER	VICTOR	WESTBY
WEST YELLOWSTONE	WHITEFISH	WHITETAIL	WH. SULFUR SPRINGS
WIBAUX	WILLOW CREEK	WILSALL	WISE RIVER
WOLF POINT			

N.B. Copies of completed petitions on file with the President of the Senate and the Speaker of the House.



**MONTANA  
FARMERS  
UNION**

RECEIVED

P.O. Box 2447  
300 River Drive North  
Great Falls, Montana 59403  
(406) 452-6406  
1-800-332-5903

We, the undersigned, hereby request our legislators in special session to make State of Montana funds available through qualified Montana agricultural lenders for 1986 agricultural production loans. We must assure qualified producers, who have repayment ability, of adequate short-term credit for the 1986 crop year.

	Signature	Address	City	Zip
1.	Denny Phibbs	Box 901	Baker	59313
2.	Willard		Willard	59354
3.	Willard			
4.	Louisa Phibbs	Box 901	Baker, Mt.	59313
5.	Timothy Phibbs	Box 901	Baker, Mt.	59313
6.	Daniel Siles	Box 349	Baker, Mt.	59313
7.	Henry Huth	Box 964	Baker Mt.	59313
8.	John Huth	Box 416	Baker, MT	59313
9.	Barb Stanhope	Box 517	Baker, mt	59313
10.	Edgar Boucher	615	"	"
11.	Gilbert Greason	Box 756	Baker, Mont	59313
12.	Elaine Marmak	Box 97	Baker, Mt	59313
13.	Wayne R. Newell	"	"	"
14.	Theresa A. Phibbs	Box 901	Baker, MT	59313
15.	Janet Townsend	Box 522	Baker, mt	59313
16.	Denny R. Townsend	Box 522	Baker, MT.	59313
17.	Charles E. Ems	Box 323	Isinay Mt	59336
18.	Douglas A. Cox	Box 939	Baker Mt	59313
19.	John T. Tarnsted	RT 101	Baker mt	59313
20.	John T. Tarnsted	Box 1122	Baker Mt	
21.	E. T. Tarnsted	Box 684	Baker, Mt.	
22.	George Tarnsted	Box 531	Baker, Mont.	
23.	Michael J. Volz	Box 900	Baker, mt.	
24.	Edith Stange	Box 1176	Baker, MT	
25.	Emmett Stange	Box 671	Baker, mt	
26.	Sharon Stange	Box 511	"	"
27.	Boyle Hattie	"	"	"
28.	Theresa Hattie	1175	Baker, MT	
29.	Larry Hattie	Box 487	Baker, MT	59313
30.	Jim Odwinch	Box 437	Baker, Montana	59313
31.	Phyllis M. Brown	280	"	"
	Lauri Jensen	Box 528	Baker, MT	59313



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Signature

Address

City

Zip

- |     | Signature              | Address        | City         | Zip          |
|-----|------------------------|----------------|--------------|--------------|
| 1.  | <i>Richard Menzies</i> | <i>Box 667</i> | <i>Baker</i> | <i>57813</i> |
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**MONTANA  
FARMERS  
UNION**

IN HE  
P.O. Box 24418  
300 River Drive North  
Great Falls, Montana 59403  
(406) 452-6406  
1-800-332-5903

send BACK BEFORE  
MAY 10 TO STATE  
M.F.U.

We, the undersigned, hereby request our legislators in special session to make State of Montana funds available through qualified Montana agricultural lenders for 1986 agricultural production loans. We must assure qualified producers, who have repayment ability, of adequate short-term credit for the 1986 crop year.

	Signature	Address	City	Zip
1.	<i>Don Culver</i>	Box 1021	Baker MT	59313
2.	<i>Julia M. Delaney</i>	Box 1021	Baker MT	59313
3.	<i>Robert R. Ebert</i>	Box 533	Baker MT	59313
4.	<i>Robert Ebert</i>	Box B	Baker, mt	59313
5.	<i>Julian Bandere</i>	Rt 3 Box 636	Baker, mt	59313
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MAR 17 1986  
P.O. Box 2447  
300 River Drive North  
Great Falls, Montana 59403  
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	Signature	Address	City	Zip
1.	<i>John Davis</i>	<i>CBR</i>	<i>Gladwin</i>	<i>MT 59330</i>
2.	<i>Ken Kubesch</i>	<i>Pox 1327</i>	<i>Gladwin</i>	<i>MT 59330</i>
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	Signature	Address	City	Zip
1.	Nick Makis	10838 Howard Rd	Belt	59412
2.	Jim Makis	57#3	Belt	
3.	Sylvia A. Makis	44 South Park Ave	Belt	59412
4.	Mr. Darrin	214 McKay Rd	BELT	
5.	Ralph G. Gundersen	Belt		
6.	Marjorie Janikula	152 Barclay Hill Rd	Belt	Mont.
7.	Marjorie Janikula	152 Barclay Hill Rd	Belt	Mont.
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	Signature	Address	City	Zip
1.	Bertie P. Maki	Box 55	Belt, MT	59412
2.	Opal D. Jordan	Star Rt	Belt, MT	59412
3.	Mary Laune	Box 291	Belt, MT	59412
4.	Richard Pluzer	433 E. Highway Rd	Belt, MT	59412
5.	Blanche Beach	Box 34	Belt, MT	59412
6.	Marjorie H. H. H.	Box 64	Belt, MT	59412
7.	Lynne H. H. H.	Box 100	Belt, MT	59412
8.	Helen J. Hood	Box 95	Belt, MT	59412
9.	Edith C. Sells	Box 96	Belt, MT	59412
10.	Harold P. Kach	1420, Fair St SW	Great Falls, MT	59405
11.	Viola Falls	Box 117	Belt, MT	59412
12.	Fay L. L. L.	Box 154	Belt, MT	59412
13.	John H. H.		Belt, MT	59412
14.	Clarence Johnson		Belt, MT	59412
15.	Margaret L. L.	Box 154	Belt, MT	59412
16.	Henry Maki	Star Route	Belt, MT	59412
17.	Richard Maki	Star Route	Belt, MT	59412
18.	Ernie Maki	Box 375	Belt, MT	59412
19.	Edna M. Maki	Box 1	Belt, MT	59412
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FARMERS  
UNION**

P.O. Box 2447  
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Great Falls, Montana 59403  
(406) 452-6406  
1-800-332-5903  
MAR 11 1986

We, the undersigned, hereby request our legislators in special session to make State of Montana funds available through qualified Montana agricultural lenders for 1986 agricultural production loans. We must assure qualified producer who have repayment ability, of adequate short-term credit for the 1986 crop year.

	Signature	Address	City	Zip
1.	Laura M. Maki	1083 E. Hurd Rd	Belt	59412
2.	James Scott	P.O. Box 127	Belt	59412
3.	Kenneth E. Johnson	910 E. Highway Rd	Belt	59412
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## VISITORS' REGISTER

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COMMITTEE

BILL NO. HB20 HB10 + HB11 DATE 3-27-56

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE <u>Represents</u>	SUPPORT	OPPOSE
<u>Yai Haight</u>		<u>HB 11</u>	
<u>Clot Kuser</u>	<u>Clayco Local F.U.</u>		
<u>Bire Milan</u>	<u>NPRC</u>	<del>HB 20</del>	<u>HB 20</u>
<u>Mary Ann Donald</u>	<u>NPRC</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Barbara Archer</u>	<u>MFCAC</u>	<u>HB 11</u>	<u>HB 20</u>
<u>W. S. Stryker</u>	<u>MCLA</u>		
<u>JOHN CADBY</u>	<u>MT BANKERS ASSN</u>	<u>HB 20</u>	<u>HB 11</u>
<u>KEITH KELLY</u>	<u>MT DEPT. OF AGRICULTURE</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Paul Russell Brown</u>	<u>Grafton Plains Bureau Council</u>	<del>HB 20</del>	<u>HB 20</u>
<u>Larry Tobiasson</u>	<u>Montana Auto Assoc.</u>	<u>HJR 3</u>	
<u>Carol Mosher</u>	<u>Mr. Low Belles</u>		
<u>Gilley Lucione</u>	<u>MT Peoples Action</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Jim Fleischmann</u>	<u>MT Peoples Action</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Eurtis Haskins</u>	<u>MT <sup>MT. ADVOCATE</sup> Peoples Action</u>	<u>HB 11</u>	<u>HB 20</u>
<u>John Arnesen</u>	<u>mt Cath Cong</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Wally Klose</u>	<u>M.P.A.</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Douglas Allen</u>	<u>M.P.A.</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Alfred Verschoot</u>	<u>M.P.A.</u>	<u>HB 11</u>	<u>HB 20</u>
<u>Dwight Godfrey</u>	<u>M.P.A.</u>	<u>HB 11</u>	<u>HB 20</u>

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



VISITORS' REGISTER

COMMITTEE

BILL NO. \_\_\_\_\_

DATE \_\_\_\_\_

SPONSOR \_\_\_\_\_

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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.