

MINUTES OF THE MEETING
AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE
50TH LEGISLATIVE SESSION
HOUSE OF REPRESENTATIVES

January 23, 1987

Rep. Duane W. Compton, Chairman, called the meeting to order at 1:00 p.m. in Room 317 of the Capitol, Helena.

ROLL CALL

All members were present except Rep. Holliday and Rep. Cody who was excused.

Bills to be heard were HB 331 and HB 323.

HOUSE BILL 331

Rep. Dorothy Bradley, District 71, sponsor of HB 331, explained that HB 331 was introduced at the request of Mike Ellerd. This bill is an act to exclude an applicant's financial statement from the contents of the application accompanying a notice for a hearing involving a request for a certificate to operate a livestock market. The bill proposes a simple amendment that deals with an applicant's financial statement. Presently there is a requirement that an individual seeking to get a livestock market license must have a financial statement included with other necessary papers showing pertinent information. The financial statement shows that current assets exceed current liabilities and that long-term assets exceed long-term liabilities. The notice for time and place for the hearing and a copy of the application is sent to other markets, secretaries, railroads, etc., who might have any interest in the application. HB 331 would exclude the financial statement from distribution with the application, and the feeling is that in the past it has been sent to people who are not concerned. That particular requirement of the application would be excluded.

PROPONENTS

Mike Ellerd, Executive Secretary of the Montana Association of Livestock Auction Markets, Inc., asked the committee to approve HB 331. (See EXHIBIT #1.)

Les Graham, Executive Director of the Department of Livestock, said with the types of applications that have come in, they have had problems in divulging financial statement information to persons who had no concern with the business. The Board of Livestock will still need this information, but it should not be available as public information. He supports HB 331 very much.

Mons Teigen, Montana Stockgrowers Association, was not aware that the financial information involving the application

for license for sale yards was spread to the public. By all means, only the Montana Board of Livestock, the Packers and Stockyards Administration, and the Department of Agriculture should have this information.

Carol Mosher, Montana Cattlewomen, is very much in support of this bill.

OPPONENTS - None

QUESTIONS FROM THE COMMITTEE

Rep. Ellison asked Mr. Graham when the Board holds its hearing, then will the financial statement become a part of the public record. Mr. Graham said if there is a problem with what appears to be the financial stability of the applicant, they would try to resolve that prior to the hearing. They try to get any questions with bonds or credit lines resolved before the hearing. The applicant will have his banker or credit line show up. Rep. Ellison remarked that it would be required that a bond be posted so that would alleviate the necessity of the general public knowing their financial condition because their bond would cover. Mr. Graham said bonding companies require much more information, and this will not change that.

Rep. Jenkins asked if the financial statement would be required with the application. Mr. Graham said yes and they will still require a yearly update with that. Rep. Jenkins summarized that when you mail the copy of the application you do not include the financial statement in the application mailed out to the other markets. Mr. Graham said that financial statement will still be in their office. Rep. Jenkins asked if the financial statement still has to be filed with him. Can it be required from him under the Public Information Act? Mr. Graham said they have generally denied that to the general public unless they have court orders prior to divulging information. We request a member of the public to file against that bond, then if the bond doesn't take care of that, they get a court order and then we can let them have that information. Mr. Graham said they had never had reason to go into an auction yard because they are watched very carefully by the feds.

Rep. Bradley closed.

HOUSE BILL 323

The Chairman announced that if no one was present to testify on HB 323, the hearing would be postponed. It was postponed.

EXECUTIVE SESSION

HOUSE BILL 331

Rep. Campbell moved HB 331 DO PASS. Rep. Giacometto seconded the motion and it CARRIED unanimously with 14 members being present.

HOUSE BILL 184

Rep. Rapp-Svrcek moved HB 184 DO PASS. Rep. Campbell seconded the motion, and it CARRIED unanimously. Rep. Giacometto then moved the statement of intent be adopted. Rep. Campbell seconded the motion.

Rep. Bachini wished the committee had heard more than one apple grower testify since HB 184 will impose an estimated cost of 3 cents a box on apples. Rep. Koehnke thought that different commodities should not have to be funded by the general fund. Mr. Giacometto agreed with their concerns. If the apple industry had problems with this, they would have been here opposing it. After fees have been paid, they will have a better idea of the cost. The intent is that such fees will allow the Department of Agriculture to be self-supporting, and are not trying to pad the general fund. These funds are mandated to be set aside for inspection of these apples, and they do not go into the general fund.

Rep. Brandewie's family is an old family in that area and there weren't enough apples to be shipped out of state, and as long as they are not shipped out of the state, they are not inspected. There are quite a few McIntosh apples being raised there now and some could be shipped out of state if they were properly inspected.

Rep. Bachini said he was not objecting to the inspection. At times when we impose these fees, he would like to have some involved individuals testify. He doesn't think any part of agriculture should be subsidizing the general fund.

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Rep. Corne' advised the auditor's report would show expenditures and expenses for inspection and then apple growers could object.

Rep. Giacometto asked Mr. Peck if these fees would go into the general fund. Mr. Peck advised that this goes into an enterprise fund providing for apple inspections. If they are going to provide the service, let's put it in an enterprise fund. Most funds are going into the general fund, but this fund would go into an enterprise fund.


Rep. Bachini asked Mr. Peck if any extra money would stay in that enterprise fund. Mr. Peck said yes, some money would have to go for administrative costs.

Rep. Corne' asked that a charge is made against the account for department expenses, and suppose the fund has a balance at the end of the fiscal period, does the money just stay there? Mr. Peck said that is correct. The grain laboratories in Great Falls go into an earmarked fund and is totally self-supporting. The industry would be on them to see that they kept that fee on line. He would see to that, but he does not know how long he will be there.

The Statement of Intent was ADOPTED by a vote of 15-0.

ADJOURNMENT

There being no further business to come before the committee, the meeting was adjourned at 1:30 p.m.



Duane W. Compton
Chairman

STANDING COMMITTEE REPORT

January 23 19 27

Mr. Speaker: We, the committee on AGRICULTURE, LIVESTOCK & IRRIGATION

report HOUSE BILL 331

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

Rep. Duane W. Compton

Chairman

W/S
1st reading copy (White)
color

STANDING COMMITTEE REPORT

January 23 19 37

Mr. Speaker: We, the committee on Agriculture, Livestock & Irrigation
report SB 134

- | | | |
|---|--|--|
| <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 checked="" type="checkbox"/> statement of intent attached |

Rep. Duane W. Compton Chairman

STATEMENT OF INTENT ATTACHED

OK
1st reading copy (White)
color

STATEMENT OF INTENT
House Bill No. 184

A statement of intent is required for this bill because section 1 requires the department of agriculture to adopt rules establishing fees for the inspection and certification of apples.

In adopting rules under section 1, the department should set fees in an amount sufficient to reimburse the department for the costs of providing services under 80-3-201. It is the intent of the legislature that the costs of such services should be recovered by fees in order to allow the activities of the department to be primarily self-supporting. However, such fees may be less than the actual costs of services if, in the determination of the department, the fees charged would be harmful to the industry.

EXHIBIT # / Jan 23, 1987
DATE
HB 331 - Rep P Brad

MONTANA ASSOCIATION
OF
LIVESTOCK AUCTION MARKETS
INC.

MICHAEL G. ELLERD
Executive Secretary
406/587-9790

P.O. Box 4307
Bozeman, Montana 59772-4307

TO: House Agriculture Committee
FROM: Michael Ellerd, Executive Secretary, Montana Association
of Livestock Auction Markets, Inc. *ME*
RE: House Bill 331

The decision to either grant a license for a new livestock auction market in Montana, or grant a transfer of an existing license from one holder to another, is made by the Board of Livestock. In such cases the Board will conduct a public hearing to determine whether or not there is sufficient reason to grant such a license or transfer. The Board's decision is based partially on the testimony given at such hearings. Their decision is also based partially on the financial solvency of the applicant. That portion of the Board's decision is determined by a financial statement given to the Board by the applicant. Because that portion of the decision, i.e., the financial portion, is not an issue of public debate, the Association does not feel the financial statement in such cases should be a public document. Therefore, the Association asks the committee to give its consent to House Bill 331.

EXHIBIT # 2
DATE Jan. 23, 1987
HB 331 - Rep. D. Bradley

DEPARTMENT OF LIVESTOCK



FRED SCHWINDEN, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

(406) 444-2023

HELENA, MONTANA 59620

Testimony & Facts

House Bill 331 - Representative Dorothy F. Wiley

At request of Montana Markets Association

Prepared by Les Graham

When a Livestock Auction Market in Montana changes ownership, or when a new facility is built, the purchaser or applicant must provide the Department of Livestock with a variety of information including, but not limited to:

- 1.) Personal Financial Statement
- 2.) Bond Information
- 3.) Operating Plans
- 4.) Management Plans
- 5.) Selling fees and costs
- 6.) Financial plans

The applicant must be able to demonstrate the ability to operate the facility.

Prior to acceptance of the transfer application and its approval, the Board of Livestock must, after legal notice, hold a public hearing.

It is the feeling of the Montana Auction Market Association and the Board of Livestock, that personal financial statement should not be made public.

The Department has had instances whereby that information has gone to individuals with no basic interest in the matter.

The responsibility of monitoring auction market financial stability rests with the U.S. Department of Agriculture, Packers and Stockyards Administration, and the Department of Livestock.

Call Montana Livestock Crimestoppers 800-647-7464

