

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

March 6, 1987

The meeting of the Agriculture, Livestock and Irrigation Committee was called to order by Chairman Boylan on March 6, 1987, at 1:00 p.m. in Room 413/415 of the State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE JOINT RESOLUTION 14: Rep. Gene Donaldson, House District 43, explained that this bill deals with the Reclamation Act of 1982. The original act, passed in 1902, restricted the amount of land you could own to 160 acres. This was changed to 960 acres in 1982, and the equivalency was changed. This bill asks Congress to go back to the 1982 Reclamation Act and re-establish the equivalency.

PROPOSERS: Ron Schofield, Helena Valley Irrigation District, MWDA, told the committee that the equivalency relates the difference in productivity of the land in Montana as opposed to other states. This resolution asks that the equivalency factor more accurately reflect productivity of Montana soils.

R. A. Ellis, Chairman of the Board of Helena Valley Irrigation District, stated they were in favor of this bill.

OPPOSERS: None.

COMMITTEE QUESTIONS ON HJR 14: Senator Bengtson asked if other states were doing this. Mr. Schofield said that at the present time, most of the states were satisfied, but he did have support.

Senator Galt asked what the definition was of Class 1, 2, and 3. Mr. Schofield told him that when the Bureau of Reclamation was building projects, they classified land as 1, 2, 3, 4 for different uses. It is their classification based on factors such as drainage, elevation, and so forth.

The hearing closed on HJR 14.

CONSIDERATION OF HOUSE BILL 516: Rep. Rex Manuel, House District 11, said this bill makes it possible for larger irrigation districts in the state to purchase machinery. It gives them 25% of the district's annual operation and maintenance budget to maintain their budget.

PROPOSERS: Jerry Nypen rose in favor of the bill. His testimony is attached as Exhibit 1.

Ron Schofield, President, Montana Water Association, rose in support.

OPPOSERS: None.

COMMITTEE QUESTIONS ON HOUSE BILL 516: There were no questions.

DISPOSITION OF HOUSE BILL 516: Senator Galt moved HB 516 BE CONCURRED IN. Motion CARRIED unanimously. Senator Bengtson will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 517: Rep. Rex Manuel, House District 11, explained that this bill deals with how the commissioners can invest their funds. Currently irrigation districts are able to invest in limited areas only, but by being able to expand their investment areas, they would have a better return on their money.

PROPOSERS: Jerry Nypen rose in favor of the bill. His testimony is attached as Exhibit 2.

Ron Schofield, Helena Valley Irrigation District, said there are 4 different instances in the law addressing how the districts' money can be invested. He said they went through and made all the investments the same to clarify the law.

R. A. Ellis, Helena Valley Irrigation District rose in favor of the bill.

OPPOSERS: None.

COMMITTEE QUESTIONS ON HOUSE BILL 517: Senator Boylan asked whether all the irrigation districts were non profit organizations, and if so, how they could have a surplus of money. He assumed the IRS looked into surplus. Mr. Schofield told him the districts are contracting with the Federal Government for funds and the government requires one year's estimate of operation costs be maintained in reserve. The other place the funds come from are the tax assessments that come in on

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a November to May tax schedule and they can instruct the county to invest these funds for the districts to collect interest.

The hearing closed on HB 517.

DISPOSITION OF HOUSE BILL 517: Senator Beck moved HB 517 BE CONCURRED IN. The motion CARRIED unanimously. Senator Bengtson will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 591: Rep. Ted Schye, House District 18, Glasgow, said this bill was brought to him by the Montana Water Development Association and deals with the irrigations district's money submitted to the counties. Currently the money is returned to the counties once a year. This bill asks that it be returned to the counties once a month so the districts can earn the interest on it.

PROPOSERS: R. A. Ellis, said unless the money is transferred more often than it now is, the cash flow is jeopardized in some of the districts.

Ron Schofield, MWDA and Helena Valley Irrigation District, said a question has arisen regarding transferring the money by the 10th of each month. It could cause a problem for some counties during the months of December and June when the bulk of the taxes are due on the 30th of November and the 30th of May. Transferring this money by the 10th of December or the 10th of June could put an extra work load on the counties. He said he would be agreeable to eliminating the months of June and December if the committee wished to do this. He said it is important for the districts to have the money collected in January before the next December.

OPPOSERS: None.

COMMITTEE QUESTIONS ON HOUSE BILL 591: Senator Beck asked Rep. Schye if he had discussed eliminating the two months with any of the treasurers. Rep. Schye said he had discussed this with the treasurer in his area and she agreed it would put her in a bind to have to transfer the money during those two months.

DISPOSITION OF HOUSE BILL 591: Senator Galt made a motion to insert in the title on line 6, following "month", the words "except June and December" and on page 1, line 17, following "month", the words "except June and December". The motion CARRIED unanimously.

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Senator Lybeck moved that HB 591 AS AMENDED BE CONCURRED IN. Motion CARRIED unanimously. Senator Galt will carry the bill on the Senate floor.

DISPOSITION OF HJR 14: Senator Beck moved HJR 14 BE CONCURRED IN. Motion CARRIED unanimously. Senator Weeding will carry the bill on the Senate floor.

There being no further business to come before the committee, the meeting was adjourned.



SENATOR PAUL BOYLAN, Chairman

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ROLL CALL

AGRICULTURE

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-6-87

NAME	PRESENT	ABSENT	EXCUSED
ABRAMS, Hubert J.	✓		
BENGTSON, Esther G.	✓		
BECK, Tom	✓		
JERGESON, Greg	✓		
KOLSTAD, ALLEN C.	✓		
LYBECK, Ray	✓		
STORY, Peter R.	✓		
THAYER, Gene	✓		
GALT, Jack VICE CHAIRMAN	✓		
BOYLAN, Paul CHAIRMAN	✓		

Each day attach to minutes.

I am representing Greenfields Irrigation District and Montana Water Development Association and testifying in support of HB 516.

This bill will allow large districts to have the freedom of making requisitions for equipment and supplies and entering into work contracts which are considered routine without its landowners petitioning to do so.

We have at least 12 major irrigation structures, any one of which a significant repair or replacement of would cost in excess of \$150,000. Larger districts possess large dozers and hydraulic hoe equipment, each piece costing in excess of \$150,000 to replace. Any small pipeline project but regarded as routine - say two miles of 24" pipe, costs in excess of \$150,000.

The petitioning process for routine activities can be very cumbersome. In our case it involves response from 890 landowners. This process should be reserved for major anticipated obligations to the districts. A reasonable limit of 25% of an annual budget will allow for routine expenditures by the district boards of commissioners.

Please vote in favor of HB 516.

SENATE AGRICULTURE

EXHIBIT NO. 1

DATE 3-6-87

BILL NO. HB 516

March 6, 1987

HB 517

TESTIMONY

Jerry Nypen

I am representing Greenfields Irrigation District and Montana Water Development Association and testifying in support of HB 517.

It is as important to us to obtain the maximum return on invested reserves while employing safe investment vehicles as it is to have a reserve in the first place. These reserves are valuable in having resources in case of emergencies and, while they are kept, they are valuable in providing funds for, in our case, further water conservation efforts.

Passage of this bill allows irrigation districts more versatility in maintaining their reserve accounts. The current statute 85-7-2133 does not allow for investment of reserve funds in the many avenues now available, in government secured re-purchase agreements, in government trusts, and in federal agency obligations such as "Ginnie Maes" and "Fannie Maes". Please vote in favor of HB 517.

Thank you.

SENATE AGRICULTURE

EXHIBIT NO. 2

DATE 3-6-87

BILL NO. HB 517

STANDING COMMITTEE REPORT

..... March 6 19 87

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration..... HJR No. 14

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color

Donaldson (Weeding)

MONTANA EQUIVALENCY FACTOR FOR FEDERAL WATER PROJECT LANDS RESOLUTION

Respectfully report as follows: That..... HJR No. 14

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

..... **PAUL F. BOYLAN,** Chairman.

STANDING COMMITTEE REPORT

March 6, 19 37

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 591

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Schye (Galt)

TO REQUIRE COUNTIES TO TRANSMIT IRRIGATION DISTRICT FUNDS ON A MONTHLY BASIS

Respectfully report as follows: That HOUSE BILL No. 591

be amended as follows:

1. Title, line 6.
Following: "MONTH"
Insert: ", EXCEPT JUNE OR DECEMBER,"
2. Page 1, line 17.
Following: "month,"
Insert: "except June or December,"

and as amended

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

PAUL F. BOYLAN,

Chairman.

STANDING COMMITTEE REPORT

March 6 1937

MR. PRESIDENT

We, your committee on AGRICULTURE

having had under consideration..... HB No. 517

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Manuel (Bengtson)

REVISE INVESTMENT AUTHORITY OF IRRIGATION BOARDS

Respectfully report as follows: That..... HB 517 No. 517

BE CONCURRED IN

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.....
PAUL F. BOYLAN, Chairman.

STANDING COMMITTEE REPORT

MARCH 6

37

19.....

MR. PRESIDENT

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

having had under consideration..... **HOUSE BILL** No. **516**.....

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Manuel (Bengtson)

**REVISE LIMIT ON IRRIGATION DISTRICT BOARD PURCHASE WITHOUT LANDOWNER
CONSENT**

Respectfully report as follows: That..... **HOUSE BILL** No. **516**.....

BE CONCURRED IN

~~BE CONCURRED IN~~

~~DO NOT PASS~~

.....
PAUL F. BOYLAN,

Chairman.