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

March 11, 1987

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

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 804: Representative Loren Jenkins, House District 13, Big Sandy, was not able to be present and Dennis Hemmer, from the Department of State Lands was asked to testify. (Exhibit 1)

PROPONENTS: Fred Johnston, from the Montana Stockgrower's Association, supported the bill and presented some amendments. (Exhibit #2) He said the bills deals with pasturing and exchanging leased state land with neighbors and would address those problems. His amendments would deal with preference rights and the exchange of the state leases in regard to this.

Rep. Jenkens arrived at the hearing and stated he thought the amendments put into the bill by the House covered the concern with fences. He referred the committee to the amendment on page 6, line 19 and stated he would continue his presentation after the proponents and opponents had testified.

Kim Enkerud, from the Montana Association of Grazing Districts, spoke in support. (Exhibit #3)

Jock Anderson, representing himself, presented some amendments. On page 7, line 3, he asked that "AND LIVESTOCK" be deleted. He said a Supreme Court case, Stephan vs. Department of State Lands, regarded a dispute regarding whether a pasturing agreement violated the Jerke-Skillman precedent. The question was whether in retaining management control, so as to avoid cancellation of the state lease, the lease had to manage the cattle as well as the land. There is also a question of the lease holder taking care of matters relating to animal husbandry. He said it is not necessary in meeting the court requirement of control to require both direct management of land and direct management of cattle. On page 7, line 2, the word "ALL" is an absolute term which is something a protester grabs on to to cancel a lease. He asked that the word "ALL" be replaced with the word "THE." He felt this would correct the problem. (Exhibit #4)

OPPONENTS: There were none.

QUESTIONS OF THE COMMITTEE: Senator Galt asked Mr. Hemmer to explain what the bill does, when you lose your preference and when you lose your state lease. Mr. Hemmer stated the bill as written will allow the lessee to sublease for one year. If subleased for two years of his term, the lessee would lose his preference right. If the lessee subleased for three years of

his term, the lessee would lose his lease. There is an exception in the bill for the 1/3 rule in which you may lose fences. There is an exception for pasturing agreements to allow operators to take in other people's cattle. Another exception is subleasing to family members, in which case it would allow subleasing up to five years.

Senator Galt asked if the term 2 to 5 years means total allowable time in a 10-year lease period, or if you could have a sublease for two years then later for another two years and so on. Mr. Hemmer said if was a total of two years within the lease period.

Senator Galt asked if Mr. Hemmer had looked at the proposed amendments and Mr. Hemmer said he had not but the "OR" provision might be a good idea.

Rep. Jenkins said there had been a problem when the Department changes administrators. In the Stephen case, Leo Berry was Director of State Lands and he said they could run the cattle but with a change of commissioners, they had said according to the Jerke-Skillman case, they could not sublease state ground. The Department took Stephens to court and lost the case. The problem is that in another year or so the current director may be gone and another director might have another policy and then there would be a problem for the person leasing. He said it should be written into law to alleviate future problems.

Mr. Johnson said the new section added was because he was concerned about land use changes. Most ranchers do not understand when they exchange a small amount of acres, such as moving a fence, that this is a sublease and they do not report it to the Department. When this is discovered by the Department the lease is cancelled. This rule in the proposed amendment was copied from a rule the Department once had. He said he did not know how to get the word out on subleases, but felt people were not aware of the problem.

The hearing was closed on House Bill 804.

CONSIDERATION OF HOUSE BILL 738: Representative Loren Jenkins, House District 13, Big Sandy was sponsor for this bill which would name the museum at Ft. Benton. The City of Ft. Benton will lease the museum from the Department of Fish, Wildlife and Parks and will be responsible for maintenance, development and operation without any cost to the State of Montana.

PROPONENTS: Jim Flynn, Director of the Department of Fish, Wildlife and Parks spoke in support. (Exhibit #5)

OPPONENTS: There were none.

QUESTIONS ON HOUSE BILL 738: Senator Story inquired about insurance for the museum. Rep. Jenkins replied the city is working on this presently.

DISPOSITION OF HOUSE BILL 738: Senator Galt MOVED HOUSE BILL 738 BE CONCURRED IN. The motion carried unanimously. Senator Kolstad will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 837: Representative Loren Jenkins, House District 13, Big Sandy, was sponsor for this bill which rewrites the law concerning the centralized filing system for security interests in agricultural products. He asked for an amendment to strike "or federal taxpayer identification number" on page 1, line 18 and 19. He said it should have been stricken in the House. He said he was in agreement with the Clerk and Recorders for an amendment on page 11, line 21 after the word "MAIL A" to insert "CERTIFIED COPY" and on page 13, line 1 after "uniform" to strike "schedule" and add "a fee of $2.00." The changes on page 14 would update the Clerk and Recorder's filing so the filing coverage would be complete. He said the language on page 15 and 16 was struck because the USDA was not going to make CCC loans without a master list. After the bill went through the House they changed their mind and went off the computer. On page 16, line 3, he asked for an amendment to allow for a monthly master list.

PROPONENTS: Larry Akey, Chief Deputy to the Secretary of State, spoke in favor of the bill and said the bill would clear up problems with SB 129 which was passed during the 1985 session in regards to what information needed to be sent to the County Clerk's office. It would clear up the fee language to make it clear that the centralized ag system and the uniform commercial code system operates on a self supporting basis out of special state revenue funds rather than general fund money. It would direct the centralized ag system to come into compliance with the requirements of the federal farm bill. He noted his office had received notification from ASCS on the commodity credit corporation loans. They will not require distribution of the master list. Prior to this ruling, the ASCS had indicated they would hold the proceeds of those CCC loans until the next regular distribution of the master list. He said as a result of this decision that the committee might want to amend line 3, page 16 following "1987" to insert the clause "If the Commodity Credit Corporation withholds loan disbursements pending receipt of the master list the Secretary of State shall distribute." He said the other alternative would be to drop out the language following "1987" on line 3 through the remainder of subsection 5. He stated they do not have a problem sending certified copies to the county clerks. They did have a concern however with sending a fee with those copies to the county clerks because filings at the county level are for informational filing only. The information

can be obtained by calling the Secretary of State's office and he said it did not make sense to take $60,000-$70,000 out of the pockets of Montana farmers and ranchers to pay for these types of filings.

Joe Tropila, Cascade County Clerk and Recorder, who is also President of the Montana Association of Clerk and Recorders, supported the bill with Rep. Jenkin's amendments. (Exhibit #6)

QUESTIONS FROM THE COMMITTEE: Senator Thayer did not like the "either or" language regarding the ASCS. He thought it would be better to drop the language. Rep. Jenkins said the legislature won't be back for two years. He asked Senator Thayer if he wanted to face the farmers should ASCS change the policy during that time. He said that because of the large volume of CCC loans going out, it could take two weeks to 40 days to get a loan through. He wanted the language in case ASCS changed their mind again. Senator Thayer responded that this law would apply to everybody and the ASCS has already made a new policy and felt it would also cost more money.

In closing, Rep. Jenkins said that liens, under the 1985 law, are not protected unless they are in the system. It is an insurance policy for the lenders.

Senator Boylan said the committee would defer action on the bill until the amendments could be resolved.

CONSIDERATION OF HOUSE BILL 822: Representative Tom Hannah, House District 86, Billings, was sponsor for this bill which he said would pertain to produce wholesalers and indeterminate merchants. It would allow the merchant to put up money in cash or a CD to obtain bonding.

PROPONENTS: Ralph Peck, Montana Department of Agriculture spoke in support.

Ray Bjornson, from the Department of Agriculture, also spoke in support. (Exhibit #7)

OPPONENTS: There were none.

QUESTIONS FROM THE COMMITTEE: Senator Bengtson asked what the definition of an indeterminate merchant was. Mr. Peck said it was a person who sells a product which is not his own, such as an individual who came in with a truckload from Washington state. He stated the department has had some complaints. He said they are supposed to be bonded now but that some are not.

DISPOSITION OF HOUSE BILL 822: Senator Thayer MOVED THAT HOUSE BILL 822 BE CONCURRED IN. The motion carried unanimously. Senator Thayer will carry the bill on the Senate floor.

The meeting was adjourned.

Paul F. Boylan

SENATOR PAUL F. BOYLAN, Chairman

ROLL CALL

AGRICULTURE COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 3-11-87

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.

DATE 3-11-87

COMMITTEE ON AGRICULTURE

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Oppose
Kelly Blake	Dept. of State Lands	804	✓	
Jim FLYNN	DEPT FWP	HB 138	✓	
Kim Enkerud	MT Assoc State Grazing Dist.	404	✓	
Terry Carmody	MT. Farmers Union	HB822	✓	
Dennis Hemmer	Dept of State Lands	804	✓	
Mons Teigen	Mt. Stockgrowers	804	amend	
Fred Galbreath	" "	804	Amend	
Greg Jackson	MT-Elk & Deer Assn	837	Amend	
Jul Tropila	MT Assoc of Locks & Dams	837	Amend	
LARRY AKEY	SEC OF STATE	837	✓	
Ralph Peck	Mt Dept of Agriculture	HB 822	✓	

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SENATE AGRICULTURE
EXHIBIT NO. 1
DATE 3-11-87
BILL NO. HB 804

DEPARTMENT OF STATE LANDS
TESTIMONY ON HOUSE BILL 804
Senate Agriculture Committee
(March 11, 1987, Room 413/15 1:00 p.m.)

The Department of State Lands supports House Bill 804. House Bill 804 clarifies what the Department may allow in terms of subleasing. Present policy and rules on subleasing has been shaped by a series of court cases. We currently have rules quite similar to many of the provisions in House Bill 804. However, they have not been tested in court. In many ways we feel like a pingpong ball slowly bouncing between the two extremes trying to find the middle ground. House Bill 804 should for the first time give us solid statutory and legislative direction on how subleasing should be handled. With the amendments placed on the bill in the committee and on the floor in the house, we feel that it is a fair and equitable way to handle the subleasing. For the first time statute makes it clear to the lessees where they stand and gives the department clear direction on how to handle subleasing. The Department urges your favorable consideration to House Bill 804.

SENATE AGRICULTURE
EXHIBIT NO. 2
DATE 3-11-87
BILL NO. HB804

Proposed Amendments to HB 804

1. On page 2:

Line 1, delete "and"

Line 4, add at the end of the sentence "; and"

"WHEREAS, there are situations where a lessee permits another person to use all or a portion of a lease which should not result in the loss of the preference right."

Line 7, add at the end of the sentence "in certain circumstances."

2. On page 4:

Line 13, add after "77-1-302." "The provisions of subsection (3) shall not apply to an assignment of a lease of state lands."

Line 13, add before "Preference" "(2)"

Line 18, add after "state." "(3)"

Line 25, renumber "(2)" "(4)"

On page 5:

Lines 12 and 13, delete "in excess of the period allowed under" and insert "contrary to the provisions of"

4. On page 6:

Line 20, add after "lease;" "or"

Line 22, delete ";and" and add ",which has been"

Line 23, delete, "(c) the pasturing agreement is"

5. On page 7:

Line 3, delete "and livestock"

Delete lines 10 through 12

Line 7, add after "department;" "and"

After line 14, add "The lessee may charge a reasonable fee for such management, in addition to the grazing rate charged by the state for the lease."

Line 9, after "land;" add "and"

Line 23 changes "all" to "the"

SENATE AGRICULTURE
EXHIBIT NO. 5
DATE 3-11-87
BILL NO. HB 804

Add:

NEW SECTION. Section 5. Exemption to loss of preference right. An exemption to the loss of the preference right may be allowed by the board if the lessee previously entered into an exchange of use agreement involving state land which did not involve the exchange of money and was in the best interests of the public land trust. In order to be granted an exemption, the lessee must provide a detailed written statement to the department which describes the agreement, the reasons for the agreement and explains the management of the state land. The department may hold an informal hearing with the lessee if it deems it appropriate. The department shall present the request for exemption to the board with a recommendation based upon the written statement and the hearing if one was held. The board may grant an exemption if it finds that the exchange of use agreement was entered into for justified reasons, such as topography, roads or the location of boundaries, and shall not cancel the lease for failure to file a copy of the sublease with the department.

6. Page 7:

   Line 15, renumber "5." as "6."

   Line 19, renumber "6." as "7."

   Line 23, renumber "7." as "8."

7. Page 8:

   Line 2, renumber "8." as "9."

   Line 10, renumber "9." as "10."

NAME: Kim Enkerud DATE: 3/11/87

SENATE AGRICULTURE
EXHIBIT NO. 3
DATE 3-11-87
BILL NO. HB 804

ADDRESS: 420 No. California

PHONE: 442-3240

REPRESENTING WHOM? MT Assn. State Grazing Districts

APPEARING ON WHICH PROPOSAL: HB 804

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

COMMENTS: We support this bill with the amendments provided by Mr Johnston & Mr. ~~Anderson~~ Anderson.

These amendments will enable many landowners to keep their state land privileges which are a vital part of their ranching unit.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

#3

bear the brunt of inequity, it should be the one who breached the contract, Scott.

Therefore, I think a proper resolution of this case would be that Satin Beaver and the first foal be returned to Floral Hjelm by Scott. If the first foal is not now available, the value of that foal should be returned to Floral Hjelm. The second foal should be given to Scott, who cannot complain if the second foal is not registerable since the breeding of the second colt was his doing. It would also be fair to require that Floral Hjelm return the $1,000 which she received on the purchase price of the mare, and the sum of $250 for the care of the mare while it was out of her possession.

It should be realized here that Floral Hjelm has lost valuable breeding years in Satin Beaver and that she can never be made whole, all because of the statute of frauds, which prevents complete relief in this case.

ED SKILLMAN, PLAINTIFF AND APPELLANT, v. THE DEPARTMENT OF STATE LANDS OF THE STATE OF MONTANA; THE BOARD OF LAND COMMISSIONERS AND JAMES R. FOSTER, DEFENDANTS AND RESPONDENTS.

No. 80-47.
Submitted on Briefs June 5, 1980.
Decided July 28, 1980.
613 P2d. 1389.

PUBLIC LANDS

1. Public Lands
Lessee could not be allowed to exercise a preferential right in state grazing land under rule in *Jerke* when he did not himself use such land. MCA 77-6-205, 77-6-205 (1,2).

2. Public Lands
Requiring that lease on state grazing land should be reopened for public bid rather than awarded to highest bidder once it was determined that lessee could not be allowed to exercise his preference right under rule in *Jerke* when he did not use land was not error despite claim that statutory phrase "pure competitive bidding" meant bidding once and a subsequent award to highest bidder. MCA 77-6-205, 77-6-205 (1,2).

Appeal from the District Court of Lewis and Clark County.

First Judicial District.

Hon. Peter G. Meloy, Judge presiding.

See C.J.S., Public Lands, § 20.

Proceeding was instituted on petition to review a decision of the State Board of Land Commissioners to renew a lease on state grazing land. The District Court remanded case to the Board with directions to cancel the lease, and appeal was taken by the Board and the Department of State Lands and cross appeal was taken by the highest bidder. The Supreme Court, Harrison, J., held that: (1) lessee could not be allowed to exercise a preferential right in state grazing land under rule in *Jerke* when he did not himself use such land, and (2) requiring that lease on state grazing land should be reopened for public bid rather than awarded to highest bidder once it was determined that lessee could not be allowed to exercise his preference right was not error despite claim that statutory phrase "pure competitive bidding" meant bidding once and a subsequent award to highest bidder.

Affirmed.

sublease, as in the case before us. Here the lessee, Foster, sublet his grazing lease without having the sublease approved by the Department of State Lands as required by his lease with the State. Section 77-6-205(1). MCA, recites in applicable part:

"(1) A lessee of state land classed as agricultural, grazing, town lot or city lot who has paid all the rentals due from him to the state and *who has not violated the terms of his lease* is entitled to have his lease renewed . . ." (Emphasis supplied.)

Futher, ARM § 26.3.108(2) establishes the Department's policy:

"(2) A surface lessee has a *preference right* to renew his lease provided all rental have been paid and *the terms of the previous lease have not been violated.*" (Emphasis supplied.)

[1] A strict reading of these statutes raises a serious question whether Foster even had a right to renew (section 77-6-205, MCA) or a preferential right in the leasing procedure (ARM § 26.3.108(2)),when this case was filed in District Court. Assuming his sublease arrangement, although not approved by the Department, was not sufficient to deprive him of his preference right, he would clearly be the type of lessee that the policy of *Jerke* was designed to affect.

In consideration of our reasoning in *Jerke*, we are compelled to apply the same reasoning to the case before us. In *Jerke*, we held:

"Where the preference right does not further the policy of sustained yield, it cannot be given effect. In such a situation, full market value can be obtained only by pure competitive bidding. Here, the Grazing District, the holder of the preference right, does not even use the land; it cannot use good agricultural practices or make improvements thereon . . ."

"To allow the preference right to be exercised in this case would be to install the Grazing District as the trustee of the land. It, rather than the Department of State Lands, would decide who will occupy the land, but it would not be bound by a constitutional or fiduciary duty. Under such a scheme, the concept of sustained yield would have no place." 597 P.2d at 51, 36 St.Rep. at 391.

There appears to be no operative fact on the record here that would justify overruling the trial court's decision to follow *Jerke*. Every point of law and every policy consideration is as applicable to Foster as it was to the grazing district. Therefore, the underlying rational that originally decided *Jerke* is equally dispositive of this case.

[2] On cross-appeal Skillman contends that he should be awarded the lease because he was the highest bidder when bids were originally opened. He interprets the language of *Jerke* and section 77-6-205(2), MCA, relating to "pure competitive bidding" as meaning bidding once and a subsequent award to the highest bidder.

It would be truly inequitable to follow this interpretation. Foster was under the impression that he would have a valid preference right, and he should not be penalized for that good faith belief. He should have an equal opportunity to bid on the lease. Indeed, if he is not allowed to participate, then the spirit of the competitive bidding statute would be defeated. In addition, Foster had no reason to suspect that he could not exercise the preference right since *Jerke* had not been decided by this Court.

The judgment of the District Court is affirmed. The lease is canceled and reopened for bidding by all parties.

MR. CHIEF JUSTICE HASWELL and JUSTICES DALY, SHEA and SHEEHY concur.

ALBERT JERKE, PLAINTIFF AND APPELLANT, v. THE STATE DEPARTMENT OF LANDS ET AL., DEFENDANT AND RESPONDENTS.

No. 14366.
Submitted Feb. 6, 1979.
Decided March 2, 1979.
597 P.2d 49.

PUBLIC LANDS

Public Lands
Exercise of preference right, whereby lessees are preferred and may renew their leases by meeting the highest bid submitted, by a grazing district as the existing lessee which did not use the land and thus could not further policy of sustained yield, constituted an unconstitutional application of preference right statute under particular circumstances, and only way full market value could be obtained in such a situation was by pure competitive bidding under procedures of Department of State Lands. R.C.M.1947 §§ 81-401, 81-405(1); Const. 1889, art. 17, § 1; 1972, art. 10, § 11(2).

Appeal from the District Court of Lewis and Clark County.

First Judicial District.

Hon. Peter G. Meloy, Judge presiding.

See C.J.S., Public Lands, § 20.

Plaintiff sought to have lease to grazing district and sublease by it set aside and to have court order Department of State Lands to award lease to him who had submitted the only bid under competitive bidding pursuant to procedures of Department of State Lands. The District Court entered judgment adverse to plaintiff, and plaintiff appealed. The Supreme Court, Haswell, C. J., held that exercise of preference right, whereby lessees are preferred and may renew their leases by meeting the highest bid submitted, by a grazing district as the exiting lessee which did not use the land and thus could not further policy of sustained yield, constituted an unconstitutional application of preference right statute under particular circumstances, and only way full market value could be obtained in such a situation was by pure competitive bidding under procedures of Department of State Lands.

Judgment reversed.

Scribner, Huss & Mulroney, Helena, Lawrence D. Huss, argued, Helena, for plaintiff and appellant.

John North, argued, Helena, Charles W. Jardine, argued, Miles City, for defendants and respondents.

Carl M. Davis, Dillon, amicus curiae, for defendants and respondents.

MR. CHIEF JUSTICE HASWELL delivered the opinion of the Court.

Plaintiff appeals from an adverse judgment in an action to cancel a lease following a nonjury trial in the District Court of Lewis and Clark County.

The Prairie County State Grazing District was created pursuant to the Grass Conservation Act, section 46-2301 et seq. R.C.M. 1947, now section 76-16-101 et seq. MCA. In conserving Montana's rangeland resources, the Grazing District procures available land and allocates it to its members for use in their individual farming or ranching businesses. It does not use the land itself.

Under a 1965 lease, the Grazing District was the lessee of a tract of state land lying within Prairie County. This land was allocated to David Hess and two other individuals who used it for their personal ranching enterprises.

In early 1975 with the termination of the lease, the Department of State Lands, acting on behalf of the Montana Board of Land Commissioners, requested competitive bids for the lease of the tract. Appellant submitted the only bid. It was based on a 26% crop share with a guaranteed minimum of $2,000 per year. After appellant's bid was opened, an administrative hearing was held where the Grazing District challenged it as unreasonable. The Department determined the bid to be bona fide and the highest bid received.

The Grazing District, as the existing lessee, was holder of a preference right under section 81-405(1), R.C.M.1947, now section 77-6-205(1) MCA which provides:

"If other applications have been received, the holder of the lease has the preference right to lease the land covered by his former lease by meeting the highest bid made by any other applicant.

The right was exercised and the new lease was awarded to the Grazing District. In the summer of 1975 the land was subleased to David Hess.

Appellant sought to have the lease and sublease set aside and to have the District Court order the Department of State Lands to award the lease to him. His basic argument, both at trial and on appeal, is that the preference right unconstitutionally prevents the State from obtaining full market value for the land. We limit our decision to the facts of this case and hold the preference statute to have been unconstitutionally applied.

The proposition that public land is held in trust for the people is well settled. *State ex rel. Thompson v. Babcock* (1966), 147 Mont. 46, 54, 409 P.2d 808; *Toomey v. State Board of Land Commissioners* (1938), 106 Mont. 547, 559, 81 P.2d 407. The State Board of Land Commissioners, acting through the Department of State Lands must adhere to a fiduciary standard somewhat higher than that of the oridinary businessman. *State ex rel. Thompson v. Babcock* 147 Mont. at 54, 409 P.2d 808. In addition, this "trust-like" standard is constutionally defined.

"No land or any estate or interest therein shall ever be disposed of except in pursuance of general laws providing for such disposition, or *until the full market value* of the estate or interest disposed of, *to be ascertained in such manner as may be provided by law, has been paid* or safely secured to the state." 1972 Mont.Const., Art. X § 11(2) See Also 1889 Mont. Const. Art. XVII, § 1. (Emphasis supplied.)

The legislature is thus given authority to determine the method by which full market value is ascertained. The statutes dealing with the leasing of state land will pass constitutional muster as long as the concept of full market value is not abrogated. *Rider v. Cooney* (1933), 94 Mont. 295, 310, 23 P.2d 261.

In exercising its constitutional authority, the legislature has provided that full market value shall encompass the concept of sustained yield. Section 81-401, R.C.M.1947, now section 77-6-101 MCA. Sustained yield is the policy which favors the long term productivity of the land over the short term return of income. *State ex rel. Thompson v. Babcock*, supra.

The preference right seeks to further this policy by inducing the State's lessees to follow good agricultural practices and make improvements on the land. This is accomplished by guaranteeing that the lessees will not lose the benefits of their endeavors by being outbid when their leases terminate. They are preferred and may renew their leases by meeting the highest bid submitted.

Where the preference right does not further the policy of sustained yield, it cannot be given effect. In such a situation, full market value can be obtained only by pure competitive bidding. Here, the Grazing District, the holder of the preference right, does not even use the land; it cannot use good agricultural practices or make improvements thereon. Likewise, the actual user of the land, who as a member of the Grazing District is prevented from bidding on the lease, is not motivated to further the policy of sustained yield. There is no guarantee the Grazing District will exercise its preference right and moreover, if it does, the actual user is not assured the land will be allocated to him.

To allow the preference right to be exercised in this case would be to install the Grazing District as the trustee of the land. It, rather than the Department of State Lands, would decide who will occupy the land but it would not be bound by a constitutional or fiduciary duty. Under such a scheme, the policy of sustained yield would have no place.

To allow an existing lessee who does not use the land to exercise a preference right constitutes an unconstitutional application of the preference right statute, section 81-405(1), R.C.M.1947, now section 77-6-205(1) MCA. The only way full market value can be obtained in such a situation is by pure competitive bidding.

Accordingly, the judgment of the District Court is reversed.

MR. JUSTICES DALY, SHEA, HARRISON and SHEEHY concur.

77-6-203. Bid deposit. (1) A person bidding for the lease of state lands shall deposit with the department, as evidence of good faith, a certified check, cashier's check, or money order in an amount equal to 20% of the annual rental bid in the case of grazing land and an amount equal to $1 per acre for each acre of agricultural land contained in the lease in the case of agricultural land on which the bid is made on a crop share basis.

(2) The department shall retain the deposit of the successful bidder, apply it on the rental for the first year of the lease only, and return any balance of the deposit at the end of the first year to the successful bidder. The department shall return the deposits of the unsuccessful bona fide bidders. If the department finds a bid has been submitted that is frivolous, forged, or a bad faith bid or a bid submitted for purposes of harassment, the deposit is forfeited. The department shall make a reasonable attempt to notify the bidder in writing of the forfeiture and reasons therefor.

(3) If the successful bidder fails to execute the lease for any reason, his deposit shall be forfeited.

(4) The department shall credit all forfeited deposits to the interest and income account of the proper trust.

History: En. Sec. 1, Ch. 185, L. 1963; amd. Sec. 29, Ch. 428, L. 1973; amd. Sec. 1, Ch. 133, L. 1974; R.C.M. 1947, 81-436; amd. Sec. 37, Ch. 281, L. 1983; amd. Sec. 1, Ch. 290, L. 1985.

Compiler's Comments

1985 Amendment: Near end of second sentence of (2) inserted "bona fide" before "bidders", inserted last two sentences of (2); in (3), after "forfeited", deleted "and deposited by the department to the credit of the proper interest and income account in the agency fund"; and inserted (4).

1983 Amendment: At end of section, substituted "agency fund" (now deleted) for "federal and private revenue fund".

Cross-References

Public school fund, Art. X, sec. 2, Mont. Const.

Public school fund revenue, Art. X, sec. 5, Mont. Const.

Trust and agency fund types, 17-2-102.

Interest and income money, 20-9-341(1)(c).

Public school fund, 20-9-601.

Portion of income to go to development of state lands, Title 77, ch. 1, part 6.

77-6-204. Notification of termination of lease. When a lease expires or is canceled, the department shall immediately notify the holder of the lease and all persons who have expressed an interest in leasing the land during or immediately preceding the term of the expired or canceled lease.

History: En. Sec. 23, Ch. 60, L. 1927; amd. Sec. 2, Ch. 42, L. 1933; re-en. Sec. 1805.23, R.C.M. 1935; amd. Sec. 2, Ch. 65, L. 1939; amd. Sec. 5, Ch. 260, L. 1963; amd. Sec. 18, Ch. 240, L. 1971; amd. Sec. 30, Ch. 94, L. 1973; amd. Sec. 14, Ch. 428, L. 1973; amd. Sec. 3, Ch. 135, L. 1974; R.C.M. 1947, 81-407(part).

Cross-References

Lease expiration dates, 77-6-110.

Lease cancellation, 77-6-210.

77-6-205. Renewal leases. (1) A lessee of state land classed as agricultural, grazing, town lot, city lot, or land valuable for commercial development who has paid all rentals due from him to the state is entitled to have his lease renewed for a period not to exceed the maximum lease period provided in 77-6-109 at any time within 30 days prior to its expiration if no other applications for lease of the land have been received 30 days prior to the expiration of his lease. The renewal shall be at the rental rate provided by law for the renewal period and subject to any other conditions at the time of the renewal imposed by law as terms of the lease. If other applications have been received,

the holder of the lease has the preference right to lease the land covered by his former lease by meeting the highest bid made by any other applicant. Applications for lease of lands in this section shall be given preference in the order of their receipt at the office of the department.

(2) The board shall accept the highest bid. If the lessee exercises the preference right and believes the bid to be excessive, he may request an administrative hearing. Such request must contain a statement of reasons why the lessee believes the bid not to be in the state's best interest and must be accompanied by a deposit equal to 20% of the competitive bid in the case of grazing lands and $1 per acre in the case of agricultural lands. The department shall grant the request for a hearing if it determines that the statement indicates evidence that the bid may not be in the state's best interests. The board may, after the hearing, reduce the rental from the amount bid if the lessee shows that the bid is not in the best interest of the state because it is above community standards for a lease of such land, would cause damage to the tract, or impair its long-term productivity. If the board reduces the bid, it shall set forth its findings and conclusions in writing and so inform the lessee and competitive bidder. It is the duty of the board to secure the best lessees possible, so that the state may receive the maximum return possible with the least injury occurring to the land.

(3) A renewal lease may be canceled pursuant to 77-6-113, 77-6-208, 77-6-209, or 77-6-210 for a violation by the lessee that occurred during the previous lease term but no more than 3 years prior to the date on which the notice of cancellation required by 77-6-211 is issued. Cancellation procedures instituted but not completed before renewal are applicable to the renewal lease.

History: En. Sec. 21, Ch. 60, L. 1927; re-en. Sec. 1805.21, R.C.M. 1935; amd. Sec. 1, Ch. 65, L. 1939; amd. Sec. 1, Ch. 20, L. 1941; amd. Sec. 5, Ch. 207, L. 1945; amd. Sec. 3, Ch. 260, L. 1963; amd. Sec. 12, Ch. 428, L. 1973; amd. Sec. 1, Ch. 311, L. 1977; R.C.M. 1947, 81-405(1), (2); amd. Sec. 1, Ch. 73, L. 1983; amd. Sec. 4, Ch. 488, L. 1985; amd. Sec. 1, Ch. 687, L. 1985.

Compiler's Comments

1985 Amendments: Chapter 488 in (1) in first sentence, after "city lot", inserted "or land valuable for commercial development", and near middle after "renewed for", substituted "a period not to exceed the maximum lease period provided in 77-6-109" for "a 5- or 10-year period". Chapter 687 inserted (3).

1983 Amendment: Near beginning of (1), after "who has paid all rentals due from him to the state" deleted "and who has not violated the terms of his lease".

Cross-References

Lease bidding, 77-6-202.

77-6-206. Withdrawal of lands from leasing. Notwithstanding the foregoing provisions, the board may withdraw any agricultural or grazing land from further leasing for such period as the board determines to be in the best interest of the state. Bids for leases and applications for renewals of leases of state agricultural lands or state grazing lands shall be in writing and sealed and shall be submitted to the board at the office of the department.

History: En. Sec. 21, Ch. 60, L. 1927; re-en. Sec. 1805.21, R.C.M. 1935; amd. Sec. 1, Ch. 65, L. 1939; amd. Sec. 1, Ch. 20, L. 1941; amd. Sec. 5, Ch. 207, L. 1945; amd. Sec. 3, Ch. 260, L. 1963; amd. Sec. 12, Ch. 428, L. 1973; amd. Sec. 1, Ch. 311, L. 1977; R.C.M. 1947, 81-405(4).

77-6-207. Form of lease — bond optional. The general form of lease to state lands shall be prescribed by the board, and no changes in the form for these leases may be made without the approval of the board. All leases shall be issued in duplicate, one copy shall be mailed to the lessee, and one

copy shall be preserved by the department. Unless the board decides otherwise, these leases shall be issued without bonds, but the board may require a bond and prescribe the form and conditions thereof whenever it considers it necessary.

History: En. Sec. 29, Ch. 60, L. 1927; re-en. Sec. 1805.29, R.C.M. 1935; amd. Sec. 19, Ch. 428, L. 1973; R.C.M. 1947, 81-416.

77-6-208. Assignment of leases. Leases to state lands may be assigned on blanks prescribed by the department, but no assignment is binding on the state unless the assignment is filed with the department, approved by it and payment made of the assignment fee under 77-1-302. Preference shall always be given to the applicant who wants the land for his own individual use, so that the full advantage coming from the leasing and use of the lands may reach those who actually till the soil and so that they are not compelled to pay a higher rental than that due the state. If a lessee subleases state lands on terms less advantageous to the sublessee than the terms given by the state or subleases state lands without filing a copy of the sublease with the department and without receiving its approval, the department shall cancel the lease, subject to the appeal procedure provided in 77-6-211.

History: En. Sec. 32, Ch. 60, L. 1927; re-en. Sec. 1805.32, R.C.M. 1935; amd. Sec. 1, Ch. 14, L. 1937; amd. Sec. 12, Ch. 207, L. 1945; amd. Sec. 18, Ch. 121, L. 1965; amd. Sec. 3, Ch. 22, L. 1971; amd. Sec. 4, Ch. 27, L. 1971; amd. Sec. 21, Ch. 428, L. 1973; R.C.M. 1947, 81-419.

Cross-References

Pledge or mortgage of leasehold interest, 77-6-401.

77-6-209. Change from grazing lease to agricultural lease. (1) When land is leased for grazing purposes and the lessee desires to cultivate any part of the land, he shall, before doing any such cultivation, make application to the department stating how much land he desires to cultivate and showing the location in the section of the land and agree that for the remainder of the term of the lease the annual rental shall be at the rate of the original lease until such time as the first crop is harvested from the cultivated portion of the lease. At the time of the first harvest, the lease shall be at the original rate for that portion remaining as grazing land plus the crop share rental for that portion cultivated. If any person cultivates lands leased for grazing purposes without first securing the right to do so under this section, the department shall either cancel the lease, subject to the appeal procedure provided in 77-6-211, or require the lessee to pay twice the regular agricultural rental on the land so cultivated in addition to the grazing rental.

(2) The provisions of this section shall be incorporated in every lease.

History: En. Sec. 28, Ch. 60, L. 1927; re-en. Sec. 1805.28, R.C.M. 1935; amd. Sec. 9, Ch. 207, L. 1945; amd. Sec. 1, Ch. 120, L. 1963; amd. Sec. 2, Ch. 27, L. 1971; amd. Sec. 17, Ch. 428, L. 1973; R.C.M. 1947, 81-414.

77-6-210. Cancellation of leases. The department may cancel a lease for any of the following causes: fraud, misrepresentation, or concealment of facts relating to its issue, which if known would have prevented its issue in the form or to the party issued; using the land for other purposes than those authorized by the lease; and for any other cause which in the judgment of the

SENATE AGRICULTURE
EXHIBIT NO. 11
DATE 2-11-87
BILL NO. SB 69

No. 86-179

IN THE SUPREME COURT OF THE STATE OF MONTANA

1986

JOHN STEFFEN,

Plaintiff and Appellant,

-vs-

DEPARTMENT OF STATE LANDS, BOARD OF LAND COMMISSIONERS, DENNIS HEMMER, COMMISSIONS OF STATE LANDS,

Defendants and Respondents.

APPEAL FROM: District Court of the First Judicial District, In and for the County of Lewis and Clark, The Honorable Henry Loble, Judge presiding.

COUNSEL OF RECORD:

For Appellant:

Gough, Shanahan, Johnson and Waterman; Jock O. Anderson, Helena, Montana

For Respondent:

Lyle Manley, Helena Montana

Submitted: July 10, 1986

Decided: September 9, 1986

Filed: SEP 9 - 1986

Ethel M. Harrison

Clerk

Mr. Justice Fred J. Weber delivered the Opinion of the Court.

Mr. Steffen appeals a decision of the District Court for Lewis and Clark County. The court affirmed the decision of the Department of State Lands (Department) that by subletting grazing land leased from the State, Mr. Steffen had lost his preference right to renew the lease. We reverse.

The issue is whether the denial of Mr. Steffen's preference right was unlawful.

In 1972 Mr. Steffen was issued a 10-year state lease on a 640 acre tract of school trust land in Dawson County. This land had been leased by the Steffen family for use with their adjacent 1440 acres since the 1920's. The land is grazing land, but Mr. Steffen had not owned cattle since the late 1960's. During the years 1972 through 1978, Mr. Steffen subleased this tract of state land to Ronald Svenvold for cattle grazing. All of the subleases except the one for the year 1977 were filed with and approved by the Department. The subleases ran from May or June until September or October of each year.

Under § 77-6-205, MCA, a state lessee who wishes to renew the lease is entitled to a preference over others who wish to lease the land. In 1979 this Court issued an opinion, Jerke v. State Dept. of Lands (1979), 182 Mont. 294, 597 P.2d 49, in which it held that a lessee's preference right to renew a lease is lost when the lessee does not use the land but subleases it for the entire lease period.

Mr. Steffen did not sublease the state land in 1979. In response to his inquiry, he was advised by then-Commissioner of State Lands Leo Berry, Jr. that he could take in cattle on the state land and it would not be considered a sublease so

so long as he managed both the land and the cattle. In 1980 and 1981, Mr. Steffen entered supplemental lease agreements, taking in livestock belonging to Doug Svenvold, son of Ronald Svenvold. In October 1981, when the term of his lease was nearing its end, Mr. Steffen was advised in a letter from the Department that he was entitled to the preference right to meet the bid of any competing bidder and renew his lease. However, in February 1982 he was advised by the Commissioner of State Lands that the previous letter was incorrect and that because he had subleased the grazing right he had lost his preference to renew the lease. He was required to make a competitive bid for the lease. His was the high bid, and the new lease was issued to him.

Mr. Steffen then requested and was granted a hearing before the Commissioner of State Lands on the matter of the loss of the preference right. The Commissioner determined that the Department was correct in ruling that Mr. Steffen had lost his preference right. He found that the Svenvolds exercised the primary management of the cattle during the terms of the subleases. He concluded that a lessee of state grazing land is buying the forage, which is expressed in AUM's. An AUM is the amount of forage one animal unit (a cow and calf pair) will consume in a month. The Commissioner concluded that when

the available AUM's are consumed by a sublessee's cattle, the land will be considered subleased for the entire year. Mr. Steffen's sublessee's cattle used up most of the available AUM's each year. The Commissioner cited this Court's opinions in Jerke and Skillman v. Department of State Lands (1980), 188 Mont. 383, 613 P.2d 1389, in support of his decision.

Mr. Steffen appealed to District Court. The District Court affirmed the administrative decision. It stated that the Commissioner's findings of fact are supported by substantial credible evidence, and that the opinion was sound and legally correct and would not be overturned.

In its brief, the Department has correctly stated the standards of review of administrative decisions. We must affirm administrative findings of fact unless they are clearly erroneous; if the record contains support for the agency findings, this Court may not weigh the evidence. City of Billings v. Billings Firefighters (1982), 200 Mont. 421, 430, 651 P.2d 627, 632. The scope of review of agency conclusions of law is greater. An agency conclusion may be reversed if it represents an abuse of discretion. Billings, 651 P.2d at 632.

The Commissioner's findings included these:

> 10. During the years 1972 through 1981, Mr. Steffen alleged he performed some of the management functions. He made sure that the state was paid for the lease. He controlled access when the land was not being subleased, and at one time advised a seismic exploration company that they must apply to the Department of State Lands prior to entering the state land for exploration purposes. Mr. Steffen had authority as to when the cattle were to be put on and taken off of the land, and as to the number of cattle placed on the state land. This authority was used however, in conjunction or in consultation with the Svenvolds. Mr. Steffen directed, at times, the placement of the Svenvolds' salt blocks, cattle scratchers and calf feeders which were located on the state land. He performed weed control on the land. He provided water, to the state land, through his own improvements. Mr. Steffen at one time disposed of one of the Svenvold's cows which had died on the state land. Mr. Steffen, at times, farmed an adjacent tract, and was therefore, able to monitor the state land. Mr. Steffen, at times, repaired and maintained the fences, and he occasionally returned the Svenvolds' stray cattle to the state land.
>
> 11. During the years when Svenvold cattle were on the state land Doug Svenvold kept a watch on the

cattle, both for himself and for his father. There was no difference of opinion between Doug Svenvold and Mr. Steffen as to when the cattle were to be placed on the state land. Apparently the parties jointly decided the 'turn in' dates. The Svenvolds placed their own salt blocks, calf feeders, and back scratchers on the land and refilled the feeders when needed. The Svenvolds also supplied the feed supplements and the fly powder for the cattle. In addition, the Svenvolds, at times, decided where to place the salt, scratchers and feeders in order to ensure uniform grazing. The Svenvolds did some of the fence maintenance and used about $200.00 worth of their own material in so doing. Mr. Steffen rarely, if ever, assisted in placing the cattle on the land or taking them off. The Svenvolds, on occasion, took responsibility for disposing of dead cattle.

12. Both Mr. Steffen and the Svenvolds exercised elements of management of the state land. The Svenvolds exercised the primary management of the cattle while the subleases were in existence. This means that the Svenvolds were exercising the vital elements of managing the leasehold interest while the allowable AUM's were being consumed by the Svenvold cattle.

There is support in the record for the above findings of fact. With the exception of the last sentence in paragraph 12, the District Court's determination that the findings could not be disturbed was correct.

The determination of which party is exercising the vital elements of managing this leasehold interest is a legal conclusion. The last sentence in paragraph 12 should properly appear in the conclusions of law. The Commissioner restated it there:

1. When the state leases grazing land, the lessee is buying the forage, which is expressed in AUM's. When those AUM's are consumed the lease has little, if any, value for the rest of that year. Therefore, when a state lessee subleases the land, and all or nearly all the AUM's are used by the sublessee, it does not matter whether the sublessee's livestock are on the land one month or twelve months for purposes of calculating the duration of the sublease. As a result, the Svenvolds subleased this state tract for at least 7 of the 10 years.

2. Mr. Steffen did not exercise the majority of the management of this lease. He allowed the Svenvolds to exercise most of the elements of management. As a result, the arrangement with the Svenvolds did not include a retention of management by Mr. Steffen within the spirit of the Jerke and Skillman cases (cited in the following Opinion), and the Department correctly determined that Mr. Steffen lost his preference right.

As discussed above, the standard of review of agency conclusions of law is whether they represent an abuse of discretion. Before analyzing whether the Commissioner's conclusions represent an abuse of discretion, it is appropriate to review the facts and holdings in Jerke and Skillman.

In Jerke, this Court held that the preference in lease renewal had been unconstitutionally granted to the lessee Grazing District, because the District subleased the land for the entire 10-year term. The Court reasoned that the preference right seeks to include the concept of sustained yield within the policy of obtaining full market value on leases of state land. It induces the state's lessees to follow good agricultural practices and make improvements on the land. The Court stated:

> Where the preference right does not further the policy of sustained yield, it cannot be given effect. In such a situation, full market value can be obtained only by pure competitive bidding. Here, the Grazing District, the holder of the preference right, does not even use the land; it cannot use good agricultural practices or make improvements thereon. Likewise, the actual user of the land, who as a member of the Grazing District is prevented from bidding on the lease, is not motivated to further the policy of sustained yield. There is no guarantee the Grazing District will exercise its preference right and moreover, if it does, the actual user is not assured the land will be allocated to him.
>
> To allow the preference right to be exercised in this case would be to install the Grazing District as the trustee of the land. It, rather than the Department of State Lands, would decide who will occupy the land but it would not be bound by a constitutional or fiduciary duty. Under such a

> scheme, the policy of sustained yield would have no place.
>
> To allow an existing lessee who does not use the land to exercise a preference right constitutes an unconstitutional application of the preference right statute. . .

Jerke, 597 P.2d at 51.

In Skillman, this Court upheld the district court's application of the rule in Jerke to an individual lessee who violated the terms of his lease by subletting without the required approval of the Department. The Department had discovered the violation and cancelled the lease, but the lessee then paid a penalty and the lease was renewed. The matter was taken to District Court by Mr. Skillman, another party who wished to lease the land. The District Court applied Jerke and ordered the land reopened for competitive bidding. This Court held that "[e]very point of law and every policy consideration is as applicable to [this lessee] as it was to the grazing district." Skillman, 613 P.2d at 1391. The judgment of the District Court was affirmed, and the lease was reopened for bidding.

In the present case, it is not true that every point of law and every policy consideration set out in Jerke is applicable. The Department's findings of fact show that Mr. Steffen retained significant responsibility and control over the leased land throughout the sublease periods. Mr. Steffen retained control of whether the property should be grazed by subleasing for only one grazing season at a time. He retained control of what months of the year the property would be grazed. He retained responsibility for weed control, developed and retained responsibility for the water supply, and retained responsibility for fences. He also retained responsibility for controlling public access, retained

control over the locations of feeders, scratchers, and salt blocks, monitored the cattle to ensure the allowable AUM's were not exceeded, and retained responsibility for paying the State its annual lease payment. While it appears that the sublessees were primarily responsible for the day-to-day management of the cattle, it is not true in this case that management of the cattle is synonymous with management of the leasehold interest in the land. We conclude that Mr. Steffen retained responsibility for the essential elements of the leasehold interest in the land. There has been no allegation whatsoever of mismanagement of the land, and the constitutional rationale set out in Jerke and Skillman is inapplicable. We hold that the Department's conclusion that Mr. Steffen is no longer entitled to his preference right represents an abuse of discretion.

An additional question is raised by the facts and the law in Skillman. Is Mr. Steffen's failure to file his sublease with the Department in 1977 a sufficient ground for denial of his right to the preference? This issue was not addressed by the Department's order; the failure to file was not discovered until the hearing before the Commissioner. Section 77-6-205(3), MCA, provides for discretionary cancellation of a renewal lease of state lands for a violation of the terms of the lease, but the violation must not have occurred more than 3 years prior to the date on which a notice of cancellation is issued. Since no notice of cancellation has been issued, and the unfiled lease was for the year 1977, the time limit for cancellation of the lease has passed. It is too late for denial of the preference on that ground.

SENATE AGRICULTURE
EXHIBIT NO. 4
DATE 3-11-81
BILL NO. H.B. 204

We reverse the decision of the District Court and remand to the District Court for appropriate action to reinstate Mr. Steffen's preference right.

Justice

We Concur:

Chief Justice

Justices

SENATE AGRICULTURE
EXHIBIT NO. 5
DATE 3-11-87
BILL NO. HB 738

HB 738
March 11, 1987

Testimony presented by Jim Flynn, Dept. of Fish, Wildlife & Parks

The 1985 legislature, through HB 928, directed the Department of Fish, Wildlife and Parks to acquire property in Fort Benton for the "Montana Agricultural Center and Museum of the Northern Great Plains."

The department has completed this purchase as directed by the legislature.

HB 928 also directed the department to "lease the property to the City of Fort Benton for $1 a year for so long as the City of Fort Benton provides for the development, operation, and maintenance of the facility without cost to the State of Montana."

The property has been turned over to the City of Fort Benton and renovations, development of exhibits, and the storing of collection items are underway. It is our understanding that the city intends to turn management of the property over to its Civic Improvement Association. The department has prepared a lease agreement to carry out the final intent of HB 928, but this agreement has not been signed by the city, apparently due to concern over the need for the city or the Civic Improvement Association to purchase liability and property insurance coverage at their own expense.

HB 738 codifies the authority for the museum project in state statutes as part of the State Park System. It also anticipates perpetual management by the City of Fort Benton at no cost to the state.

The department wishes to go on record as being opposed to using department funding to continue operation of the facility if the City of Fort Benton decides to give up the project or finds itself in financial difficulty. In the event this should happen, the department would close the facility.

NAME: JOE TROPILA DATE: 3/11/87

ADDRESS: 205-2 NW GREAT FALLS MT 59404

PHONE: (406) 453-1124

REPRESENTING WHOM? MONTANA ASSOCIATION OF CLERK & RECORDERS

APPEARING ON WHICH PROPOSAL: HB 637

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

COMMENTS: SUPPORT AS AMENDED BY REPRESENTATIVE JENKINS DURING BILL PRESENTATION

P 11 L 21 AFTER MCA INSERT "CERTIFIED".

P 15 L 1 AFTER DOLLARS INSERT "FEE OF $ 2.00 "

STRIKE FEE SCHEDULE

SUPPORT IF AMENDED OTHERWISE OPPOSE

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

SENATE AGRICULTURE
EXHIBIT NO. 6
DATE 3-11-87
BILL NO. HB 637

9+

NAME: R. Bjornson DATE: 3/11/87

ADDRESS: A1 Marshall Bld.

SENATE AGRICULTURE
EXHIBIT NO. 7
DATE 3-11-87
BILL NO. HB 822

PHONE: 491-3730

REPRESENTING WHOM? Dept of Agriculture

APPEARING ON WHICH PROPOSAL: H.B. 822

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

COMMENTS: [illegible]

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

STANDING COMMITTEE REPORT

MARCH 11 19 37

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 738

third reading copy (blue color)

Jenkins (Kolstad)

ESTABLISH MONT. AGRICULTURAL CENTER AND MUSEUM OF THE NORTHERN GREAT PLAINS

Respectfully report as follows: That HOUSE BILL No. 738

BE CONCURRED IN

DO PASS

DO NOT PASS

PAUL F. BOYLAN, Chairman.

STANDING COMMITTEE REPORT

MARCH 11 19 97

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 322

third reading copy (blue color)

Hannah (Thayer)

ALTERNATIVES TO SURETY BOND FOR AGRICULTURAL PRODUCT MERCHANTS

Respectfully report as follows: That HOUSE BILL No. 322

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

PAUL F. BOYLAN, Chairman.