

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

March 16, 1987

The Agriculture, Livestock and Irrigation Committee meeting was called to order on the above date in Room 331 of the State Capitol at 1 p.m. by Chairman Boylan.

ROLL CALL: All committee members were present.

DISPOSITION OF HOUSE BILL 837: There were amendments offered to this bill by the County Clerk and Recorders, by Rep. Jenkins and by Senator Thayer. (Exhibit #1) Dave Cogley, Legislative Researcher, explained Amendment #1 takes care of an oversight in engrossing the bill and the language needed to be removed in order to make it consistent. The County Clerks wanted to have a certified copy of the financing statement mailed to them and this was taken care of by Amendment #2. Amendment #3 would allow the \$2 fee which would accompany the documents to cover the cost to the clerks of administration.

Senator Thayer explained his amendment would take away the requirement that the Secretary of State's office had to furnish a master list on a weekly basis. A new directive had just been received by the ASCS office and Dave Cogley had been in contact with Mr. Snortland about this.

Dave Cogley stated that Rep. Jenkins had offered an amendment that would be an alternative to Senator Thayer's amendment and would put in contingency language that if ASCS disbursements were held up because of a lack of a master list, then his language would provide that a weekly master list be published. Dave Cogley noted that Mr. Snortland had indicated the recent directive had eliminated the need for the weekly master list. He noted that many counties are on computer now and have updated computer software that makes this information readily accessible anyway. The only reason one would need a master list would be if there were major congressional changes made in the "clear title" provisions of the 1985 Food Security Act. Senator Thayer stated he felt Rep. Jenkins suggestion would make an "either or" situation which he felt was poor legislation.

Larry Akey, from the Secretary of State's office, stated the master list is done on a monthly basis at the present time. He noted his office supports deleting the requirement that they furnish the master list. He noted he had no objections to Amendments 1 or 2 and felt the matter of a fee should be a policy decision by the legislature. He felt it would be passing on \$65,000 to \$75,000 out of the pockets of agricultural producers if Amendment #3 were passed. He stated his office would prefer the Thayer amendment. Senator Galt wanted clarification that their office preferred Thayer's amendment and he stated this was correct.

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Senator Galt MOVED THAT AMENDMENTS 1 and 2 BE ADOPTED. The motion carried unanimously.

Senator Thayer stated he was in opposition to the fee being charged. Senator Beck agreed that it would be an administrative nightmare and the committee decided not to act on this amendment.

Senator Thayer then MOVED TO ADOPT AMENDMENT 4. The motion carried unanimously.

Senator Thayer then MOVED THAT HOUSE BILL 837 AS AMENDED BE CONCURRED IN. The motion carried unanimously. Senator Thayer would carry the bill on the Senate floor.

DISPOSITION OF HOUSE BILL 804: Dave Cogley noted there were a number of amendments submitted by Mr. Johnson concerning subleasing, when a person loses a sublease, when an assignment was considered a sublease, etc. These amendments had been worked out between the Department of State Lands Director, Dennis Hemmer, Fred Johnson, Mons Tiegen and Kelly Blake. Dave Cogley submitted a signed copy of the agreement that had been reached. (Exhibit #2)

Senator Bengtsen MOVED THE AMENDMENTS BE ADOPTED. Dave Cogley noted the amendment would allow more flexibility when the Department is required to cancel a lease. He said the bill with the amendments would make the statutes conform with the recent court decisions. The motion passed unanimously.

Senator Bengtsen then MOVED HOUSE BILL 804 AS AMENDED BE CONCURRED IN. The motion carried. Senators Galt and Kolstad voted "no." Senator Bengtsen agreed to carry the bill on the Senate floor.

Dave Cogley felt that "management control" was more clearly defined in the bill and a lessee would be less likely to lose his preference unknowingly. Senator Beck wanted clarification that one could not pasture out more than one-third of their state land without losing preference. Dave Cogley stated you could save your preference if the sublease is one-third or less acres of the lease or if it is a pasturing agreement that is approved in writing.

DISPOSITION OF HOUSE BILL 628: Senator Thayer MOVED THAT HOUSE BILL 682 BE LAID ON THE TABLE. Senator Lybeck MADE A SUBSTITUTE MOTION THAT HOUSE BILL 628 BE CONCURRED IN.

Senator Bengtsen felt it was an untimely bill and wondered why they did not raise the premium. She stated if the acreage coverage was high there would not be much chance for picking up supplemental insurance. Senator Kolstad felt it was a philosophical question whether or not you wished to expand the state being in business against private enterprise to

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a greater degree. He felt it was a two edged sword.

Senator Thayer also pointed out that federal crop insurance is available now which was not available some years ago. If coverage under the state program were to be raised it might effectively wipe out the private insurance business person. Senator Abrams felt the situation was the same as some of the liability insurance programs are facing in the state presently. He noted that independent insurance carriers receive about 30% of the premium just to handle federal crop insurance and assume no responsibility for it. Senator Bengtsen felt it was in indication to the private insurers that it will make it tougher for them. She then asked Bob Stephens why the issue of raising coverage came about. He stated it was from farm groups who felt higher coverage was desirable.

Senator Bengtsen wondered what sort of formula was being used when the price of grain was down and they felt they needed higher coverage. She thought it was strange to ask for \$36 coverage unless the price of the product was also that high. Senator Lybeck reminded the committee that with the current economic conditions this might be a way to help give some relief to the farmers.


Senator Beck wondered about developing a self-insurance type of program. Senator Kolstad noted the state program was designed to provide some competition so state rates might become lower. Senator Thayer wondered if a better public policy might be that a percentage of business go one way or the other.

Senator Bengtsen asked if people use federal crop insurance more than they do state hail insurance. Senator Boylan felt they carry this in addition to their federal crop insurance.

Senator Kolstad noted you cannot over insure your crop no matter what the expense was in putting in the crop in the beginning. Senator Boylan wondered if by adding all of the different insurance programs together if one could conceivably come up with coverage of what you would have received from a 50 bushel crop. Mr. Stephens noted that federal crop insurance covers a person no matter what happens to your crop but you have to prove your average yield over a 5 year time period and they will pay 75% of this amount.

The motion by Senator Lybeck that HOUSE BILL 628 BE CONCURRED IN was then voted on. On a roll call vote, the vote was tied.

The meeting was adjourned at 2:00 p.m.

  
SENATOR PAUL F. BOYLAN, Chairman

ROLL CALL

AGRICULTURE

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3-16-87

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.

Amendments to HB 837 (3rd reading bill)

1. Page 1, lines 18 and 19.

Strike: "or federal taxpayer identification number"

2. Page 11, line 21.

Following: "MAIL A"

Insert: "certified"

X 3. Page 12, line 1.

Following: "WEEK"

Insert: ", together with a fee of \$2 for each document"

4. (Thayer) Page 16, lines 3 through 9.

Following: "1987."

Strike: remainder of subsection (5)

X 4. (Jenkins) Page 16, line 3.

Following: "1987."

Strike: "The"

Insert: "If commodity credit corporation loan disbursements are conditioned on receipt of the master list, the

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SENATE AGRICULTURE

EXHIBIT NO. 1

DATE 3-16-87

BILL NO. HB 837

Amendments to HB 804 (3rd reading bill)

1. Page 2, line 1.  
Strike: "and"

2. Page 2, line 4.  
Following: "land"  
Insert: "; and"

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

3. Page 2, line 7.  
Following: "land"  
Insert: "in certain circumstances"

4. Page 4, line 13.  
Following: "77-1-302."  
Insert: "(2)"

5. Page 4, line 18.  
Following: "state."  
Insert: "(3)"

6. Page 4, lines 20 through 22.  
Following: "state"  
Strike: remainder of line 20 through "approval" on line 22

7. Page 4, line 24.  
Following: "77-6-211."  
Insert: "If a lessee subleases state lands without filing a copy of the sublease with the department and without receiving its approval, the department may cancel the lease, subject to the appeal procedure provided in 77-6-211."

8. Page 4, line 25.  
Strike: "(2)"  
Insert: "(4)"

9. Page 5, line 3.  
Strike: "(3)"  
Insert: "(5)"

10. Page 5, lines 12 and 13.  
Strike: "in excess of the period allowed under"  
Insert: "contrary to the provisions of"

11. Page 6, line 20.  
Following: "LEASE;"  
Insert: "or"

12. Page 6, line 22.  
Strike: ";

SENATE AGRICULTURE

EXHIBIT NO. 2

DATE 3-16-87

BILL NO. HB 804

13. Page 6, line 23.

Strike: "(C) THE PASTURING AGREEMENT"

14. Page 7, line 2.

Strike: "ALL ELEMENTS OF"

15. Page 7, line 10.

Strike: "PROVIDING NOTIFICATION TO THE DEPARTMENT OF"

Insert: "making all decisions regarding"

dc/amdhb804/jj

SENATE AGRICULTURE

EXHIBIT NO. 2

DATE 3-11-87

BILL NO. HB 804

DATE 3-11-89BILL NO. HB 804

## 1. On page 2:

Line 1, delete "and"

Line 4, delete "." at the end of the sentence and add "; 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 after "land" "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)"

Lines 20 through 22, delete "or subleases state lands without filing a copy of the sublease with the department and without receiving its approval"

Line 24, add after "77-6-211." "If a lessee subleases state lands without filing a copy of the sublease with the department and without receiving its approval, the department may cancel the lease, subject to the appeal procedure provided in 77-6-211."

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

## 3. On page 5:

Line 3, renumber "(3)" as "(5)"

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

## 4. On page 6:

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

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

Line 23, delete, "(c) The pasturing agreement"



Page 2

Proposed Amendments to HB 804

5. On page 7:

Line 2, delete "all elements of"

Line 10, delete "Providing notification to the department of" and  
insert in lieu thereof "Making all decisions regarding"

*Paul A. J. H.*  
*Annis Kline*  
*Mark H. ...*  
*Jerry ...*

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE

Date 3-16-87 House Bill No. 628 Time 1:38pm

NAME	YES	NO
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	✓	

Rita Tenneson  
Secretary

Paul Boylan  
Chairman

Motion: Be Concurred in - Sen Lybeck  
Tie Vote

ROLL CALL VOTE

SENATE COMMITTEE AGRICULTURE

Date 3-16-87 House Bill No. 628 Time 1:37 PM

<u>NAME</u>	<u>YES</u>	<u>NO</u>
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		

Rita Tenneson  
Secretary

Paul Boylan  
Chairman

Motion: Laid on the Table

# STANDING COMMITTEE REPORT

MARCH 16 1987

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration..... HOUSE BILL No. 837

third reading copy ( & blue )  
color

Jenkins (Thayer)

REVISE LIEN FILINGS

Respectfully report as follows: That..... HOUSE BILL No. 837

be amended as follows:

1. Page 1, lines 18 and 19.  
Strike: "or federal taxpayer identification number"
2. Page 11, line 21.  
Following: "MAIL A"  
Insert: "certified"
3. Page 16, lines 3 through 9.  
Following: "1987."  
Strike: remainder of subsection (5)

and as amended  
BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

.....  
PAUL F. BOYLAN,

Chairman.

# STANDING COMMITTEE REPORT

page 1 of 2

MARCH 16 1937

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 804

third reading copy ( blue )  
color

Jenkins (Benjamin)

LIMIT PREFERENCE RIGHT FOR LEASE OF STATE AGRICULTURAL OR GRAZING LANDS

Respectfully report as follows: That HOUSE BILL No. 804

BE AMENDED AS FOLLOWS:

1. Page 2, line 1.  
Strike: "and"

2. Page 2, line 4.  
Following: "land"  
Insert: "; and"

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

3. Page 2, line 7.  
Following: "land"  
Insert: "in certain circumstances"

4. Page 4, line 13.  
Following: "77-1-302."  
Insert: "(2)"

5. Page 4, line 18.  
Following: "state."  
Insert: "(3)"

~~DO PASS~~

~~DO NOT PASS~~

(continued)

Chairman.

MARCH 16

1957

6. Page 4, lines 20 through 22.

Following: "state"

Strike: remainder of line 20 through "approval" on line 22

7. Page 4, line 24.

Following: "77-6-211."

Insert: "If a lessee subleases state lands without filing a copy of the sublease with the department and without receiving its approval, the department may cancel the lease, subject to the appeal procedure provided in 77-6-211."

8. Page 4, line 25.

Strike: "(2)"

Insert: "(4)"

9. Page 5, line 3.

Strike: "(3)"

Insert: "(5)"

10. Page 5, lines 12 and 13.

Strike: "in excess of the period allowed under"

Insert: "contrary to the provisions of"

11. Page 6, line 20.

Following: "LEASE;"

Insert: "or"

12. Page 6, line 22.

Strike: "i"

13. Page 6, line 23.

Strike: "(C) THE PASTURING AGREEMENT"

14. Page 7, line 2.

Strike: "ALL ELEMENTS OF"

15. Page 7, line 10.

Strike: "PROVIDING NOTIFICATION TO THE DEPARTMENT OF"

Insert: "making all decisions regarding"

and as amended,  
BE CONCURRED IN

PAUL F. BOYLAN, Chairman