

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

Call to Order: By Chairman Bob Bachini, on January 18th
1989, at 3:00 p.m.

ROLL CALL

Members Present: All with exception of:

Members Excused: Rep. Jerry Driscoll

Members Absent: none

Staff Present: Connie Erickson, Legislative Council and
Maureen Cleary, Committee Secretary

Announcements/Discussion:

Chairman Bachini: Rep. Cobb has expressed some concerns regarding HB50. I also have concerns with this bill. I propose that a draft of the bill be revised by a sub-committee and it's supporters.

Rep. Guthrie: I have deep reservations as far as this is concerned. But on the same token, when legislation such as this appears the Department of Fish, Wildlife and Parks (DFWP) does not address the problem. We get two more years of the same kind of treatment. The Dept. does not recognize the problem and does nothing about it. I was in support of this bill only if it did nothing further than make the Fish and Game Commission (DFWP) aware of there being a problem.

Rep. Ellison: I think that there has been a "game damage" bill in each session. It seems the issue is the animal control rather than reimbursement.

Rep. Patterson: Other states do have some laws on the books dealing with damage caused by wild animals. Perhaps we can take a look and pattern a bill after them.

Rep. Bachini: In speaking with those concerned with the issue, hey were hoping that committee members that are supportive of Rep. Cobbs bill would appropriate additional dollars to predator control. This could be handled through a sub-committee, which we still have time to do.

Rep. Guthrie: I agree, we could handle it through an appropriations committee.

HEARING ON HOUSE BILL 138

Presentation and Opening Statement by Sponsor:

REP. DEMARS: Text read to Committee (see Exhibit #1)

List of Testifying Proponents and What Group They Represent:

Mr. Everett Snortland/ Dept. of Agriculture, Helena

Mr. Ralph Peck/ Dept. of Agriculture, Helena

Mr. Roy Bjornson/ Dept. of Agriculture, Helena

List of Testifying Opponents and What Group They Represent:

none

Testimony:

Mr. Everett Snortland: I support this bill.

Questions From Committee Members:

REP. KASTEN: What is the difference between a special fund and an enterprising fund? MR. PECK: My understanding from accounting is that an enterprising fund is money put into trust to the state of Montana. (See Exhibit #2)

REP. BACHINI: Regarding the apple growers in the state, are they in agreement with this bill? MR. PECK: The problem is more of an "internal" problem that growers would not understand. The money will still be earmarked for the apple fund.

Closing by Sponsor:

REP. DEMARS: Closed briefly to the Committee.

HEARING ON HOUSE BILL 137

Presentation and Opening Statement by Sponsor:

REP. DEMARS: Read text of (See Exhibit #3)

List of Testifying Proponents and What Group They Represent:

Mr. Everett Snortland/ Dept. of Agriculture, Helena

Mr. Ralph Peck/ Dept. of Agriculture, Helena

Mr. Roy Bjornson/ Dept. of Agriculture, Helena

List of Testifying Opponents and What Group They Represent:

none

Testimony:

Mr. E. Snortland: I supports this legislation, this will give us the ability to do this in a more practical manner.

Questions From Committee Members:

REP. PATTERSON: Page 6 of the bill would propose an effective date of July 1st, would this affect the cost of implementing the bill? Wouldn't an effective date of October 1st be more cost effective? MR. BJORNSON: The date of Oct. 1st would be acceptable, and would reduce the costs as mentioned.

REP. DEMARS: Read the text of the fiscal note to the Committee (See Exhibit #4).

REP. BACHINI: Why the increase in the fee from \$25 to \$50? MR. BJORNSON: The increase in fees is for incentive to those who register to keep it to a timely basis. This will decrease the costs to the Dept. of Ag.

Closing by Sponsor:

REP. DEMARS: Closed briefly to the Committee.

DISPOSITION OF HOUSE BILL 137

Motion: Rep. Westlake: made the motion for a "do pass"

Discussion: none

Amendments and Votes: Rep. Ream: made the motion for a "do pass" on the amendments. (See Standing Committee Report)

Recommendation and Vote: THEREFORE THE COMMITTEE RECOMMENDS
A "DO PASS AS AMENDED" FOR THIS BILL.

HEARING ON HOUSE BILL 136

Presentation and Opening Statement by Sponsor:

REP. DEMARS: Read text to the Committee (See Exhibit #5)

List of Testifying Proponents and What Group They Represent:

Mr. Everett Snortland/ Dept. of Agriculture, Helena

Mr. Ralph Peck/ Dept. of Agriculture, Helena

Mr. Ray Bjornson/ Dept. of Agriculture, Helena

List of Testifying Opponents and What Group They Represent:

none

Testimony:

The Department of Agriculture supports this bill as
legislated.

Questions From Committee Members:

REP. ELLIOTT: Why would a license for commercial fertilizer
be denied? MR. SNORTLAND: We do deny on a basis that
companies cannot guarantee the contents of their
product. REP. ELLIOTT: How are specialty fertilizers
defined? MR. SNORTLAND: This is defined under
definition section 80-10-101.

REP. KOEHNKE: Would the fiscal note would reflect any
increase in funds? MR. BJORNSON: The number of
applicants are usually less than 5 in a years time. The
intention of the bill is to create a non-refundable
registration fee.

REP. STEPPLER: Would you clarify who is to be registered
and how many are presently registered in the state?
MR. BJORNSON: All persons selling commercial
fertilizers within the state are required to apply for
licenses. There are presently a total of 1182
registered (267 regular fertilizer, 382 commercial
fertilizer and 801 specialty fertilizers).

REP. BACHINI: The effective date of July 1 was also included
in this bill. Would that have any financial impact?

MR. PECK: This particular date correspondes with the Departments current fiscal year end and prefer that this date be set.

Closing by Sponsor:

REP. DEMARS: Closed briefly to the Committee.

DISPOSITION OF HOUSE BILL 136

Motion: Rep. Nelson: made the motion for a "do pass"

Discussion: none

Amendments and Votes: Rep. Nelson: made the motion for a "do pass" on the amendments. (See Standing Committee Report)

Recommendation and Vote: THEREFORE THE COMMITTEE RECOMMENDS
A "DO PASS AS AMENDED" FOR THIS BILL.

ADJOURNMENT

Adjournment At: 4:00 p.m.



REP. BOB BACHINI, Chairman

BB/mc

1501.min

DAILY ROLL CALL
 AGRICULTURE COMMITTEE

50th LEGISLATIVE SESSION -- 1989

Date Jan 18

| NAME | PRESENT | ABSENT | EXCUSED |
|--------------------------------|-------------------|--------|---------|
| Rep. Bob Bachini, Chairman | ✓ | | |
| Rep. Francis Koehnke, Vice Ch. | ✓ | | |
| Rep. Gene DeMars | ✓ | | |
| Rep. Jerry Driscoll | absent | | ✓ |
| Rep. Jim Elliot | ✓ | | |
| Rep. Linda Nelson | ✓ | | |
| Rep. Bob Ream | ✓ | | |
| Rep. Don Steppler | ✓ | | |
| Rep. Vernon Westlake | ✓ | | |
| Rep. Duane Compton | ✓ | | |
| Rep. Orval Ellison | ✓ | | |
| Rep. Bert Guthrie | ✓ | | |
| Rep. Marian Hanson | ✓ | | |
| Rep. Harriet Hayne | ✓ | | |
| Rep. Betty Lou Kasten | ✓ | | |
| Rep. Vernon Keller | ✓ | | |
| Rep. John Patterson | ✓ | | |
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1/19/89
5:05 pm
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STANDING COMMITTEE REPORT

January 19, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that HOUSE BILL 137 (first reading copy -- white) do pass as amended .

Signed: _____

Bob Bachini

Bob Bachini, Chairman

And, that such amendments read:

1. Title, line 8.

Following: "PROVISIONS;"

Insert: "AND"

2. Title, line 8 and 9.

Strike: "; AND PROVIDING AN EFFECTIVE DATE"

3. Page 6,

Strike: lines 9 and 10 in their entirety

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1:00 pm
1/20/89
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STANDING COMMITTEE REPORT

January 20, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that HOUSE BILL 136 (first reading copy -- white) do pass as amended .

Signed: _____

Bob Bachini
Bob Bachini, Chairman

And, that such amendments read:

1. Title, line 9.

Following: "FERTILIZERS;"

Insert: "AND"

2. Title, line 10.

Strike: "; AND PROVIDING AN EFFECTIVE DATE"

3. Page 8.

Strike: lines 4 and 5 in their entirety

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE
FOR THE HOUSE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
ON HOUSE BILL 133
WEDNESDAY, JANUARY 18, 1989
HELENA, MONTANA

Chairperson, Representative Bob Bachini

This bill is primarily a housecleaning bill in that the amendments are minor and intended to meet a recommendation from the Department of Administration, Accounting Division.

House Bill 138 on page 1, line 14 & 15 removes reference to an enterprise fund. Page 1, line 15, add a special revenue.

An Enterprise Fund (06) is not required by generally accepted accounting principles; this activity may be accounted for in the General Fund or a Special Revenue Fund (02) if passed.

The Department of Agriculture supports the passage of House Bill 138.

Thank you.

EXHIBIT #01
DATE Jan 18th
HB #138

DEPARTMENT OF ADMINISTRATION

HB 138

ACCOUNTING DIVISION



ROOM 255, MITCHELL BUILDING

STATE OF MONTANA

(406) 444-3092

HELENA, MONTANA 59620-0102

TO: Sandra Luchau, Administrator
Centralized Services Division
Department of Agriculture

FROM: *Terese* Teresa Timm, CPA
Accounting Systems Manager

DATE: January 13, 1989

RE: APPLE INSPECTION FUND [SECTION 80-3-212 (1), MCA]

Per your request, this letter is to provide your agency with the Accounting Division's concurrence with removing the reference to "enterprise fund" in Section 80-3-212 (1), MCA. An Enterprise Fund is not required by generally accepted accounting principles; this activity may be accounted for in the General Fund or a Special Revenue Fund (if legally mandated).

cc: Karen Munro
Acting Administrator

*THE OBPP CONCURS
Xo 1/16/89*

EXHIBIT #02
DATE Jan 18th
HB #138

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE
FOR THE HOUSE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
ON HOUSE BILL 137
WEDNESDAY, JANUARY 18, 1989
HELENA, MONTANA

Chairperson, Representative Bob Bachini

This bill is primarily a housecleaning bill in that the amendments are minor and intended to streamline the administration of the agricultural feed program, as well as make compliance easier for the feed industry.

(1) Page 1, line 18-21, and page 2, line 4-6. (Late license renewal penalty.)

All feed dealers are required to re-license January 1, of each year. Since the present license fee has no penalty for late renewals there is very little incentive for companies to renew their feed dealer's license in a timely manner. Late renewals caused the department to take the costly steps of phone calls, letters, and visits by field staff in order to get tardy companies licensed. The late renewal fee should reduce the number of companies applying for late renewal as well as compensate for some of the enforcement costs.

This amendment also requires all new licenses to pay a higher license fee to offset the higher department cost of processing a new licensee (i.e., computer data entry and file development). Department costs are less in following year as long as the license renews prior to January 1, of each year.

(2) Page 2, line 10-12. (Increase in feed registration fee to offset elimination of tonnage fee for first 10 tons of feed sold in Montana.)

Many companies currently register feeds in Montana but ship very small quantities into the state in a year. If less than 10 tons are sent into the state, a check is required for \$1.50 or less to pay the tonnage inspection fee on the product. The expense to the registrant and the department to process these checks is considerably more than that so this proposal is a savings to both the feed registrant and the department.

EXHIBIT # 03
DATE Jan 18th
HB 137

(3) Page 2, line 15-17, and page 3, line 2-4. (Change in feed registration year from January 1, to October 1, of each year.)

The bulk of the feed business in this state is concerned with beef cattle. These cattle come in from summer pastures to various feeding programs in the fall, thus beginning the yearly feeding season. The feed manufacturers adjust their

product line in accordance with available ingredient supplies and environmental conditions. It is logical that they be able to register these products at the beginning of their feeding season and not have to re-register the product again on January 1.

(4) Page 3, line 15 and page 4, line 9. (Clarification that tonnage inspection fees are due on all commercial feeds including custom-mixed feeds.)

To some feed manufacturers, it is unclear that the inspection fee applies to all commercial feed manufactured. They only pay the inspection fee on registered feeds and not on the custom-mixed feeds. This amendment clarifies that the definition of a commercial feed includes custom-mixed feeds.

(5) Page 3, line 18-20. (Exemption of the first 10 tons of each registered product.

This exemption together with the increase as shown on page 2, line 11, helps the department and industry by reducing costly processing of very small checks.

(6) Page 4, line 25 and page 5, line 7 & 8. (Change in feed tonnage report due date.)

The change from February 28 to January 31 is an update in the law. With the current use of computers and record keeping the function of compiling the annual data by the feed companies no longer requires the time it once did. The 30 day turn around is consistent with most other reports of this type. In addition it will allow the department's compilation of the yearly data in a much more timely manner.

TESTIMONY OF MONTANA DEPARTMENT OF AGRICULTURE
FOR THE HOUSE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
ON HOUSE BILL 136
WEDNESDAY, JANUARY 18, 1989
HELENA, MONTANA

Chairperson, Representative Bob Bachini

This bill is primarily a housecleaning bill in that the amendments are minor and intended to streamline the administration of the fertilizer program.

(1) Page 1, line 22 and 25. (Non-refundable fertilizer registration fee.)

All fertilizer products sold in Montana are required to be registered with the department. In doing so, each product application and label must be reviewed, which has the same administration cost whether or not the application is approved or denied. This amendment allows the department to recover its cost in cases where a product registration application is denied.

(2) Page 3, line 9 through 11. (Late license renewal penalty.)

A certain percent of all Fertilizer Dealers fail to renew their Fertilizer Dealer's Licenses prior to the January 1, deadline each year. This amendment is to provide an incentive for the companies to renew their license before January 1, and also a means of defraying the cost of phone calls, letters and visits which are necessary to get tardy companies licensed.

(3) Page 3, line 17 through 20. (Elimination of unnecessary label requirement.)

This amendment deletes a requirement that all Fertilizer Dealers submit a copy of their product labels when licensing. This is unnecessary since the manufacture is required to submit a label when registering each product under Section 80-10-201.

(4) Page 3, line 24 through page 4 line 1. (Timely license renewals.)

This statement maintains the current license fee of \$50.00 provided the renewal application and fee is received prior to January 1.

EXHIBIT #04
DATE Jan 18th
HB 136.

(5) Page 4, line 6, page 5, line 23, and page 6, line 11.
(Elimination of requirement that manufacturers pay tonnage inspection fees on Specialty Fertilizers.)

By eliminating the package size statement, all Specialty Fertilizer products (those used on lawns, gardens, etc.,) can be registered as such and be exempted from filing a monthly tonnage report which often are zero tons. Many of these tonnage reports are accompanied by checks of \$5.00 or less. These are costly to process both for the department and the company.

VISITORS' REGISTER

Agriculture COMMITTEEBILL NO. 136 137 138DATE JAN 18thSPONSOR Rep. Gene De Mars.

| NAME (please print) | RESIDENCE | SUPPORT | OPPOSE |
|---------------------|-----------------------------|---------|--------|
| Charles Brooks | 443 Parkview - Holom | | |
| Pam Langley | Mt Ag Business Assn, Helena | | |
| Evelyn Shortland | Mt Dept of Ag | X | |
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

ROLL CALL VOTE

AGRICULTURE, LIVESTOCK & IRRIGATION

COMMITTEE

DATE Jan 18th

BILL NO.

137

NUMBER

| NAME | AYE | NAY |
|--------------------------------|-----|-----|
| BOB BACHINI, CHAIRMAN | ✓ | |
| FRANCIS KOEHMKE, VICE CHAIRMAN | ✓ | |
| GENE DE MARS | ✓ | |
| JERRY DRISCOLL | ✓ | |
| JIM ELLIOT | ✓ | |
| LINDA NELSON | ✓ | |
| BOB REAM | ✓ | |
| DON STEPPLER | ✓ | |
| VERNON WESTLAKE | ✓ | |
| DUANE COMPTON | ✓ | |
| ORVAL ELLISON | ✓ | |
| BERT GUTHRIE | ✓ | |
| MARIAN HANSON | ✓ | |
| HARRIET HAYNE | ✓ | |
| BETTY LOU KASTEN | | X |
| VERNON KELLER | ✓ | |
| JOHN PATTERSON | ✓ | |
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Margaret Cleary
~~Mary Lou Schmitz~~
 Secretary

BOB BACHINI, Chairman
 Chairman

MOTION: do pass as amended

ROLL CALL VOTE

AGRICULTURE, LIVESTOCK & IRRIGATION

COMMITTEE

DATE Jan 18th

BILL NO. HB 136

NUMBER _____

| NAME | AYE | NAY |
|--------------------------------|-----|-----|
| BOB BACHINI, CHAIRMAN | X | |
| FRANCIS KOEHNKE, VICE CHAIRMAN | X | |
| GENE DE MARS | X | |
| JERRY DRISCOLL | X | |
| JIM ELLIOT | X | |
| LINDA NELSON | X | |
| BOB REAM | X | |
| DON STEPPLER | X | |
| VERNON WESTLAKE | X | |
| DUANE COMPTON | X | |
| ORVAL ELLISON | X | |
| BERT GUTHRIE | X | |
| MARIAN HANSON | X | |
| HARRIET HAYNE | X | |
| BETTY LOU KASTEN | | X |
| VERNON KELLER | X | |
| JOHN PATTERSON | X | |
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Maureen Cleary
Mary Lou Schmitz
Secretary

BOB BACHINI, Chairman
Chairman

MOTION: do pass as amended
