

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By CHAIR LINDA NELSON on January 21, 1991, at
3:00 p.m.

ROLL CALL

Members Present: All present
Linda Nelson, Chair (D)
Don Steppler, Vice-Chair (D)
Bob Bachini (D)
Joe Barnett (R)
Gary Beck (D)
Jane DeBruycker (D)
Roger DeBruycker (R)
Jim Elliott (D)
Marian Hanson (R)
Harriet Hayne (R)
Vernon Keller (R)
Don Larson (D)
Jim Madison (D)
Ed McCaffree (D)
John Phillips (R)
John Scott (D)

Staff Present: Connie Erickson, Legislative Council
Claudia Johnson, secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

HEARING ON HB 207

Presentation and Opening Statement by Sponsor:

REP. JOE BARNETT, HOUSE DISTRICT 76, BELGRADE, stated this bill is an act to eliminate the deposit requirement for the lessee of a state agricultural grazing lease who exercises his preference right to meet a high bid and requests a hearing to have the bid rate lowered. If a lessee's bid is up and someone bids higher than the current lessee, the owner of the lease would have 3 options: 1) let the lease go; 2) meet the lease bid of the highest bidder; and 3) meet the lease and then ask for a hearing from the Department of Agriculture to determine if the bid is in the best interest of the state. When the person meets the bid, they will pay the lease bid they submitted. This would eliminate

the 20% that had previously been paid up front. REP. BARNETT informed the committee that someone from the Department of State Lands was here and will explain the bill.

Proponents' Testimony:

JEFF HAGENER, ADMINISTRATOR LANDS DIVISION, DEPARTMENT OF STATE LANDS, said this bill would eliminate the extra deposit of 20% which is held in the department while the lessee is in the hearing process. Mr. Hagener stated this is additional money paid by the lessee for the high bid amount.

Opponents' Testimony: None

Questions From Committee Members:

REP. DEBRUYCKER (Roger) asked about the 20%. Mr. Hagener replied when the lessee meets the high bid he may request that the bid be lowered and pay a deposit which is the 20%. This bill would eliminate the 20% fee that is above the high bid that has previously been accepted by the Department of State Lands.

Closing by Sponsor:

REP. BARNETT thanked the committee for a good hearing.

HEARING ON HB 171

Presentation and Opening Statement by Sponsor:

REP. STEVE BENEDICT, House District 64, Hamilton, said this bill provides for the abandonment of the Daly Ditch Water Project near Hamilton. The purpose of this bill is to repeal the statutes related to the disposal of the Daly Ditches. The Department of Natural Resources and Conservation (DNRC) has completed the transfer of the Daly Ditch project to the Daly Ditch irrigation district. The Daly Ditch project is now obsolete and should be removed from the Montana Annotated Codes. The project was originally started by Marcus Daly. The Ditch provided irrigation water for 14,000 acres east of the Bitterroot river. The water was diverted from the Bitterroot river and several of its tributaries. The state took over the operation of the project in the mid 1940s. By 1979 the cost to the department was \$10 an acre to deliver the water. Records show there are water users that have contracts from the early 1900's that paid as little as .50 to \$1.25 an acre. The Daly Ditch Disposal Act was passed in 1979, and this bill carries out the act. After the department spent a lot of time and money on this project, all issues were settled in 1985. The Daly Ditch is now controlled by the Daly Ditch District.

Proponents' Testimony:

Gary Fritz, Department of Natural Resources, thanked REP.

BENEDICT for carrying this bill for DNRC. Mr. Fritz emphasized this bill is a housekeeping bill. HB 171 does not affect the department from any future litigation.

Jo Bruner, Montana Water Resources Association, said the members of the organization support HB 171.

Questions From Committee Members:

REP. ELLIOTT asked Mr. Fritz how did the department get the Daly Ditch organization to agree to take the project. Mr. Fritz replied the project is infamous as part of past legislation that included the Tongue River, Kootenai Dam. The Daly Ditch Project has been quite controversial because it cost more to operate than what was received.

Closing by Sponsor:

REP. BENEDICT thanked the committee for a good hearing.

EXECUTIVE ACTION ON HB 171

Motion: REP. ELLIOTT MOVED HB 171 DO PASS

VOTE: HB 171 DO PASS. Motion CARRIED unanimously.

EXECUTIVE ACTION ON HB 207

Motion: REP. KELLER MOVED HB 207 DO PASS.

Discussion: REP. ELLIOTT asked Mr. Hagener if a lease comes up for renewal and someone outbids him and pays 20% down in earnest money does the first lessee have preference if he meets that high bid. Mr. Hagener said when the lessee meets that bid and pays the 20%, he is making a statement that he will meet that bid.

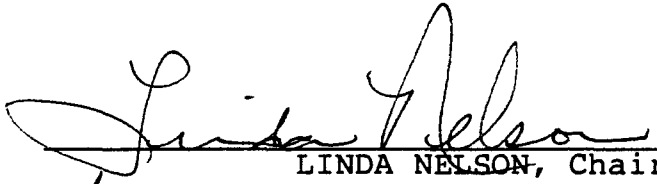
REP. BACHINI asked Mr. Hagener what happens if the hearing is not in his favor. Mr. Hagener replied regardless of what happens in the hearing, if he has the highest bid the lease is his.


Motion/Vote: REP. BACHINI called the question. Voice vote was taken.

VOTE: HB 207 DO PASS. Motion CARRIED 14 to 2 with REP. ELLIOTT, REP. SCOTT and REP. R. DEBRUYCKER voting no.

ADJOURNMENT

Adjournment: 3:25 p.m.


LINDA NELSON, Chair


CLAUDIA JOHNSON, Secretary

LN/cj

HOUSE OF REPRESENTATIVES

AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE

ROLL CALL

DATE 1-21-91

| NAME | PRESENT | ABSENT | EXCUSED |
|----------------------------------|---------|--------|---------|
| REP. LINDA NELSON, CHAIR | ✓ | | |
| REP. DON STEPPLER, VICE-CHAIRMAN | ✓ | | |
| REP. BOB BACHINI | ✓ | | |
| REP. JOE BARNETT | ✓ | | |
| REP. GARY BECK | ✓ | | |
| REP. JANE DEBRUYCKER | ✓ | | |
| REP. ROGER DEBRUYCKER | ✓ | | |
| REP. JIM ELLIOTT | ✓ | | |
| REP. MARIAN HANSON | ✓ | | |
| REP. HARRIET HAYNE | ✓ | | |
| REP. VERNON KELLER | ✓ | | |
| REP. DON LARSON | ✓ | | |
| REP. JIM MADISON | ✓ | | |
| REP. ED MCCAFFREE | ✓ | | |
| REP. JOHN PHILLIPS | ✓ | | |
| REP. JOHN SCOTT | ✓ | | |
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HOUSE STANDING COMMITTEE REPORT

January 21, 1991

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Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Bill 171 (first reading copy -- white) do pass and be placed on consent calendar .

Signed: Linda Nelson, Chairman

HOUSE STANDING COMMITTEE REPORT

January 21, 1991

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Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Bill 207 (first reading copy -- white) do pass.

Signed: _____

Linda Nelson, Chairman

VISITOR'S REGISTER

COMMITTEE

SPONSOR

DATE

1-22-91

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY.

WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU WANT TO SUBMIT WRITTEN TESTIMONY.

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VISITOR'S REGISTER

COMMITTEE

WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU WANT TO SUBMIT WRITTEN TESTIMONY.

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