

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By Senator Greg Jergeson, on March 15, 1991, at
3:00 P. M.

ROLL CALL

Members Present:

Greg Jergeson, Chairman (D)
Francis Koehnke, Vice Chairman (D)
Gary Aklestad (R)
Betty Bruski (D)
Gerry Devlin (R)
Jack Rea (D)
Bernie Swift (R)
Bob Williams (D)

Members Excused:

Thomas Beck (R)

Staff Present: Connie Erickson (Legislative Council).

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

Announcements/Discussion: Senator Jergeson introduced Dennis
Casey, Department of State Lands, who was present to discuss
land lease issues.

Mr. Casey introduced Jeff Hagener, Administrator, Lands
Division, who provided a memorandum indicating how the market
value of hay is determined each year (Exhibit #1). Both Mr.
Casey and Mr. Hagener answered numerous questions fielded by
committee members regarding land lease issues.

EXECUTIVE ACTION ON HOUSE BILL 840

Discussion:

Discussion centered around the two fiscal notes attached to
HB 840. Chairman Jergeson addressed Mr. Roy Bjornson, Department
of Agriculture, asking if the Department had input when the
Budget Office designed the original fiscal note. Mr. Bjornson
responded that the Department did have input into formulating the
fiscal note. He noted further that the changes made in the House
Committee have materially affected the fiscal note, adding that
the changes were addressed to the Director of the Department of
Agriculture and at that point in time the second fiscal note was

SENATE AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

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developed. Senator Jergeson then asked if the sponsor's fiscal note is current with the bill as it stands before the committee. Mr. Bjornson answered affirmatively.

Senator Koehnke asked where the costs are derived from on the new fiscal note. Mr. Bjornson advised that the costs as reflected on the new fiscal note are to be used in the notification processes to other states and notification to other companies for the development of rules and regulations.

Senator Devlin asked if the bill is passed, will the Department come in and request a supplemental. Mr. Ralph Peck, Department of Agriculture, replied that this is a "may" bill rather than a "shall" bill. He advised that the Director's position is that they will do the level of effort at which the Legislature appropriates them funds in order to enforce this piece of legislation. He pointed out that it is not the Department's bill, but rather is Mr. Grady's. The Department felt the first fiscal note was accurate; it was amended, and it does not mandate that the Department do certain functions. He stated he cannot guarantee that they will not have a request in for funding in future years in order to provide those services.

Senator Jergeson pointed out it is a permissive bill, but it is dealing with a situation of whether or not they will end up with new imported plants that have the potential of becoming noxious weeds in Montana. Mr. Peck advised that there is a potential of demands for services if one county is especially aggressive, spurred by environmental groups. Currently it is dealt with on an "intra" state basis rather than "inter" state, which is movement inside Montana.

Recommendation and Vote:

Senator Williams made a motion that HB 840 DO BE CONCURRED IN. Those in favor - 6; opposed - 2 (Aklestad, Devlin). MOTION CARRIED.

Senator Yellowtail will carry HB 840 to the floor of the Senate.

EXECUTIVE ACTION ON HOUSE BILL 771

Discussion:

Senator Jergeson stated he has some concern that the 2% bond may offer enough protection for some companies, but for others it may not be adequate. The old language enabled the Department, by rule, to adopt a higher percentage than 2%. He asked the Department if it was their view that if the percentage was raised would it apply to all elevators, or would it be possible to apply 2% to one elevator, and perhaps a higher percentage to another elevator if their position looked weaker. Mr. Bjornson,

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Department of Agriculture, stated he believed the option works both ways, but added it may be a legal question to be discussed with an attorney.

Senator Koehnke asked why lines 18 and 19 were deleted from the bill. Connie Erickson, Legal Counsel, stated it was her understanding that it was taken out at the request of the elevator operators, who did not want the Department to be able to set the percentage by rule.

Senator Rea asked what kind of a financial obligation is being put on by a bond of 2%. Chairman Jergeson advised that it is based on annual volume. An example was given as one million dollars in volume would require a \$20,000 bond, with the maximum bond at one million. Senator Jergeson stated he believed the question is should some companies be required to carry a higher bond.

Senator Aklestad asked if the latitude on Page 15, line 13, was available, would the Department want to raise that bond. Mr. Peck advised that although that authority was available, they haven't really used the authority in this Section. In another Section of law it is allowed that if an elevator is in precarious financial condition as indicated on their financial statement, the Director can require that they have additional bond in addition to the 2% required here. There have been instances where the Department has required that additional bonding, based on the financial report from the grain elevator.

Senator Aklestad asked if this bill was passed as is, would the Department still have that provision in the other section of the statute. Mr. Peck answered affirmatively.

Pam Langley advised that she believes the remedies are there. She stated small elevators are concerned about the across-the-board type increase. They are not opposed to a case-by-case basis where the bonding might be increased.

Recommendation and Vote:

Senator Aklestad moved that HB 771 BE CONCURRED IN. Those in favor - 8; opposed - 0. MOTION CARRIED.

Senator Koehnke will carry HB 771 to the floor of the Senate.

EXECUTIVE ACTION ON HOUSE BILL 888

Discussion:

Chairman Jergeson informed that HB 888 does three things: (1) adds WIFE to the groups that may nominate members for appointment to the committee; (2) exempts Executive Director from

SENATE AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

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the State Pay Plan; and (3) statutorily appropriates funds from the Wheat and Barley account.

Senator Devlin stated the main point was whether or not to allow another exemption from the State Pay Plan.

Connie Erickson, Legal Counsel, advised that a similar bill regarding the Alfalfa Committee calling for statutory appropriation and exemption of an employee of the Committee was heard in the House Ag Committee and they removed the exemption for the employee from the bill. Chairman Jergeson informed the Alfalfa Committee does not have the volume of cash involved.

Amendments, Discussion and Vote:

Senator Rea made a motion that HB 888 be amended to strike Section 2 in its entirety and change title to reflect same. Those in favor - 6; opposed - 2 (Jergeson, Koehnke). MOTION CARRIED.

Senator Aklestad made a motion to strike Section 3 and Section 6 of the bill. Those in favor - 8; opposed - 0. MOTION CARRIED.

Recommendation and Vote:

Senator Devlin made a motion that HB 888 BE CONCURRED IN AS AMENDED. Those in favor 8; opposed - 0. MOTION CARRIED.

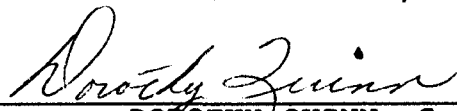
Senator Nathe will carry HB 888 to the floor of the Senate.

ADJOURNMENT

Adjournment At: 4:50 P.M.



GREG JERGESON, Chairman



DOROTHY QUINN, Secretary

GJ/dq

AG031591.SM1

ROLL CALL
AGRICULTURE COMMITTEE

DATE 3/15/91

52nd
LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SEN. JERGESON	X		
SEN. KOEHNKE	X		
SEN. AKLESTAD	X		
SEN. BECK			X
SEN. BRUSKI	X		
SEN. DEVLIN	X		
SEN. REA	X		
SEN. SWIFT	X		
SEN. WILLIAMS	X		X

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 15, 1991

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration H0use Bill No. 840 (third reading copy -- blue), respectfully report that H0use Bill No. 840 be concurred in.

Signed: Greg Jergeson

Greg Jergeson, Chairman

JA 3-15-91
And. Coord.

SB 3-16-91 7:45
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 15, 1991

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration House Bill No. 771 (third reading copy -- blue), respectfully report that House Bill No. 771 be concurred in.

Signed: _____

Greg Jergeson
Greg Jergeson, Chairman

Jan 3-15-91
Amd. Coord.

SB 3-16-91
Sec. of Senate

7:45

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 18, 1991

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration House Bill No. 888 (third reading copy -- blue), respectfully report that House Bill No. 888 be amended and as so amended be concurred in:

1. Title, lines 10 and 11.

Strike: "EXEMPTING" on line 10 through ";" on line 11

2. Title, lines 14 and 15.

Strike: "STATUTORILY" on line 14 through ";" on line 15

3. Title, line 16.

Strike: "2-18-103, 17-7-502,"

Following: "80-11-202,"

Insert: "AND"

4. Title, line 17.

Strike: "AND 80-11-224,"

5. Page 4, line 12 through page 7, line 13.

Strike: sections 2 and 3 in their entirety

Renumber: subsequent sections

6. Page 10, line 17 through page 11, line 5.

Strike: section 6 in its entirety

Renumber: subsequent section

Signed: Greg Jergeson

Greg Jergeson, Chairman

191 3-18-91
Amd. Coord.

191 3-18-91 11:00
Sec. of Senate

580940SC.Sji

DEPARTMENT OF STATE LANDS



STAN STEPHENS, GOVERNOR

CAPITOL STATION

STATE OF MONTANA

(406) 444-2074

1625 ELEVENTH AVENUE
HELENA, MONTANA 59620

March 13, 1991

MEMORANDUMTO: Jeff Hagener, Administrator
Lands DivisionFROM: Les Saisbury, Chief LAS
Surface Management Bureau

RE: Hay Prices - How Determined Each Year

Article X, Section 11 of the Constitution of the State of Montana states that, "No such land [referring to lands granted by Congress] or any estate or interest therein shall ever be disposed of except in pursuance of general laws providing for such disposition, or until 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." [Emphasis added]

Full market value of hay does not include any deduction for transportation or any other marketing costs.

In terms of complying with this dictate, the Department of State Lands endeavors each year to determine the current market value of all crops produced on state school trust lands, including hay.

The Department through its Area Field Offices determines the regional market value of hay each year by checking a variety of data sources. Such sources include contacting County Extension offices and other local, state and federal agencies which may be aware of current hay prices. Our offices also check with parties known to be selling and buying hay locally. They also check newspaper ads to determine price levels. Our offices attempt to determine prices by type and quality of hay and do so regularly throughout the growing season to keep track of market fluctuations.

Over the years, this process has received very little criticism. The Helena office is provided current market information by our Field Offices each year. These local prices are passed on to lessees who inquire as to the current price levels. With few exceptions, the lessees pay the State its crop share based on these quoted price levels without question. If differences in quality or local market values are substantiated by a lessee to support a lower value, the Department has been willing to accept lower crop share payments in such instances.

LS/dlc

3/15/91

Agriculture

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

ROLL CALL VOTE

AGRICULTURE

SENATE COMMITTEE _____

Date 3/15/91 Bill No. HB 840 Time 4:19

NAME	YES	NO
SEN. AKLESTAD		X
SEN. BECK	absent	
SEN. BRUSKI	X	
SEN. DEVLIN		X
SEN. REA	X	
SEN. SWIFT	X	
SEN. WILLIAMS	X	
SEN. KOEHNKE	X	
SEN. JERGESON	X	

DOROTHY QUINN

GREG JERGESON

Secretary

Chairman

Motion: Senator Williams made a
motion that HB 840 DO BE
CONCURRED IN. Those in
favor - 6; opposed - (Aklestad)
Motion CARRIED. (Devlin)

ROLL CALL VOTE

AGRICULTURE

SENATE COMMITTEE _____

Date 3/15/91 Bill No. HB 771 Time 4:30

NAME	YES	NO
SEN. AKLESTAD	X	
SEN. BECK		+
SEN. BRUSKI	X	
SEN. DEVLIN	X	
SEN. REA	X	
SEN. SWIFT	X	
SEN. WILLIAMS	X	
SEN. KOEHNKE	X	
SEN. JERGESON	X	

DOROTHY QUINN

GREG JERGESON

Secretary

Chairman

Motion: Senator Aklestad made a
motion that HB 771 be CONCURRED
IN. In favor- 8; opposed- 0.

ROLL CALL VOTE

AGRICULTURE

SENATE COMMITTEE _____

Date 3/15/91 Bill No. HB 888 Time 4:40

NAME	YES	NO
SEN. AKLESTAD	X	
SEN. BECK		
SEN. BRUSKI	X	
SEN. DEVLIN	X	
SEN. REA	X	
SEN. SWIFT	X	
SEN. WILLIAMS	X	
SEN. KOEHNKE		X
SEN. JERGESON		X

DOROTHY QUINN

GREG JERGESON

Secretary

Chairman

Motion: Sen. Rea made a motion
that HB888 be amended to strike
Section 2 in its entirety, and
change title to reflect same. In favor,
Opposed-2 MOTION CARRIED.

(Jergeson)
Koeckle

ROLL CALL VOTE

AGRICULTURE

SENATE COMMITTEE _____

Date 3/15/91 Bill No. HB 888 Time _____

NAME	YES	NO
SEN. AKLESTAD	X	
SEN. BECK		
SEN. BRUSKI	X	
SEN. DEVLIN	X	
SEN. REA	X	
SEN. SWIFT	X	
SEN. WILLIAMS	X	
SEN. KOEHNKE	X	
SEN. JERGESON	X	

DOROTHY QUINN

GREG JERGESON

Secretary

Chairman

Motion: Sen. Aklestad made a motion
to strike Section 3 and Section 6
of HB 888. In favor - 8 -
opposed - 0. Motion CARRIED

ROLL CALL VOTE

AGRICULTURE

SENATE COMMITTEE _____

Date 3/15/91 Bill No. HB 888 Time 8:45

NAME	YES	NO
SEN. AKLESTAD		
SEN. BECK		
SEN. BRUSKI		
SEN. DEVLIN		
SEN. REA		
SEN. SWIFT		
SEN. WILLIAMS		
SEN. KOEHNKE		
SEN. JERGESON		

DOROTHY QUINN

GREG JERGESON

Secretary

Chairman

Motion: Sen. Devlin made a motion
that HB 88 BE CONCURRED
IN AS AMENDED In favor - 8;
Opposed - 0. MOTION CARRIED