

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By Senator Rea, on January 11, 1993, at 1:00 p.m.

ROLL CALL

Members Present:

Sen. Jack "Doc" Rea, Chair (D)
Sen. Francis Koehnke, Vice Chair (D)
Sen. Tom Beck (R)
Sen. Betty Bruski-Maus (D)
Sen. Jim Burnett (R)
Sen. Gerry Devlin (R)
Sen. Gary Forrester (D)
Sen. Mike Halligan (D)
Sen. Bob Pipinich (D)

Members Excused: Sen. Aklestad

Members Absent: None

Staff Present: Doug Sternberg, Legislative Council
David Martin, Committee Secretary

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

Committee Business Summary:

Hearing: SB 54, SB 88, SB 98
Executive Action: SB 54, SB 88

HEARING ON SB 54

Opening Statement by Sponsor:

Sen. Gage, District 5, opened by requesting that the committee table SB 54 concerning the State Hail Board. The bill was proposed because he felt private services shouldn't compete with state services, and if they do it should be on a level playing field. The state can currently refund premiums whereas private companies cannot by statute. This bill was not at the request of private industry. Upon further research, it was found that private industry did not desire rebates. Due to the negative reaction it has received, Sen. Gage would like to table this bill. If possible he would have stopped the bill before it reached committee.

EXECUTIVE ACTION ON SB 54

Motion/Vote: Sen. Beck moved that SB 54 be tabled. Motion carried unanimously.

HEARING ON SB 98

Opening Statement by Sponsor:

Sen. Beck, District 24, Deer Lodge, which contains the state prison. This bill would identify Montana State Prison as a "person" as defined on page 3, line 11, of the bill. This would allow the prison to apply for licenses under that provision. It could be classified as a clean up bill.

Proponents' Testimony:

Jim Pomroy, Deputy Administrator of Corrections Division and Human Services. The Milk Control Board, with the support of the Montana Dairyman Association, allowed the prison to sell milk into the milk pool. Currently state agencies are exempt from selling milk. Passage of this bill would allow the state prison to obtain all proper licenses for this traditional activity.

Jim Kimbell, Department of Commerce, Administrator of the Public Safety Division, also represents the Milk Control Board which supports this bill. Mr. Kimbell was available for questions.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

Sen. Halligan asked what will be done with the produced milk. Mr. Pomroy replied that it will be used in state institutions. Sen. Halligan followed with the possible need for "distributor" language in the bill.

Closing by Sponsor:

None

HEARING ON SB 98

Opening Statement by Sponsor:

Sen. Rea, District 38, submitted SB 98 at the request of the Montana Seed Trade Association. It will make three basic changes in Montana's Agricultural seed law. One, the bill will clarify the licensing and then bin run sale provisions of the law. Two, the bill will add a civil penalty to the law. Finally, it creates a revenue account from which the expenses for the Agriculture Seed Department will be paid. This change in funding from the general account will save approximately \$50,000 as noted in the fiscal note which will be here Wednesday.

Proponents' Testimony:

Leo Giacometto, Director of Department of Agriculture. (Exhibit #1)

Pam Langley, Montana Seed Trade Association, MSTA, and Montana AgriBusiness Association both of which are in favor of the legislation. A fair regulatory commission is necessary and MSTA members, are willing to pay increased fees to support this. If a seller advertises varietal seeds by the media, then a seed dealer license would have to be obtained. It does not prevent an individual farmer from selling directly to another farmer.

Randy Johnson, Montana Grain Growers Association, stated that this bill tightens up the state laws. It will strengthen the seed industry and help the general fund. The Department of Agriculture will be presenting a number of bills this session to shift from state to industry funding. He asked the committee to be aware of burdens that will be placed on private industry by these actions.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

Sen. Halligan asked for examples of past violations. Mr. Giacometto replied that the main purpose of this bill is self sufficiency. The bill also provides consumer protection through truth in labeling by registered dealers.

Sen. Beck pointed out that the fee had tripled from \$50 to \$200. Mr. Giamotto responded the provision was asked for by the seed industry to prevent government overcharging. Thus, the maximum charge to any dealer would be \$200.

Sen. Burnett asked if a seller advertising seed as "not certified" would be in violation of this law. Mr. Giamotto said technically yes, but he would check with his department manager. Will Kissinger, Department of Agriculture, added that placing an ad would require a license.

Sen. Halligan asked if there was an exception for one neighbor selling to another neighbor or by placing an ad on the co-op bulletin board. Will Kissinger replied, the exemption is on page 2, lines 17-19, which gives the definition of sales.

Sen. Beck asked about seed sale that was one year off certification and if that would be in violation. Mr. Kissinger replied that the ad would not be illegal but they would need a seed dealers license. Sen. Beck followed by asking if the Department of Agriculture would then certify the seed. Mr. Kissinger replied that this would be covered through the university seed certification program and should probably have already been done. Sen. Beck asked if seed a year off certification would require the license to which Mr. Kimbell responded affirmatively.

Sen. Forrester asked if there was a fee cap or would it be like the brand inspection with a set fee. Will Kissinger replied there is no cap on the special revenue account but there is a cap on the license fee. The only revenue sources for this account would be the license fees.

Sen. Halligan wanted to know how sellers would be informed of these changes. Mr. Kimbell replied the Seed Traders Association would be the main source of information.

Sen. Devlin asked if a non-member of the Seed Trade Association advertised seed a year off certification would be in violation. Mr. Kimbell responded that a license would be needed and would cost \$100. Sen. Devlin requested clarification as to the bills sponsor. Sen. Rea responded that it was the Seed Trade Association. Sen. Devlin asked Pam Langley how many members are in the Seed Trade Association. Ms. Langley was not sure of the number of members. She added that other grower groups would have to be contacted as well as the Seed Trade Association since they could be in violation as well.

Sen. Halligan commented to Sen. Devlin that there was a discretionary administrative penalty. Possibly some kind of discretion should be give to the county attorney as well.

Sen. Maus asked what happens to farmers with small amounts of seed who could not afford the license. Leo Giacometto responded that if the farmer advertises in the newspaper then he is in violation. If he sells by word of mouth it is OK. This bill is directed towards certified sellers. The seed content would be assured, but the civil penalty would be at the discretion of the Department of Agriculture.

Sen. Beck asked how serious the problem was and if the fiscal note would reflect that. Leo Giacometto replied that he didn't know the exact number of sellers. There has to be some kind of consumer/seller protection. If necessary, he prefers that the "protection" language be struck, but the main intent of the bill, which is to make this program self sufficient, remain.

Sen. Koehnke asked if someone advertising on a bulletin board in the co-op if constituted a dealership. Mr. Giacometto referred to the bill definition which covers a wide gamete.

Closing by Sponsor:

Sen. Rea said he was unable to get the information about the number of Seed Trade Association members but could get that at a later time.

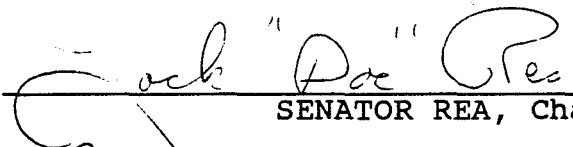
EXECUTIVE ACTION ON SB 88

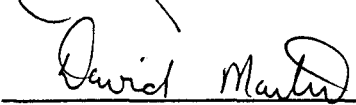
Motion/Vote:

Sen. Devlin moved DO PASS on SB 88. The motion PASSED UNANIMOUSLY.

ADJOURNMENT

Adjournment: Meeting adjourned at 1:30.


 SENATOR REA, Chair


 DAVID MARTIN, Secretary

ROLL CALL

SENATE COMMITTEE AGRICULTURE DATE 1-11-93
(MON.)

(mon.)

[illegible]

FC8

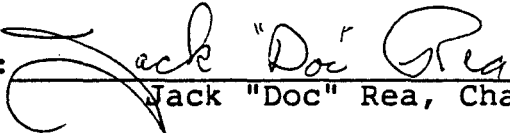
Attach to each day's minutes

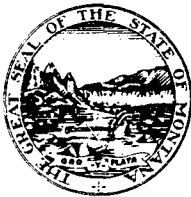
SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 11, 1993

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration Senate Bill No. 88 (first reading copy -- white), respectfully report that Senate Bill No. 88 do pass.

Signed: 
Jack "Doc" Rea, Chair



MARC RACICOT
GOVERNOR

**STATE OF MONTANA
DEPARTMENT OF AGRICULTURE**

OFFICE OF THE DIRECTOR
AGRICULTURE/LIVESTOCK BLDG.

PO BOX 200201
HELENA, MONTANA 59620-0201

LEO A. GIACOMETTO
DIRECTOR
(406) 444-3144

FAX (406) 444-5409

NATE AGRICULTURE

LET NO. 1
1/11
98

**JANUARY 11, 1993
SENATE BILL 98
SENATE AGRICULTURE COMMITTEE
MONTANA DEPARTMENT OF AGRICULTURE
LEO A. GIACOMETTO, DIRECTOR**

Chairman Rea and members of the Committee. For the record, I am Leo Giacometto, Director of the Montana Department of Agriculture.

Senate Bill 98 sponsored by the Montana Seed Trade Association makes several positive changes to the Department's Seed Law. The Department supports passage of these amendments.

I wish to commend the Montana Seed Trade Association for their action of revising and updating the Seed Law. The amendments will improve the efficiency of the Department's Seed program, make it self funding, as well as reduce the General Fund deficit by approximately \$50,000.

Will Kissinger, Administrator of the Department's Plant Industry Division, is here to answer any technical questions you may have.

Mr. Chairman and members of the Committee, I request that you support and vote for the passage of Senate Bill 98.

DATE 1-11-93

SENATE COMMITTEE ON AGRICULTURE

BILLS BEING HEARD TODAY: SB 54, SB 88, SB 98

Name	Representing	Bill No.	Check One	
			Support	Oppose
Randy Johnson	Mt. Grain Growers Assn	54 98	X	X
Pam Langley	Montana Sud Trade Montana AgriBusiness	98	✓	
W James Kembel	DOC	88	✓	
Joel Henderson	My self	SB 54		X
James Pomeroy	DCAS	88	✓	
Ginger D Rock	WIFE	SR 54		X
J C Dinger	Dept. AG	98 SB 54	X	X
Bob Land	Farmers Union	54		X
Grant Zerke	State Airl Board	54		X
Ted Davey	Montana Dairymen's Assn.	SB 88		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY