

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By CHAIRMAN VERN KELLER, on February 4, 1993, at 3:00 P.M.

ROLL CALL

Members Present:

Rep. Vern Keller, Chairman (R)
Rep. Joe Barnett, Vice Chairman (R)
Rep. Shiell Anderson (R)
Rep. Bob Bachini (D)
Rep. Jody Bird (D)
Rep. Ervin Davis (D)
Rep. Bill Endy (D)
Rep. Harriet Hayne (R)
Rep. Don Larson (D)
Rep. Gary Mason (R)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Wilbur Spring (R)
Rep. Wayne Stanford (D)
Rep. Jay Stovall (R)

Members Excused: None

Members Absent: Rep. Schwinden

Staff Present: Connie Erickson, Legislative Council
Jaelene Racicot, Committee Secretary

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

Committee Business Summary:

Hearing: HB 308, SB 85
Executive Action: HB 308, SB 85, HB 183

HEARING ON HB 308

Opening Statement by Sponsor:

REP. BETTY LOU KASTEN, HD 28, Brockway, said that the current law states if requested in writing by the board of commissioners of the irrigation district, the county treasurer may receive assistance from the district personnel in collecting district

assessments. She said that a few treasurers interpreted that to say they could accept the assistance or not. She stated HB 308 makes it mandatory for treasurers to accept the assistance if it is requested in writing.

Proponents' Testimony:

Jo Brunner, Montana Water Resource Association, stated that HB 308 clarified the language. Ms. Brunner said the major concern was when the irrigators pay their taxes. At that time, the district needs to know who it can deliver water to and who it can't. If the treasurer does not allow the district personnel to go to the court house and check who has paid their taxes and who has not, the districts may deliver water to people who have not paid their taxes and not give water to someone who has paid their taxes.

Leo Giacometto, Department of Agriculture, urged the committee to support HB 308.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. SPRING asked REP. KASTEN if this was a problem with a number of treasurers or certain irrigation districts. REP. KASTEN stated there was a problem with only one or two treasurer offices in the state. She said that the districts want to set up a schedule with the treasurers' office. Once a week, when the taxes are coming in, a district representative would go to the court house and verify who has paid their taxes.

Closing by Sponsor:

REP. KASTEN closed.

EXECUTIVE ACTION ON HB 308

Motion: REP. BACHINI MOVED HB 308 DO PASS.

Discussion: REP. STANFORD asked if this bill is passed, would it set a trend to have other groups come in and find out what is going on with their money?

REP. BACHINI stated that the information should be available to the public since the legislature works for the public.

Motion/Vote: DO PASS ON HB 308.

Vote: The motion carried. REP. SCHWINDEN was not present to vote on the motion.

HEARING ON SB 85

Opening Statement by Sponsor:

SEN. TOM KEATING, SD 44, Billings, stated that SB 85 was a result of the legislative audit of the Hail Insurance Program. The auditor determined that, due to a change in the method of accounting, the hail insurance program would have to be converted from an expendable trust to an enterprise fund.

Proponents' Testimony:

John Northey, Legislative Auditor's Office, stated that the purpose of the standards is to have the financial activity of all governmental entities reported in a similar manner, so when they go to read the financial statement, they can readily identify what the fund designations mean. Mr. Northey stated that the administrative costs and the administrative program would continue to be generally appropriated and the claim money that is paid out would be statutorily appropriated.

Leo Giacometto, Director of the Department of Agriculture.

EXHIBIT 1.

Mr. Giacometto also read a letter from Grant Zerbe, Chairman of the State Board of Hail Insurance. EXHIBIT 2.

Bob Stephens, Montana Grain Growers Association, stated that the Association supported SB 85.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. LARSON asked what was an enterprise account. John Northey stated that a trust account was money held for a particular purpose; an enterprise account is a governmental fund used for a business activity. Mr. Northey said in this case, it was as if the government was in the insurance business. Mr. Northey stated when, the legislature sees an enterprise fund they know the state is running a business activity. SB 85 specifies a technical difference.

Closing by Sponsor:

SEN. KEATING stated the Hail Insurance Program does not run a large fund balance. He said they were not like the workers' compensation program; a program that loses money on every premium they sell.

EXECUTIVE ACTION ON SB 85

Motion: REP. BACHINI MOVED SB 85 BE CONCURRED IN.

Vote: The motion carried unanimously.

EXECUTIVE ACTION ON HB 183

Motion: REP. ENDY MOVED HB 183 DO PASS.

Discussion: Connie Erickson explained the amendments requested by REP. ENDY.

Motion: REP. ENDY moved the amendments.

REP. BIRD asked if the expenditures of \$389,000 on the fiscal note would remain the same. Ms. Erickson stated that there would be an increase in revenues but expenditures would remain the same.

REP. ENDY stated that he thought the fiscal note was not correct, because 36% of the five million acres of land was land-locked. Therefore, they would not need 16,000 signs and that was why the fiscal note was not correct.

REP. MASON indicated that he hated to spend the money then have the signs torn down.

REP. ROSE stated that they were looking at a horrendous expense to prosecute people for violating state lands and the state lands would need to be surveyed at an extremely high cost.

Vote: A roll call vote was called. The motion failed 4-12.

REP. LARSON MOVED "BLUE PAINT" AMENDMENTS.

Connie Erickson explained REP. LARSON'S amendments. The "blue paint" amendments would require the Department of State Lands to go out and identify the state lease lands. Then at the time of the lease renewal, the Department would be required to mark the boundaries of the leasehold with a color of paint other than fluorescent orange. Blue paint was suggested by REP. LARSON. Also the amendment would increase the Recreational Use Fee by \$1. That \$1 would be used for the purposes of marking and identifying the boundaries of the leasehold. In addition, the \$1 could be used to build fences.

Motion: REP. LARSON MOVED THE AMENDMENTS.

REP. BACHINI asked REP. LARSON if he had a fiscal note for the proposed amendment. REP. LARSON stated that this amendment would reduce the cost as outlined in the fiscal note. At the time of the lease renewal, the Department of State Lands and the lessee would physically identify the boundaries of the leasehold. Then they would take the spray paint, hopefully blue but the color would be left up to the Department of State Lands to decide, and

physically mark those boundaries. **REP. LARSON** stated that there were two reasons for the amendment: to identify state lease lands for the recreationalist; and to make the Department of State Lands start identifying the boundaries of the lease lands in order to properly lease the land. **REP. LARSON** stated that the Department does not physically know where some of the boundaries are.

REP. BACHINI stated that the cost of the proposed amendment would be a lot more than **REP. LARSON** thinks. He indicated that with the current budget crisis, all department funds are going to be cut.

REP. BACHINI asked what it would cost to survey or physically identify one parcel. **Mr. Hagener** stated that the cost to survey one section of land was approximately \$1,000 to \$2,000 depending on the terrain. **Mr. Hagener** said there are 41,000 separate tracts of land located within 16,000 sections. He added that not all of the sections were square, therefore, making them more difficult to mark.

REP. BACHINI asked if the cost would be cheaper with the amendment **REP. LARSON** proposed. **Mr. Hagener** stated it would be, but not much.

REP. MASON asked how often the state renews leases. **Mr. Hagener** stated the leases are on a five to 10 year renewal cycle.

REP. MASON asked if they all have to be renewed at once. **Mr. Hagener** replied the lease renewals were staggered.

REP. BIRD stated that due to the cost associated with the amendment, she would not be in favor of the amendment.

REP. ROSE indicated that the state would be unable to get one person to pay a fine if the land was not properly surveyed.

REP. BACHINI agreed with **REP. ROSE** and added the legislature would be putting the state in jeopardy by passing this bill with the proposed amendment.

REP. LARSON stated that the intent was not to survey every parcel of state lease land. Instead, the boundaries would be physically identified by the lessee and the Department of State Lands. **REP. LARSON** added that they did not have to legally mark the lands, just establish some boundaries which recreationalists could identify. The land would need to be accessible to recreationalists. **REP. LARSON** stated that he was not intending to have surveys done on the state leaseholds; just mark the land with paint to be easily identified.

REP. BACHINI stated that he owned land and he could not go out with a survey crew to identify the boundaries of the land. **REP. BACHINI** added that there are a lot absentee landlords who would

not know where the boundaries of their land were.

REP. BIRD asked **John Bloomquist**, attorney for the Montana Stockgrowers Association, to comment on the concerns of the committee. **John Bloomquist** stated that the issue of adverse possession was being overlooked. If the estimated boundary between state land and private land was incorrectly located, giving the private landowner more land than the landowner is entitled to, what will prevent the state from bringing an adverse possession action against the landowner in 25 years.

REP. DAVIS stated that he agreed with the amendment because he thought something should be done to correct the improper marking of boundaries.

Motion: To accept **REP. LARSON's** amendment

Vote: A roll call vote was called. **THE MOTION FAILED.**

Motion: **REP. ENDY** MOVED DO PASS ON HB 183.

Vote: A roll call vote was call. **THE MOTION FAILED.** **REP. LARSON** was absent to vote on the motion.

Motion: **REP. BARNETT** offered a substitute motion to table HB 183.

Vote: A roll call vote was called. The motion passed 11-4. **REP. LARSON** was absent to vote on the motion.

John Northey stated that HB 114 was before the committee a few weeks ago, and the bill was supposed to include alpacas under the livestock laws by defining "llama". When HB 114 was before the committee, **REP. COBB** asked if the committee would consider a substitute bill to address the Department of Livestock's concerns. However, the Legislative Council has ruled that adding alpaca to the livestock laws was outside the scope of the title of the original bill to define llama. **Mr. Northey** requested the committee draft a bill to include alpacas in the livestock laws.

Motion: **REP. BACHINI** moved for the committee to draft a committee bill.


Vote: The motion carried unanimously.

REP. DAVIS requested that executive action on HB 285 be taken at the next hearing.

REP. ROSE requested that executive action on HB 213 be taken at a later date.

ADJOURNMENT

Adjournment: 4:25 P.M.



VERN KELLER, Chairman


JAELENE RACICOT, Secretary

VK/jr

HOUSE OF REPRESENTATIVES

AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

ROLL CALL

DATE

2/4/93

NAME	PRESENT	ABSENT	EXCUSED
REPRESENTATIVE SHIELL ANDERSON	✓		
REPRESENTATIVE BOB BACHINI	✓		
REPRESENTATIVE JOE BARNETT V.C.	✓		
REPRESENTATIVE JODY BIRD	✓		
REPRESENTATIVE ERVIN DAVIS	✓		
REPRESENTATIVE BILL ENDY	✓		
REPRESENTATIVE HARRIET HAYNE	✓		
REPRESENTATIVE DON LARSON MIN. V.C.	✓		
REPRESENTATIVE GARY MASON	✓		
REPRESENTATIVE BILL REHBEIN	✓		
REPRESENTATIVE SAM ROSE	✓		
REPRESENTATIVE DORE SCHWINDEN		✓	
REPRESENTATIVE WILBUR SPRING	✓		
REPRESENTATIVE WAYNE STANFORD	✓		
REPRESENTATIVE JAY STOVALL	✓		
CHAIRMAN VERN KELLER	✓		

HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that Senate Bill 85 (third reading copy -- blue) be concurred in .

Signed: _____
Vern Keller, Chair

Carried by: Rep. Cobb

Report made by

Committee Vote:
Yes . No .

291453SC.Hpf

HOUSE STANDING COMMITTEE REPORT

February 5, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Bill 308 (first reading copy -- white) do pass .

Signed: _____
Vern Keller, Chair

Committee Vote:

Yes No

29145760.Vp1

HOUSE OF REPRESENTATIVES

AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

ROLL CALL VOTE

DATE 2/4/93 BILL NO. XB 183 NUMBER _____

MOTION: _____

TO PASS XB 183

Motion failed

NAME	AYE	NO
REPRESENTATIVE SHIELL ANDERSON		✓
REPRESENTATIVE BOB BACHINI		✓
REPRESENTATIVE JOE BARNETT VICE CHAIRMAN		✓
REPRESENTATIVE JODY BIRD		✓
REPRESENTATIVE ERVIN DAVIS	✓	
REPRESENTATIVE BILL ENDY	✓	
REPRESENTATIVE HARRIET HAYNE		✓
REPRESENTATIVE DON LARSON, MINORITY VICE CHAIR.		
REPRESENTATIVE GARY MASON		✓
REPRESENTATIVE BILL REHBEIN		✓
REPRESENTATIVE SAM ROSE		✓
REPRESENTATIVE DORE SCHWINDEN	✓	
REPRESENTATIVE WILBUR SPRING		✓
REPRESENTATIVE WAYNE STANFORD	✓	
REPRESENTATIVE JAY STOVALL		✓
CHAIRMAN VERN KELLER		✓

HOUSE OF REPRESENTATIVES

AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

ROLL CALL VOTE

DATE 2/4/93 BILL NO. HB 183 NUMBER

MOTION:

TO PASS REP. LARSON'S AMENDMENT

Motion failed

NAME	AYE	NO
REPRESENTATIVE SHIELL ANDERSON		✓
REPRESENTATIVE BOB BACHINI		✓
REPRESENTATIVE JOE BARNETT VICE CHAIRMAN		✓
REPRESENTATIVE JODY BIRD		✓
REPRESENTATIVE ERVIN DAVIS	✓	
REPRESENTATIVE BILL ENDY	✓	
REPRESENTATIVE HARRIET HAYNE		✓
REPRESENTATIVE DON LARSON, MINORITY VICE CHAIR.	✓	
REPRESENTATIVE GARY MASON	✓	
REPRESENTATIVE BILL REHBEIN		✓
REPRESENTATIVE SAM ROSE		✓
REPRESENTATIVE DORE SCHWINDEN	✓	
REPRESENTATIVE WILBUR SPRING		✓
REPRESENTATIVE WAYNE STANFORD	✓	
REPRESENTATIVE JAY STOVALL		✓
CHAIRMAN VERN KELLER		✓

HOUSE OF REPRESENTATIVES

AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

ROLL CALL VOTE

DATE 2/4/93 BILL NO. HB 183 NUMBER _____

MOTION: _____

TABLE HB 183

Motion carried

NAME	AYE	NO
REPRESENTATIVE SHIELL ANDERSON	✓	
REPRESENTATIVE BOB BACHINI	✓	
REPRESENTATIVE JOE BARNETT VICE CHAIRMAN	✓	
REPRESENTATIVE JODY BIRD	✓	
REPRESENTATIVE ERVIN DAVIS		✓
REPRESENTATIVE BILL ENDY		✓
REPRESENTATIVE HARRIET HAYNE	✓	
REPRESENTATIVE DON LARSON, MINORITY VICE CHAIR.		
REPRESENTATIVE GARY MASON	✓	
REPRESENTATIVE BILL REHBEIN	✓	
REPRESENTATIVE SAM ROSE	✓	
REPRESENTATIVE DORE SCHWINDEN		✓
REPRESENTATIVE WILBUR SPRING	✓	
REPRESENTATIVE WAYNE STANFORD		✓
REPRESENTATIVE JAY STOVALL	✓	
CHAIRMAN VERN KELLER	✓	



MARC RACICOT
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

OFFICE OF THE DIRECTOR
AGRICULTURE/LIVESTOCK BLDG.
PO BOX 200201

HELENA, MONTANA 59620-0201

EXHIBIT 1
DATE 2/4/93
SB 85

LEO A. GIACOMETTO
DIRECTOR
(406) 444-3144

FAX (406) 444-5409

Thursday, February 4, 1993

House Committee on
Agriculture, Livestock and Irrigation
Senate Bill 85

Chairman Keller, Members of the Committee. For the record, I am Leo Giacometto, Director Montana Department of Agriculture.

The Department and State Board of Hail Insurance question the necessity of Senate Bill 85. However, we recognize the concerns of the Legislative Auditor regarding interpretation of requirements for compliance with federal standards established under Government Accounting Standards Board and the impact non-compliance may have on the rating of the state's overall financial condition.

As amended in the Senate Agriculture Committee, the fund reclassification should not adversely impact program operations. Therefore, we support passage of Senate Bill 85.

Mike Murphy, Administrator of the Agriculture Development Division is also here today to answer questions.



MARC RACICOT
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

STATE BOARD OF HAIL INSURANCE
AGRICULTURE/LIVESTOCK BUILDING
PO BOX 200202

HELENA MONTANA 59620-0202

EXHIBIT 2
DATE 2/4/93
SB. 85 LEO A. GIACOMETTO
DIRECTOR
(406) 444-3144

FAX (406) 444-5409

MICHAEL MURPHY
ADMINISTRATOR
(406) 444-2402

February 4, 1992

Chairman Vern Keller
House Committee on Agriculture, Livestock & Irrigation
Senate Bill 85

Dear Mr. Chairman Keller:

For the record, my name is Grant Zerbe, Chairman of the State Board of Hail Insurance. I am actively involved in a farming operation at Frazer MT in Valley county.

While the State Board of Hail Insurance understands the need to comply with the legislative auditors findings, it is not clear as to why the statute must be changed. The board is the representative of its policy holders and therefore must question any changes that may in the end impact the program.

The State Board of Hail Insurance is a proponent of Senate Bill 85 as it now reads.

Thank You For Your Consideration In This Matter.

Sincerely,

A handwritten signature in cursive script that reads "Grant Zerbe".

Grant Zerbe, Chairman
State Board of Hail Insurance

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HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Agriculture COMMITTEE BILL NO. HB 308
DATE Feb 4, 1993 SPONSOR(S) Kasten
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Leo Grassm Ho	Dept of A	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Agriculture COMMITTEE Heating BILL NO. SB 85
DATE 2/4/93 SPONSOR(S) _____
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Leo Giacomotto	Dept of Ag	✓	
Bob Stephens	Mt Grain Growers	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.