

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By Senator Rea, on March 5, 1993, at 3 p.m.

ROLL CALL

Members Present:

Sen. Jack "Doc" Rea, Chair (D)
Sen. Francis Koehnke, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. Jim Burnett (R)
Sen. Gary Forrester (D)
Sen. Mike Halligan (D)
Sen. Bob Pipinich (D)

Members Excused: Sen. Devlin

Members Absent: Sen. Bruski-Maus

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: HB 167, HB 181, HB 648
Executive Action: HB 167, HB 181, HB 648

HEARING ON HB 167

Opening Statement by Sponsor:

Rep. Brandewie, District 49, said HB 167 is a rewrite of the laws pertaining to nurseries and greenhouse operations in Montana. He briefly outlined the bill. He said page 2, line 4 would have applied to "cut hay" and was removed. HB 167 describes noxious weeds, plant pests, or other organisms that cause injury to plants. Page 3 describes noxious weeds and plant pests, as defined in the bill, and gave purple loosestrife as an example. He said HB 167 would allow the Department of Agriculture to declare dangerous organisms by rule. HB 167 would allow the program to remain self funding through the license fee system. A "nursery" was defined as a person who grosses more than \$1,000 per year. This definition, for example, would not include people who generally attend a farmers market. The new section 6, page 6 would allow the Department of Agriculture to adopt quarantines by

rule. He said diseases which are significant to the industry to could be dealt with immediately, instead of waiting until the next legislative session. HB 167 would also create a separate account and funds it fully through licensing fees.

Proponents' Testimony:

Jane Barry, Montana Association of Nurserymen supported HB 167. (Exhibit #1)

Harold McGaughey, Earth and Wood Craftsmen Inc., Stevensville. Montana, supported HB 167. He said HB 167 would clear up a lot of unanswered questions in his business. He reiterated the industry would be self supporting through the licensing fees. Consumer protection would be provided through a labeling provision. HB 167 would curb or prevent the importation of noxious weeds to prevent problems such as purple loosestrife. HB 167 would define "nursery license", explaining who needs a license, how much it will cost, and any penalties which will be assessed due to problems.

Les Pederson, Shades of Green Nursery, Helena, Montana supported HB 167. He said he supported HB 167 for several reasons: 1) Nursery classification would remove the "A,B,C" classification which would simplify and provide for greater equity in the licensing system. 2) Labeling and inspection of plants sold by retail businesses. 3) Licensing fees would be self supporting. 4) Exempt small market framers and 5) Assure a high quality of plants which would be standardized for export.

Ralph Peck, represented Leo Giacometto, Department of Agriculture, by reading a statement supporting HB 167. (Exhibit #2)

Janet Ellis, Audubon Legislative Fund, said HB 167 would make it unlawful to sell noxious weed in Montana, on page 9, line 13-15. HB 167 would allow the Department of Agriculture to control noxious weeds at their sources. She provided an example from a catalog which showed purple loosestrife could be purchased from out-of-state nurseries.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Sen. Aklestad asked how HB 167 would control noxious weeds sold through catalogs. Rep. Brandewie said the Department of Agriculture could control the importation by rule.

Sen. Aklestad asked if the department will send out notification to the seed stock companies in other states. Rep. Brandewie said he thought that was past procedure.

Sen. Aklestad said there was no statement of intent accompanying the rule-making provisions. Rep. Brandewie said the licenses were not new. HB 167 would change how the nurseries do business, who gets licenses, and generally upgrade the law to make it more responsive to the industry.

Doug Sternberg, Legislative Council, said the department had rule making authority for weed control and other issues pertaining to HB 167. He said his concern was that statutory authority would not be repealed in the numerous repealed sections. Will Kissinger said the repealers would not deal with general rule making authority.

Sen. Halligan asked if Montana recognized the plant certification process of other states. Rep. Brandewie said any plant crossing state lines would need a phyto sanitary inspection certificate which should accompany the plant.

Sen. Halligan asked about enforcement procedures for plants shipped to Montana without the necessary certifications. Rep. Brandewie said the enforcement should come against the in-state entity which imported the plants. The plants would then be confiscated and then burned.

Sen. Halligan asked about the definition of "nursery" and suggested nurseries which gross less than \$1,000 could be licensed, but exempted from the fees. Rep. Brandewie said people below the \$1,000 per year category seldom ship plants out of state, and it would be more trouble than it was worth to deal with them.

Sen. Halligan asked about inspections on, page 4, which must be requested by the department. He asked what should be done with the "Bad Actor" or habitual offenders that need constant inspection, should they be held accountable for the inspections fees. Mr. Kissinger said there are two types of inspections, random routine and export inspection. Nurseries such as K-Marts or local nurseries receive general inspections. The department feels the license fees would fund the program.

Sen. Halligan asked about the process for revoking or refusing a license. Mr. Kissinger said under the Montana Administrative Procedures Act the department is required to go through a set process. He said there would be hearings and it would be proposed that the infractions would be corrected. A license can not arbitrarily be pulled. Doug Sternberg said line 5, in reference to title 2, chapter 4, ties all revocation procedures into the Administrative Act.

Closing by Sponsor:

Rep. Brandewie said HB 167 was important legislation because it affected all of Montana since plants were shipped statewide. HB 167 would provide protection for other agricultural interests by preventing the spread of noxious weeds and pests due to the inspections.

Sen. Halligan agreed to carry the bill.

HEARING ON HB 181

Opening Statement by Sponsor:

Rep. Barnett, District 76, said HB 181 was requested by the Montana Beekeepers Association. He said HB 181 has a letter of intent, because it would allow the Department of Agriculture to establish by rule what specific bee diseases are dangerous and how to deal with them. It would also establish a penalty matrix for violations. Although the program would not be totally self funded, HB 181 would double the registration fees in an effort to become self supporting.

Proponents' Testimony:

Rep. Barnett asked to enter into the record that Ron Barnett, Barnett Apiaries Inc., and Rob Buhmann, Buhmann Apiaries be listed as proponents even though they were unable to attend the meeting.

Rep. Barnett submitted a letter to Rep. Schwinden supporting HB 181. (Exhibit #3)

Lance Sundberg, Sunshine Apiary, Columbus, Montana, supported HB 181. He said other beekeepers would have attended the hearing, but they were in California for the pollination season. He said in the beekeepers December meeting they agreed to increase their fees in an effort to fund their own program and alleviate pressure on the general fund. Since 1983 the U.S. has lost one-third of its bee industry due to increased costs, higher taxes, worker's comp rates and pests. Some beekeepers lose 50% of their colonies per year. The honey bee industry is a 20 billion dollar a year industry. Montana ranks 7th in the nation in honey production. He said honey bee populations have been declining due to a number of factors. The federal government phased out the Honey Loan program. He said in lieu of all these factors, the honey bee industry was doing well by proposing to double their annual fees. The beekeeping industry still needs all of the services the state provides. He said full funding of state programs through fees would drive honey producers out of business.

Kermit Slater supported HB 181.

Bob Barnes, Beaverhead Honey Company, Dillon, supported HB 181.

Don Smoot, Smoot Honey Company Inc., Power, Montana, supported HB 181.

Paul Pederson, Arrowhead Apiaries, Deer Lodge, supported HB 181.

Toby Sorenson supported HB 181.

Jim Decker, Beartooth Apiaries, Billings supported HB 181.

Ralph Peck, Department of Agriculture, read a letter from Leo Giacometto in support of HB 181. (Exhibit #4)

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Sen. Forrester asked if mites come from leaf cutter bees as well. Mr. Kissinger, Department of Agriculture, said there are no cross infestations because they are different genuses.

Closing by Sponsor:

Rep. Barnett closed.

EXECUTIVE ACTION ON HB 181

Motion/Vote: Sen. Halligan MOVED HB 181 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY.

Sen. Burnett agreed to carry the bill.

HEARING ON HB 648

Opening Statement by Sponsor:

Rep. Anderson, District 81, said HB 648 went directly to the House consent calendar. HB 648 would basically include alpacas into the same statutes where llamas are mentioned in Montana livestock law. He said the Department of Revenue had an amendment relating to taxation. Alpacas would be exempt from brand inspection requirements, as well as llamas.

Proponents' Testimony:

John Northey, llama owner, explained llamas and alpacas were in the same genus (Exhibit #5). In 1989, legislation was enacted to include all species, but the misspelling of the Genus "Lama" (it was spelled llama instead of lama) resulted in alpacas being left out. HB 648 would add alpacas back into the law thus correcting the previous error. He said Section 1, page 2, relates to the per capita tax on livestock and adds alpacas. He said the

Department of Revenue pointed out that alpacas were also taxed under ad valorem statutes and Jeff Morrison, Department of Revenue had an amendment which he supported. Llamas were taxed ad valorem under personal property tax. Llamas are not branded but have an International Registry which identifies them by pictures and physical descriptions. He said the Department of Livestock approves removing Lamas from the branding laws.

Cork Mortensen, Board of Livestock, supported the amendment and HB 648.

Ken Morrison, Administrator of Property Assessment Division, Department of Revenue, presented amendments for HB 181 (Exhibit #6).

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Sen. Halligan asked how including alpacas in with other ungulates would affect the taxation. Mr. Morrison said all items that were being added to the definition were already taxed, and were taxed because they were not specifically exempt. He said he did not believe there would not be a change in taxable percentage.

Sen. Aklestad asked about the spelling of llama and alpaca, and the exemption of llamas from brand requirements. Mr. Morrison said any defined livestock animal which was moved across county lines needs a brand inspection. There has not been concern in the past with llama brands because each llama is readily identifiable, unlike a herd of cattle, for example. There would be not change in requirements for health inspections which was covered under another section of Montana law, but alpacas would be added to the definition. Mr. Northey said llamas would be removed from the brand requirements under current law and alpacas would be exempt under HB 648 thus making it equal for both species.

Closing by Sponsor:

Rep. Anderson said HB 648 was a straight-forward clarification bill and asked for a Be Concurred In.

EXECUTIVE ACTION ON HB 648

Motion/Vote: Sen. Beck MOVED AMENDMENTS TO HB 648, proposed by the Department of Revenue. The motion CARRIED UNANIMOUSLY.

Motion/Vote: Sen. Beck MOVED HB 648 BE CONCURRED IN AS AMENDED. The motion CARRIED UNANIMOUSLY.

Senator Beck agreed to carry the bill.

Discussion: Doug Sternberg said the amendments had been adopted in substance but had not been drafted. He said at this point he saw no problems with the amendments, but he had not had an opportunity to check them thoroughly.

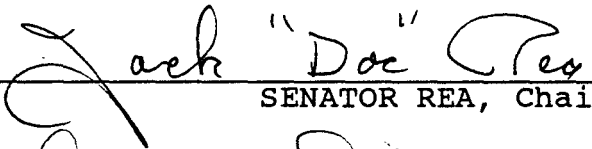
EXECUTIVE ACTION ON HB 167


Motion/Vote: Sen. Halligan MOVED HB 167 BE CONCURRED IN. The motion CARRIED UNANIMOUSLY.

Sen. Halligan agreed to carry the bill.

ADJOURNMENT

Adjournment: Meeting adjourned at 4:02 p.m.


SENATOR REA, Chair


DAVID MARTIN, Secretary

JR/dm

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SENATE COMMITTEE

DATE 3-5-93

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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 8, 1993

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration House Bill No. 167 (first reading copy -- blue), respectfully report that House Bill No. 167 be concurred in.

Signed:

Jack "Doc" Rea
Senator Jack "Doc" Rea, Chair

AM Amd. Coord.
mv Sec. of Senate

Halligan
Senator Carrying Bill

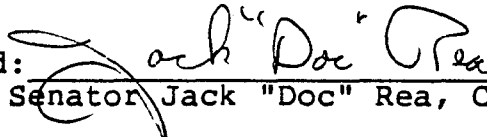
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SENATE STANDING COMMITTEE REPORT

Page 1 of 5
March 8, 1993

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration House Bill No. 648 (first reading copy -- blue), respectfully report that House Bill No. 648 be amended as follows and as so amended be concurred in.

Signed: 
Senator Jack "Doc" Rea, Chair

That such amendments read:

1. Title, line 10.
Following: "SECTIONS"
Insert: "15-1-101,"

2. Page 1, line 15.
Following: line 14

Insert: "Section 1. Section 15-1-101, MCA, is amended to read:

"15-1-101. (Temporary) Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to:

(i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.


(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except that property described in subsection (ii).

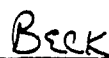
(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and, beginning January 1, 1994, forest lands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;


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Sec. of Senate


Senator Carrying Bill

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(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as his stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue or its agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which cannot feasibly be relocated and only when the wheels are removed.

(h) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on such leasehold improvements are a lien only on such leasehold improvements.

(i) The term "livestock" means cattle, sheep, swine, goats, horses, mules, and asses, llamas, alpacas, bison, and domestic ungulates.

(j) The term "mobile home" means forms of housing known as "trailers", "housetrailer", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

(k) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

(l) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

(m) The term "property" includes moneys, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition must not be construed to authorize the taxation of the stocks of any company or corporation when the property of such company or corporation represented by the stocks is within the

state and has been taxed.

(n) The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining thereto.

(o) "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(p) The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(q) The term "weighted mean assessment ratio" means the total of the assessed values divided by the total of the selling prices of all area sales in the stratum.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification shall mean the state tax appeal board.

15-1-101. (Effective July 1, 1993) Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to:

(i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except that property described in subsection (ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and, beginning January 1, 1994, forest lands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as his stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue or its agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which cannot feasibly be relocated and only when the wheels are removed.

(h) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on such leasehold improvements are a lien only on such leasehold improvements.

(i) The term "livestock" means cattle, sheep, swine, goats, horses, mules, and asses, llamas, alpacas, bison, and domestic ungulates.

(j) The term "mobile home" means forms of housing known as "trailers", "housetrainers", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

(k) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

(l) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

(m) The term "property" includes moneys, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition must not be construed to authorize the taxation of the stocks of any company or corporation when the property of such company or corporation represented by the stocks is within the state and has been taxed.

(n) The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining thereto.

(o) "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(p) The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification shall mean the state tax appeal board."

Renumber: subsequent sections

-END-



Montana Association of Nurserymen

P.O. BOX 1871 • BOZEMAN, MONTANA 59771-1871

OFFICE: 406/586-6042 • FAX: 406/585-7474

SENATE AGRICULTURE

EXHIBIT NO. # 1

DATE 3-5-93

BILL NO. HB 167



COMMITTEE:
DAY / TIME / ROOM:

Agriculture, Livestock & Irrigation
House: T-Th: 3:00 p.m - Room 420
Senate: M-W-F: 1:00 p.m - Room 413 / 415
Ray Brandewie (House); John Harp (Senate)

INTRODUCED BY:

HOUSE BILL #167:

"AN ACT GENERALLY REVISING THE NURSERY LAWS"

Mr. Chairman. members of the committee: for the record my name is Jane R. Barry. I am the Executive Director of the Montana Association of Nurserymen. The association office is located in Bozeman, Montana.

House Bill #167 is the culmination of six years of cooperation between the nursery industry and the Plant Industry Division of the Montana Department of Agriculture, to clarify and strengthen the laws under which the nursery industry in Montana must operate.

While the nursery industry in Montana is a relatively new and small industry, with \$8.8 million in sales at the wholesale level in 1991, it is an important, environmentally responsible, and continually growing industry.

In the 1991 Montana legislative session we introduced legislation which specifically recognized the nursery industry as a part of agriculture in Montana. Up to that time we had been recognized only at the federal level, with the responsibilities and rights of agricultural status. With legislation approved at the state level we became an official part of the agricultural community in Montana.

House Bill #167 simply continues the process whereby the nursery industry strives to improve its own regulation under state law. We hope to achieve several things through passage of House Bill #167:

- A. To clarify the laws regarding the nursery industry so that there is no longer any question as to who must be licensed, what the cost of licensing is, and the penalties which can be assessed for non-compliance of the nursery laws
- B. To strengthen the inspection system, under the administration of the Plant Industry Division, which will, in turn, insure that only the finest quality plant material is grown and sold in Montana

and one of the most important aspects of House Bill #167:

- C. To become self-supporting with regard to future funding for administration and regulation of the nursery industry, by removing the funding responsibility from the General Fund and replacing the current funding with increased licensing and inspection fees. These fees would be deposited in a special account to cover the costs of regulation of the nursery industry in Montana.

(continued on back of page)

(continued from Page #1)


Montana will never become the #1 producer of nursery stock in the United States, but with your help we can move into a position where we are recognized as having taken on the responsibilities of financially carrying our own weight to provide industry -based funding for the administration and inspection system which will insure that plant material "GROWN IN MONTANA" is among the best grown in the United States and Canada.

On January 7, 1993, during the Annual Business meeting of our association, Will Kissinger, Administrator of the Plant Industry Division, met with our members to go over the final version of House Bill #167. He covered every word of the bill. There was no opposition to the bill and the Executive Committee approved the bill by a unanimous vote.

In the hearing before the House Agriculture, Livestock and Irrigation Committee, held on January 19th, no one offered testimony in opposition of House Bill #167. The bill had supporting testimony from the Montana Weed Board and the Montana chapter of the National Audubon Society.

Since we know of no opposition to House Bill #167, we will limit testimony to just two people. They speak for our 207 members and will address the concerns and hopes of the nursery industry in Montana.

I thank you for your time in considering this measure and strongly urge you to give approval to House Bill #167.


Jane R. Barry, Executive Director

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 8, 1993

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration House Bill No. 181 (first reading copy -- blue), respectfully report that House Bill No. 181 be concurred in.

Signed:

Jack "Doc" Rea
Senator Jack "Doc" Rea, Chair

AW
DN Amd. Coord.
Sec. of Senate

Burnett
Senator Carrying Bill

520958SC.San



MARC RACICOT
GOVERNOR

STATE OF MONTANA
DEPARTMENT OF AGRICULTURE

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

HELENA, MONTANA 59620-0201

SENATE AGRICULTURE

EXHIBIT NO. 2

DATE 3-5-93

BILL NO. HB 167

LEO A. GIACOMETTO
DIRECTOR
(406) 444-3144

FAX (406) 444-5409

MARCH 5, 1993
HOUSE BILL 167
SENATE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
MONTANA DEPARTMENT OF AGRICULTURE
LEO A. GIACOMETTO, DIRECTOR

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

House Bill 167, sponsored by the Montana Association of Nurserymen, is the first general revision of Montana's Nursery law in approximately 20 years. As such, it updates many provisions of the law which the nursery industry and the Department believe will benefit the nursery trade, and Montana purchasers of nursery stock. The Department supports passage of House Bill 167.

I wish to commend the Montana Association of Nurserymen for their action of revising and updating the Nursery Law. The amendments will improve the efficiency of the Department's program, make it self-funding, as well as reduce the General Fund deficit by approximately \$45,000.

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 House Bill 167.

SENATE AGRICULTURE

EXHIBIT NO. 3DATE 3-5-93BILL NO. HB 181

January 27, 1993

Honorable Dore Schwinden
House of Representatives
State of Montana
Helena, Montana

Dear Representative Dore:

House Bill #181 will be coming before the Agricultural committee, of which you are a member, Thursday, January 28, 1992. This bill is of vital interest to the beekeepers of the state of Montana. My dad and I would like to ask your support of this bill. It will not be possible for either of us to travel to Helena to testify in support of this bill. If you see fit, we would appreciate you reading the pertinent portions this Fax to the committee.

The Montana Bee Law has been on the books since 1947. It has been a valuable tool in the control of bee disease problems in the State of Montana. The beekeeping industry is now faced with additional problems such as recent introduction of Parasitic mites into this country, and the threat of the Africanized bee. Retention of the Montana Bee Law can serve a purpose in limiting the consequences of these additional problems within the state.

We are well aware of the financial crunch that faces the state of Montana. In past years, the funding of the Montana Bee Law has come from the General Fund. Beekeeper registration fees going into the general fund have not been sufficient to cover the expenditures. We realize that if we wish to continue the viability of the Montana Bee Law that it is up to our industry to provide the funding. Such industry funding, in return would earmark those dollars for the specific purpose of the Montana Bee Law.

As with so many agricultural pursuits, the cost of productions have continued to escalate in the beekeeping industry. The return from our production has not kept up with increased costs. Thus, it is not an easy decision for us to make: to ask that our assessment for bee locations be increased. It is our hope, however, that in the long term such added costs will be an assist to preserving one more segment in the agricultural community of the State of Montana.

With best wishes,



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

SENATE AGRICULTURE
EXHIBIT NO. 4
DATE 3-5-93
BILL NO. AB 181

**MARCH 5, 1993
HOUSE BILL 181
SENATE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE
MONTANA DEPARTMENT OF AGRICULTURE
LEO A. GIACOMETTO, DIRECTOR**

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

House Bill 181, sponsored by the Montana State Beekeepers Association, is a straight forward bill which makes several positive revisions to the Department's beekeeping law. The changes will allow the Department to manage the program more efficiently, as well as bring more badly needed revenue into the General Fund.

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 House Bill 181.

WILDLIFE AGRICULTURE

EXHIBIT NO. 5

DATE 3-5-93

BILL NO. HR 648

Family

CAMELID

Genus

CAMEL

LAMA

Species

Dromedary

Bactrian

Llama

Alpaca

Guanaco

Vicuna

Amendments to House Bill 648
Third Reading Copy

Prepared by Department of Revenue
3/ 4/93

SENATE AGRICULTURE

EXHIBIT NO. 6

DATE 3-5-93

BILL NO. HB 648

1. Title, line 9.

Following: "REQUIREMENTS;"

Insert: "INCLUDING ALPACAS, LLAMAS, BISON AND DOMESTIC UNGULATES
IN DEFINITION OF LIVESTOCK FOR PERSONAL PROPERTY TAXATION;"

2. Page 1.

Following: line 14

Insert: "Section 1. Section 15-1-101, MCA, is amended to read:

"15-1-101. (Temporary) Definitions. (1) Except as otherwise
specifically provided, when terms mentioned in this section are
used in connection with taxation, they are defined in the following
manner:

(a) The term "agricultural" refers to:

(i) the production of food, feed, and fiber commodities,
livestock and poultry, bees, fruits and vegetables, and sod,
ornamental, nursery, and horticultural crops that are raised,
grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in
domestication or a captive environment.

(b) The term "assessed value" means the value of property as
defined in 15-8-111.

(c) The term "average wholesale value" means the value to a
dealer prior to reconditioning and profit margin shown in national
appraisal guides and manuals or the valuation schedules of the
department of revenue.

(d) (i) The term "commercial", when used to describe
property, means any property used or owned by a business, a trade,
or a corporation as defined in 35-2-114 or used for the production
of income, except that property described in subsection (ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and, beginning January 1, 1994, forest lands;

(C) single-family residences and ancillary improvements and
improvements necessary to the function of a bona fide farm, ranch,
or stock operation;

(D) mobile homes used exclusively as a residence except when
held by a distributor or dealer of trailers or mobile homes as his
stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has
similar use, function, and utility; that is influenced by the same
set of economic trends and physical, governmental, and social
factors; and that has the potential of a similar highest and best
use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue or its agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which cannot feasibly be relocated and only when the wheels are removed.

(h) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on such leasehold improvements are a lien only on such leasehold improvements.

(i) The term "livestock" means cattle, sheep, swine, goats, horses, mules, and asses, llamas, alpacas, bison, and domestic ungulates.

(j) The term "mobile home" means forms of housing known as "trailers", "housetrailer", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

(k) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

(l) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

(m) The term "property" includes moneys, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition must not be construed to authorize the taxation of the stocks of any company or corporation when the property of such company or corporation represented by the stocks is within the state and has been taxed.

(n) The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining thereto.

(o) "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation

and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(p) The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(q) The term "weighted mean assessment ratio" means the total of the assessed values divided by the total of the selling prices of all area sales in the stratum.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification shall mean the state tax appeal board.

15-1-101. (Effective July 1, 1993) Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to:

(i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except that property described in subsection (ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

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(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as his stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue or its agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which cannot feasibly be relocated and only when the wheels are removed.

(h) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on such leasehold improvements are a lien only on such leasehold improvements.

(i) The term "livestock" means cattle, sheep, swine, goats, horses, mules, and asses, llamas, alpacas, bison, and domestic ungulates.

(j) The term "mobile home" means forms of housing known as "trailers", "housetrailer", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

(k) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

(l) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

(m) The term "property" includes moneys, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition must not be construed to authorize the taxation of the stocks of any company or corporation when the property of such company or corporation represented by the stocks is within the state and has been taxed.

(n) The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and

Den #9
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3-5-93
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privileges appertaining thereto.

(o) "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(p) The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" shall be deemed to include a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification shall mean the state tax appeal board.""

{Internal References to 15-1-101:

15-1-201	15-6-133	15-6-134	15-6-145 (3)
15-7-111	15-7-202	15-8-201	15-16-202
15-24-202	15-24-901	20-15-403	61-3-303
61-3-502 (2)	61-3-503 (2)	69-12-331}	

Renumber: subsequent sections

REASON FOR AMENDMENT: This amendment includes alpacas, bison, llamas, and other domestic ungulates as "livestock" for personal property tax purposes. This amendment fulfills the initial intent of the bill that alpacas be treated the same as other livestock for all purposes. It also ensures that the species of animals that are subject to the per capita tax levy receive consistent treatment under the personal property taxation.

DATE 3-5-93

SENATE COMMITTEE ON AGRICULTURE

BILLS BEING HEARD TODAY: HB 167, HB 181, HB 648

Name	Representing	Bill No.	Check One	
			Support	Oppose
Jane R. Barry	MT Assoc. of Beekeepers	HB 167	✓	
Jim Decker	MT. State Beekeepers	HB 181	✓	
Dee Decker	mt. state Beekeepers	HB 181	✓	
Harold M. Gungley	Earth World Producers Inc	HB 167	✓	
Paul Peterson	Arrowhead Apiaries	HB 181	✓	
Ralph Peck	MT Dept of Ag	HB 167 HB 181	✓	
Les Pederson	SHADES OF GREEN	HB 167		
WILL KISSINGER	MT Dept. of Ag	HB 167 HB 181	✓	
Gork Mortensen	Dept. of Livestock	648	✓	
Adney J. Spurgeon	Spurgeon Honey	181	✓	
Don Amoot	Smart Honey Co.	181	✓	
Amee V. Sundberg	Sunshine Apiary ^{Columbus} MT	181	✓	
Robert V. Barnes	Beaverhead Honey ^{Dillon, MT} Co.	181	✓	
K&B MT SLATERS	Slaters Honey	181	✓	
John M. Spradley	Mountain Spring Ranch	648	✓	
Billy Seethur	Students of Montana	HB 167	✓	

Janet Ellis

MT Audubon Leg. Fund
VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY