

## **MINUTES**

### **MONTANA SENATE 54th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON FINANCE & CLAIMS**

**Call to Order:** By **SENATOR GARY AKLESTAD, CHAIRMAN**, on Wednesday,  
February 15, 1995, at 7:00 A.M.

#### **ROLL CALL**

##### **Members Present:**

Sen. Gary C. Aklestad, Chairman (R)  
Sen. Thomas F. Keating, Vice Chairman (R)  
Sen. Thomas A. "Tom" Beck (R)  
Sen. James H. "Jim" Burnett (R)  
Sen. Loren Jenkins (R)  
Sen. Arnie A. Mohl (R)  
Sen. Charles "Chuck" Swysgood (R)  
Sen. Daryl Toews (R)  
Sen. Larry J. Tveit (R)  
Sen. B.F. "Chris" Christiaens (D)  
Sen. Eve Franklin (D)  
Sen. Judy H. Jacobson (D)  
Sen. Greg Jergeson (D)  
Sen. John "J.D." Lynch (D)  
Sen. Mignon Waterman (D)

**Members Excused:** Senator Harding

**Members Absent:** None

**Staff Present:** Taryn Purdy, Legislative Fiscal Analyst  
Lynn Staley, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: SB 342, SB 360, SB 369, SB 393  
Executive Action: SB 393 - DO PASS

#### **HEARING ON SENATE BILL 342**

##### **Opening Statement by Sponsor:**

**SENATOR SUE BARTLETT, Senate District 27, Helena**, sponsor,  
explained that SB 342 is to specify that the Law Enforcement  
Academy would be located at the Mountain View Campus in the  
Helena valley. She further explained that **SENATOR CHRISTIAENS**

has a similar bill with a different location. They both agree this matter needs to be resolved and she would hope that the committee would refer the bill to the Long Range Planning subcommittee.

Proponents' Testimony:

Beth Baker, Department of Justice, went on record supporting the Governor's proposal to put the Academy in a permanent home in Helena and concurs that the bill be referred to the Long Range Planning subcommittee.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

SENATOR BARTLETT closed on Senate Bill 341.

SENATOR BECK assumed the chair.

HEARING ON SENATE BILL 360

Opening Statement by Sponsor:

SENATOR TOM KEATING, Senate District 5, Billings, sponsor, explained that SB 360 is a repealer of the Growth Through Agriculture Program. He said the program was implemented in the mid-1980's when there was distress in the agriculture industry. He added that there is approximately \$300,000 a year of coal tax money that flows to the program and the Board disperses grants. He noted that the Department of Agriculture receives the bulk of the funds. **EXHIBIT 1 AND EXHIBIT 2** They had approximately \$140,000 a year to use in their marketing bureau. He claimed that it is strange that the Department of Agriculture would have to go to a Board to get a grant to do the job that is most effective for their industry. Other monies have gone to the Department of Commerce who use the funds for overseas offices, and he noted that the benefits to agriculture are somewhat questionable. He proclaimed that this bill is offered as a tax saving measure, repeal Growth Through Agriculture and save \$300,000 a year. He asked the committee to appropriate out of the general fund \$150,000 a year to the Department of Agriculture for their Agriculture Promotion Bureau, and they can spend it where it will do the most good for the industry. He said it would be a \$150,000 savings to the general fund, and the coal tax money that goes to Growth Through Agriculture would go to the

general fund.

**Proponents' Testimony:**

None.

**Opponents' Testimony:**

**Leo Giacometto, Director, Department of Agriculture,** said they support the idea that if SB 360 passes, they still maintain the Marketing Program of the Department of Agriculture. He explained that the \$150,000 loan had helped some companies get started. He concluded that the program concentrates solely on agriculture and they support the program.

**Lorna Frank, Montana Farm Bureau,** presented written testimony in opposition to SB 360. EXHIBIT 3

**Candace Torgerson, Montana Cattlemen Association,** stated their opposition to SB 360.

**Jon Noel, Director of the Department of Commerce,** said without this program and the funding it provides to the foreign trade offices that they would have to close another trade office.

**Maureen Cleary-Schwinden,** representing WIFE, said the program is very important and they would like to maintain the funds in order to promote agriculture and small business within the state.

**Randy Johnson, Montana Grain Growers,** stated their opposition to SB 360. He said if agriculture is to see continued growth in the state, it would be in areas that this program addresses. He urged the committee to consider maintaining the program.

**SENATOR GREG JERGESON,** in opposing the bill, said the Montana Growth Through Agriculture program has not been able to live up to its full potential because it has been too small and underfunded. He urged the committee to defeat SB 360 and look at ways to improve and expand the program rather than eliminating it.

**Questions From Committee Members and Responses:**

**SENATOR JACOBSON** questioned the use of \$150,000 for the Department of Agriculture.

**SENATOR KEATING** said they look for places to sell their products, adding that **Leo Giacometto** could explain the uses better.

**Leo Giacometto** said the activities involved were some examples that have taken place this year. They had a program in which grocery stores would give shelf space to all Montana products without having to purchase the shelf space. They attend as many

fairs and activities as possible to let people know about the junior agriculture loan program, which is the federal money that was given to the state. A lot of the marketing information is responding to inquiries.

**SENATOR JACOBSON** asked if that type of activity was done before the program.

**Leo Giacometto** said in the early 1980's most of the marketing was cut from the Department of Agriculture. When the Growth Through Agriculture was established, it was to pick up the marketing as well, but the Department would have to go to the Board to prove they could do a good marketing program. Now the Department has to go before the Growth Through Agriculture council to show the use for the money and then request the grant.

**SENATOR CHRISTIAENS** said in Long Range Planning Committee, there is a proposal for a bio-science building at Bozeman which is in trouble for lack of money, and he questioned if the \$150,000 could go toward that as a permanent funding source for operation and maintenance.

**Leo Giacometto** said they have worked through other programs and have contributed well over \$300,000 to the bio-science out of other department funds. That is already in place and they will attempt to get that money to see that the operation and maintenance continues for the bio-science center. He added that the other \$150,000 would be here to run the trade offices and try to influence agriculture in Montana. He would rather see it go to the bio-science building than nowhere, but they would like to see this program kept intact.

**SENATOR MOHL** questioned if any of the money was used for scholarships for 4-H members.

**Leo Giacometto** said he wasn't aware of any scholarships.

**Maureen Schwinden** said the WIFE organization does receive funding through the Growth Through Agriculture and at times they contribute funds toward 4-H programs or other programs in the community that promote agriculture.

**SENATOR JENKINS** questioned if the \$139,000 in 1995 was used for promotions.

**Leo Giacometto** said they do the majority of marketing for agriculture for Montana from those funds, adding that they have to go before the Growth Through Agriculture council and make a presentation to receive the funding. He concluded that it is not something they just get every year; funding has to be requested.

**SENATOR JENKINS** questioned the \$90,000 to the Department of Commerce in 1995.

Leo Giacometto said that was the funding that goes into the program that runs the trade offices. They go before the Council to request funding and prove that the trade offices do have a benefit to agriculture.

Closing by Sponsor:

SENATOR KEATING closed by saying that agriculture is an important industry and he has supported it. The reason SB 360 is brought before the committee is to prioritize spending and determine what programs work and don't work. He concluded that he appreciated the comments from the opposition.

HEARING ON SENATE BILL 369

Opening Statement by Sponsor:

SENATOR CHRIS CHRISTIAENS, Senate District 23, Cascade County, said SB 369 is for the placement of the Law Enforcement Academy in Great Falls. He asked that SB 369 be referred to the Long Range Building committee and that an appropriation to establish a permanent home be considered.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

In answer to SENATOR JENKINS' question regarding location of the Academy, SENATOR CHRISTIAENS said it would be at the Higher Education Complex, a joint effort between the College of Great Falls, Montana State University School of Technology and Northern Montana College. There are 24.4 acres at the Vo-Tech site and approximately 64 acres with the College of Great Falls, and they have dedicated about 15 acres to this complex.

SENATOR JENKINS questioned where the driving range and target range would be located.

SENATOR CHRISTIAENS said Malmstrom Air Force Base has a target range that would be leased for \$1 per year, and the Law Enforcement Academy plans to continue to use the driving range at Lewistown, regardless of where the facility is located.

Closing by Sponsor:

SENATOR CHRISTIAENS closed on SB 369.

SENATOR KEATING assumed the Chair so that SENATOR AKLESTAD could present SB 393.

### HEARING ON SENATE BILL 393

#### Opening Statement by Sponsor:

SENATOR GARY AKLESTAD, Senate District 44, said SB 393 will clarify language that taxes would have to be paid under protest to be eligible to receive a rebate on taxes, if it is justifiable. SB 393 is an attempt to clarify the language to avoid situations like the Great Falls taxation problem where individuals got paid a rebate when they hadn't paid their taxes under protest.

#### Proponents' Testimony:

Larry Fasbender, Cascade County Coalition, said the only change made is a clarification of the law. This will require that a protest is filed and the protested taxes will go into an escrow fund and be available in any court cases that are settled. He concluded that this is an excellent piece of legislation to clarify the law.

Dave Woodgerd, Chief Legal Counsel for the Department of Revenue, indicated their support of SB 393 in protecting local governments and also benefitting taxpayers.

#### Opponents' Testimony:

None.

#### Questions From Committee Members and Responses:

SENATOR JENKINS asked if the original understanding of the law was that they had to protest before they were paid back.

Dave Woodgerd said the Department of Revenue was not sure what the law was as it was unclear.

SENATOR KEATING asked if some taxes paid, not under protest, are reclaimed at some later date.

Dave Woodgerd said there was some confusion as to whether or not under this particular alternative procedure there was a requirement that property taxes be paid under protest. Under all other procedures in order to get a refund of property taxes, you have to pay under protest. He said this particular one was left open and this bill clarifies that.

SENATOR KEATING questioned whether taxes paid under protest are set aside and the counties cannot use that money.

Mr. Woodgerd said that was correct, they are set aside and earn interest; whoever prevails in the action gets the taxes and the interest the money has earned.

Closing by Sponsor:

SENATOR AKLESTAD said the bill is self-explanatory, adding that this type of legislation is needed to clarify the laws.

SENATOR AKLESTAD resumed the chair.

EXECUTIVE ACTION ON SENATE BILL 342

Motion/Vote: SENATOR WATERMAN MOVED THAT SB 342 BE REREFERRED TO THE SUBCOMMITTEE ON LONG RANGE PLANNING. Motion CARRIED.

EXECUTIVE ACTION ON SENATE BILL 369

Motion/Vote: SENATOR KEATING MOVED THAT SB 369 BE REREFERRED TO THE SUBCOMMITTEE ON LONG RANGE PLANNING. Motion CARRIED.

EXECUTIVE ACTION ON SENATE BILL 393

Motion/Vote: SENATOR JENKINS MOVED THAT SB 393 DO PASS. Motion CARRIED with SENATOR FRANKLIN opposed.

EXECUTIVE ACTION ON SENATE BILL 360

SENATOR AKLESTAD said the votes would remain open for all votes cast today to be fair to the other members.

Motion: SENATOR KEATING MOVED SB 360 DO PASS.

Discussion: SENATOR JERGESON said the problem with the program is that its potential has never been fully developed.

SENATOR JACOBSON said the problem with the program is that the money is being siphoned off for other things. If the money was going through grants to small businesses as a way for ranchers who are leaving their ranches to start another type of business, as the program was envisioned, she would be in full support. However, most of the money is going to the Department of Agriculture, the Department of Commerce and MSU for their laboratories. The problem is that it is not going where it was meant to go.

SENATOR FRANKLIN said the reason for the committee bill is to get a hearing and have interested parties come in and talk about the program.

SENATOR JACOBSON said she was the one that made the motion because the program was eliminated through SENATOR GROSFIELD'S bill. The money is gone, and she feels it would be fair to give these people a chance to discuss how they feel about it.

SENATOR JERGESON said he has had the same concerns as SENATOR JACOBSON, but he feels the committee needs to fix the program, not kill it.

SENATOR KEATING, closing on his motion, said there is a limited budget and programs have to be looked at that are not efficient and functioning well. He concluded this money could be spent better elsewhere.

SENATOR AKLESTAD questioned if there was a motion to pull the money.

SENATOR JACOBSON said there was in SENATOR GROSFIELD'S bill, SB 83.

SENATOR AKLESTAD said if the committee does not pass SB 360, the program is there but there is no funding at this point in time.

SENATOR KEATING said we would have to go back in SB 83 and restore it to the coal tax.

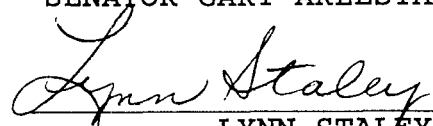
SENATOR AKLESTAD said the committee will vote on SENATOR KEATING'S motion that SB 360 DO PASS.

Vote: SENATOR KEATING'S MOTION THAT SB 360 DO PASS FAILED on a roll call vote.

ADJOURNMENT

Adjournment: 7:55 a.m.

  
SENATOR GARY AKLESTAD, Chairman

  
LYNN STALEY, Secretary

GA/LS



MONTANA SENATE  
1995 LEGISLATURE  
FINANCE AND CLAIMS COMMITTEE

ROLL CALL

DATE

2/15/95

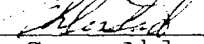
NAME	PRESENT	ABSENT	EXCUSED
SWYSGOOD, CHUCK	✓		
BURNETT, JIM	✓		
MOHL, ARNIE	✓		
JERGESON, GREG	✓		
FRANKLIN, EVE	✓		
TVEIT, LARRY	✓		
JENKINS, LOREN	✓		
JACOBSON, JUDY	✓		
LYNCH, J.D.	✓		
HARDING, ETHEL			✓
TOEWS, DARYL	✓		
CHRISTIAENS, B.F. "CHRIS"	✓		
WATERMAN, MIGNON	✓		
KEATING, TOM - VICE CHAIRMAN	✓		
BECK, TOM	✓		
AKLESTAD, GARY - CHAIRMAN	✓		


SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
February 15, 1995

MR. PRESIDENT:

We, your committee on Finance and Claims having had under consideration SB 393 (first reading copy -- white), respectfully report that SB 393 do pass.

Signed:   
Senator Gary Aklestad, Chair

 Amd. Coord.

Sec. of Senate

391302SC.SRF

MONTANA SENATE  
1995 LEGISLATURE  
FINANCE AND CLAIMS COMMITTEE  
ROLL CALL VOTE

DATE 2/15/95 BILL NO. SB 360 NUMBER \_\_\_\_\_

MOTION: Sen Keating move SB 360 to Pass  
to eliminate growth through agriculture  
program

NAME	AYE	NO
SWYSGOOD, CHUCK	✓	
BURNETT, JIM	✓	
MOHL, ARNIE	✓	
JERGESON, GREG		✓
FRANKLIN, EVE		✓
TVEIT, LARRY		✓
JENKINS, LOREN		✓
JACOBSON, JUDY	✓	
LYNCH, J.D.		✓
HARDING, ETHEL		✓
TOEWS, DARYL		✓
CHRISTIAENS, B.F. "CHRIS"	✓	
WATERMAN, MIGNON		✓
KEATING, TOM - VICE CHAIRMAN	✓	
BECK, TOM		✓
AKLESTAD, GARY - CHAIRMAN		✓

EXHIBIT NO. 2/15/95  
DATE

GROWTH THROUGH AGRICULTURE PROGRAM

Fiscal Year	Grant Number	Grant or Loan GRANTS	Amount	On-Going Yes/No	Economic Impact 1994	Jobs Created	Matching Funds	Estimated Total Economic Impact
1989	#895001	Northern Express	\$46,350	Yes	\$10,000		\$58,200	\$134,550
1989	#895002	G.R.I. Agritech	\$20,000	Yes			\$126,000	\$146,000
1989	#895003	Butte Local Dev. Corp.	\$20,000	No			\$28,666	\$48,666
1989	#895004	Winter Marketing Seminar	\$3,700	No			\$11,438	\$15,138
1989	#895005	Montana Flour/Grain/Kamut	\$4,750	Yes	\$60,000	3 to 4 FTE	\$5,348	\$185,098
1989	#895006	Amaranth/Schaeffer/MSU	\$20,000	No			\$54,829	\$74,829
1989	#895007	Montana Hard White Wheat	\$10,000	Yes	See Narrative		\$74,338	\$84,338
1989	#895008	Montana Alfalfa-Protein	\$25,000	Yes	\$45,000		\$115,890	\$265,890
1989	#895009	Ag In MT Schools	\$8,000	No			\$22,770	\$30,770
1989	#8950010	MAGPI/Quality Hay Assoc.	\$15,000	Yes			\$24,200	\$39,200
1989	#8950011	Barrgrover/Mktg Svcs for Import Sub.	\$12,000	Yes	\$250,000		\$18,080	\$448,160
1989	#8950012	Great Northern Botanicals	\$16,000	Yes	\$30,000		\$19,389	\$115,389
1989	#8950013	Schweitzer/Pride of MT/Sheep & Wool	\$2,500	Yes			\$3,000	\$5,500
1989	#8950014	Headwater RC & D/Incubator	\$55,926	No		1 FTE	\$195,030	\$250,956
1989		Montana Department of Agriculture	\$122,151	Yes				\$122,151
1989		Montana Department of Commerce	\$150,000	Yes				\$150,000
1990	#9050001	1989 TOTAL GRANTS	\$531,377		\$395,000	4 to 5 FTE	\$757,178	\$2,116,635
1990	#9050002	Glendive Chamber/Paddlefish Caviar	\$21,300	Yes	\$500,000	9 Seas.	\$21,300	\$1,292,600
1990	#9050003	MSU/Dept. of Plant Pathology	\$20,100	Yes			\$24,600	\$44,700
1990	#9050004	Cream of the West	\$15,000	Yes	\$175,000	4 FTE/4 PTE	\$15,000	\$380,000
1990	#9050005	Montana AgriTech	\$7,500	No			\$7,500	\$15,000
1990	#9050015	Montana Department of Agriculture	\$134,579	Yes		1 FTE		\$134,579
1990		Montana Department of Commerce	\$150,000	Yes				\$150,000
1991	#9150001	1990 TOTAL GRANTS	\$348,479		\$675,000	5 FTE/4 PTE/9 Seas.	\$68,400	\$2,016,879
1991	#9150002	MT Grain Growers/MT Ag Photo Library	\$3,370	No			\$4,400	\$7,770
1991	#9150003	MT Christmas Trees Association	\$5,000	Yes			\$10,000	\$15,000
1991	#9150004	D O of Plant & Soil/Mapping Malting Barley	\$1,240	Yes			\$3,570	\$4,810
1991	#9150005	D O of Plant & Soil/Barley Cereal Grain	\$20,000	Yes			\$38,622	\$58,622
1991	#9150006	MSU College of Agriculture	\$20,000	Yes	See Narrative		\$42,658	\$62,658
1991	#9150007	Micro - Farm	\$5,000	Yes			\$82,882	\$87,882
1991	#9150008	MSU College of Business/International Trade Profile	\$10,000	Yes		2 FTE	\$10,000	\$20,000
1991	#9150009	Dept. of Commerce/International Affairs Officer	\$40,000	No				\$40,000
1991	#9150010	MSU/Southern Ag. Research Ctr/Soybeans in Montana	\$7,310	Yes	See Narrative		\$7,030	\$14,340
1991	#9150011	MT Amber/Satflower Oil Processing Plant - Soybeans	\$5,750	Yes	\$7.00 per ton		\$5,750	\$11,500
1991	#9150012	Roosevelt County Moisture Management Program	\$7,000	Yes			\$7,600	\$14,600
1991	#9150013	RDM Enterprize/Smoked Whitefish Plant	\$3,900	Yes	\$46,000	7 Seasonal	\$3,903.12	\$107,803.12
1991	#9150014	Dept. of Animal and Range Science	\$10,720	Yes	\$50,000		\$16,780	\$127,500.00
1991	#9150015	MT Potato Improvement Association	\$25,000	Yes	See Narrative	1 PTE	\$28,600	\$53,600
1991	#9150016	MT Mint Growers Association	\$15,000	Yes	\$15,000	1 FTE	\$15,000	\$60,000
1991		Montana Department of Agriculture	\$104,000	Yes				\$104,000
1991		Montana Department of Commerce	\$150,000	Yes				\$150,000
1992	#92512002	1991 TOTAL GRANTS	\$433,290		\$111,000	3 FTE/1 PTE/7 Seas.	\$271,795.12	\$935,085.12
1992	#92512003	Park Conv. Dis./Miranda Yellow Feed Pea	\$4,000	Yes			\$7,700	\$7,700
1992	#925123301	MT Stockgrowers Assoc. Research/Ed	\$5,000	Yes			\$16,000	\$16,000
1992		Montana Department of Agriculture	\$196,188	Yes		1 FTE		\$196,188
1992		Montana Department of Commerce	\$150,000	Yes				\$150,000
1992		1992 TOTAL GRANTS	\$355,188		\$0	1 FTE	\$23,700	\$369,888

Fiscal Year	Grant Number	Grant or Loan	Amount	On-Going Yes/No	Economic Impact 1994	Jobs Created	Matching Funds	Estimated Total Economic Impact
1993	#93512351	NMC/Northern Tractor Resource Center	\$11,000	Yes	See Narrative		\$12,500	\$23,500
1993	#93512352	Montana Garlic Project	\$10,000	Yes	\$10,000		\$20,750	\$45,750
1993	925123301	Montana Department of Agriculture	\$110,431	Yes		1 FTE		\$110,431
1993	#93512353	Montana Department of Commerce	\$150,000	Yes				\$150,000
1993	#93512354	Agriculture Seminar	\$1,750	No			\$4,440	\$6,190
1993	#93512354	Ethanol Producers and Consumers	\$2,400	Yes			\$7,125	\$9,525
1993	#93512355	Richland County/Floriculture Seminar	\$1,400	Yes	\$15,000		\$1,600	\$18,000
1993	#93512356	Meadowlark Grain Company	\$5,000	Yes	\$50,000	1 FTE	\$301,700	\$356,700
<b>1993 TOTAL GRANTS</b>			<b>\$291,981</b>		<b>\$75,000</b>	<b>2 FTE</b>	<b>\$348,115</b>	<b>\$720,096</b>
1994	#9450201	Eastern Plains RC & D/Crop Diver.	\$8,820	Yes	\$4,800	2 PTE	\$13,850	\$28,270
1994	#9450202	Flathead Lake Cherry Growers	\$5,056	No			\$17,796	\$22,852
1994	#9450203	Market Montana	\$15,621	Yes			\$16,000	\$31,621
1994	#9450204	MSU Lincoln County Extension Office	\$600	No			\$960	\$1,560
1994		Montana Department of Agriculture	\$139,710	Yes		1 FTE		\$139,710
1994		Montana Department of Commerce	\$90,000	Yes				\$90,000
<b>1994 TOTAL GRANTS</b>			<b>\$259,807</b>		<b>\$4,800</b>	<b>1 FTE/2 PTE</b>	<b>\$48,606</b>	<b>\$314,013</b>
1995	#9550201	Garden City Seeds	\$5,000	Yes			\$31,160	\$36,160
1995	#9550202	Centennial Foods, Inc./Bela Glucan Fiber Bar	\$6,500	Yes			\$9,601	\$16,101
1995	#9550203	Charlie's Kitchen - Eastern MT Food Mktg Group	\$5,000	Yes			\$5,000	\$10,000
1995	#955204	MSU/Northern - Tractor Efficiency Clinics	\$5,686.50	Yes			\$6,040	\$11,727
1995	#955205	MDOU/Dynamic - Diverse	\$12,000	Yes			\$12,000	\$24,000
1995		Montana Department of Agriculture	\$139,240	Yes		1 FTE		\$139,240
1995		Montana Department of Commerce	\$90,000	Yes				\$90,000
<b>1995 TOTAL GRANTS</b>			<b>\$263,427</b>			<b>1 FTE</b>	<b>\$63,801</b>	<b>\$327,228</b>
<b>GRAND TOTALS FOR GRANT SECTION</b>			<b>\$2,483,549</b>		<b>\$1,260,800</b>	<b>17-18 FTE/7 PTE/16 Seas.</b>	<b>\$1,581,595</b>	<b>\$6,799,824</b>

Fiscal Year	Loan Number	Grant or Loan	Amount	On-Going Yes/No	Economic Impact 1994	Jobs Created	Fixed Asset Investment	Estimated Total Economic Impact
<b>LOANS</b>								
1990	#9050001	Agrobotics, Inc.	\$50,000	Yes	\$20,000		\$120,000	\$470,000
1990	#9050002	Big Sky Cheese and Dairy, Inc.	\$50,000	Yes	\$38,000	1 FTE/1 PTE	\$135,000	\$410,000
1990	#9050003	Firehill Farms, Inc.	\$50,000	No	See Narrative			
1990		Big Sky Foods, Inc.	\$50,000	No	See Narrative			
1990	#10070003	Centennial Foods, Inc.	\$50,000	Yes	\$1,200,000	17 FTE	\$3,000,000	\$6,000,000
1991	#9150006	Nurture, Inc.(Basic Bio Systems, Inc.)	\$50,000	Yes	\$4,000,000	24 FTE/1 PTE	\$8,000,000	\$24,050,000
1991	#9151233001	Stonehouse Corporation	\$50,000	Yes	\$15,000	3 PTE on contract	\$350,000	\$795,000
1991	#9691512330209	Big Sky Spuds, Inc.	\$50,000	No	See Narrative			
1991		Montana Turfgrass Technologies, Inc.	\$13,000	No	\$16,000	2 Seasonal	\$70,000	\$189,000
1992		Thunderbird Buckskin and Leather	\$50,000	No	See Narrative			
1992	#92512331	Positive Systems, Inc.	\$50,000	Yes	\$450,000	8 FTE	\$480,000	\$1,960,000
1992	#959251233309	RDM Enterprises	\$6,200	Yes	\$46,000	1 FTE/1 PTE/5-7 Seas.	\$40,000	\$192,200
<b>GRAND TOTAL OF LOANS - 1995</b>			<b>\$519,200</b>		<b>\$5,785,000</b>	<b>51 FTE/6 PTE/7-9 Seas.</b>	<b>\$12,195,000</b>	<b>\$34,066,200</b>

**SEED CAPITAL INVESTMENT PROGRAM****Permanent Coal Tax Trust Fund Portfolio**

(The figures shown represent funds committed. Funds disbursed may be less. Overall, the companies have taken longer to develop and market products and have required more investment than MSTA initially anticipated.)

**Chromatochem, Inc., Missoula****\$350,000**

This company developed high performance affinity chromatography technology which is used for separating substances. This technology can be used for biopharmaceutical production, routine quantitative chemical analysis, and wastewater treatment.

**Gateway Software Corporation, Fromberg****\$334,150**

This company develops and markets software applications that run on the IBM AS/400 and are used by K-12 schools for library management and administrative applications.

**Lattice Materials Corporation, Bozeman****\$700,000**

This company produces and sells crystal products. They provide mirror grade silicon crystal products for carbon dioxide lasers and optical grade silicon crystal products for imaging systems. Their products are used in a variety of applications, from industrial cutting and welding to medical surgery.

**Mycotech Corporation, Butte****\$1,150,000**

This company produces and sells fungi and fungal-derived products. These products can be used for pest control, hazardous waste treatment, municipal waste treatment, livestock feed additives, and metals recovery. This company is currently focusing its efforts on fungal-based insecticides.

**Nurture, Inc., Missoula****\$875,000**

This company makes and sells an additive, made of oat-based protein microparticles, that provides for the controlled delivery of a variety of substances. This additive is also non-toxic and biodegradable. Because of its properties, it can be used in a variety of applications including pesticides, personal care products, food, and environmental remediation.

**Optima Industries, Inc., Bozeman/Torrance, CA****\$844,900**

This company develops and markets printed circuit board drilling systems. This company is headquartered in Torrance, California and intends to restart their Bozeman manufacturing operation after they resolve some product development issues. (The company had initiated manufacturing in Bozeman and then later laid-off these employees. This occurred when the company suffered a setback and was forced to reduce all staff by over two-thirds.)

**Positive Systems, Inc., Whitefish****\$350,000**

This company develops and markets digital data remote sensing systems. Due to the increasing acceptance and use of computer-driven Geographic Information Systems, the company is targeting a wide range of applications including agriculture, natural resources, city planning, and others. For example, the company's data is used by farmers to improve efficiencies in planting and irrigation as well as for minimizing fertilizer, herbicide, and pesticide application.

**TMA Technologies, Inc., Bozeman****\$1,450,000**

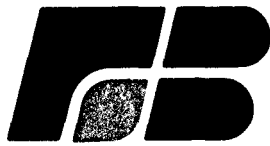
This company manufactures and sells instrumentation used for test and measurement applications. Their technology is based on lasers and optics. One of their products is a scatterometer which measures and analyzes light scatter to determine surface characteristics such as position, topography, contamination, interior properties, and defects.

**Ultraferm, Inc., Missoula/New York City, NY****\$700,000**

This company developed an innovative feminine health care product used for menstrual collection. While the company is headquartered in New York City, they intend to locate manufacturing and distribution in Missoula. (They currently have a small office staff in Missoula.)

**Venture Capital Partnerships****Northern Rockies Venture Fund, Helena/Boulder, CO****\$1,000,000**

This is a private venture capital partnership. Assuming this proposed \$2 million fund closes in January 1995, this fund will be the only actively investing, privately managed venture capital fund in Montana. This fund is obligated to invest a minimum of \$1,050,000 in Montana and will also seek other investments in the Northern Rockies region.



**MONTANA FARM BUREAU FEDERATION**

502 South 19th • Bozeman, Montana 59715  
Phone: (406) 587-3153

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

DATE 2/15/95

February 15, 1995 FILE NO. SB 360

Mr. Chairman, members of the committee, for the record, I am Lorna Frank, representing over 6,000 Montana Farm Bureau members throughout the state.

Farm Bureau opposes SB-360. In 1987, when the Montana Growth Through Agriculture Act was established, the economy of the state was on a down ward spiral. Many farmers and ranchers were going bankrupt.

Several of us involved in agriculture at the time worked very hard to get this act passed by a 3/4 vote of the legislature to help many of those farmers and ranchers get started in another business and allow them to stay in the state.

The purpose was to promote private /public partnerships to develop new agricultural products and add value to products produced in the state. The program received 76 cents of every \$100 to provide funds for seed capital loans, market development and foreign trade activities.

When Dave McClure, the president of the Montana Farm Bureau went to China this past fall, he contacted the Department of Agriculture, they provided him with brochures on products grown in the state to let those people know what Montana has to offer. Those brochures were provided with funds from the Growth Through Agriculture Act.

The program has provided \$34 million of economic growth to Montana agriculture while spending \$3.4 million for such business as Montana Flour in Big Sandy, founded by Mack and Bob Quinn. They grow and buy organic wheat which they stone grind then produce Kamut cereal and Kamut flour which is shipped all over the country.

Another business that was able to expand was Cream of the West in Billings. Personally I like Cream of the West better than Cream of Wheat.

This is only two examples that I am somewhat familiar with of how well this program has worked. Yes, there has been some failures, but that is to be expected with some of those loans.

I see the Growth Through Agriculture Act as a program helping Montanas largest industry, agriculture, a renewable resource, with funds from the Coal Severance tax and why shouldn't agriculture have a part of the pie. If this legislature is going to do away with this program, you should do away with the

park acquisition program, the state library commission, funds for conservation districts and all the rest.

I believe Montana still needs to continue this program, at least through the year 2003 and urge this committee to do not pass SB-360.

*Lorna Frank*



DATE February 15, 1995

SENATE COMMITTEE ON Finance & Claims

BILLS BEING HEARD TODAY: SB 342 Senator Bartlett

SB 360 Senator Feating SB 369 Senator Christiaens

SB 393 Senator Klestad

< ■ >

PLEASE PRINT

< ■ >

Check One

Name	Representing	Bill No.	Support	Oppose
Beth Boker	Dept of Justice	342	✓	
Lorna Frank	Farm Bureau	360		X
Randy Johnson	Mt Grain Growers	360		X
Bill Verwal f	city of Helena	342	✓	
CANDACE Torgerson	Mont. Catt New Women Assn	360		X
Lee Boyer	Appt Agr	360		
Larry Tasbender	Cascadilly Coalition	393	✓	
Dave Woodgerd	Dept. of Revenue	393	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY