

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION

Call to Order: By **CHAIRMAN JOE BARNETT**, on January 3, 1995, at
3:00 p.m.

ROLL CALL

Members Present:

Rep. Joe Barnett, Chairman (R)
Rep. John "Sam" Rose, Vice Chairman (Majority) (R)
Rep. Don Larson, Vice Chairman (Minority) (D)
Rep. Jon Ellingson (D)
Rep. Dick Green (R)
Rep. Harriet Hayne (R)
Rep. Rick Jore (R)
Rep. Gay Ann Masolo (R)
Rep. Judy Murdock (R)
Rep. Karl Ohs (R)
Rep. George Heavy Runner (D)
Rep. William M. "Bill" Ryan (D)
Rep. Dore Schwinden (D)
Rep. Robert R. Story, Jr. (R)
Rep. Jay Stovall (R)
Rep. Lila V. Taylor (R)
Rep. Cliff Trexler (R)
Rep. Kenneth Wennemar (D)

Members Excused: None

Members Absent: None

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 27, HB 40
Executive Action: None

Introductory Meeting and Procedures Discussion

The committee discussed the handling of absentee votes and proxies. **REP. SAM ROSE** moved that the proxies be in writing and handled through the chair. The motion passed.

REP. DON LARSON discussed the procedure of tabling motions and the compliance with Mason's Rules. CHAIRMAN BARNETT said the Mason Rule is a non-debatable rule. However, the issue could be debated and voted on by Robert's Rule. The person should not make the motion just to stop debate on the bill itself.

HEARING ON HB 27

Opening Statement by Sponsor:

REP. JOHN JOHNSON, HD 2, Glendive, presented HB 27. He said the bill is designed to reenact the law that provides the prior owner of foreclosed agricultural land the option to meet the first bonafide bid by a qualified third party, with a lease or purchase of the land. He explained that in the past, foreclosures have resulted in the resale of assets at sometimes less than the value of the terms of the original offering. He pointed out that the agricultural crisis of the 1980s is continuing in Montana's rural communities. Farm and ranch families are forced off their land, which impacts the local community's ability to build and maintain basic services and causes local economies to decline. When the number of customers decline, businesses find it harder to stay out of debt. The cost of living in rural areas makes it more expensive as services move farther away.

REP. JOHNSON provided some background information on the bill. He said the right of first refusal was first passed in 1987 and it allowed foreclosed farmers and ranchers the option to match valid third-party offers to buy, lease or rent their foreclosed property. However, the law expired in 1991. The leases negotiated through the right of first refusal are still in effect. It is difficult to understand because even though the law expired in 1991, it remained on the books and the expiration date was June 30, 1996. He discussed the five-year window, April 15, 1987 to June 30, 1991, in which a farmer or rancher being foreclosed on would have the opportunity to bid for the lease or repurchase of that particular land.

{Tape: 1; Side: A; Approx. Counter: 285; Comments: None.}

At the end of June 30, 1991, there were leases made for two or three years and running into that five-year period. The statutes remained on the books with an expiration date of 1996. He explained that HB 27 would reenact or reinstate that law by taking off the expiration date of June 30, 1996. The new laws would become effective on passage. He said an amendment needs to be made so it is very clear that this cannot be retroactive for the period of 1991-1996. That was not intended in the first law and it is not intended with the reenactment.

From the time of passage and approval of HB 27, the right of first refusal will again be in effect. There is a five-year period from 1991 to 1996 in which no one could exercise the right

of first refusal nor could they go back and retroactively exercise it. Only taxes would be retroactive. Passage of this bill will make this law applicable from the date of passage and approval of the bill. **REP. JOHNSON** passed out amendments to the bill. **EXHIBIT 1**

Proponents' Testimony:

Ralph Peck, Administrator of the Agricultural Development Division of the Montana Department of Agriculture, spoke in favor of the bill. He said that agricultural producers have experienced difficult financial problems in the past and may face the same problems in the future. He said the department supports HB 27. **EXHIBIT 2**

Ed Mott, a rancher from Simms and a director for Northern Plains Resource Council (NPRC) spoke in favor of the bill. He explained that NPRC is a grassroots organization of citizens, farmers and ranchers and mostly people from small, rural communities who are concerned about reasonable and sustainable economic development in the state of Montana and reasonable development of the resources. He said in 1987 he testified in favor of the bill. In 1987, 20 farms and ranches were being lost per week in the state. He said he was involved in the turnback of ranches in Stillwater County.

{Tape: 1; Side: A; Approx. Counter: 447; Comments: None.}

He said the bill has worked well and provided farmers and ranchers with methods to obtain alternative financing so they could retain a farm or ranch that had been foreclosed on. He noted that these farms and ranches had been in the family for years and perhaps generations. The bill has provided incentive for the lenders in the state of Montana to restructure their loans to avoid having to foreclose. He pointed out that this has also prevented a "sweetheart" deal where the place was sold to a brother-in-law or a neighbor for a price after it had been foreclosed or to someone else where the original foreclosed owner could have met with other financing.

Mr. Mott commented that this was a tragedy and many of these farms and ranches that are foreclosed are broken down into smaller units. He said the smaller communities in the state of Montana are suffering this dilemma now. He said the bill is important today because the agricultural community is finding, for instance, that calves are dropping in value from spring to fall at a rate of 20%. He pointed out there was an uneven future in the grain market today, and the new federal programs, NAFTA and GATT, are difficult to predict in terms of their impact on agriculture. He said the new farm bill up for authorization in Congress this year is uncertain. Foreclosures now could be seen at the same rate as in 1987. People need some assurances, which would be provided in this bill. He urged a vote in favor of the bill.

Opponents' Testimony:

John Cadby, Montana Bankers Association, spoke in opposition to the bill. **EXHIBIT 3** He said that banks are the largest lenders. He pointed out that these rural banks are top heavy in agricultural loans and depend on the success of their ranch and farm customers. He explained that the mid-1980s had a lot of crises and there were foreclosures and litigation. A lot of bills were introduced in 1987 to try to address the financially-distressed farmers and ranchers at the expense of the lenders. All of the bills except for two were killed. The right of first refusal bill was killed by the House Ag committee at that time, being opposed by the Montana Stockgrowers, Wool Growers, Grain Growers as well as the Montana Bankers. The only reason it passed, he said, was the committee said to go ahead and let it exist for four or five years with a life span and see if it would be of any help. He noted that this was a compromise that everyone agreed to and only applied to mortgage foreclosures prior to June 30, 1991. He said he did not know if it had ever been used by anybody and that some body of evidence was needed to see if this law had been used.

{Tape: 1; Side: A; Approx. Counter: 651; Comments: None.}

He said the arguments were the same. A distressed farmer or rancher who is capable of matching an offer by a third party, whether to lease or repurchase the land, should be able to make mortgage payments. He said he doubted if the law had provided any meaningful relief to any distressed farmer. It simply made all lenders more cautious in making credit available to farmers and ranchers. In fact, it is detrimental to a farmer who needs operating capital and is getting close to the edge. If it has been used, it will increase costs to the lenders by increasing the delay of the foreclosure by requiring certain notices and legal hoops that the lender has to jump through. He pointed out that all real estate in Montana is already subject to uniform foreclosure proceedings. Everyone has the legal right to redeem that property within one year, without this-law. He pointed out that if there was a concern about the "sweetheart" deal, then the right of redemption could be sold.

{Tape: 1; Side: A; Approx. Counter: 716; Comments: None.}

If the market value of that bid to the third party is below that market value, the owner can sell that right of redemption to anybody and not only pay off the bidder but pocket the excess. This protects all owners of property regardless of whether they are farmers or ranchers or others. He said this bill should be killed since it is unnecessary and should terminate on schedule.

Tim Gill representing the Montana Livestock Ag Credit, a private ag lending company based in Helena and a statewide ag lender, spoke in opposition to the bill. He said they were probably the largest independent provider of ag credit in the state. The

shareholders have to be farmers and ranchers. He said he was representing them, too, since that was their livelihood. He said the law hasn't affected the lending company since they had not filed a foreclosure action in over 15 years. He said there was a lot of merit in what was said earlier in that if they finance judiciously there would not be a problem of foreclosures. The law, however, has restricted credit. There are a lot of borderlines, particularly beginning credits that have been restricted.

{Tape: 1; Side: A; Approx. Counter: 830; Comments: None.}

If tough times return, lenders do not need restrictions since that makes them want to hold back even more.

Questions From Committee Members and Responses:

Rep. Ellingson asked **REP. JOHNSON** how the act meshes with the right of redemption in a foreclosure for a mortgage. Does the individual whose property has been foreclosed upon have both the right of redemption and the right of first refusal? He asked if that right of first refusal continues indefinitely. **REP. JOHNSON** replied that the person has 15 days of releases and no later than 60 days of right of first refusal.

{Tape: 1; Side: A; Approx. Counter: 936; Comments: None.}

George Bennett the attorney from the Montana Bankers Association clarified that both the right of first refusal and the right of redemption exist together.

REP. ELLINGSON asked **REP. JOHNSON** what the legislative intent was regarding the original expiration date of 1991. **REP. JOHNSON** said it was his understanding that it was to allow a five-year period of time to take care of the leases.

REP. STORY asked **REP. JOHNSON** asked about the use of the law. **REP. JOHNSON** said he did not have that information.

REP. TREXLER asked **Mr. Gill** for clarification if there was foreclosure and there was third-party refinancing whether it was common for the third-party financing to have a lower interest rate. **Mr. Gill** said today's rates reflect more of an increase.

REP. MURDOCK asked **Mr. Gill** if the law had an effect on the company. **Mr. Gill** responded that the effect was minimal on their reputation, but they took the extra step of making sure they did not get in that situation. **REP. MURDOCK** asked if the law had an effect on negotiations for people who might have had foreclosures. He replied it did not.

REP. SCHWINDEN asked **Mr. Peck** from the department about the administration declaring they are a proponent of the bill. **Mr. Peck** replied that the legislation was considered in support of

agriculture to protect the future of agriculture in the next few years. He said the concept of someone coming in the door that made an offer that could be met by an existing operator seems appealing since they should have a right to meet that offer.

REP. SCHWINDEN asked if this was a philosophical concept rather than a cost to the state. **Mr. Peck** said it was.

REP. HEAVY RUNNER asked **Mr. Mott** about the incentives for lenders. **Mr. Mott** replied that he believed it provided incentives to the lender to attempt to restructure a loan and to work with them rather than going through the foreclosure process.

REP. STOVALL asked **Mr. Mott** if anyone had exercised their right of refusal under this law. He replied that he did not know. He said it was a philosophical and incentive point. The fact it has not been exercised does not invalidate the value of the law. He said the fact that it was in place provided some incentive to work a little harder in order to restructure loans rather than to foreclose.

REP. OHS asked **Mr. Cadby** about the difference between this legislation and the standard foreclosure act and whether they were the same. **Mr. Cadby** said that during the crisis, much of it had been duplicated. **George Bennett**, attorney from the Montana Bankers Association, responded that Montana has had a general set of statutes that applied to all mortgage foreclosures. He said they set out the rights of mortgagors, or the borrower. He said under those laws any person, any mortgagors, any borrower, has a one year right to redeem the amount of the sale right plus some interest and some other costs. That right has existed since territorial days and applied to all borrowers. The 1987 legislation was passed in response to an emergency and would apply only to agricultural lands.

{Tape: 1; Side: B}

Closing by Sponsor:

REP. JOHNSON closed and gave **Mr. Cadby** a copy of the amendments. He said the amendments just provide for an immediate effective date and say that the provisions of 25-13-901-905, apply to agricultural land acquired by foreclosure or by judgment of satisfaction of debt after the effective date of this act. It says nothing about before the effective date of this act. He noted that the agricultural groups have adopted a neutral stance in regards to this bill.

He explained that adherence to the provisions of the current law tries to ensure the ability of those leasing or purchasing to have the financial resources and management skills to make sure the operation is a success. There may have been something in the previous operation that made it impossible to exercise good judgment, management decisions that led to foreclosure. However, having this right of first refusal gives him the opportunity to

repurchase or release that land and make those decisions. There is a time to exercise that right and that is in the law in 25-13-903, for leasing no later than 15 days after receiving an offer and the same with repurchase of ag land that has to be done 60 days after. He said the ag credit association tries hard to avoid foreclosure. He said they try to help ranchers and farmers keep the land and is in their interest to do it. He noted that the administration was in support of this bill as a way to keep agriculture in the forefront in Montana. Loans have been restructured because of this law. He recommends the bill be passed along with the amendment.

HEARING ON HB 40

Opening Statement by Sponsor:

REP. HARRIET HAYNE presented HB 40. She read a mission statement from Agriculture in Montana Schools. She said the goal of AMS was to provide free teaching tools to Montana's teachers regarding the effect of agriculture on the students lives.

EXHIBITS 4 and 5 She said the whole purpose of HB 40 was to put back the AMS check-off line on next year's income tax form. The reason it is not on this year's form is that it failed to raise \$20,000 last year and as a result the state was obliged to remove the check-off line. However, she noted that this is important for the future of Montana's agriculture.

Proponents' Testimony:

Ralph Peck from the Montana Department of Agriculture presented testimony from **Leo Giacometto, Director of the Department**, in favor of HB 40. **EXHIBIT 6** He pointed out that the program was strictly volunteer. He said that education was vital for the continued development of the industry. He pointed out that this was important especially for students who are generations removed from production agriculture. Techniques such as reduction of erosion and other basic agricultural issues are important to understand. He recommended the passage of the bill to enable the income tax check-off dollars to continue this successful program.

Marie Hoveland, President of AMS, spoke in favor of the bill. She said that agricultural products are used every day and more and more generations are getting farther and farther away from the land and lose the realization of how agriculture affects their daily lives. She gave a historical prospective about the organization of the group, starting in 1981 when John Block, Secretary of Agriculture, organized the nationwide program called Agriculture in the Classroom. The factual material about agriculture can be used by teachers. She showed the three manuals which are available. She said five videos are available as well as a variety of teaching tools such as treasure chests, workshops.

{Tape: 1; Side: B; Approx. Counter: 367; Comments: None.}

She pointed out that AMS gets help from OPI, MSU, Ag business and the Department of Agriculture, etc. She explained the organization's structure and explained about the many resources available. The education of students is one of the most important reasons for this bill.

Vicky Baker, the grants chairman for AMS, spoke in favor of the bill. She said the main reason for the check-off is to help fill a void that the grants leave behind. She said teachers are the most important people who use the texts and tools. She pointed out that facts and non-biased information were important to have.

Les Graham, representing the Montana Dairymen's Association and the Montana Association of Livestock Auction Markets, spoke in favor of the bill. He said the program is very worthwhile.

Candace Torgeson representing the Montana Cattlewomen's Association spoke in favor of the bill.

Don Waldren, representing the Montana Rural Education Association, spoke in favor of the bill. He said the use of the material is not pushed on schools but is made available. It is very useful and saves a lot of money because they would have to pay a lot for the information if they had to go out and get it. He said the check-off should be on the tax form.

Lorna Frank from the Montana Farm Bureau said they were in support of the bill. She said children need to be informed about where their food comes from rather than thinking that it comes from the grocery store shelves.

George Paul, Executive Director of the Montana Farmers Union representing farmers and ranchers and other rural people, spoke in favor of the bill. He said the merits of the AMS were many but that was not the issue. The issue is whether or not the check-off will continue and that is not to say it was a mistake to do away with it. The \$20,000 figure may or not be an unreasonable figure, but in this situation the check-off fully provides one third of their budget every year. The check-off to AMS is very important. It is not like it is 5% or 6% of their budget but rather is nearly 30% of their budget. For this reason, the Montana Farmers Union urged consideration of retaining that check-off ability.

Jennifer Hill, representing Montana Stockgrowers and Montana Wool Growers spoke in support of the bill.

Bob Stephens, representing the Montana Grain Growers spoke in favor of the bill. He showed a sixth grade contest winner's art of his truck hauling grain.

Tim Gill from the Montana Livestock Ag Credit said his company has been a sustaining member of the association. The credibility of this organization is high and he supports it.

Maureen Cleary-Schwinden, representing WIFE, Women Involved in Farm Economics, supports the continuation of the check-off program. **EXHIBIT 7**

Mike Volesky, representing the Montana Association of Conservation Districts spoke in favor of the bill. He said they were one of the organizations mentioned by **Ralph Peck**, that passed a resolution supporting this legislation. He noted that conservation districts feel youth education is one of their foremost duties and they cooperate with Ag in Montana Schools in teaching young people about the duty that agriculture has in the conservation-wise use of natural resources. He pointed out that it seems silly to draw the line at \$20,000 as far as the check-off goes. They do a lot with a little money.

Larry Brown, representing the Agriculture Preservation Association, spoke in favor of the bill. He said the project is worthwhile. He pointed out there was a lot of competition for grants.

REP. ROSE spoke on behalf of the AMS. He said Betty Jo Malone was one of the founders as well as the late Valerie Larson. He said they spent a great deal of their own time and also a great deal of their own money perpetuating Ag in Montana Schools. He had feedback from faculty members about how much they had derived from workshops. He said the number of kits has been astronomical that the organization has provided for the school system. Anything that can be done for them is appreciated.

Opponents' Testimony:

Janet Ellis, representing the Montana Audubon Society, spoke in opposition to the bill. She said that all the check-offs should be treated equally. There are presently three check-offs--one for child abuse, one for nongame and the other just went off the form, she explained. One of the reasons the legislature decided about the \$20,000 was due to the administration costs. The Department of Revenue charges each of the check-offs \$2,800 to administer for costs. They decided the level established a 15% overhead. The ag check-off said when they raised \$11,000 there is more of an overhead cost. It was just not cost effective. She suggested changing the threshold of \$20,000 and not exempt one of the check-offs. She explained if the check-off dropped below that \$20,000 everyone would try to get an exemption.

{Tape: 1; Side: B; Approx. Counter: 878; Comments: None.}

Informational Testimony:

Jeff Miller, Administrator of the Income Tax Division of the Department of Revenue spoke about the bill for information purposes in a neutral position. He said, as a correction to previous testimony, the check-off was still in place in 1994 and everyone had the opportunity to contribute on 1994 taxes. But he noted that unless this bill passes or there is some remarkable recovery, this is destined to sunset on the 1995 returns that are filed in 1996. He talked about the contingency concept and where it came from.

{Tape: 1; Side: B; Approx. Counter: 939; Comments: None.}

He said the concept arose in the 1991 Legislative Session. The department had resisted new check-offs on the return so the returns were simple and easy to read. They had opposed the DARE Program check-off at that time as well. The compromise structure at the time was the contingency language that said if it did not show up as promised then it ought to come off since administrative overhead is a consideration. The threshold was set at \$20,000. They discussed the DARE Program contributions. **EXHIBIT 7** He said while considering check-offs, HB 689 in the 1992 Session, provided that administrative costs by the department be deducted on an ongoing basis. The repeal of the public campaign fund also happened which was not generating much per year. Finally, contingency language was added. This focused on the deficiency of this as a mechanism of raising money. He referred to the exhibit as the Ag in Montana Schools as collecting an average of \$8,300 a year minus the \$2,800 deducted for administrative costs. He said he expected this level to continue unless there was some sort of promotion to generate more interest.

Questions From Committee Members and Responses:

REP. JORE asked REP. HAYNE if there were any feeling that the \$2,800 of administrative costs by the Department of Revenue could be alleviated if the AMS could still raise the funds. She replied that this was just a help to AMS. She wondered why it would cost the department so much especially since they had other check-offs as well.

Closing by Sponsor:

REP. HAYNE closed on the bill.

ADJOURNMENT

Adjournment: 4:32 P.M.



JOE BARNETT, Chairman



JAELENE RACICOT, Secretary

JB/jr

HOUSE OF REPRESENTATIVES

Agriculture

ROLL CALL

DATE

1/3/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Joe Barnett, Chairman	✓		
Rep. Sam Rose, Vice Chairman, Majority	✓		
Rep. Don Larson, Vice Chairman, Minority	✓		
Rep. Jon Ellingson	✓		
Rep. Dick Green	✓		
Rep. Harriet Hayne	✓		
Rep. George Heavy Runner	✓		
Rep. Rick Jore	✓		
Rep. Gay Ann Masolo	✓		
Rep. Judy Rice Murdock	✓		
Rep. Karl Ohs	✓		
Rep. Jay Stovall	✓		
Rep. Bill Ryan	✓		
Rep. Dore Schwinden	✓		
Rep. Robert Story	✓		
Rep. Lila Taylor	✓		
Rep. Cliff Trexler	✓		
Rep. Ken Wennemar	✓		

Amendments to House Bill No. 27
White Reading Copy

Requested by Rep. Johnson
For the Committee on Agriculture

Prepared by Doug Sternberg, Legislative Council
January 2, 1995

1. Page 1, line 5.
Strike: "AND"

2. Page 1, line 6.
Following: "1987"
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 1.
Following: line 12
Insert: "**New Section. Section 2. Applicability.** The provisions of
25-13-901, 25-13-902, 25-13-903, and 25-13-904 apply to
agricultural land acquired by foreclosure or by judgment in
satisfaction of debt after [the effective date of this act].

New Section. Section 3. Effective Date. [This act] is
effective on passage and approval."

EXHIBIT 2
DATE 1/3/95
HB 27

**House Committee on
Agriculture, Livestock, and Irrigation
Testimony, House Bill 27**

Mr. Chairman, member of the Committee, for the record I am Ralph Peck, Administrator of the Agricultural Development Division, Montana Department of Agriculture.

Agriculture producers have experienced difficult financial problems in the past and may face those same problems in the future. For this reason the Department of Agriculture supports HB 27.

Thank you Mr. Chairman

hb27

EXHIBIT 3
DATE 1/3/95
HB 27

HOUSE BILL 27
TESTIMONY BY MONTANA BANKERS ASSOCIATION
BEFORE HOUSE AGRICULTURE, LIVESTOCK, AND IRRIGATION COMMITTEE

ROOM 410, 3:00 P.M.

January 3, 1995

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM JOHN CADBY WITH THE MONTANA BANKERS ASSOCIATION. WE SERVE AS A SPOKESMAN FOR ALL COMMERCIAL BANKS IN MONTANA. BANKS ARE THE LARGEST LENDERS OF OPERATING AG CREDIT. MOST OF OUR SMALL, LOCALLY-OWNED, RURAL BANKS' LOAN PORTFOLIOS ARE TOP HEAVY WITH AG LOANS AND THEIR SURVIVAL DEPENDS ON THEIR FARM AND RANCH CUSTOMERS.

IN THE MID-80'S THERE WAS AN AG CRISIS WHICH RESULTED IN SOME FORECLOSURES (PRIMARILY DUE TO REDUCED LAND VALUES) AND NUMEROUS BAD FAITH LAWSUITS. IN THE 1987 SESSION A FEW BILLS WERE INTRODUCED INTENDING TO HELP FINANCIALLY TROUBLED FARMERS AT THE EXPENSE OF LENDERS. ALL WERE KILLED EXCEPT VOLUNTARY MEDIATION (WHICH HAS SUBSEQUENTLY DIED) AND THIS '87 LAW ALLOWING THE OWNER OF FORECLOSED AG LAND TO GET IT BACK BY MATCHING THE PURCHASE OR LEASE OFFER MADE BY A THIRD PARTY. THE BILL WAS ALSO OPPOSED BY THE MONTANA STOCKGROWERS ASSOCIATION, THE MONTANA WOOL GROWERS ASSOCIATION, AND THE MONTANA GRAIN GROWERS ASSOCIATION. THE HOUSE AGRICULTURE, LIVESTOCK AND IRRIGATION COMMITTEE VOTED TO KILL IT.

THE ONLY REASON THIS BILL PASSED WAS DUE TO THE LIMITED LIFE SPAN. IN OTHER WORDS, THE 1987 LAW ONLY APPLIED TO MORTGAGE FORECLOSURES PRIOR TO JUNE 30, 1991. THIS LAW, THEREFORE, COULD NOT HAVE BEEN USED BY ANY FARMER OR RANCHER FORECLOSED ON IN THE PAST THREE YEARS. I DON'T KNOW IF IT HAS EVER BEEN USED.

IF A DISTRESSED FARMER IS CAPABLE OF MATCHING AN OFFER BY A THIRD PARTY, THEN HE CERTAINLY SHOULD BE CAPABLE OF MAKING PAYMENTS TO HIS EXISTING MORTGAGE, WHETHER IT BE WITH FARMERS HOME ADMINISTRATION, FARM CREDIT SYSTEM, OR THE COMMERCIAL BANK.

IN SUMMARY, IT IS DOUBTFUL THIS LAW HAS PROVIDED ANY MEANINGFUL RELIEF TO DISTRESSED AND INEFFICIENT FARMERS. IT SIMPLY MAKES ALL LENDERS MORE CAUTIOUS IN MAKING CREDIT AVAILABLE TO FARMERS AND RANCHERS. IN FACT, IT COULD BE ARGUED THAT IT IS DETRIMENTAL TO THE FARMER WHO NEEDS OPERATING CAPITAL. ALSO, ANY ADDITIONAL COSTS TO LENDERS DUE TO DELAYS AND LEGAL HOOPS SIMPLY RESULTS IN HIGHER INTEREST RATES TO GOOD OPERATORS.

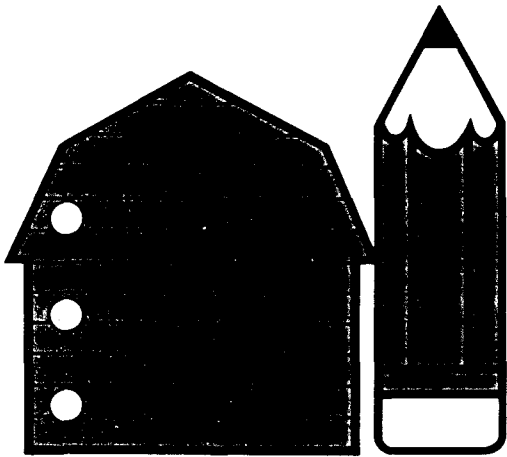
FINALLY, ALL REAL ESTATE OWNERS INCLUDING FARMERS AND RANCHERS ARE SUBJECT TO STANDARD UNIFORM FORECLOSURE PROCEEDINGS, WHICH ALLOWS THE OWNER TO REDEEM WITHIN ONE YEAR AFTER FORECLOSURE. HE OR SHE MAY ALSO SELL THEIR RIGHT OF REDEMPTION TO ANYONE, THEREBY PROTECTING THE OWNER.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, IT IS OUR RECOMMENDATION TO KILL HOUSE BILL 27 AND LET THIS UNNECESSARY LAW CLEANSE ITSELF BY AUTOMATICALLY TERMINATING JUNE 30, 1996, AS WAS ORIGINALLY INTENDED BY THE 1987 LEGISLATURE.



The original of this document is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

(folder)



Ag in the Classroom



AGRICULTURE IN
MONTANA SCHOOLS

Newsbits

VOL. 7

WINTER 1994

NO. 2

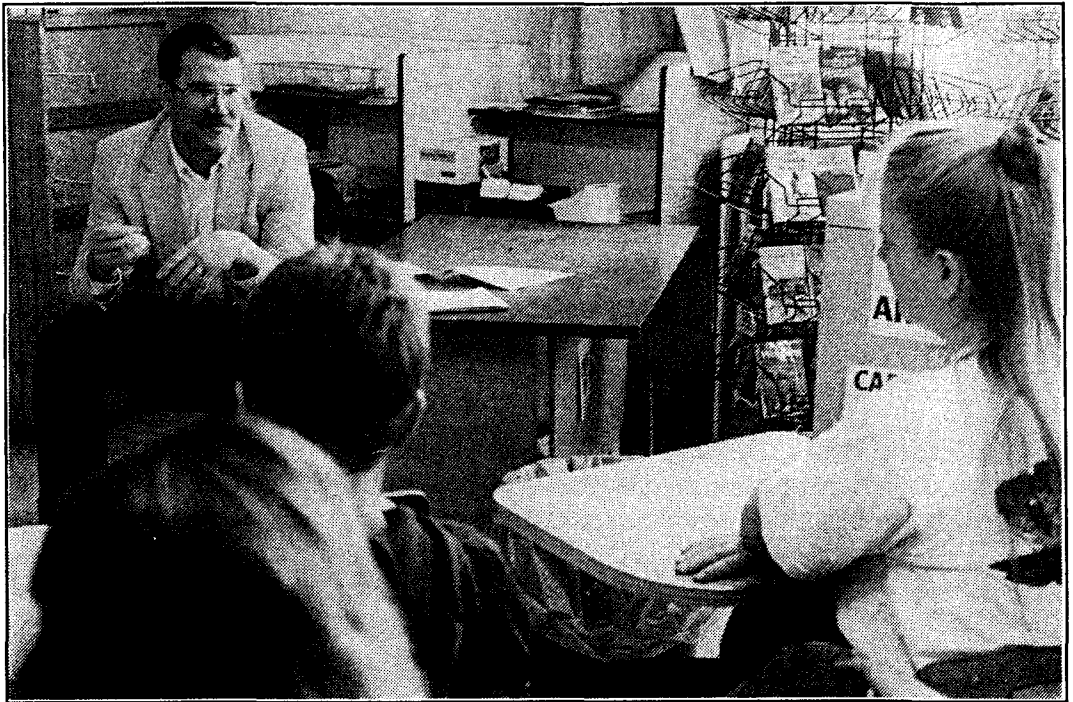
Agriculture project raises awareness

Ag Director Giacometto visits Ekalaka area students

As part of an Agriculture in the Classroom project, Carter County held a celebration last spring. Highlighting the event held at Ekalaka, was Montana Agriculture Director Leo Giacometto and eight separate booths, displaying programs about different agriculture topics.

The booths were Big Sky Ostrich, Inc., beef, sheep and wool, weeds, endangered species, grain, water and trees. A county volunteer hosted each booth.

The program emphasized the importance of promoting agriculture in the schools. The organizers said, "Ag is Carter County's major industry and it needs to be projected."



Photos courtesy of M. Brice Lambert, Ekalaka Eagle

State Ag Director Leo Giacometto discusses agriculture topics with Carter County school children during Ag Day at Ekalaka Elementary in late March.



The original of this document is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

Above, Cindy Davis of Big Sky Ostrich, Sand Coulee, answers questions about ostrich production. At left, Kristina Bagley models an ostrich plume jacket from Big Sky Ostrich.

House Committee on Agriculture, Livestock, and Irrigation Testimony, House Bill 40

Testimony of Leo A. Giacometto

Mr. Chairman and Members of the Committee:

For the record, my name is Leo A. Giacometto, Director of the Department of Agriculture. I am here to testify in favor of the passage of House Bill 40.

Agriculture in Montana Schools (AMS) is strictly a volunteer organization which provides lesson plans, videos, teacher training, and student workshops **without the use of any state or federal funds**. These dedicated volunteers are barely compensated for travel expenses, yet they diligently work in the market place promoting agriculture by means of grants, donations, and state income tax check-off dollars.

Education provided through Agriculture in Montana Schools is critical to the continued development of agriculture.

Students in kindergarten through eighth grade classrooms, who are generations removed from production agriculture, need to have an education that develops an understanding and exposure to agriculture, Montana's largest industry.

The income tax check-off system has been developed and is up and running. If Agriculture in Montana Schools activities are curtailed as a result of losing the income tax check-off dollars, the agricultural community will greatly suffer. How can we expect Montana's future leaders to understand basic agriculture such as farming, livestock production, apiaries, or horticulture if today's youth have no instructors explaining these basic production vocations?

Our youth, as well as their families, need to understand that production agriculture is environmentally responsible. Agriculture is continually improving techniques to reduce erosion, to reduce the amount of fertilizers and pesticides needed to grow a crop, while feeding the world with the highest quality food products produced by man. Agriculture

in Montana Schools provides an outstanding cost-effective opportunity to educate Montana students about farming and ranching.

Because of the effectiveness of Agriculture in Montana Schools, House Bill 40 has the support of Montana's agricultural organizations. Montana Grain Growers Association, Montana Farm Bureau Federation, Montana Stockgrowers Association, and Montana Association of Conservation Districts are a few of the groups that have passed resolutions in support of Agriculture in Montana Schools and House Bill 40.

Agriculture in Montana Schools is a frugal volunteer program that provides excellent agricultural education enhancement with minimal amounts of funding. I strongly urge this committee to approve House Bill 40 so Agriculture in Montana Schools can continue to receive the income tax check-off dollars which are so vital to its continued operation and success.



WIFE Women Involved In Farm Economics

January 3, 1994

Members of the House Agriculture Committee
Capital Station
Helena, MT

The members of Women Involved In Farm Economics (WIFE) support the continuation of the Ag In Montana Schools Program Tax Checkoff. It is imperative to keep agriculture education within Montanas school systems a viable source of promoting Montanas number one industry. We urge committee members to consider the continuation of the program in support of agriculture.

Respectfully Submitted: _____

Maureen Cleary-Schwinden
lobbyist, WIFE of Montana

DARE	1991	\$18,304.00	2396	388,842
DARE	1992	\$18,101.00	2184	405,807
DARE	1993	\$549.00	40	407,567 as of 11-30-94

MONTANA DEPARTMENT OF REVENUE
 INCOME AND MISC TAX DIVISION
 CHECK OFF PROGRAM

NAME	TAX YEAR	CONTRIBUTION	# OF RETURNS CONTRIBUTING	# OF RETURNS PROCESSED
PUBLIC CAMPAIGN	1983	\$4,238.00	4238	365,632
PUBLIC CAMPAIGN	1984	\$3,727.00	3727	365,051
PUBLIC CAMPAIGN	1985	\$2,486.00	2486	366,690
PUBLIC CAMPAIGN	1986	\$2,136.00	2136	363,797
PUBLIC CAMPAIGN	1987	\$2,403.00	2403	364,477
PUBLIC CAMPAIGN	1988	\$1,495.00	1495	368,876
PUBLIC CAMPAIGN	1989	\$1,466.00	1466	377,079
PUBLIC CAMPAIGN	1990	\$2,080.00	1886	389,953
PUBLIC CAMPAIGN	1991	\$1,606.00	1421	388,842
PUBLIC CAMPAIGN	1992	\$1,707.00	1532	405,807
PUBLIC CAMPAIGN	1993	\$80.00	71	407,567 as of 11-30-94
=====				
NON-GAME	1983	\$35,427.00	6630	365,632
NON-GAME	1984	\$34,060.00	6218	365,051
NON-GAME	1985	\$31,869.00	4146	366,690
NON-GAME	1986	\$24,616.00	3108	363,797
NON-GAME	1987	\$20,463.00	2521	364,477
NON-GAME	1988	\$21,698.00	2339	368,876
NON-GAME	1989	\$21,299.00	2318	377,079
NON-GAME	1990	\$27,071.00	2650	389,953
NON-GAME	1991	\$24,476.00	2782	388,842
NON-GAME	1992	\$22,020.00	2348	405,807
NON-GAME	1993	\$21,308.00	2162	407,567 as of 11-30-94
=====				
CHILD ABUSE	1985	\$27,086.00	3595	366,690
CHILD ABUSE	1986	\$20,732.00	2721	363,797
CHILD ABUSE	1987	\$19,448.00	2497	364,477
CHILD ABUSE	1988	\$21,349.00	2288	368,876
CHILD ABUSE	1989	\$21,942.00	2351	377,079
CHILD ABUSE	1990	\$23,103.00	2479	389,953
CHILD ABUSE	1991	\$25,721.00	2640	388,842
CHILD ABUSE	1992	\$20,260.00	2380	405,807
CHILD ABUSE	1993	\$21,691.00	2136	407,567 as of 11-30-94
=====				
AGRI MT SCHOOL	1985	\$8,487.00	1317	366,690
AGRI MT SCHOOL	1986	\$8,727.00	1167	363,797
AGRI MT SCHOOL	1987	\$4,912.00	768	364,477
AGRI MT SCHOOL	1988	\$5,854.00	750	368,876
AGRI MT SCHOOL	1989	\$6,741.00	799	377,079
AGRI MT SCHOOL	1990	\$8,596.00	918	389,953
AGRI MT SCHOOL	1991	\$11,394.00	1015	388,842
AGRI MT SCHOOL	1992	\$6,998.00	946	405,807
AGRI MT SCHOOL	1993	\$7,738.00	901	407,567 as of 11-30-94
=====				



MONTANA FARMERS UNION

Norman Sullivan, President

EXHIBIT 9

DATE 1/3/95

HB 40

300 River Drive North
P.O. Box 2447
Great Falls, MT 59403-2447
Phone 406 • 452-6406
Fax 406 • 727-8216

**Testimony of Montana Farmers Union
House Bill 40
House Agriculture Committee
Jan. 3, 1995**

I am George Paul of Great Falls, Montana Farmers Union executive director.

House Bill 40 is supported by my statewide general farm and ranch organization because the Agriculture in Montana Schools program depends in large measure on the funds directed to it from the Montana income tax check-off option.

Agriculture is by far the Treasure State's dominant industry and the Agriculture in Montana Schools educational curriculum fosters understanding and appreciation for this economic powerhouse.

Approximately one-third of the budget of Agriculture in Montana Schools derives from the check-off source, so you can appreciate what a devastating effect its loss would work on the program. Budget tinkering is one thing, but this level of loss could affect the very existence of the AMS, which has worked to enhance the image of agriculture in Montana for more than two decades.

These funds constitute freewill donations by supportive taxpayers across the state and Montana Farmers Union respectfully requests that the committee endorse House Bill 40. Thank you.

###

M. Chairman & members of the committee

TESTIMONY TO LEGISLATIVE AG. COMMITTEE
JANUARY 3, 1995
HELENA

EXHIBIT 10
DATE 1/3/95
HB 40

MANY PEOPLE SEEM TO HAVE A DIFFERENT IDEA WHAT AGRICULTURE IS. EVERYONE USES SOME TYPE OF AGRICULTURE PRODUCT EVERY DAY. WE CAN NOT DO WITH OUT IT - IT IS WHAT WE EAT AND WHAT WE WEAR.

IT IS MONTANA'S NO. 1 INDUSTRY. NOW SINCE MORE AND MORE GENERATIONS ARE GETTING FURTHER AND FURTHER AWAY FROM THE LAND - THEY JUST DON'T SEEM TO REALIZE HOW AGRICULTURE AFFECTS THEIR DAILY LIVES.

BACK IN 1981 ~~THE~~ THEN SEC. OF AGRICULTURE JOHN BLOCK REALIZED THIS FACT AND CALLED TOGETHER VARIOUS GROUPS ORGANIZING WHAT IS NOW KNOWN AS A NATION WIDE PROGRAM CALLED AGRICULTURE IN THE CLASSROOM. IT WAS ORGANIZED IN MONTANA IN 1982 AS AGRICULTURE IN MONTANA SCHOOLS, OR AS EVERYONE USES INITIALS AMS.

AGRICULTURE IN MONTANA SCHOOLS IS A NON-PROFIT, NON - POLITICAL, NON-GOVERNMENTAL, NON-BIASED , ALL VOLUNTEER ORGANIZATION. (ONE OF THE ONLY 2 IN THE US.)

1. WHAT WE DO - IS SUPPLY FACTUAL MATERIAL ON AGRICULTURE TO THE STATE'S PUBLIC SCHOOLS - THAT THE TEACHER CAN INCORPORATE INTO WHAT SHE/HE IS ALREADY TEACHING. IT IS NOT A SEPARATE CURRICULUM.

2. WHAT DO WE HAVE - 3 TEACHER'S MANUALS - K-3, 4-6, AND 7-8. (WE ARE NOT IN THE HIGH SCHOOLS YET) WE ARE IN THE PROCESS OF MAKING A 5 VIDEO SERIES ON AGRICULTURE IN MONT. THE 1ST 4 ARE FINISHED - AN OVERVIEW - AGRONOMY - LIVESTOCK - AND NATURAL RESOURCES. THE 5TH WILL BE ON ALTERNATE CROPS. WE ALSO HAVE IN EVERY PUBLIC SCHOOL LIBRARY (ANY SCHOOL WITH

2.

20 OR MORE STUDENTS) A TREASURE CHEST - THAT IS FILLED WITH HANDS ON MATERIAL FOR THE TEACHER TO USE - POSTERS, BOOKS, SOIL AND GRAIN SAMPLES, CHARTS ON ANY SUBJECT RELATED TO AGRICULTURE. THIS CHEST GETS UPDATED AND ADDED TO ATLEAST ONCE A YEAR. (SMALLER SCHOOLS, PRIVATE AND HOME SCHOOLS CAN CHECK OUT THE SAME MATERIAL FROM THEIR COUNTY SUPT. OF SCHOOL OFFICE.)

3. OUR MEMBERSHIP COMES FROM REPRESENTATIVES OF COMMODITY ORGANIZATIONS, AG BUSINESSES, DEPT. OF AG. OPI, MSU, TEACHERS, FARM ORGANIZATIONS, GROUPS SUCH AS SOIL CONSERVATION DISTRICTS AS WELL AS INTERESTED INDIVIDUALS.

4. THE AMS BOARD CONSISTS OF OFFICERS, DISTRICT DIRECTORS (WE HAVE THE STATE DIVIDED INTO 16 DISTRICTS), COMMITTEE CHAIRMEN AS WELL AS REPRESENTATIVES FROM THE DIFFERENT MEMBER GROUPS.

5. WE GET ~~PART OF~~ OUR FUNDS ~~FOR OUR BUDGET~~ THROUGH MEMBERSHIPS - THERE ARE 5 DIFFERENT TYPES OF MEMBERSHIP -

- A. REGULAR - VOTING - \$100/YR
- B. ASSOCIATE - NON VOTING - \$25/YR
- C. SUSTAINING - VOTING - \$500/YR
- D. LIFE TIME - NON VOTING - \$1000 (ONE TIME)
- E. DEPARTMENTAL - VOTING - (THOSE GROUPS THAT ASSIST AMS WITH IN-KIND SERVICE OF \$1,000 OR MORE)

WE ALSO GET FUNDS THROUGH:

- A. GRANTS
 - B. MEMORIALS
 - C. DONATIONS
- AND

~~HAVE~~ ~~HAS~~ BEEN FROM THE VOLUNTARY CHECK OFF ON THE STATE'S INCOME TAX FORMS

6. WE ALSO HAVE A TEACHER'S RESOURCE LIBRARY - FROM WHICH TEACHERS CAN CHECK OUT - VIDEOS, MANUALS, BOOKS, FILMS, COMPUTER PROGRAMS - LESSON PLANS - MATERIAL THAT WE DO NOT HAVE FUNDS ENOUGH TO SUPPLY TO EVERY TREASURE CHEST.

3

7. WE HAVE COLLEGE CREDIT WORKSHOPS (THROUGH MSU) FOR THE
TEACHERS -

A. WEEKEND COURSE (HAVE 3 CERTIFIED TEACHERS
WHO WILL TRAVEL ANYWHERE IN THE STATE
WHERE THERE ARE ATLEAST 10 TEACHERS
REGISTERED FOR THE COURSE)

B. A SUMMER WORKSHOP ON MSU'S CAMPUS ~~IN~~ ^{through} THE
AG DEPT. THIS IS A 4 DAY WORKSHOP.

We also have The Teacher of the Year Award

8. WE HAVE 2 CONTESTS FOR THE STUDENTS

A. BUMPER STICKER - K-6
WINNERS RECOGNIZED DURING AG DAY

B. ESSAY CONTEST - 7-11
WINNERS HAVE A SUMMER WORKSHOP ON
MSU'S CAMPUS THROUGH THE AG DEPT.
ON CAREERS IN AGRICULTURE.

THE COOPERATION WE RECEIVE FROM MSU, OPI, MONT.DEPT
OF AG - AS WELL AS OTHER MEMBER GROUPS IS OUTSTANDING.

THEY REALIZE THAT EDUCATION OF OUR STUDENTS AS WELL AS
TEACHERS IS ONE OF THE MOST IMPORTANT PRIORITIES IF MONTANA
IS GOING TO SURVIVE. THE CHECK-OFF FOR AMS GIVES THE
CITIZENS OF MONTANA A WAY TO HELP PROMOTE THAT VERY
IMPORTANT AGRICULTURE EDUCATION.

THANK YOU

Maureen Handman
President

Senate Members
DELWYN GAGE
CHAIRMAN
GARY C. AKLESTAD
MIKE HALLIGAN
J.D. LYNCH



House Members
RED MENAHAN
VICE CHAIRMAN
ERVIN DAVIS
H.S. HANSON
NORM WALLIN

Montana Legislative Council

Room 138 • State Capitol
Helena, Montana 59620-1706
(406) 444-3064
FAX (406) 444-3036

January 1994

TO: Members of the House Agriculture, Livestock, and Irrigation
Committee

FROM: Connie F. Erickson, staff researcher

RE: Services available to Committee members

I will perform the following functions in support of the Agriculture, Livestock, and
Irrigation Committee:

1. draft all amendments adopted by the committee, using the same bill drafting guidelines as were applied to the original bill and, with the Chairman's authorization make necessary changes in grammar, punctuation, word choice, and sentence structure, not affecting meaning;
2. draft proposed amendments upon request of individual committee members before committee action on a given bill;
3. draft proposed amendments to be moved on Second Reading upon request of any committee member;
4. for a bill requiring a statement of legislative intent, draft the statement or obtain a draft from the affected state agency;
5. draft committee bills;

(over)

6. review proposed legislation and advise the committee as to constitutionality, internal consistency, possibility of conflict with or duplication of existing provisions, and compliance with other bill drafting provisions such as grammar, punctuation, word choice, and statutory sentence structure;
7. attend subcommittee meetings to perform the appropriate functions listed above;
8. attend conference committee or free conference committee deliberations as invited to perform the appropriate functions listed above; and
9. assist the committee or an individual committee member in obtaining data or any pertinent information from state or local agencies, the federal government, or other states pertaining to bills under deliberation by the committee.

My office is located on the first floor of the Capitol in Room 140-A, Legislative Council Research Division, and my telephone extension is 3078. My regular office hours are Monday - Friday, 8:30 a.m. - 6 p.m.; Saturday, 9 a.m. - noon. If I am away from my office, you may leave a message on my message board or on my voice mail.


I look forward to working with you this session.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Agriculture COMMITTEE BILL NO. 1/B27
DATE 7/3/95 SPONSOR(S) _____

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jeff Barber	NPRC	✓	
Ed Mott	NPRC	✓	
Tim Gill	MT Livestock Ag. Credit, Inc.		✓
George Paul	Farmers Union	✓	
GEORGE BENNETT	MONT. BEERS ASSN		✓
JOHN CADDY	MT BANKERS ASSN		✓
Ralph Peck	MT Dept of Ag	✓	
LARRY BROWN	Ag. PRES. ASSOC.		✓



Montana Rural Education Association
Donald R. Waldron
Lobbyist
P.O. Box 5418
Helena, MT 59604
(406) 442-8813
Fax: (406) 442-8839

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

BILL NO. H/B 40

DATE 1/3/95

SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>Jack Payne</u>	<u>All</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Marie Harland - Marie Harland - Marie Harland</u>	<u>Ag. in Mont. Schools</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Vicki BAKER Vicki BAKER</u>	<u>Ag in Montana Schools</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Test Proham</u>	<u>MT. Dairyman's Assn MT. ASS of Livestock Prod</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Tim Gill</u>	<u>MT Livestock Ag. Credit Inc. MT Wool Growers</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>John Hill</u>	<u>MT Stockgrowers</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Janet Ellis</u>	<u>MT Audubon</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>Jeff Barber</u>	<u>NPRC</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>George Paul</u>	<u>Farmers Union</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Bob Stephen</u>	<u>Int Grain Growers Assn</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Carole Ferguson</u>	<u>MT. Cattlewomen's Assn.</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Maureen Cleary-Schwindler</u>	<u>WIFE</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Lorna Frank</u>	<u>Farm Bureau</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Ralph Peck</u>	<u>MT Dept of Ag</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Agriculture

COMMITTEE

DATE *1/3/95*

BILL NO. *HR 40*

SPONSOR(S)

PLEASE PRINT

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	Support	Oppose
<i>Don Waldron</i>	<i>W. Rural Ed. Assoc</i>	<i>✓</i>	
<i>LARRY BROWN</i>	<i>Ag. Pres. Assoc.</i>	<i>✓</i>	
Jeff Miller <i>Mike Ciesky</i>	<i>MT Assoc. of Cons. Dist.</i>	<i>✓</i>	
<i>Jeff Miller</i>	<i>DOR no-represent</i>		

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

HR:1993

wp:vissbcom.man

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