

## **MINUTES**

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

#### **COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION**

**Call to Order:** By **CHAIRMAN JOE BARNETT**, on January 5, 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. Cliff Trexler (R)  
Rep. Kenneth Wennemar (D)

**Members Excused:** Rep. Lila Taylor

**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 56  
Executive Action: HB 56 & HB 40

#### **INTRODUCTIONS AND MEETING PROCEDURES DISCUSSION**

**CHAIRMAN BARNETT** asked the members and staff to briefly introduced themselves.

**CHAIRMAN BARNETT** explained the Montana State Legislature Committee Rules of Procedure. **EXHIBIT 1** He said all questions

would go through the Chair and when a witness testified, no questions would be allowed during that time. He asked the committee to refrain from asking questions until the answer and question period. He then explained how the committee would handle nondebatable motions. He reminded the committee they were there to serve the public.

**CHAIRMAN BARNETT** asked **REP. LARSON** if he wanted to add to the procedures. **REP. DON LARSON** asked the Chairman to convey to the committee how a tabling motion would be handled. **CHAIRMAN BARNETT** said a tabling motion would be a nondebatable motion. He asked the committee to allow debate on a bill before a tabling motion had been made. **CHAIRMAN BARNETT** said if he felt more debate was needed, he would not recognize the tabling motion.

**REP. DORE SCHWINDEN** asked if the chairman would accept a tabling motion as the first motion on a bill. **CHAIRMAN BARNETT** stated he would prefer not to. He felt it was better to debate the bill first before a tabling vote would be allowed.

**REP. LARSON** asked how a proxy vote would be handled in the committee. **CHAIRMAN BARNETT** asked the members to inform **REP. LARSON** for Democratic proxy votes and **REP. ROSE** would be accepting all Republican proxy votes.

#### HEARING ON HB 56

##### Opening Statement by Sponsor:

**REP. SAM ROSE, HD 87**, stated HB 56 would not cost the public "a thing." He said part of the Department of Livestock's responsibility was the registration and maintenance of brands. These brands have to be rerecorded every ten years and then in 1991 the Legislature wanted the recording of brands to be staggered every two years. As time progressed, the Department discovered it was more costly and needed the addition of two additional FTE. **REP. ROSE** explained how it had been handle when the brands were recorded every two years; he said the Department would hire two part-time employees for 18 months to handle the rerecordings of all brands. The Legislative Auditor suggested they either implement the staggering brand procedure or to seek legislation to amend it. This bill was the result of that decision.

**REP. ROSE** touched on a problem the Department was experiencing with the additional funds coming from the rerecording of brands. He said the handling of fees would be handled in the same fashion Fish, Wildlife and Parks handled their licensing fees.

##### Proponents' Testimony:

**Cork Mortensen, Executive Secretary to the Board of Livestock**, stated that after they researched this, they found it was more

expensive to implement the staggered rerecord system. He felt it was necessary to hire up to two FTE on a continuous basis to keep up with the workload. In addition, the staggering rerecord system posed several problems like how would they stagger it. The problem that existed was that brands were recorded in the registrant's name, brands recorded in brand names, and brands recorded in ranch names. The staggering system would be much more difficult. He stated the brand industry was used to rerecording brands every ten years.

Also, due to the computer age, to change to the staggering rerecord system would force the Department to purchase \$15,000 to \$20,000 computer technology to alter the present program they currently had.

**Mr. Mortensen** stated the Legislative Auditor suggested to change the statute to allow a reasonable time for depositing the fees. As a result, the Department added a subsection to address the needs of the Department to handle the deposit of fees. He stated the auditor was satisfied with they way they handle the deposit of fees. **Mr. Mortensen** handed in written testimony. **EXHIBIT 2**

**Lorna Franks, Montana Farm Bureau**, stated she didn't like the piece of legislation that was introduced in 1991 and she was happy to see this restored back to its original system. Farmers and ranchers were used to recording brands every ten years and she urged the committee to pass this bill.

**Jennifer Hill, Montana Stockgrowers and Montana Wool Growers**, urged the committee to support it.

**Maureen Cleary-Schwinden, Women Involved In Farm Economics**, said they supported HB 56 because it is a fiscally responsible choice.

**Opponents' Testimony:** None

**Questions From Committee Members and Responses:**

**REP. DON LARSON** asked **Marc Bridges, Administrator of the Brand Enforcement Department of Livestock**, on the last page on the last line testimony where it states depositing the fees in a reasonable time. He felt this was vague and if the Department of Fish, Wildlife and Parks worded theirs the same way. **Mr. Bridges** stated it was. **REP. LARSON** asked if ten days was reasonable. **Mr. Skufca, Administrator of Central Services for the Department of Livestock**, said the current statute says if the deposit is over \$500 it requires a daily basis of deposit.

He said the mail comes in large quantities and they could not possibly open every piece of mail and it was not possible to deposit something they had not opened. Two weeks was the maximum amount of time money would be sitting in a locked safe. The main problem was complying with the statute.

**REP. ROBERT STORY** asked **Marc Bridges** if it would be possible to register brands at the beginning of every decade like 1980, 1990, 2000 instead of 1921, 1931 etc. **Mr. Bridges** stated historically they have carried on with rerecording brands because they began in 1911, then rerecorded in 1921 and so on.

**REP. STORY** asked **Mr. Bridges** if they had to use more than 10% of the money in a year, would they have to adjust their budget to compensate. **Mr. Bridges** said they have an emergency criteria they have to meet and they would have to come to the legislature and meet the emergency criteria to get extra spending authority. He said they never had an emergency to force them to use it in the past.

**REP. JUDY MURDOCK** asked **Mr. Bridges** how much money they make with brand recordings. **Mr. Bridges** stated he thought approximately \$56,000. He said they were doing, on the average, approximately 65 new brand transfers a week throughout the year.

**Closing by Sponsor:**

**REP. ROSE** stated he found the Department of Livestock to be one of the most efficient departments in the state and he would appreciate the committee's support of the bill.

**CHAIRMAN BARNETT** informed the committee that **REP. JOHNSON** asked to delay action on HB 27 until Tuesday, January, 10, 1995.

**EXECUTIVE ACTION ON HB 40**

**Motion:** **REP. LARSON** MOVED HB 40 DO PASS

**Discussion:**

**REP. RICK JORE** stated he had no problem with AMS in schools and commended **REP. HARRIET HAYNE** for her support of AMS. He felt by passing this bill it would open many doors to rely on the Department of Revenue to be a collector for voluntary contributions. For that reason **REP. JORE** said he would oppose the bill.

**REP. BILL RYAN** said he was in favor of Ag In Montana Schools and felt it was a good program and urged the committee to support it.

**REP. MURDOCK** said she was worried about not raising enough money to support the \$2,800 fee assessed by the Department of Revenue. She stated she supported the bill.

**REP. CLIFF TREXLER** said he would support the bill and the \$2,800 was paid to the Department of Revenue to take care of the service. He reminded the committee that the lost would be AMS. He said children were very excited about this program in Montana's schools.

**REP. GAY ANN MASOLO** stated she used AMS in her classroom and it could be integrated into other subjects. Many of the children she taught did not come from an ag background and discovered AMS to be very beneficial to them.

**REP. ROSE** said he was uncomfortable with the testimony stating that something was refused because of administrative ease. He felt the Department of Revenue was not being overpaid to collect this money.

**REP. GEORGE HEAVY RUNNER** stated he supported HB 40 because it would continue the education of agriculture throughout the generations. He thought it was good to continue education in the same manner they continue their tribe's culture.

**REP. LARSON** stated he spoke in favor of the bill because the tax check-off was a mechanism where the ag community could obtain contributions from people through this check-off system. He felt AMS could conduct a public relations campaign to bring the total money received to \$15,000, \$20,000 or \$30,000 a year. He said because this is a voluntary tax check-off system he could see no problem with it.

**REP. KEN WENNEMAR** asked if there were any charities who wished to have a tax check-off, but are incapable of having one because the AMS was presently occupying one. He said he did not oppose AMS having one. **REP. HAYNE** replied non-game, child abuse and DARE had check-offs [but they are not being denied because of AMS].

**REP. WENNEMAR** asked if there were others that would like to have a check-off. **CHAIRMAN BARNETT** stated if there are people who wanted a check-off, they should come to the legislature with a bill proposing what they want.

**Vote:** The motion carried with **REP. JORE** voting no and a proxy vote from **REP. STOVALL** stating **REP. TAYLOR** vote of yes.

**EXECUTIVE ACTION ON HB 56**

**Motion:** **REP. LARSON** MOVED HB 56 DO PASS.

**Discussion:**

**REP. CLIFF TREXLER** stated this was a simple process that worked and he felt there was no reason to keep the staggering rerecording system. He urged the committee to pass the bill.

**REP. JUDY MURDOCK** stated she was in favor of the bill and it appeared to her that someone tried to fix something that wasn't broken.

**REP. BILL RYAN** asked why it was set at \$50 and why was it not set at \$10. **REP. JAY STOVALL** said it was set at \$10 for a long time and that this was \$50 for a ten-year term.

**REP. ROBERT STORY** said the Department of Livestock was a fee-run Department.

**REP. BILL RYAN** asked if this fee was specifically covering the costs.

**REP. STOVALL** asked **Cork Mortensen** if the fee money went back to the Department of Livestock through the general fund. **Mr. Mortensen** stated the money came through the Department of Livestock and goes to the Board of Investments. **Mr. Mortensen** referred to the question by **REP. RYAN** about the \$50 fee assessed by the Department of Livestock. He said this fee comes to \$5 per year and that was probably the "cheapest in the country." He stated that some states are much higher than \$5.

**REP. DICK GREEN** said **Mr. Mortensen** was accurate. He said they have a Montana brand as well as a South Dakota and Wyoming brand. He said the other two states were substantially higher and that Montanans were getting a bargain.

**REP. STORY** stated he had a concern with the language to allow the Board to use more than 10% of the monies in any given year if an emergency exists. He said the legislature would have to approve the spending. He asked wasn't this a situation where the money can be spent and it's not under legislative control and is that any different than when the Governor has to authorize spending rather than the Board. **Cork Mortensen** stated that the Board was added to assist the Governor and the Board was appointed by the Governor and if an emergency arose the Governor would be informed. He said the Governor's Office did not have a problem with this.

**REP. DON LARSON** stated that other state agencies had flexibility to ask for a supplemental and they have the right and authority to do that and this was the same kind of authority for the Board of Livestock. **REP. LARSON** stated to the committee that this was their money. He said they collect almost \$3 million in livestock fees in a ten-year cycle. "We decide they get 10% per year, which is \$200,000 plus per year."

**REP. GEORGE HEAVY RUNNER** asked for clarification about whether there is a \$50 fee for the brand and another fee of \$50 for researching that particular brand. **Cork Mortensen** stated they are frequently requested to research the history of a brand. He said an individual would come in and they know they have an old brand and they want to trace that brand back to the beginning, even before 1900. He said it takes a great deal of time to research a brand, the transfers, the rerecords and ownership. He said this was of great interest to people who want the history on it.

REP. STORY asked if it would be a problem to change the year to rerecord on the beginning of a decade than a year ending in one.

REP. ROSE stated that with a brand, someone would lose it if he or she does not rerecord it, since it's a saleable item. He stated that everyone knows after ten years, they have to rerecord it.

REP. HARRIET HAYNE asked if a notification was sent out. REP. SAM ROSE stated that there was.

Vote: The motion carried unanimously with a proxy vote from REP. STOVALL stating REP. TAYLOR vote of yes.

**ADJOURNMENT**

Adjournment: 4:10 p.m.



JOE BARNETT, Chairman



JAELENE RACICOT, Secretary

JB/jr



# HOUSE OF REPRESENTATIVES

## Agriculture

ROLL CALL

DATE 1/5/95

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	<del>✓</del>		✓
Rep. Cliff Trexler	✓		
Rep. Ken Wennemar	✓		



## HOUSE STANDING COMMITTEE REPORT

January 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Bill 40 (first reading copy -- white) do pass.

Signed: Joe Barnett  
Joe Barnett, Chair

Committee Vote:  
Yes 7, No 1.

051401SC.Hbk



## HOUSE STANDING COMMITTEE REPORT

January 6, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that  
House Bill 56 (first reading copy -- white) do pass.

Signed: Joe Barnett  
Joe Barnett, Chair

Committee Vote:  
Yes 8, No 0.

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# HOUSE OF REPRESENTATIVES

## ROLL CALL VOTE

### Agriculture Committee

DATE 1/5/95 BILL NO. SB 113 NUMBER 56

MOTION: Larson moved OG Pass.

Carried  
unanim

No opp

NAME	AYE	NO
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	✓	

proxy unanim Stovall

# HOUSE OF REPRESENTATIVES

## ROLL CALL VOTE

### Agriculture Committee

DATE 1/5/95 BILL NO. HB NUMBER 40

MOTION: Rep. Larson moved De Paso

NAME	AYE	NO
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	✓ <del>AB</del>	Proxy
Rep. Cliff Trexler	✓	
Rep. Ken Wennemar	✓	

Stovall

MONTANA STATE LEGISLATURE  
COMMITTEE RULES OF PROCEDURE

A. Public Hearings

- (1) Sponsor of the bill will open the presentation.
- (2) Proponents of the bill will present testimony.  
Time subject to limitation of the chair.
- (3) Opponents of the bill will present testimony.  
Time subject to limitation of the chair.
- (4) All questions will be put forth by the committee.  
No questions will be directed between proponents and opponents. All questions will be directed through the chair, and everyone will be treated courteously.
- (5) All discussion will commence at the direction of the chair.
- (6) Sponsor of the bill will close the presentation.
- (7) Proponents and opponents will try to state new points only. If they wish to agree with points already made, they should simply so state.
- (8) Witnesses presenting testimony before the committee should remain in the room to answer any questions from committee members until the hearing is closed.
- (9) All witnesses shall sign the witness sheet before presenting testimony.
- (10) Written copies of the testimony should also be submitted if possible.
- (11) Suggested amendments to bills must be presented to the committee in writing.
- (12) Cellular phone will not be allowed in the meeting room.

HOUSE BILL 56

Mr. Chairman and members of the committee, for the record my name is Cork Mortensen and I am the Executive Secretary to the Board of Livestock. The Board and Department of Livestock support this legislation and urge you to support House Bill 56 for the following reasons:

1. This is a time of economic restraint for the livestock industry and for its agency the Department of Livestock. We do not feel that we can afford the extra expense of implementing a staggered re-record system, as it would necessitate the hiring of at least one and possibly 2 full time personnel. In addition, the change in our computer programming for the brand mortgage system would need to be altered. (This alone could cost approximately \$15,000).

2. As to Section 81-3-107, subsection 2, the legislative auditor has suggested that in order to be in compliance of certain deposit requirements, we should change our statutes to allow a reasonable time for depositing the recording and re-recording fees. We have therefore added this to avoid potential problems with the auditor's office.

3. Lastly, under 81-3-107, subsection 1, we have inserted or the board to allow the Board of Livestock the authority to declare an emergency situation should the need arise for the board and department to have to spend more than 10% of the net re-recording fees in any one year. This is because of the uncertain times we live in. We don't know what might happen which would necessitate this kind of declaration, but you have merely to look at the Yellowstone Park bison situation to see that there could be circumstances arise which would force us to put more personnel in that area and, in

order to keep the rest of the industry properly serviced we might need to hire additional personnel, etc.

Thank you for your time and consideration in this matter. Once again, the Board and Department of Livestock urge you to support this legislation. If you have any questions or need more information, I should be happy to respond.

Thank you,

A handwritten signature in cursive script, appearing to read "Cork".

E.E. "Cork" Mortensen, Executive Secretary  
To the Board of Livestock



HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Agriculture COMMITTEE  
BILL NO. HB 56 SPONSOR(S) Rose

DATE 1/5/95

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	Support	Oppose
MAUREEN Cleary-Schwinden	WIFE	✓	
Erik Mortensen	Brd. of Livestock	—	
Jennifer Hill	MT Wool Growers MT Stockgrowers	✓	
Les Graham	mt ASSN Livestock Auction mt. Dairyman Assn.	✓	
MARC BRIDGES	STATE OF MONTANA DEPT. OF LIVESTOCK	✓	
John Skufca	" "	✓	
Lorna Frank	MT. farm Bureau	✓	

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

HR:1993

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