MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION

Call to Order: By **VICE-CHAIRMAN GERRY DEVLIN**, on January 20, 1995, at 1:05 P.M.

ROLL CALL

Members Present:
Sen. Charles "Chuck" Swysgood, Chairman (R)
Sen. Gerry Devlin, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. Don Hargrove (R)
Sen. Ric Holden (R)
Sen. Reiny Jabs (R)
Sen. Greg Jergeson (D)
Sen. Linda J. Nelson (D)
Sen. Bob Pipinich (D)

Members Excused: NONE

Members Absent: NONE

Staff Present: Doug Sternberg, Legislative Council
Jennifer Gaasch, Committee Secretary

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

Committee Business Summary:
Hearing: SB 166, SB 111, HB 95
Executive Action: SB 106, HB 95

{Tape: 1; Side:A; Approx. Counter: ; Comments: .}

HEARING ON SB 166

Opening Statement by Sponsor:

SENATOR GARY AKLESTAD, SD 44, Galata, presented SB 166. **SEN. AKLESTAD** stated that the bill would reduce the time that a sworn statement of purchase must be filed. The bill would also revise the assessment refund process by changing the time requirement that a refund has to be requested. This would also allow a copy of the original invoice rather than providing the original invoice as current law states.

Proponents' Testimony:

None

Opponents' Testimony:

Fred Elling, chairman of the Mt. Wheat and Barley Committee for 1995, read his written testimony **(EXHIBIT #1)**.

Merlin Boxwell, president of the Montana Graingrowers Association, stated that he was opposed to SB 166. He made three points: 1) requiring the collective assessment to be sent in every 2 weeks would be of little or no benefit, 2) changing the current refund time frame complicates the Wheat and Barley's quarterly meeting schedule, and 3) allowing the copies of the invoices and signatures that are not notarized seems to create problems. He submitted a marketing club letter **(EXHIBIT #2)**.

Steve McDonnell, director on the Montana Wheat and Barley Committee, read his written testimony **(EXHIBIT #3)**.

Maureen Cleary-Schwinden, representing Women In Farm Economics (WIFE), stated that they are opposed to SB 166 for the reasons already mentioned. She submitted a letter from the president of W.I.F.E. **(EXHIBIT #4)**.

Pam Langley, representing the MT. Grain Elevator's Association, stated that they oppose SB 166.

Frank Sconover, a farmer from Dutton, MT., stated that he is opposed to SB 166.

Lorna Frank, representing the MT. Farm Bureau, stated that they are opposed to SB 166.

Charles Hansen, a farmer from Cutbank, MT., stated that he opposed SB 166.

Dick Swenson, a farmer from Glacier County, stated that he was opposed to SB 166.

Neil Johnson, a farmer from Glacier County, stated that he was opposed to SB 166.

Larry Johnson, a grain farmer, stated that he was opposed to SB 166. **Mr. Johnson** stated that 98% of the farmers do not file for rebates.

Informational Testimony:

None

Questions From Committee Members and Responses:

SENATOR GREG JERGESON asked **Mr. Larry Johnson** if he agreed with the idea that maybe the smaller producers see it as a hassle to file for the rebate if they are not going to get very much in return. **Mr. Johnson** replied that he did not believe that this would be true because if a farmer wanted his return, he would file for the rebate.

SEN. JERGESON asked **Mr. Johnson** why there would be a full year to file for a refund on the gasoline tax and only a window of 60 days of 90 to ask for a refund for this item? **Mr. Johnson** stated that he believed it was set up to coincide with the meetings of the Wheat and Barley Committee. **Fred Elling** replied that this was because of the quarterly budgeting of the committee.

SEN. JERGESON stated that the Highway Department maintains a reserve fund to handle the anticipated refunds that they would have at the end of the year. Does the Wheat and Barley committee have a reserve fund? **Mr. Elling** stated that they are just starting a similar program.

Mr. Jim Christiansen, of the Wheat and Barley Committee office in Great Falls, MT., stated that this is a window of 90 days and a farmer can apply for the refund immediately, but the money will be held for 30 days. A farmer would have to file four times per year.

Closing by Sponsor:

SENATOR AKLESTAD stated that a checkoff is just bulk money and they are not waiting for your personal check. There are more than 2% of the people that want this changed, they just do not want to go through the hassle. The paperwork would not be an issue for them and he would like them to be concerned with how much paperwork the farmer would have to do. He supports the farmer.

HEARING ON SB 111

Opening Statement by Sponsor:

SENATOR GERRY DEVLIN, SD 2, Terry, presented SB 111. **SEN. DEVLIN** stated that the intent of SB 111 is to give the opportunity to cattle owners by petitioning an extra fee on themselves for predator control. This would be done by petitioning all county commissioners and then allowing them to gather signatures. After receiving 51% of the number of cattle owners' signatures in the last assessment rolls, the fee will be put on. This has been done in the sheep industry. The levy can be taken off by the same method. The money goes back to the county commission, which has a contract with either the Department of Livestock, the animal damage control, or the county could hire their own predator control personnel.

Proponents' Testimony:

John Bloomquist, representing the Montana Stockgrowers Association (MSGA), stated that they are in support of SB 111. He stated that this would establish the county predator control option for cattle producers. The bill was designed around the bill for sheep producers. The producers can put the assessment on, take it off or modify the assessment. Predator control is very important to those in the livestock industry. He urged the support of the committee on SB 111.

Bob Gilbert, representing the Woolgrowers Association. They are in support of the bill. The numbers of sheep are falling because of the predators and more and more calves are being killed by predators.

Larry Handeguard, representing Animal Damage Control in Montana, stated that there was a handout **(EXHIBIT #5)** that he would like to discuss. The handout demonstrates the number of requests that they have been having from woolgrowers and cattle producers. There has been an increase in the number of cattle producers. If the legislation was approved, it will be funded at the county level and the animal damage control could provide further services.

Maureen Cleary-Schwinden, representing WIFE, stated that they support SB 111.

Lorna Frank, representing the Montana Farm Bureau, Montana Association of Livestock Markets, and the Montana Dairyman Association, stated that they are willing to be assessed the money for this program. They are in support of SB 111.

Bob Spoklie, President of the Montana Game Breaders Association, stated that they support SB 111.

Candace Torgerson, representing the Montana Cattlewomens Association, stated that they are in support of SB 111.

Cork Mortensen, representing the Board of Livestock, stated that they are in support of SB 111.

Nancy Espy stated that they are involved in a county assessed program for sheep and it has been satisfactory to the sheep producers. They feel it is a vital part of their ranching.

SENATOR RIC HOLDEN stated that on behalf of **Larry Pilster,** he was in support of SB 111.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

SENATOR JERGESON asked **SEN. DEVLIN** if the money would be kept in the county or if it would be going to another county? **SEN. DEVLIN** replied that there are some cooperative agreements, but the money goes to the county commission and there would be a contract of where the money was to go. **SEN. JERGESON** asked **SEN. DEVLIN** would there be producers in one county paying for controlling another county? **SEN. DEVLIN** replied that this would only be true if there was a cooperative agreement between counties.

SEN. HARGROVE asked **SEN. DEVLIN** if there was another statute for sheep? **SEN. DEVLIN** answered that there was and this bill was patterned after that statute. **SEN. HARGROVE** asked **SEN. DEVLIN** what amount of money would be assessed? **SEN. DEVLIN** replied that it would vary across the state. The numbers dictate the amount of money and also there are different levels of assessment in the counties. Depending on who is pushing the petition will dictate the level to start out with.

SENATOR REINY JABS asked **SEN. DEVLIN** if the 51% was producers or was it cattle? **SEN. DEVLIN** stated that it was 51% of the cattle that was on the last assessment roll. If one rancher in the county owned 51% of the cattle and he signed the petition it would be in effect. **SEN. JABS** asked **SEN. DEVLIN** if the assessment would be voluntary to the rest of the ranchers after the 51% signed. **SEN. DEVLIN** answered that it would not.

SEN. JABS asked **Larry Handeguard** how much resistance there was on this bill? **Mr. Handeguard** stated that there has been resistance and there has been for several years.

SEN. JERGESON asked **Bob Spoklie** if he would be willing to have an assessment on game farms. **Mr. Spoklie** state that they are regulated the same and they pay their taxes the same as purebred cattle. They are classified the same.

CHAIRMAN SWYSGOOD stated that his interpretation of the bill was that this would apply to cattle and the game farms would not be included in this bill. **CHAIRMAN SWYSGOOD** asked **Mr. Spoklie** if he would want game farms to be included in this bill? **Mr. Spoklie** stated that he would.

SENATOR RIC HOLDEN asked **Bob Gilbert** if the petition was parallel to the sheep program and does it work well? **Mr. Gilbert** stated that it does work well. **SEN. HOLDEN** asked **Mr. Gilbert** if the small ranchers are going to sign the petition or is someone with 51% of the cattle just going to sign first. **Mr. Gilbert** stated that in one county a gentlemen who owned 51% of the sheep waited to sign until after he met with the other ranchers. The large rancher would pay more than the others because they own more cattle.

Closing by Sponsor:

SEN. DEVLIN stated that at one time he owned 51% of the sheep in the county and he waited to sign the petition until he had the other ranchers sign it, because he believed that was the neighborly way to handle the situation. He urged the committee to support SB 111.

{Tape: 1; Side: B; Approx. Counter: ; Comments: .}

HEARING ON HB 95

Opening Statement by Sponsor:

REPRESENTATIVE KARL OHS, HD 33, Harrison, presented HB 95. **REP. OHS** stated that this bill was introduced by the Department of Livestock. The first section was concerning bond equivalents and it would make Montana law more consistent with USDA administration. The second section would specifically mandate periodic audit of the livestock market to make sure they retain assets in excess of liabilities and this will allow the department to ensure that requirements are met and procedures are protected. The third section mandates that bidders must sign security agreements. This will prevent problems for alleged debtors when they attempt to sell livestock. This bill will clarify the current law. **(EXHIBIT #6)**

Proponents' Testimony:

Cork Mortensen, representing the Board of Livestock, read his written testimony. **(EXHIBIT #7)**

John Bloomquist, representing the Montana Stockgrowers Association, stated that they support HB 95.

Candace Torgerson, representing the Montana Cattlewomens Association, stated that they support HB 95.

Maureen Cleary-Schwinden, representing WIFE, stated that they support HB 95.

Lorna Frank, representing Montana Farm Bureau, Montana Association of Livestock Auctions, and the Montana Dairyman Association, stated that they support HB 95.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

SEN. JERGESON asked **Cork Mortensen** who the debtors were that would have to sign security agreements? **Mr. Mortensen** referred the question to **Mark Bridges**. **Mr. Bridges** stated that before, the debtors were never asked to sign the security agreements. This has caused problems and the debtor did not know of the security agreement. When the lien is filed, the debtor has to acknowledge that filing and sign off on it. **SEN. JERGESON** asked if a veterinarian has the right to file a lien against a brand if he has not been paid for services rendered and would he have to have it signed by the debtor? **Mr. Bridges** answered that there would have to be a court judgment in order to file such a lien.

SEN. JERGESON asked if there was a service rendered and payment was not received, if a lien was put on his brand, would he only have to sign the lien or would a court judgment be needed? **Mr. Bridges** referred the question to the staff attorney. **Lon Mitchell** staff attorney for the Department of Livestock. **Mr. Mitchell** stated that if someone were to show up in the department, fill out the form that does not require a debtors signature and if they are willing to pay a requisite filing fee, the department was statutorily mandated to accept it. **Mr. Mitchell** stated that a vet could put a lien against the producer. This is why they want a signature from the debtor. **Mr. Mitchell** stated that there is a difference between an agister's lien and a security agreement.

Mr. Bloomquist stated that there was a difference between security agreements and liens. This would be a security agreement on brands that states if a debt was out there, the brand lien would be the security to that debt. Liens in general should not be confused with security agreements. This security agreement on brands were one of the only ones that a person can get without the debtor's signature. It has created problems because there is no signature required.

SENATOR TOM BECK asked **Mr. Bloomquist** if he sold cattle to a neighbor, could a security agreement be filed at the courthouse and registered so that if any of the neighbor's cattle are sold, the check would be made payable to **SEN. BECK**?
Mr. Bloomquist stated that this was correct. **SEN. BECK** asked **Mr. Bloomquist** if the debtor had to sign the lien every time. **Mr. Bloomquist** stated that was true. **SEN. BECK** asked if that would be true in the case of other liens? **Mr. Bloomquist** stated that was correct.

Nancy Espy stated that when going to the bank, they sign two security liens. One would go to the Department of Livestock which was the protection to the bank. This bill would offer protection to the producer.

CHAIRMAN SWYSGOOD asked **Ms. Espy** to clarify if the debtor refused to sign the lien it could not be filed? **Ms. Espy** stated that was correct.

Closing by Sponsor:

REP. OHS stated that this legislation is good and urged the support of the committee.

EXECUTIVE ACTION ON SB 106

Discussion: **Mr. Cadby** offered an amendment **(EXHIBIT #8)**.
CHAIRMAN SWYSGOOD stated that the amendment would basically alleviate the bill and so it would not be considered.

CHAIRMAN SWYSGOOD asked **SENATOR LOREN JENKINS** to tell the committee how he would like the bill to read. **SEN. JENKINS** stated that the "90 days" in the first section would be inserted and the language that was crossed out would be reinserted.

SEN. DEVLIN asked **Doug Sternberg** how the bill would read if they were to leave "90 days" and insert the language that was crossed out back into the bill. **Mr. Sternberg** stated that the bill would the read as follows; "Any person, firm or corporation or partnership who is entitled to a lien under this part shall, within 90 days after last labor or service was performed..." The figure that will be changed was the "90 days".

SEN. DEVLIN asked if subsection (2) in section 1 of the bill would remain the same? **CHAIRMAN SWYSGOOD** stated that it would remain the same.

SEN. JERGESON asked **SEN. JENKINS,** in subsection (2), what does the 30-day notice relate to? When does a person file the 30-day notice? **SEN. JENKINS** replied that the person can not file a lien until after last labor or material is furnished. Section 2 referred to any person entitled to file a lien. They can give the 30-day notice from the time they were entitled to file a lien up to 60 days. The 90-day extension in section 1 would give them 30 more days.

SEN. NELSON asked **Mr. Bob Stephens, representing the Graingrowers Association,** if they now agree with the bill? **Mr. Stephens** stated that they are in support of the bill as **SEN. JENKINS** has presented it to the committee.

Motion/Vote **SEN. BECK MOVED** to amend HB 95 by striking the words: "first payment is due for" and adding the words "who", "last" and "was". The **MOTION CARRIED UNANIMOUSLY** by oral vote.

Motion/Vote **SEN. BECK MOVED** to amend HB 95 by having the words: "under this part" moved from line 15 to line 16 between the words "lien" and "shall". The **MOTION CARRIED UNANIMOUSLY** by oral vote.

Motion/Vote: **SEN. HARGROVE MOVED** the SB 106 **DO PASS AS AMENDED.** The **MOTION CARRIED UNANIMOUSLY** by oral vote.

EXECUTIVE ACTION ON HB 95

Motion/Vote: **SEN. BECK MOVED** HB 95 **DO PASS.** The **MOTION CARRIED UNANIMOUSLY** by oral vote.

ADJOURNMENT

Adjournment: 2:40 p.m.

CHUCK SWYSGOOD, Chairman

JENNIFER GAASCH, Secretary

CS/JG

MONTANA SENATE
1995 LEGISLATURE
AGRICULTURE COMMITTEE

ROLL CALL DATE 1-20-95

NAME	PRESENT	ABSENT	EXCUSED
GERRY DEVLIN, VICE CHAIRMAN	X		
TOM BECK	X		
DON HARGROVE	X		
RIC HOLDEN	X		
REINY JABS	X		
GREG JERGESON	X		
LINDA NELSON	X		
BOB PIPINICH	X		
CHUCK SWYSGOOD, CHAIRMAN	X		

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SENATE STANDING COMMITTEE REPORT

January 20, 1995

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration SB 106 (first reading copy -- white), respectfully report that SB 106 be amended as follows and as so amended do pass.

Signed: Chuck Swysgood
Senator Chuck Swysgood, Chair

That such amendments read:

1. Page 1, line 12.
Strike: "first payment is due for"
Insert: "last"
Following: "~~was~~"
Insert: "was"

2. Page 1, line 15.
Strike: "under this part"

3. Page 1, line 16.
Following: "lien"
Insert: "under this part"

-END-

Amd. Coord.
Sec. of Senate

171529SC.SRF

SENATE STANDING COMMITTEE REPORT

January 20, 1995

MR. PRESIDENT:

We, your committee on Agriculture, Livestock, and Irrigation having had under consideration HB95 (third reading copy -- blue), respectfully report that HB95 be concurred in.

Signed: _____
Senator Chuck Swysgood, Chair

Amd. Coord.
Sec. of Senate

Senator Carrying Bill

171453SC.SRF

SENATE AGRICULTURE
EXHIBIT NO. 1
DATE 1-20-95
BILL NO. SB 166

Montana Wheat & Barley Committee

750 Sixth Street S.W. – P.O. Box 3024, Great Falls, Montana, 59403-3024

TESTIMONY OF THE
MONTANA WHEAT AND BARLEY COMMITTEE

Great Falls, Montana

PRESENTED BY

FRED ELLING, CHAIRMAN

For the record of

the

SENATE AGRICULTURE, LIVESTOCK AND
IRRIGATION COMMITTEE

ON

SB 166

HELENA, MONTANA

JANUARY 20, 1995

Jim Christianson Executive Vice President Telephone (406) 761-7732 Fax (406) 761-7851

Mr. Chairman and members of the committee. My name is Fred Elling. I am a grain producer from Rudyard and the chairman of the Montana Wheat and Barley Committee (MW & BC).

The Wheat and Barley Committee is a self-help program, paid for by wheat and barley growers, themselves. The refundable assessment of one cent per bushel on wheat and one and one half cents per hundred weight on barley is budgeted by the Committee to pay for market promotion and research activities that benefit all growers in this state.

The Montana Wheat and Barley Committee asks that you vote no on Senate Bill 166.

The bill has four main points which are objectionable to myself and my fellow Committee members. Following is a summary of the changes that this bill would make in the current MW & BC statute, and my comments on those proposed changes:

1. SB 166 requires the grain trade to submit the MW & BC assessment they have collected to the Committee every two weeks. Currently, the grain trade writes a single check monthly (by the 20th) that is the total assessment collected by them since the 20th day of the previous month. There is, apparently, concern that the grain trade will earn some interest on this money as they hold it. However, what little interest a grain company may garner on the assessment is less than what it costs them for collecting and remitting the check-off in the first place. To force them to do that paperwork 26 times a year rather than 12, is not cost efficient.

I offer the following point to consider: A leading banking establishment in Montana was asked to calculate the earnings gained by the grain trade (and loss to the MW & BC) by allowing the trade to hold assessment monies for one full month rather than remitting it to the MW & BC every two weeks. The conclusion was that the amount was between $1,379.07 and $2,659.25 ... per year, total, for everyone. The smaller figure is the interest gained based on the average wheat and barley production over the last ten years and uses the current interest rate at a bank. The larger number comes from calculating interest based on the best production year ever in this state, 1993, and uses the interest rate currently being paid

EXHIBIT 1
DATE 1-20-95
SB 166

on the State of Montana general investment pool monies. In other words, the average collector of the assessment is making (and the MW & BC is losing) between 58 cents and $1.13 per month on the "float".

And, not only will this change more than double the grain trade's paperwork, it will do the same for the MW & BC office. In the fiscal note attached to this legislation it is shown that it will cost the Wheat and Barley Committee more than ~~$4,500~~ 3900 in additional costs to collect the assessment 14 additional times per year. And, this number does not include any of the costs associated with additional labor. But, disregarding the employee time of both the trade and MW & BC will have to put into the additional collections from 197 collection points, the increased postage cost, by itself, negates any benefit that may come from it. The 14 additional collections per year, times the 197 elevators, seed plants, and feed lots, times the postage, both ways, plus mailing the reports to Helena, equals $1,965.12. We will never generate sufficient additional interest to pay the additional, total costs that occur with this change.

2. SB 166 would allow those who are seeking a refund of those check-off monies to submit their application for immediate processing any time after the settlement is made with the grain company and up to 180 days past that date. Currently, although a person requesting a refund may receive and submit a refund application immediately, a refunder will not be paid until 30 days after the settlement with the grain company and may not receive a refund on a settlement that was made more than 90 days previously. The logic in the current law is obvious: 1) Because the assessment is sent into the MW & BC every 30 days, the Committee should not be refunding money it has not received, thus the 30-day waiting period for a refund after the settlement ... and 2) The 90-day time limit for requesting a refund coincides with the time frame of the Committee's quarterly meetings and because assessment monies are spent at the discretion of the Committee at those meetings, it does not seem reasonable to allow a refund on dollars that have already been disbursed.

3. SB 166 would allow refunds to be made on a photocopy of the grain company invoice. Currently, the statute requires the original invoice to be submitted with a refund request. This paperwork is mailed back to the refunder with the refund check. I am not aware of an incident when the MW & BC office has lost those original invoices. Not requiring original paperwork would afford the opportunity to someone to submit an invoice for grain that did not belong to them. Anyone, a truck driver, an elevator employee, a hired man, etc., who has access to a copy machine and an invoice that is not made out to a specific individual's name could ask for, and receive, a refund on that copy. Any invoice made out to, the Alberta Wheat Pool, a Hutterite Colony, or one of the hundreds of family corporations (with a corporate name that doesn't identify the family name) could be copied and the refund request signed with their own name and the MW & BC would have no way of knowing what happened. As the law stands now, an unauthorized third party could get a refund only if they stole the original paperwork to submit.

4. SB 166 would allow for non-notarized signatures on a refund application. Currently, a refunder must have his signature notarized which, by so doing, attests to the fact that he or she is the one applying for the refund. The reason for requiring a notarized signature is the same as requiring an original invoice but with one big addition ... It has happened in the past that the president of the corporation has cashed a refund check and not shared that refund with other members of the corporation. Unlike the proceeds of an elevator sale where grain was delivered and sold in a manner that is in full view, the proceeds for an assessment refund can be a "hidden" transaction from other members of a corporation and this opens up the MW & BC to liability unless it can be proven that the person receiving the refund claimed to be representing that corporation.

The current procedures of the Montana Wheat and Barley Committee that SB 166 is proposing to change have, in my opinion, worked well for 27 years. The Committee has always tried to use common sense in granting exceptions when, in those rare instances, the day-to-day operating rules get in the way of fairness. I would hope that we do not change a system that is serving the Montana wheat and barley producer well.

Thank you for your "no" vote on SB 166!

SENATE AGRICULTURE
EXHIBIT NO. 2
DATE 1-20-95
BILL NO. SB 166

Great Falls Marketing Club

January 19, 1995

Senator Chuck Swysgood
Chairman, Senate Ag Committee
Capitol Station
Helena, MT 59620

Dear Senator Swysgood,

This letter is to state the opposition to SB166 of the below signed members of the Great Falls Marketing Club. We are all grain producers in the Great Falls area.

The Montana Wheat and Barley Committee has been functioning quite well since its inception over 25 years ago. The Committee has the lowest refund rate of any state commission that has a refund provision, not because refunds are hard to get here, but rather because Montana farmers are generally pleased with the operation and work of the MW & BC. We see no reason to make the changes that Senator Aklestad is proposing.

Sincerely,

Chuck Merja Chuck Merja

Walter Mehnke Walter Mehnke

David P. Roehm

Leonard Lundby

Sigurd Hovland

John C. Good

Jerry Mann

Phillip Ferda

CIRCLE S SEEDS

SEED PRODUCERS AND SEED CLEANERS
P.O. BOX 130
THREE FORKS, MT 59752
TEL (406) 285-3269
FAX (406) 285-3260

SENATE AGRICULTURE
EXHIBIT NO. 3
DATE 1-20-95
BILL NO. SB166

January 20,1995

Mr. Chairman and members of the Committee:

My name is Steve McDonnell. I am a director on the Montana Wheat and Barley Committee, and am I am a past chairman of that organization. But, I stand before you today as a grain grower, rancher, and agri-business person from Three Forks, Montana.

One of the greatest headaches I experience at the office of my seed cleaning plant and feedlot at Three Forks, is the intrusion of government paperwork that I must continually wade through. There is a small percentage of that considerable effort that I can really understand the reason for and support and that is certainly true for the collection of the wheat and barley assessment and the work that Committee does to promote producers' interests in Montana. But listen, folks, once a month is enough! There is nothing to be gained by collecting this assessment every two weeks. The Department of Agriculture has clearly shown that it will cost the Committee money, not save them money. The only possible result I could see from SB 166 is that of increasing the paperwork blizzard. Collecting the assessment more often oppresses the private business who, free of charge collects the assessment, and the remainder of the bill is an infringement on the Committee itself, and the vast majority, the 98% of the producers in Montana, who support it .

The Montana Wheat and Barley Committee is a very worthwhile concept in action. It has stood the test of time for nearly three decades. This is a classic example of the often-quoted proverb, "If it ain't broke, don't fix it."

Thank you for your attention and thank you for a "No" vote on Senate Bill 166.

Respectfully

Steve McDonnell

SENATE AGRICULTURE
EXHIBIT NO. 4
DATE 1-20-95
BILL NO. SB 166

SENATE AGRICULTURE
EXHIBIT NO. 4
DATE 1-20-95
BILL NO. SB 166

January 20, 1995

Senate Agriculture Committee
Helena, Montana

Re: Senate Bill 166

Members of the Committee:

Our organization recognizes the need to address problems that exist between grain producers and others involved in grain issues. The situations that face grain producers in Montana are complex, and we appreciate efforts to address these concerns. We believe the best way to address these problems are through measures that will encourage communication, eliminate disparity, reduce paperwork and overall provide incentives for producers and the grain trade to work together in a positive manner.

Senate Bill 166 will create a situation that will be ineffective in dealing with the real problem of disparity. Its attempts to change mandates that have worked effectively for years may only complicate matters and therefore Women Involved in Farm Economics (WIFE) stands opposed to this bill.

Specifically, our concern would be the costs incurred to the Wheat and Barley Commission through the ensuing additional paperwork Senate Bill 166 would create. We feel this potential increased costs to others may have drastic effects, and ultimately, to producers.

In addition, we believe it is just 'good business' to require an original invoice verses a photocopy of an invoice when a producer does make request for a refund. It is our understanding that current mandates require the original invoice be returned to the producer upon payment. A copy verses an original could only open the door to problems.

It is our understanding refunds are requested by only about 2% of the total number of grain producers in the state. This figure would indicate, then, that 98% of grain growers feel their contributions to the Wheat and Barley Commission are an important part of their business as grain producers.

It has been our experience, as an organization, that the Wheat and Barley Commission has served Montana grain producers well for many years.

With these considerations in mind, we cannot support Senate Bill 166 and would respectfully urge the committee to ~~table~~ oppose this bill.

Sincerely,
Wanda Zuroff, President
(MCS)

SENATE AGRICULTURE
EXHIBIT NO. 5
DATE 1-20-95
BILL NO. SB 111

Requests for Services for the protection of both sheep and cattle have increased from FY 1987 through FY 1992. The requests for service for the protection of sheep and lambs has increased 220% through this 6-year period; requests for services for the protection of cattle have increased 550% for this same time period.

REQUESTS FOR SERVICES

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93 - 94
REQUESTS FOR PROTECTION OF SHEEP	688	1146	1118	1275	1407	1515	(*)
REQUESTS FOR PROTECTION OF CATTLE	79	101	250	294	476	439	(*)

(*) These data are no longer available under the existing reporting system; however, communications with ADC Specialists, livestock producers and the number of coyotes taken indicate that this trend is continuing.

The coyote population has also increased during this same time period, as indicated by the number of coyotes taken by ADC. ADC has increased their take of problem coyotes by 164% for the protection of livestock during this time period. This is in spite of a constant effort by ADC in terms of manpower and the methods used by ADC to protect livestock.

A method used by state wildlife agencies to index populations of wild animals is a catch-per-unit-of-effort technique. Using this technique and the information below, it can be shown that an increase in the coyote population is occurring across Montana. This increase in the coyote population, in turn, is causing an increase in the number of Requests for Services received by ADC to reduce predation on livestock.

COYOTES TAKEN BY SPECIFIC METHOD

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
FIXED WING	796	728	674	933	1335	1965	2322	1902
ROTOR WING	1627	1455	1820	1513	1901	1700	1600	2177
GROUND METHODS	2107	2210	2274	2592	3091	3151	3157	3355
TOTALS	4530	4393	4768	5038	6327	6816	7079	7434

SENATE AGRICULTURE
EXHIBIT NO. 6
DATE 1-20-95
BILL NO. HB 95

HOUSE BILL 95

This bill clarifies section 81-8-214, subsection (1), and (2) (e) by inserting "or its equivalent". The U.S.D.A. - Packers & Stockyards Administration currently accepts bond equivalents such as Letters of Credit and Trust Fund Agreements or any combination of the three types of coverage. Our current statute only allows the use of a bond as coverage. This change would allow our current marketing statutes to be less restrictive and consistent with the Packers & Stockyards Administration.

As written under this legislation, section 81-8-231 would specifically mandate the periodic audit of livestock market and dealers to insure that they (markets and dealers) maintain assets in excess of liabilities (statutory) and can then pay according to statutory requirements. This will allow the department to be assured that the requirements are met and that the producers of livestock are better protected.

This legislation mandates under section 81-8-302 that debtors must sign security agreements (or proper legal authority). The department is currently mandated to accept security agreements even though they may not be signed by those affected. This can and does create some problems for the alleged debtors when they attempt to sell their livestock and discover a security agreement has been filed.

SENATE AGRICULTURE
EXHIBIT NO. 1
DATE 1-20-95
BILL NO. HB 95

HOUSE BILL 95

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 HB95 for the following reasons:

1.) For years the Department has been accepting bond equivalents such as letters of credit and trust fund agreements because these are already acceptable to the U.S.D.A.-Packers & Stockyards Administration. However, the department does not currently have the statutory authority to accept these "bond equivalents". This change would allow the industry to be better served and reduce to potential liability of the department by making these bond equivalents legal.

2.) Section 81-8-231, as changed, would specifically require that periodic audits of livestock markets and dealers be conducted. This will help the department to be assured that those dealers and markets will be maintaining the statutory requirement of assets in excess of liabilities and thus, will better protect the livestock producer.

3.) Section 81-8-302 will be changed to require that debtors or proper legal authority must also sign security interests which are filed with the department. Currently the law mandates that the department shall accept security agreements (even though they may not be signed by the debtor). This can and has created some problems for the producers when they attempt to sell their livestock and discover a security agreement has been filed.

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.

Cork 1-10-95

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

SENATE AGRICULTURE
EXHIBIT NO. 8
DATE 1-20-95
BILL NO. SB 106

SENATE BILL NO. 106; Jenkins

Amend as follows:

Strike all changes to Section 71-3-902(1) thus leaving present law unchanged.

The new subsection (2) added to 71-3-902 should be stricken and new language substituted to read:

"(2) A person, firm, corporation, or partnership that is entitled to a lien under this part and that intends to file a lien shall, within 30 days of the first labor or services, give written notice, by certified mail, of intent to file a lien, to the person, firm, corporation, or partnership for which the labor or service was performed or materials furnished. A failure to give such notice in the time and manner required voids any right of lien."

The reasons for these changes are that to condition the filing of the lien on the time when payment "first is due" is meaningless. The date on which last work or materials were rendered is exact; date of payment is a matter of contract which may or may not have been agreed to by the parties and in any event is hard to ascertain or prove.

John Cadby
MT Bankers Assn.

DATE January 20, 1995

SENATE COMMITTEE ON Agriculture, Livestock, and Irrigation

BILLS BEING HEARD TODAY: SB 111, SB 166, HB 95

Executive Action SB106

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Check One

Name	Representing	Bill No.	Support	Oppose
Steve McDonald	self	SB 166		✓
MERLIN BOXWELL	MEGA	SB 166		✓
Charles Hanson		SB 166		✓
Neil E. Johnson	self	SB 166		✓
Richard Swenson	SELF	SB166		✓
Frank Adamson	Self	SB166		✓
LARRY Johnson	Farmer Kremlin,	SB 166		✓
Fred Elling	M W BC - Farmer	SB166		✓
LARRY BROWN	Ag. Pres. Assoc.			
Robert Spokie	MT Stockgrowers Assn.	SB.111	✓	
Jim CHRISTIANSEN	MCWTBC	SB 166		✓
Edna Elling	farmer-Rudyard	SB 166		✓
Tom DOLEZAL	SELF	SB111		✓
Bob Gilbert	MT Woolgrowers Assn	SB 111	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 1-20-95

SENATE COMMITTEE ON Agriculture

BILLS BEING HEARD TODAY: SB 111 SB 1666, HB 95

Executive Action SB 1066

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Name	Representing	Bill No.	Check One: Support	Oppose
John Blacmquist	Mt. Stockgrowers	SB 111 HB 95	✓	
Maureen Cleary-Schwinden	WMN. In Farm ECON WIFE	SB1166		✓
Rie Holden For Larry Pilsta	Carter County Stockgrowers	111	✓	
Candace Torgerson	Montana Cattlewomen	SB111 HB95	✓ ✓	
Cook Mortensen	Bd. of Livestock	SB111 HB95	— —	
Lorna Frank	Mt. Farm Bureau	SB111	✓	
KARL ONS	HD #33	HB95		
Larry Handegard	USDA FSA	SB111		
Marc Beroges	Dept. of Livestock	HB95	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY