

SENATE BILL NO. 407

INTRODUCED BY BLAYLOCK

## IN THE SENATE

February 7, 1979	Introduced and referred to Committee on Agriculture, Livestock, and Irrigation.
February 8, 1979	Fiscal note requested.
February 12, 1979	Committee recommend bill do pass as amended. Report adopted.
February 13, 1979	Fiscal note returned.  Printed and placed on members' desks.
February 14, 1979	Motion pass consideration.
February 15, 1979	Second reading, do pass as amended.
February 16, 1979	Correctly engrossed.
February 17, 1979	Third reading, passed. Transmitted to second house.

## IN THE HOUSE

February 19, 1979	Introduced and referred to Committee on Agriculture, Livestock, and Irrigation.
March 7, 1979	Committee recommend bill be concurred in. Report adopted.
March 8, 1979	Second reading, concurred in.
March 10, 1979	Third reading, concurred in.

IN THE SENATE

March 12, 1979

Returned from second house.  
Concurred in. Sent to enrolling.

Reported correctly enrolled.

1 INTRODUCTION BY Sen. Stoylock BILL NO. 407

2 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE FORMULA  
3 FOR COMPUTING BASE RENTAL IN FIXING ANNUAL GRAZING RENTALS  
4 ON STATE LANDS; AMENDING SECTION 77-6-507, MCA."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

6 Section 1. Section 77-6-507, MCA, is amended to read:  
7 "77-6-507. Formula for fixing annual rental. (1) In  
8 this section:

9 (a) "animal unit" means one cow, one horse, five  
10 sheep, or five goats;

11 (b) "animal-unit-month carrying capacity" means that  
12 amount of natural feed necessary for the complete  
13 subsistence of one animal unit for one month.

14 (2) The board shall establish the per annum rental  
15 rate per section of all grazing lands which are the property  
16 of the state upon the animal-unit-month basis as provided in  
17 this section.

18 (3) In fixing the minimum annual rental per section,  
19 the following formula shall be used:

20 (a) The base rental shall be computed by multiplying  
21 ~~50-cents-plus-three~~ six times the average price per pound of  
22 beef cattle on the farm in Montana for the previous year

1 times the animal-unit-month carrying capacity of the land.

2 (b) The minimum annual rental for grazing lands with  
3 an annual carrying capacity of more than 14 and less than 20  
4 animal units per section is the base rental.

5 (c) The minimum annual rental for grazing lands with  
6 an annual carrying capacity of more than 19 animal units per  
7 section is 10 cents more than the base rental.

8 (d) The minimum annual rental for grazing lands with  
9 an annual carrying capacity of less than 15 animal units per  
10 section is 10 cents less than the base rental.

11 (4) The carrying capacity of the land to be used in  
12 the above formula shall be in accordance with the  
13 determinations of the department made under 77-6-201.

14 (5) The average price per pound of beef cattle on the  
15 farm in Montana shall be taken from statistics published by  
16 the United States department of agriculture current at the  
17 time of computation of the rental or from other reliable  
18 sources current at such time."

-End-

SB 407  
INTRODUCED BILL

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 8, 1979, there is hereby submitted a Fiscal Note for Senate Bill 407 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

A proposal to revise the formula for computing the base rental in fixing annual grazing rentals on state lands.

## ASSUMPTIONS:

1. The number of animal units for 1980 and 1981 will be 1,056,111.
2. The average price per pound of beef cattle in Montana will be 50¢ for 1980 and 1981.

## REVENUE IMPACT:

	<u>FY 80</u>	<u>FY 81</u>
Rental collected under current law	\$ 2,103,493	\$ 2,103,493
Rental collected under proposed law	<u>3,159,604</u>	<u>3,159,604</u>
Increase in rentals collected	<u>\$1,056,111</u>	<u>\$1,056,111</u>

## FUNDING INFORMATION

Common School Interest and Income Account	\$ 950,500	\$ 950,500
Other Interest and Income Accounts	<u>105,611</u>	<u>105,611</u>
	<u>\$1,056,111</u>	<u>\$1,056,111</u>

For the most part, monies deposited in the Common School Interest and Income Account are used to support the Public School Foundation Program.

*Carolyn Dearing for*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-13-79

Approved by Committee  
on Agriculture Livestock  
& Irrigation

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Section 1. Section 77-6-507, MCA, is amended to read:

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(a) "animal unit" means one cow, one horse, five sheep, or five goats;

(b) "animal-unit-month carrying capacity" means that amount of natural feed necessary for the complete subsistence of one animal unit for one month.

(2) The board shall establish the per annum rental rate per section of all grazing lands which are the property of the state upon the animal-unit-month basis as provided in this section.

(3) In fixing the minimum annual rental per section, the following formula shall be used:

(a) The base rental shall be computed by multiplying ~~50-cents-plus-three~~ six times the average price per pound of beef cattle on the farm in Montana for the previous year

times the animal-unit-month carrying capacity of the land.

(b) The minimum annual rental for grazing lands with an annual carrying capacity of more than 14 and less than 20 animal units per section is the base rental.

(c) The minimum annual rental for grazing lands with an annual carrying capacity of more than 19 animal units per section is 10 cents more than the base rental.

(d) The minimum annual rental for grazing lands with an annual carrying capacity of less than 15 animal units per section is 10 cents less than the base rental.

(E) THE MAXIMUM RENTAL RATE SHALL NOT EXCEED 110% OF THE ANNUAL GRAZING FEE ESTABLISHED BY THE PUBLIC RANGELANDS IMPROVEMENT ACT OF 1978.

(4) The carrying capacity of the land to be used in the above formula shall be in accordance with the determinations of the department made under 77-6-201.

(5) The average price per pound of beef cattle on the farm in Montana shall be taken from statistics published by the United States department of agriculture current at the time of computation of the rental or from other reliable sources current at such time."

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