

SENATE BILL NO. 191

Introduced: 01/18/83

Referred to Committee on Agriculture, Livestock & Irrigation:

1/18/83

Hearing: 1/31/83

Died in Committee.

1 *Senate* BILL NO. 191  
2 INTRODUCED BY Baylath  
3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO FREEZE THE BASE  
6 RENTAL RATE FOR STATE-OWNED GRAZING LANDS AND TO PROVIDE FOR  
7 A STUDY TO DETERMINE AN APPROPRIATE RENTAL RATE FOR SUCH  
8 LANDS; TO PROVIDE AN APPROPRIATION FOR CONDUCTING THE STUDY;  
9 AMENDING SECTION 77-6-507, MCA; AND PROVIDING AN IMMEDIATE  
10 EFFECTIVE DATE."  
11

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

13 Section 1. Section 77-6-507, MCA, is amended to read:  
14 "77-6-507. Formula for fixing annual rental. (1) In  
15 this section:

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

18 (b) "animal-unit-month carrying capacity" means that  
19 amount of natural feed necessary for the complete  
20 subsistence of one animal unit for 1 month.

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

25 (3) In fixing the minimum annual rental per section,

1 the following formula shall be used:

2 (a) ~~The Except as provided in subsection (6), the base~~  
3 rental shall be computed by multiplying six times the  
4 average price per pound of beef cattle on the farm in  
5 Montana for the previous year times the animal-unit-month  
6 carrying capacity of the land.

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

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

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

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

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

24 ~~(6) The annual rental for the lease periods from March~~  
25 ~~1, 1984, through February 28, 1986, is the greater of: \$3.47~~

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~~per animal-unit-month or six times the average price per  
pound of beef cattle as provided in subsection (3)(a).~~"

**NEW SECTION.** Section 2. Study to determine appropriate rental rate for grazing lands. The department of state lands shall, prior to December 31, 1984, conduct a study to determine an appropriate rental rate for leasing all state grazing lands.

**NEW SECTION.** Section 3. Appropriation. The amount of \$25,000 is appropriated from the general fund to the department of state lands for the biennium ending June 30, 1985, to fund the study that is mandated by section 2.

**NEW SECTION.** Section 4. Effective date. This act is effective on passage and approval.

-End-

STATE OF MONTANA

REQUEST NO. 145-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 191 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

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:

Senate Bill 191 freezes the rental rate for grazing on state trust lands based on the 1982 rental rate or 6 times the average price of beef cattle, whichever is higher. The bill also provides for a study to determine appropriate rental rates for leasing state grazing lands.

ASSUMPTIONS:

- 1) Grazing revenues from state lands will remain constant or increase depending on the price of cattle.
- 2) The proposed study will cost \$25,000.

FISCAL IMPACT:

This bill appropriates \$25,000 from the general fund for a study to determine rental rates for leasing state grazing lands.

FISCAL NOTE 5:EE/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-24-83