

HOUSE BILL NO. 273

INTRODUCED BY L. NELSON, TVEIT, ELLIOTT, DEVLIN, STEPPLER,
HANSON, CODY, KASTEN, DEMARS, YELLOWTAIL, QUILICI,
BACHINI, JERGESON, PATTERSON, WEEDING, NATHE, SCHYE

BY REQUEST OF THE DEPARTMENT OF AGRICULTURE

IN THE HOUSE

JANUARY 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION.
JANUARY 18, 1989	FIRST READING.
JANUARY 31, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 1, 1989	PRINTING REPORT.
FEBRUARY 2, 1989	SECOND READING, DO PASS.
FEBRUARY 3, 1989	ENGROSSING REPORT.
FEBRUARY 4, 1989	THIRD READING, PASSED. AYES, 86; NOES, 10.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 6, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION.
	FIRST READING.
MARCH 8, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 9, 1989	SECOND READING, CONCURRED IN.
MARCH 11, 1989	THIRD READING, CONCURRED IN. AYES, 44; NOES, 0.
	RETURNED TO HOUSE.

MARCH 11, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 273
 2 INTRODUCED BY L. Nelson Trust Elizabeth Beckin
 3 Stephen M. Hanson BY REQUEST OF THE DEPARTMENT OF AGRICULTURE Codey Rosten
 4 DeMars Furler Jerguson Welding NATHAN Lebe
 5 Yellowland Backin Partners
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO CONTINUE THROUGH
 7 JUNE 30, 1991, THE PROGRAM FOR PROVIDING ASSISTANCE TO
 8 FINANCIALLY DISTRESSED FARMERS AND RANCHERS; TO PROVIDE
 9 CLARIFYING DEFINITIONS; AMENDING SECTIONS 80-13-102 THROUGH
 10 80-13-104, MCA; REPEALING SECTION 15, CHAPTER 9, SPECIAL
 11 LAWS OF MARCH 1986; SECTIONS 4 AND 5, CHAPTER 481, LAWS OF
 12 1987; AND SECTIONS 7 AND 11, CHAPTER 605, LAWS OF 1987;
 13 REPEALING, EFFECTIVE JULY 1, 1991, SECTIONS 80-13-101
 14 THROUGH 80-13-104, 80-13-111, 80-13-201 THROUGH 80-13-204,
 15 AND 80-13-211 THROUGH 80-13-214, MCA; AND PROVIDING
 16 EFFECTIVE DATES."
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 18 **Section 1.** Section 80-13-102, MCA, is amended to read:
 19 "80-13-102. (Temporary) Definitions. As used in this
 20 chapter, unless the context indicates otherwise, the
 21 following definitions apply:
 22 (1) "Agricultural production" means the production of
 23 livestock, poultry, field crops, fruit, or other animal and
 24 vegetable matter for food or fiber.
 25 (2) "Agricultural property" means:

1 (a) real property that is principally used for
 2 agricultural production; and
 3 (b) personal property that is part of an agricultural
 4 production operation or used as security to finance such an
 5 operation. Personal property includes equipment, crops,
 6 livestock, and the proceeds of any security.
 7 (2)(3) "Department" means the department of
 8 agriculture provided for in 2-15-3001.
 9 (3)(4) "Farmer" means a person who owns or operates a
 10 farm or ranch primarily for the purpose of agricultural
 11 production.
 12 (5) "Mediator" means a person authorized under
 13 80-13-202 to serve as a negotiator between a farmer and a
 14 creditor.
 15 (6) "Peer counselor" means a person who:
 16 (a) is or has been involved in production agriculture;
 17 (b) has been trained through the department and others
 18 in counseling; and
 19 (c) works to aid financially distressed agricultural
 20 producers through this program.
 21 (7) "Program" means the agricultural assistance
 22 program provided for in 80-13-103 and 80-13-201.
 23 (8) "Secured creditor" means:
 24 (a) the holder of a mortgage on agricultural property;
 25 (b) a vendor of a contract for deed on agricultural

1 property;

2 (c) a person with a statutory lien or a perfected
3 security interest in agricultural property; or

4 (d) a judgment creditor with a judgment against a
5 debtor engaged in agricultural production.

6 (9) "Unsecured creditor" means a person who extends
7 credit without a perfected security interest to a farmer for
8 the purchase of goods or services used in agricultural
9 production. ~~Terminates July 1, 1989--sec-47--Ch--481--B-~~
10 ~~1987--sec-77-Ch-6057-B-1987--~~"

11 **Section 2.** Section 80-13-103, MCA, is amended to read:

12 **"80-13-103. (Temporary) Establishment of program. (1)**
13 **The department shall establish a an agricultural assistance**
14 **program to aid financially distressed farmers in this state.**

15 **(2) Under the program, the department shall make**
16 **available to farmers the following types of assistance:**

17 **(a) farm financial consulting;**

18 **(b) voluntary debt mediation as provided for in part 2**
19 **of this chapter;**

20 **~~(b)~~(c) support counseling; and**

21 **~~(c)~~(d) information and referral services. ~~Terminates~~**
22 **~~July 1, 1989--sec-77-Ch-6057-B-1987--~~**"

23 **Section 3.** Section 80-13-104, MCA, is amended to read:

24 **"80-13-104. (Temporary) Powers and duties of**
25 **department. (1) For the purpose of administering the**

1 program, the department shall:

2 (a) utilize the services of:

3 (i) a network of trained peer counselors who can
4 directly assist financially distressed farmers;

5 (ii) the cooperative extension service and the college
6 of agriculture at Montana state university;

7 (iii) state or federal agencies;

8 (iv) community service organizations;

9 (v) private business;

10 (vi) professional organizations;

11 (vii) regional mental health corporations;

12 (viii) volunteer organizations; and

13 (ix) any other person or entity capable of providing
14 assistance to farmers;

15 (b) contract for services with qualified personnel,
16 including peer counselors, and farm financial consultants,
17 and mediators, to provide the assistance required under
18 80-13-103;

19 (c) hire a coordinator and necessary staff to
20 implement and manage the program;

21 (d) provide training for interested and qualified
22 persons, including peer counselors, farm financial
23 consultants, and mediators, to assist farmers needing help
24 with farm financial management problems; and

25 (e) establish continue to maintain a toll-free

1 telephone line to receive requests for assistance,
2 counseling, and referral of services.

3 (2) The department may ~~establish~~ continue an advisory
4 board to assist the department in determining policy and in
5 developing plans for administration of the program. Members
6 of the advisory board shall serve without compensation.

7 (3) The department may adopt rules necessary for the
8 administration of the program.

9 (4) The department may charge reasonable fees to
10 defray the costs of providing financial consulting services
11 under this part. ~~{Terminates July 17, 1989--secs. 77-117-Chapter~~
12 ~~605, 1987-}~~"

13 NEW SECTION. Section 4. Repealer. Section 15, Chapter
14 9, Special Laws of March 1986; sections 4 and 5, Chapter
15 481, Laws of 1987; and sections 7 and 11, Chapter 605, Laws
16 of 1987, are repealed.

17 NEW SECTION. Section 5. Repealer. Sections 80-13-101
18 through 80-13-104, 80-13-111, 80-13-201 through 80-13-204,
19 and 80-13-211 through 80-13-214, MCA, are repealed.

20 NEW SECTION. Section 6. Extension of authority. Any
21 existing authority to make rules on the subject of the
22 provisions of [this act] is extended to the provisions of
23 [this act].

24 NEW SECTION. Section 7. Severability. If a part of
25 [this act] is invalid, all valid parts that are severable

1 from the invalid part remain in effect. If a part of [this
2 act] is invalid in one or more of its applications, the part
3 remains in effect in all valid applications that are
4 severable from the invalid applications.

5 NEW SECTION. Section 8. Effective dates. (1)
6 [Sections 1 through 4 and 6 through 8] are effective July 1,
7 1989.

8 (2) [Section 5] is effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Fiscal Note for HB273, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB273 continues the program for providing assistance to financially-distressed farmers and ranchers at the Dept. of Agriculture, which was scheduled to terminate July 1, 1989, and provides clarifying definitions.

ASSUMPTIONS:

1. Farmers Home Administration and other creditors or borrowers will request debt mediation for about 40 families each year of the 1991 biennium.
2. About 600 calls will be received each year on the eight-hour per day telephone hotline.
3. There will be about 50 requests for peer counseling support approved each fiscal year.
4. Financial consulting will be provided to about 50 families per year.
5. The department will provide training for individuals providing peer counseling and pay for travel and communications expenses.
6. The department will contract with the Service Core of Retired Executives and the Montana Association of Churches to help provide peer counseling assistance.
7. This Montana mediation program will retain federal certification and there will be 50% federal matching funds provided for mediation and administrative costs, projected to be \$22,100 each year.
8. Fees charged for financial consulting and mediation assistance will generate \$5,000 each year.
9. Expenditures and funding are as included in the executive budget for review as a budget modification by the appropriations subcommittee.

 1/24/89
RAY/SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

LINDA J. NELSON, PRIMARY SPONSOR DATE

Fiscal Note for HB273, as introduced

HB 273

Fiscal Note Request, HB273 as introduced

Form BD-15

Page 2

FISCAL IMPACT:

	Current	FY90		Current	FY91	
	Law	Proposed	Difference	Law	Proposed	Difference
Dept. of Agriculture						
<u>Expenditures:</u>						
Personal Services	\$ -0-	\$21,763	\$21,763	\$ -0-	\$21,778	\$21,778
Operating Expenses	-0-	31,313	31,313	-0-	31,498	31,498
Total	\$ -0-	\$53,076	\$53,076	\$ -0-	\$53,276	\$53,276
<u>Funding:</u>						
General Fund	\$ -0-	\$25,967	\$25,967	\$ -0-	\$26,152	\$26,152
Special Revenue-Fees	-0-	5,000	5,000	-0-	5,000	5,000
Federal Revenue	-0-	22,109	22,109	-0-	22,124	22,124
	\$ -0-	\$53,076	\$53,076	\$ -0-	\$53,276	\$53,276

HB 273

STATE OF MONTANA - FISCAL NOTE

Form BD-15


In compliance with a written request, there is hereby submitted a Revised Fiscal Note for HB273, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB273 continues the program for providing assistance to financially-distressed farmers and ranchers at the Dept. of Agriculture, which was scheduled to terminate July 1, 1989, and provides clarifying definitions.

ASSUMPTIONS:

1. Farmers Home Administration and other creditors or borrowers will request debt mediation for about 150 families each year of the 1991 biennium.
2. About 600 calls will be received each year on the eight-hour per day telephone hotline.
3. There will be about 100 requests for peer counseling support approved each fiscal year.
4. Financial consulting will be provided to about 50 families per year.
5. The department will provide training for individuals providing peer counseling and pay for travel and communications expenses.
6. The department will contract with the Service Corps of Retired Executives and the Montana Association of Churches to help provide peer counseling assistance.
7. This Montana mediation program will retain federal certification and there will be 50% federal matching funds provided for mediation and administrative costs, projected to be \$60,000 each year.
8. Fees charged for financial consulting and mediation assistance will average \$175 per participant for mediation and \$250 for financial consulting.
9. The federal grant guidelines allow FmHA and other mediation fees to be used as state match.
10. The general fund match is as included in the executive budget for review as a budget modification by the appropriations subcommittee; the fees and federal funding are increased due to expansion of the federal programs since the executive budget was prepared.


RAY SHACKLEFORD, BUDGET DIRECTOR 1/30/89 DATE
OFFICE OF BUDGET AND PROGRAM PLANNING


LINDA J. NELSON, PRIMARY SPONSOR 1/31/89 DATE

Revised Fiscal Note for HB273, as introduced

HB 273 - Revised

Revised Fiscal Note Request, HB273 as introduced

Form BD-15

Page 2

FISCAL IMPACT:

	Current	FY90		Current	FY91	
	Law	Proposed	Difference	Law	Proposed	Difference
Dept. of Agriculture						
<u>Expenditures:</u>						
Personal Services	\$ -0-	\$ 20,946	\$ 20,946	\$ -0-	\$ 21,398	\$ 21,398
Operating Expenses	-0-	129,902	129,902	-0-	129,702	129,702
Total	\$ -0-	\$150,848	\$150,848	\$ -0-	\$151,100	\$151,100
<u>Funding:</u>						
General Fund	\$ -0-	\$ 25,967	\$ 25,967	\$ -0-	\$ 26,152	\$ 26,152
Special Revenue-Fees	-0-	64,881	64,881	-0-	64,948	64,948
Federal Revenue	-0-	60,000	60,000	-0-	60,000	60,000
	\$ -0-	\$150,848	\$150,848	\$ -0-	\$151,100	\$151,100

HB 273-R

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

1 House BILL NO. 273
2 INTRODUCED BY L. Nelson
3 Stephan M. Hanson
4 De M. S. Sullivan Jerguson Wednesday NATHAN Leige
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8 CLARIFYING DEFINITIONS; AMENDING SECTIONS 80-13-102 THROUGH
9 80-13-104, MCA; REPEALING SECTION 15, CHAPTER 9, SPECIAL
10 LAWS OF MARCH 1986; SECTIONS 4 AND 5, CHAPTER 481, LAWS OF
11 1987; AND SECTIONS 7 AND 11, CHAPTER 605, LAWS OF 1987;
12 REPEALING, EFFECTIVE JULY 1, 1991, SECTIONS 80-13-101
13 THROUGH 80-13-104, 80-13-111, 80-13-201 THROUGH 80-13-204,
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15 EFFECTIVE DATES."
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17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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20 chapter, unless the context indicates otherwise, the
21 following definitions apply:
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23 livestock, poultry, field crops, fruit, or other animal and
24 vegetable matter for food or fiber.
25 (2) "Agricultural property" means:

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2 agricultural production; and
3 (b) personal property that is part of an agricultural
4 production operation or used as security to finance such an
5 operation. Personal property includes equipment, crops,
6 livestock, and the proceeds of any security.
7 (3) "Department" means the department of
8 agriculture provided for in 2-15-3001.
9 (4) "Farmer" means a person who owns or operates a
10 farm or ranch primarily for the purpose of agricultural
11 production.
12 (5) "Mediator" means a person authorized under
13 80-13-202 to serve as a negotiator between a farmer and a
14 creditor.
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20 producers through this program.
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22 program provided for in 80-13-103 and 80-13-201.
23 (8) "Secured creditor" means:
24 (a) the holder of a mortgage on agricultural property;
25 (b) a vendor of a contract for deed on agricultural

property;

(c) a person with a statutory lien or a perfected security interest in agricultural property; or

(d) a judgment creditor with a judgment against a debtor engaged in agricultural production.

(9) "Unsecured creditor" means a person who extends credit without a perfected security interest to a farmer for the purchase of goods or services used in agricultural production. ~~(Terminates July 17, 1989--sec-4,--Ch--481,--B-1987--sec-77-Ch-6057-B-1987.)~~

Section 2. Section 80-13-103, MCA, is amended to read:

"80-13-103. (Temporary) Establishment of program. (1) The department shall establish a an agricultural assistance program to aid financially distressed farmers in this state.

(2) Under the program, the department shall make available to farmers the following types of assistance:

(a) farm financial consulting;

(b) voluntary debt mediation as provided for in part 2 of this chapter;

~~(b)(c)~~ support counseling; and

~~(c)(d)~~ information and referral services. ~~(Terminates July 17, 1989--sec-77-Ch-6057-B-1987.)~~

Section 3. Section 80-13-104, MCA, is amended to read:

"80-13-104. (Temporary) Powers and duties of department. (1) For the purpose of administering the

program, the department shall:

(a) utilize the services of:

(i) a network of trained peer counselors who can directly assist financially distressed farmers;

(ii) the cooperative extension service and the college of agriculture at Montana state university;

(iii) state or federal agencies;

(iv) community service organizations;

(v) private business;

(vi) professional organizations;

(vii) regional mental health corporations;

(viii) volunteer organizations; and

(ix) any other person or entity capable of providing assistance to farmers;

(b) contract for services with qualified personnel, including peer counselors, and farm financial consultants, and mediators, to provide the assistance required under 80-13-103;

(c) hire a coordinator and necessary staff to implement and manage the program;

(d) provide training for interested and qualified persons, including peer counselors, farm financial consultants, and mediators, to assist farmers needing help with farm financial management problems; and

(e) establish continue to maintain a toll-free

1 telephone line to receive requests for assistance,
2 counseling, and referral of services.

3 (2) The department may ~~establish~~ continue an advisory
4 board to assist the department in determining policy and in
5 developing plans for administration of the program. Members
6 of the advisory board shall serve without compensation.

7 (3) The department may adopt rules necessary for the
8 administration of the program.

9 (4) The department may charge reasonable fees to
10 defray the costs of providing financial consulting services
11 under this part. ~~{Terminates July 17, 1989--secs. 7, 11, 17, Ch.~~
12 ~~605, H. 1987-}~~"

13 NEW SECTION. **Section 4. Repealer.** Section 15, Chapter
14 9, Special Laws of March 1986; sections 4 and 5, Chapter
15 481, Laws of 1987; and sections 7 and 11, Chapter 605, Laws
16 of 1987, are repealed.

17 NEW SECTION. **Section 5. Repealer.** Sections 80-13-101
18 through 80-13-104, 80-13-111, 80-13-201 through 80-13-204,
19 and 80-13-211 through 80-13-214, MCA, are repealed.

20 NEW SECTION. **Section 6. Extension of authority.** Any
21 existing authority to make rules on the subject of the
22 provisions of [this act] is extended to the provisions of
23 [this act].

24 NEW SECTION. **Section 7. Severability.** If a part of
25 [this act] is invalid, all valid parts that are severable

1 from the invalid part remain in effect. If a part of [this
2 act] is invalid in one or more of its applications, the part
3 remains in effect in all valid applications that are
4 severable from the invalid applications.

5 NEW SECTION. **Section 8. Effective dates.** (1)
6 [Sections 1 through 4 and 6 through 8] are effective July 1,
7 1989.

8 (2) [Section 5] is effective July 1, 1991.

-End-

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Section 1. Section 80-13-102, MCA, is amended to read:

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(1) "Agricultural production" means the production of
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(b) personal property that is part of an agricultural
production operation or used as security to finance such an
operation. Personal property includes equipment, crops,
livestock, and the proceeds of any security.

(3) "Department" means the department of
agriculture provided for in 2-15-3001.

(4) "Farmer" means a person who owns or operates a
farm or ranch primarily for the purpose of agricultural
production.

(5) "Mediator" means a person authorized under
80-13-202 to serve as a negotiator between a farmer and a
creditor.

(6) "Peer counselor" means a person who:

(a) is or has been involved in production agriculture;

(b) has been trained through the department and others
in counseling; and

(c) works to aid financially distressed agricultural
producers through this program.

(7) "Program" means the agricultural assistance
program provided for in 80-13-103 and 80-13-201.

(8) "Secured creditor" means:

1 (a) the holder of a mortgage on agricultural property;
 2 (b) a vendor of a contract for deed on agricultural
 3 property;
 4 (c) a person with a statutory lien or a perfected
 5 security interest in agricultural property; or
 6 (d) a judgment creditor with a judgment against a
 7 debtor engaged in agricultural production.
 8 (9) "Unsecured creditor" means a person who extends
 9 credit without a perfected security interest to a farmer for
 10 the purchase of goods or services used in agricultural
 11 production. (Terminates July 17, 1989--sec--47--Ch--4817--B-
 12 1987;--sec--77--Ch--6057--B--1987--)

13 **Section 2.** Section 80-13-103, MCA, is amended to read:

14 **"80-13-103. (Temporary) Establishment of program.** (1)
 15 The department shall establish ~~a~~ an agricultural assistance
 16 program to aid financially distressed farmers in this state.

17 (2) Under the program, the department shall make
 18 available to farmers the following types of assistance:

19 (a) farm financial consulting;

20 (b) voluntary debt mediation as provided for in part 2
 21 of this chapter;

22 ~~(b)(c)~~ support counseling; and

23 ~~(c)(d)~~ information and referral services. ~~(Terminates~~
 24 ~~July 17, 1989--sec--77--Ch--6057--B--1987--)~~

25 **Section 3.** Section 80-13-104, MCA, is amended to read:

1 **"80-13-104. (Temporary) Powers and duties of**
 2 **department.** (1) For the purpose of administering the
 3 program, the department shall:

4 (a) utilize the services of:

5 (i) a network of trained peer counselors who can
 6 directly assist financially distressed farmers;

7 (ii) the cooperative extension service and the college
 8 of agriculture at Montana state university;

9 (iii) state or federal agencies;

10 (iv) community service organizations;

11 (v) private business;

12 (vi) professional organizations;

13 (vii) regional mental health corporations;

14 (viii) volunteer organizations; and

15 (ix) any other person or entity capable of providing
 16 assistance to farmers;

17 (b) contract for services with qualified personnel,
 18 including peer counselors, and farm financial consultants,
 19 and mediators, to provide the assistance required under
 20 80-13-103;

21 (c) hire a coordinator and necessary staff to
 22 implement and manage the program;

23 (d) provide training for interested and qualified
 24 persons, including peer counselors, farm financial
 25 consultants, and mediators, to assist farmers needing help

1 with farm financial management problems; and

2 (e) ~~establish~~ continue to maintain a toll-free
3 telephone line to receive requests for assistance,
4 counseling, and referral of services.

5 (2) The department may ~~establish~~ continue an advisory
6 board to assist the department in determining policy and in
7 developing plans for administration of the program. Members
8 of the advisory board shall serve without compensation.

9 (3) The department may adopt rules necessary for the
10 administration of the program.

11 (4) The department may charge reasonable fees to
12 defray the costs of providing financial consulting services
13 under this part. ~~{terminates July 1, 1989--secs 7, 11, Ch-~~
14 ~~605, 6, 1987-}~~"

15 NEW SECTION. Section 4. Repealer. Section 15, Chapter
16 9, Special Laws of March 1986; sections 4 and 5, Chapter
17 481, Laws of 1987; and sections 7 and 11, Chapter 605, Laws
18 of 1987, are repealed.

19 NEW SECTION. Section 5. Repealer. Sections 80-13-101
20 through 80-13-104, 80-13-111, 80-13-201 through 80-13-204,
21 and 80-13-211 through 80-13-214, MCA, are repealed.

22 NEW SECTION. Section 6. Extension of authority. Any
23 existing authority to make rules on the subject of the
24 provisions of [this act] is extended to the provisions of
25 [this act].

1 NEW SECTION. Section 7. Severability. If a part of
2 [this act] is invalid, all valid parts that are severable
3 from the invalid part remain in effect. If a part of [this
4 act] is invalid in one or more of its applications, the part
5 remains in effect in all valid applications that are
6 severable from the invalid applications.

7 NEW SECTION. Section 8. Effective dates. (1)
8 [Sections 1 through 4 and 6 through 8] are effective July 1,
9 1989.

10 (2) [Section 5] is effective July 1, 1991.

-End-