

HOUSE BILL NO. 465
INTRODUCED BY IVERSON
BY REQUEST OF THE DEPARTMENT OF LIVESTOCK

IN THE HOUSE

JANUARY 27, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION. FIRST READING.
FEBRUARY 14, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 15, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	SECOND READING, DO PASS.
FEBRUARY 20, 1989	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 95; NOES, 0. TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION. FIRST READING.
MARCH 18, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 20, 1989	SECOND READING, CONCURRED IN.
MARCH 22, 1989	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0. RETURNED TO HOUSE.

IN THE HOUSE

MARCH 22, 1989	RECEIVED FROM SENATE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 465
2 INTRODUCED BY Jensen
3 BY REQUEST OF THE DEPARTMENT OF LIVESTOCK
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LIVESTOCK
6 MARKETING LAWS; TO REVISE THE DEFINITION OF "LIVESTOCK
7 DEALER"; TO REVISE THE BOND REQUIREMENTS FOR DEALERS; TO
8 ELIMINATE THE REQUIREMENT TO FILE FINANCIAL STATEMENTS;
9 AMENDING SECTIONS 81-8-213, 81-8-271, 81-8-273, 81-8-275,
10 81-8-276, AND 81-8-279, MCA; AND REPEALING SECTION 81-8-277,
11 MCA."
12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 **Section 1.** Section 81-8-213, MCA, is amended to read:
15 "81-8-213. Definitions. As used in this part, the
16 following definitions apply:
17 (1) "Board" means the board of livestock provided for
18 in 2-15-3102.
19 (2) "Department" means the department of livestock
20 provided for in Title 2, chapter 15, part 31.
21 (3) "Livestock" means cattle, calves, hogs, pigs,
22 horses, mules, sheep, lambs, and goats.
23 (4) "Livestock dealer" means a person engaged in the
24 business of buying or selling livestock. It does not include
25 a farmer-or-rancher-who-buys--or--sells livestock producer

1 acquiring or transferring ownership of livestock in the
2 ordinary course of his farming--or--ranching livestock
3 production operation and whose ownership interest is
4 indicated by:
5 (a) branding with the producer's recorded brand all
6 livestock acquired by him other than through natural
7 reproduction; or
8 (b) payment by him of county taxes assessed on
9 livestock acquired by him.
10 (5) "Livestock market" means a place where a person
11 for compensation assembles livestock for sale, except:
12 (a) a place used solely for a dispersal sale of the
13 livestock of a farmer, dairyman, livestock breeder, or
14 feeder who is discontinuing business and at which no other
15 livestock is sold or offered for sale;
16 (b) a farm, ranch, or place where livestock either
17 raised or kept thereon for the grazing season or for
18 fattening is sold and to which no other livestock is brought
19 for sale or to be offered for sale;
20 (c) the premises of a butcher, packer, or processor
21 who receives animals exclusively for immediate slaughter;
22 (d) the premises of a person engaged in the raising of
23 livestock for breeding purposes only, who limits his sale to
24 livestock of his own production;
25 (e) a place where a breeder or an association of

1 breeders of livestock of any class assembles and offers for
2 sale and sells under his or its own management any
3 livestock, when the breeder or association of breeders
4 assumes all responsibility for the sale and the title of
5 livestock sold.

6 (6) "Person" means an individual, firm, association,
7 partnership, or corporation.

8 (7) "Test station sale" means the sale of livestock
9 from a place where livestock is taken to measure rates of
10 gain under uniform feeding conditions when that place is not
11 owned by the owner of the livestock."

12 **Section 2.** Section 81-8-271, MCA, is amended to read:

13 "81-8-271. License to operate as livestock dealer --
14 application. (1) No A person may not operate as a livestock
15 dealer without a license. A person who wishes to operate as
16 a livestock dealer shall file with the department an
17 application for a license to transact such business on a
18 form prescribed by the department stating the type of
19 license sought and the following information:

20 (a) the names of the persons applying for the license
21 together with their permanent addresses and, if the
22 applicant is a firm, association, partnership, or
23 corporation, the names of its directors, officers, and
24 members, if applicable;

25 (b) the post-office address and principal place of

1 business of the applicant;

2 (c) if the applicant is a foreign corporation, its
3 principal place of business outside the state, the name of
4 the state in which it is incorporated, and a statement
5 showing that it has complied with the laws of this state
6 relating to foreign corporations and its right to do
7 business in this state;

8 ~~{d}--a--detailed--financial-statement-setting-forth-all~~
9 ~~assets-and-liabilities-of-the--applicant--pertinent--to--the~~
10 ~~business-for-which-the-license-is-sought~~

11 (d) proof of acquisition of a bond from the packers
12 and stockyards administration of the United States
13 department of agriculture.

14 (2) An application fee of \$50 must be submitted with
15 each application for a livestock dealer's license. The fee
16 shall be the first annual fee if the license is granted.

17 (3) A person who purports to act as an agent for a
18 livestock dealer in the purchase or sale of livestock may
19 not engage in such business activities without a livestock
20 dealer's license."

21 **Section 3.** Section 81-8-273, MCA, is amended to read:

22 "81-8-273. Refusal to issue or renew license. (1) The
23 department shall refuse to issue or renew a license if the
24 applicant:

25 (a) has failed to maintain a financial condition of

1 total assets in excess of total liabilities, including total
2 current assets in excess of total current liabilities;

3 (b) is in violation of any of the provisions of this
4 part;

5 (c) has knowingly made false or misleading statements
6 as to the health or physical condition of livestock or
7 practiced fraud or misrepresentation in connection with the
8 buying or receiving of livestock or the selling, exchanging,
9 soliciting, or negotiating of the sale of livestock or the
10 weighing of the same;

11 (d) has failed to keep records of all purchases and
12 sales or refused to grant inspection of such records by
13 authorized agents of the department;

14 (e) is in violation of the rules adopted by the
15 department;

16 (f) has failed to comply with a lawful order of the
17 department;

18 ~~{g}--has-not-filed-a-surety-bond-in-the-form-and-amount~~
19 ~~required-under-81-8-277;~~

20 {h}{g} has been found by the department to have failed
21 to pay, without reasonable cause, obligations incurred in
22 connection with livestock transactions;

23 {i}{h} has been suspended by the order of the
24 secretary of agriculture of the United States department of
25 agriculture under provisions of the Packers and Stockyards

1 Act, 1921, as amended, 7 U.S.C. 181, et seq.; or

2 {j}{i} employs a person required to be licensed whose
3 license cannot be renewed or whose license is under
4 suspension or revocation by the department or the United
5 States department of agriculture.

6 (2) An applicant refused a license or license renewal
7 may not apply again for 1 year following refusal unless the
8 department determines that the applicant has met the
9 requirements of this part."

10 **Section 4.** Section 81-8-275, MCA, is amended to read:

11 "81-8-275. Termination of license. A license issued
12 under this part terminates at the close of business on May 1
13 of each year following the issuance of the same license
14 unless the annual fee has been paid. ~~Termination--of--the~~
15 ~~license--will--automatically--occur--if--the--bond--required--by~~
16 ~~81-8-277--is--terminated--"~~

17 **Section 5.** Section 81-8-276, MCA, is amended to read:

18 "81-8-276. Annual fee and financial statement.
19 Livestock dealers shall pay an annual fee established by the
20 department and when requested by the department shall supply
21 a current financial statement. The fee is payable on May 1
22 to the state treasurer to the credit of the department."

23 **Section 6.** Section 81-8-279, MCA, is amended to read:

24 "81-8-279. Penalties. (1) A person who violates any
25 provision of 81-8-271 through 81-8-273, and 81-8-276,

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1 through or 81-8-278 or rules adopted by the department to
2 implement those sections is guilty of a misdemeanor and upon
3 conviction shall be fined not less than \$250 or more than
4 \$1,000 or imprisoned for not more than 6 months, or both.

5 (2) Of all fines assessed and collected under this
6 section, except those assessed and collected in a justice's
7 court, 50% shall be paid into the state treasury and
8 credited to the special revenue fund for the use of the
9 department and 50% shall be paid into the general revenue
10 fund of the county in which the conviction occurred."

11 NEW SECTION. **Section 7.** Repealer. Section 81-8-277,
12 MCA, is repealed.

13 NEW SECTION. **Section 8.** Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

-End-

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

HOUSE BILL NO. 465

INTRODUCED BY IVERSON

BY REQUEST OF THE DEPARTMENT OF LIVESTOCK

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LIVESTOCK MARKETING LAWS; TO REVISE THE DEFINITION OF "LIVESTOCK DEALER"; TO REVISE THE BOND REQUIREMENTS FOR DEALERS; TO ELIMINATE THE REQUIREMENT TO FILE FINANCIAL STATEMENTS; AMENDING SECTIONS 81-8-213, 81-8-271, 81-8-273, 81-8-275, 81-8-276, AND 81-8-279, MCA; AND REPEALING SECTION 81-8-277, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 81-8-213, MCA, is amended to read:

"81-8-213. Definitions. As used in this part, the following definitions apply:

(1) "Board" means the board of livestock provided for in 2-15-3102.

(2) "Department" means the department of livestock provided for in Title 2, chapter 15, part 31.

(3) "IMMEDIATE RESALE" MEANS A SALE OF LIVESTOCK WITHIN 60 DAYS OF THE PURCHASE OF THE LIVESTOCK.

(4) "Livestock" means cattle, calves, hogs, pigs, horses, mules, sheep, lambs, and goats.

(5) "Livestock dealer" means a person engaged in

the business of ~~buying-or-selling~~ PURCHASING livestock FOR IMMEDIATE RESALE OR INTERSTATE SHIPMENT. It does not include a farmer or rancher who buys or sells livestock producer acquiring or transferring ownership of livestock in the ordinary course of his farming or ranching livestock production operation and whose ownership interest is indicated by:

~~(a) branding with the producer's recorded brand all livestock acquired by him other than through natural reproduction; or~~

~~(b) payment by him of county taxes assessed on livestock acquired by him;~~

(5)(6) "Livestock market" means a place where a person for compensation assembles livestock for sale, except:

(a) a place used solely for a dispersal sale of the livestock of a farmer, dairyman, livestock breeder, or feeder who is discontinuing business and at which no other livestock is sold or offered for sale;

(b) a farm, ranch, or place where livestock either raised or kept thereon for the grazing season or for fattening is sold and to which no other livestock is brought for sale or to be offered for sale;

(c) the premises of a butcher, packer, or processor who receives animals exclusively for immediate slaughter;

(d) the premises of a person engaged in the raising of

1 livestock for breeding purposes only, who limits his sale to
2 livestock of his own production;

3 (e) a place where a breeder or an association of
4 breeders of livestock of any class assembles and offers for
5 sale and sells under his or its own management any
6 livestock, when the breeder or association of breeders
7 assumes all responsibility for the sale and the title of
8 livestock sold.

9 ~~†6†~~(7) "Person" means an individual, firm,
10 association, partnership, or corporation.

11 ~~†7†~~(8) "Test station sale" means the sale of livestock
12 from a place where livestock is taken to measure rates of
13 gain under uniform feeding conditions when that place is not
14 owned by the owner of the livestock."

15 **Section 2.** Section 81-8-271, MCA, is amended to read:

16 "81-8-271. License to operate as livestock dealer --
17 application. (1) No A person may not operate as a livestock
18 dealer without a license. A person who wishes to operate as
19 a livestock dealer shall file with the department an
20 application for a license to transact such business on a
21 form prescribed by the department stating the type of
22 license sought and the following information:

23 (a) the names of the persons applying for the license
24 together with their permanent addresses and, if the
25 applicant is a firm, association, partnership, or

1 corporation, the names of its directors, officers, and
2 members, if applicable;

3 (b) the post-office address and principal place of
4 business of the applicant;

5 (c) if the applicant is a foreign corporation, its
6 principal place of business outside the state, the name of
7 the state in which it is incorporated, and a statement
8 showing that it has complied with the laws of this state
9 relating to foreign corporations and its right to do
10 business in this state;

11 ~~†d†--a--detailed--financial--statement--setting--forth--all~~
12 ~~assets--and--liabilities--of--the--applicant--pertinent--to--the~~
13 ~~business--for--which--the--license--is--sought~~

14 (d) proof of acquisition of a bond from the packers
15 and stockyards administration of the United States
16 department of agriculture.

17 (2) An application fee of \$50 must be submitted with
18 each application for a livestock dealer's license. The fee
19 shall be the first annual fee if the license is granted.

20 (3) A person who purports to act as an agent for a
21 livestock dealer in the purchase or sale of livestock may
22 not engage in such business activities without a livestock
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24 **Section 3.** Section 81-8-273, MCA, is amended to read:

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5 current assets in excess of total current liabilities;

6 (b) is in violation of any of the provisions of this
7 part;

8 (c) has knowingly made false or misleading statements
9 as to the health or physical condition of livestock or
10 practiced fraud or misrepresentation in connection with the
11 buying or receiving of livestock or the selling, exchanging,
12 soliciting, or negotiating of the sale of livestock or the
13 weighing of the same;

14 (d) has failed to keep records of all purchases and
15 sales or refused to grant inspection of such records by
16 authorized agents of the department;

17 (e) is in violation of the rules adopted by the
18 department;

19 (f) has failed to comply with a lawful order of the
20 department;

21 ~~(g) has not filed a surety bond in the form and amount~~
22 ~~required under 81-8-277;~~

23 ~~(h)(g)~~ has been found by the department to have failed
24 to pay, without reasonable cause, obligations incurred in
25 connection with livestock transactions;

1 ~~(i)(h)~~ has been suspended by the order of the
2 secretary of agriculture of the United States department of
3 agriculture under provisions of the Packers and Stockyards
4 Act, 1921, as amended, 7 U.S.C. 181, et seq.; or

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9 (2) An applicant refused a license or license renewal
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13 **Section 4.** Section 81-8-275, MCA, is amended to read:

14 "81-8-275. Termination of license. A license issued
15 under this part terminates at the close of business on May 1
16 of each year following the issuance of the same license
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20 **Section 5.** Section 81-8-276, MCA, is amended to read:

21 "81-8-276. Annual fee and financial statement.
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(2) Of all fines assessed and collected under this section, except those assessed and collected in a justice's court, 50% shall be paid into the state treasury and credited to the special revenue fund for the use of the department and 50% shall be paid into the general revenue fund of the county in which the conviction occurred."

NEW SECTION. **Section 7. Repealer.** Section 81-8-277, MCA, is repealed.

NEW SECTION. **Section 8. Extension of authority.** Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. SECTION 9. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

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(3) "IMMEDIATE RESALE" MEANS A SALE OF LIVESTOCK WITHIN 60 DAYS OF THE PURCHASE OF THE LIVESTOCK.

~~(3)(4)~~ (4) "Livestock" means cattle, calves, hogs, pigs, horses, mules, sheep, lambs, and goats.

~~(4)(5)~~ (5) "Livestock dealer" means a person engaged in

the business of ~~buying-or-selling~~ PURCHASING livestock FOR IMMEDIATE RESALE OR INTERSTATE SHIPMENT. ~~It does not include a farmer or rancher who buys or sells livestock producer acquiring or transferring ownership of livestock in the ordinary course of his farming or ranching livestock production operation and whose ownership interest is indicated by:~~

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2 members, if applicable;

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21 ~~(g) has not filed a surety bond in the form and amount~~
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24 to pay, without reasonable cause, obligations incurred in
25 connection with livestock transactions;

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2 secretary of agriculture of the United States department of
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the business of buying-or-selling PURCHASING livestock FOR IMMEDIATE RESALE OR INTERSTATE SHIPMENT. It does not include a farmer or rancher who buys--or--sells--livestock--producer acquiring--or--transferring--ownership--of--livestock--in--the ordinary--course--of--his--farming--or--ranching--livestock production--operation--and--whose--ownership--interest--is indicated by:

(a)--branding--with--the--producer's--recorded--brand--all livestock--acquired--by--him--other--than--through--natural reproduction;--or

(b)--payment--by--him--of--county--taxes--assessed--on livestock--acquired--by--him;

~~(5)(6)~~ "Livestock market" means a place where a person for compensation assembles livestock for sale, except:

(a) a place used solely for a dispersal sale of the livestock of a farmer, dairyman, livestock breeder, or feeder who is discontinuing business and at which no other livestock is sold or offered for sale;

(b) a farm, ranch, or place where livestock either raised or kept thereon for the grazing season or for fattening is sold and to which no other livestock is brought for sale or to be offered for sale;

(c) the premises of a butcher, packer, or processor who receives animals exclusively for immediate slaughter;

(d) the premises of a person engaged in the raising of

1 livestock for breeding purposes only, who limits his sale to
2 livestock of his own production;

3 (e) a place where a breeder or an association of
4 breeders of livestock of any class assembles and offers for
5 sale and sells under his or its own management any
6 livestock, when the breeder or association of breeders
7 assumes all responsibility for the sale and the title of
8 livestock sold.

9 {6}{7} "Person" means an individual, firm,
10 association, partnership, or corporation.

11 {7}{8} "Test station sale" means the sale of livestock
12 from a place where livestock is taken to measure rates of
13 gain under uniform feeding conditions when that place is not
14 owned by the owner of the livestock."

15 **Section 2.** Section 81-8-271, MCA, is amended to read:

16 "81-8-271. License to operate as livestock dealer --
17 application. (1) No A person may not operate as a livestock
18 dealer without a license. A person who wishes to operate as
19 a livestock dealer shall file with the department an
20 application for a license to transact such business on a
21 form prescribed by the department stating the type of
22 license sought and the following information:

23 (a) the names of the persons applying for the license
24 together with their permanent addresses and, if the
25 applicant is a firm, association, partnership, or

1 corporation, the names of its directors, officers, and
2 members, if applicable;

3 (b) the post-office address and principal place of
4 business of the applicant;

5 (c) if the applicant is a foreign corporation, its
6 principal place of business outside the state, the name of
7 the state in which it is incorporated, and a statement
8 showing that it has complied with the laws of this state
9 relating to foreign corporations and its right to do
10 business in this state;

11 ~~{d}--a--detailed--financial--statement--setting--forth--all~~
12 ~~assets--and--liabilities--of--the--applicant--pertinent--to--the~~
13 ~~business--for--which--the--license--is--sought~~

14 (d) proof of acquisition of a bond from the packers
15 and stockyards administration of the United States
16 department of agriculture.

17 (2) An application fee of \$50 must be submitted with
18 each application for a livestock dealer's license. The fee
19 shall be the first annual fee if the license is granted.

20 (3) A person who purports to act as an agent for a
21 livestock dealer in the purchase or sale of livestock may
22 not engage in such business activities without a livestock
23 dealer's license."

24 **Section 3.** Section 81-8-273, MCA, is amended to read:

25 "81-8-273. Refusal to issue or renew license. (1) The

1 department shall refuse to issue or renew a license if the
2 applicant:

3 (a) has failed to maintain a financial condition of
4 total assets in excess of total liabilities, including total
5 current assets in excess of total current liabilities;

6 (b) is in violation of any of the provisions of this
7 part;

8 (c) has knowingly made false or misleading statements
9 as to the health or physical condition of livestock or
10 practiced fraud or misrepresentation in connection with the
11 buying or receiving of livestock or the selling, exchanging,
12 soliciting, or negotiating of the sale of livestock or the
13 weighing of the same;

14 (d) has failed to keep records of all purchases and
15 sales or refused to grant inspection of such records by
16 authorized agents of the department;

17 (e) is in violation of the rules adopted by the
18 department;

19 (f) has failed to comply with a lawful order of the
20 department;

21 ~~(g) has not filed a surety bond in the form and amount~~
22 ~~required under 81-8-277;~~

23 ~~(h) has been found by the department to have failed~~
24 ~~to pay, without reasonable cause, obligations incurred in~~
25 ~~connection with livestock transactions;~~

1 ~~(i) has been suspended by the order of the~~
2 ~~secretary of agriculture of the United States department of~~
3 ~~agriculture under provisions of the Packers and Stockyards~~
4 ~~Act, 1921, as amended, 7 U.S.C. 181, et seq.; or~~

5 ~~(j) employs a person required to be licensed whose~~
6 ~~license cannot be renewed or whose license is under~~
7 ~~suspension or revocation by the department or the United~~
8 ~~States department of agriculture.~~

9 (2) An applicant refused a license or license renewal
10 may not apply again for 1 year following refusal unless the
11 department determines that the applicant has met the
12 requirements of this part."

13 **Section 4.** Section 81-8-275, MCA, is amended to read:

14 "81-8-275. Termination of license. A license issued
15 under this part terminates at the close of business on May 1
16 of each year following the issuance of the same license
17 unless the annual fee has been paid. ~~Termination--of--the~~
18 ~~license--will--automatically--occur--if--the--bond--required--by~~
19 ~~81-8-277--is--terminated."~~

20 **Section 5.** Section 81-8-276, MCA, is amended to read:

21 "81-8-276. Annual fee and financial statement.
22 Livestock dealers shall pay an annual fee established by the
23 department and when requested by the department shall supply
24 a current financial statement. The fee is payable on May 1
25 to the state treasurer to the credit of the department."

1 **Section 6.** Section 81-8-279, MCA, is amended to read:

2 **"81-8-279. Penalties.** (1) A person who violates any
3 provision of 81-8-271 through 81-8-273, and 81-8-276,
4 through or 81-8-278 or rules adopted by the department to
5 implement those sections is guilty of a misdemeanor and upon
6 conviction shall be fined not less than \$250 or more than
7 \$1,000 or imprisoned for not more than 6 months, or both.

8 (2) Of all fines assessed and collected under this
9 section, except those assessed and collected in a justice's
10 court, 50% shall be paid into the state treasury and
11 credited to the special revenue fund for the use of the
12 department and 50% shall be paid into the general revenue
13 fund of the county in which the conviction occurred."

14 NEW SECTION. **Section 7. Repealer.** Section 81-8-277,
15 MCA, is repealed.

16 NEW SECTION. **Section 8. Extension of authority.** Any
17 existing authority to make rules on the subject of the
18 provisions of [this act] is extended to the provisions of
19 [this act].

20 NEW SECTION. SECTION 9. EFFECTIVE DATE. [THIS ACT] IS
21 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-