

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

House BILL NO. 95

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF LIVESTOCK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING CERTAIN PROVISIONS REGARDING THE SALE OF LIVESTOCK; ALLOWING THE POSTING OF A BOND EQUIVALENT AS A CONDITION OF APPROVAL FOR NONMARKET SALES AND FOR LICENSURE AS A LIVESTOCK DEALER; REQUIRING THE DEPARTMENT OF LIVESTOCK TO CONDUCT A PERIODIC AUDIT OF LIVESTOCK MARKETS AND DEALERS; REQUIRING THAT A NOTICE OF SECURITY AGREEMENT BE SIGNED BY THE AFFECTED DEBTOR OR PROPER LEGAL AUTHORITY; AND AMENDING SECTIONS 81-8-214, 81-8-231, 81-8-271, AND 81-8-302, MCA."

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

Section 1. Section 81-8-214, MCA, is amended to read:

"81-8-214. Regulation of certain nonmarket sales. (1) A person not a livestock market operator authorized under this part conducting the sale of livestock in a breed sale, a breed association sale, or at a test station sale, except when all of the livestock are ~~his~~ owned by that person and are being sold from ~~his~~ that person's own place, shall obtain approval from the department before conducting the sale.

(2) The department, as conditions to granting approval, may require:

- (a) the names and addresses of those conducting the sale;
- (b) the date and time when and the place where the sale will be conducted;
- (c) a detailed statement of the assets and liabilities of the persons conducting the sale;
- (d) the establishment of a custodial account into which all money received for the sale of livestock must be deposited;
- (e) the posting of a reasonable bond or its equivalent in an amount determined by the department;
- (f) the commissions or charges proposed to be imposed on the owners of livestock for services associated with the sale;
- (g) a guarantee to pay all consignors in full within a reasonable time as set by the department; and
- (h) ~~such~~ other information ~~as~~ that the department considers necessary."

1 **Section 2.** Section 81-8-231, MCA, is amended to read:

2 **"81-8-231. Duties of department.** The department shall:

3 (1) supervise and regulate livestock markets and livestock dealers in this state and periodically audit
4 the records of those markets and dealers;

5 (2) regulate the properties, facilities, operations, services, and practices of all livestock markets
6 and livestock dealers;

7 (3) supervise and regulate livestock markets in all matters affecting the relationship between the
8 livestock market and owners of livestock and between the livestock market and purchasers of livestock;

9 (4) prescribe, by general order or otherwise, rules in conformity with this part applicable to all
10 livestock markets or livestock dealers and not in conflict with the laws of the United States or regulations
11 of the United States department of agriculture or other federal agencies;

12 (5) enforce this part and adopt rules necessary to carry out this part."

13

14 **Section 3.** Section 81-8-271, MCA, is amended to read:

15 **"81-8-271. License to operate as livestock dealer -- application.** (1) A person may not operate as
16 a livestock dealer without a license. A person who wishes to operate as a livestock dealer shall file with
17 the department an application for a license to transact ~~such~~ business on a form prescribed by the
18 department, stating the type of license sought and the following information:

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

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

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

26 (d) proof of acquisition of a bond or its equivalent from the packers and stockyards administration
27 of the United States department of agriculture.

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

30 (3) A person who purports to act as an agent for a livestock dealer in the purchase or sale of

1 livestock may not engage in ~~such~~ those business activities without a livestock dealer's license."

2

3 **Section 4.** Section 81-8-302, MCA, is amended to read:

4 **"81-8-302. Contents of notices.** The notices ~~shall~~ must consist of a statement showing the date
5 of security agreement; the names and addresses of the debtors and secured parties or holders and owners
6 ~~thereof~~ of the security agreement; a description of the livestock covered by the security agreement, ~~and~~
7 in the case of a notice of renewal, the date of renewal; ~~and~~ in the case of a notice of assignment of a
8 security interest, the date of the assignment, ~~and~~ a description of the security agreement to which the
9 assignment is made, and the parties to the assignment; and any additional information ~~which~~ that is
10 required by the department of livestock. The notice of security agreement must be signed by the affected
11 debtor or proper legal authority."

12

13 **NEW SECTION. Section 5. Severability.** If a part of [this act] is invalid, all valid parts that are
14 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
15 applications, the part remains in effect in all valid applications that are severable from the invalid
16 applications.

17

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0095, as introduced

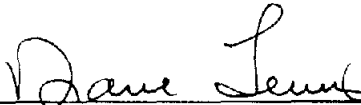
DESCRIPTION OF PROPOSED LEGISLATION:

An act revising certain provisions regarding the sale of livestock; allowing the posting of a bond equivalent as a condition of approval for nonmarket sales and for licensure as a livestock dealer; requiring the Department of Livestock to conduct a periodic audit of livestock markets and dealers; and requiring that a notice of security agreement be signed by the affected debtor or proper legal authority.

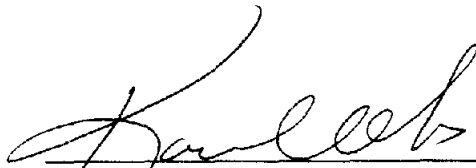
ASSUMPTIONS:

1. The Department of Livestock has an auditor on staff to perform livestock market and dealer audits.

FISCAL IMPACT: There will be no fiscal impact to the Department of Livestock.

 1-9-95

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning



KARL OHS, PRIMARY SPONSOR DATE

Fiscal Note for HB0095, as introduced

110 05

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

House BILL NO. 95

INTRODUCED BY

BY REQUEST OF THE DEPARTMENT OF LIVESTOCK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING CERTAIN PROVISIONS REGARDING THE SALE OF LIVESTOCK; ALLOWING THE POSTING OF A BOND EQUIVALENT AS A CONDITION OF APPROVAL FOR NONMARKET SALES AND FOR LICENSURE AS A LIVESTOCK DEALER; REQUIRING THE DEPARTMENT OF LIVESTOCK TO CONDUCT A PERIODIC AUDIT OF LIVESTOCK MARKETS AND DEALERS; REQUIRING THAT A NOTICE OF SECURITY AGREEMENT BE SIGNED BY THE AFFECTED DEBTOR OR PROPER LEGAL AUTHORITY; AND AMENDING SECTIONS 81-8-214, 81-8-231, 81-8-271, AND 81-8-302, MCA."

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

Section 1. Section 81-8-214, MCA, is amended to read:

"81-8-214. Regulation of certain nonmarket sales. (1) A person not a livestock market operator authorized under this part conducting the sale of livestock in a breed sale, a breed association sale, or at a test station sale, except when all of the livestock are ~~his~~ owned by that person and are being sold from ~~his~~ that person's own place, shall obtain approval from the department before conducting the sale.

(2) The department, as conditions to granting approval, may require:

- (a) the names and addresses of those conducting the sale;
- (b) the date and time when and the place where the sale will be conducted;
- (c) a detailed statement of the assets and liabilities of the persons conducting the sale;
- (d) the establishment of a custodial account into which all money received for the sale of livestock must be deposited;
- (e) the posting of a reasonable bond or its equivalent in an amount determined by the department;
- (f) the commissions or charges proposed to be imposed on the owners of livestock for services associated with the sale;
- (g) a guarantee to pay all consignors in full within a reasonable time as set by the department; and
- (h) ~~such~~ other information ~~as~~ that the department considers necessary."



1 **Section 2.** Section 81-8-231, MCA, is amended to read:

2 **"81-8-231. Duties of department.** The department shall:

3 (1) supervise and regulate livestock markets and livestock dealers in this state and periodically audit
4 the records of those markets and dealers;

5 (2) regulate the properties, facilities, operations, services, and practices of all livestock markets
6 and livestock dealers;

7 (3) supervise and regulate livestock markets in all matters affecting the relationship between the
8 livestock market and owners of livestock and between the livestock market and purchasers of livestock;

9 (4) prescribe, by general order or otherwise, rules in conformity with this part applicable to all
10 livestock markets or livestock dealers and not in conflict with the laws of the United States or regulations
11 of the United States department of agriculture or other federal agencies;

12 (5) enforce this part and adopt rules necessary to carry out this part."
13

14 **Section 3.** Section 81-8-271, MCA, is amended to read:

15 **"81-8-271. License to operate as livestock dealer -- application.** (1) A person may not operate as
16 a livestock dealer without a license. A person who wishes to operate as a livestock dealer shall file with
17 the department an application for a license to transact ~~such~~ business on a form prescribed by the
18 department, stating the type of license sought and the following information:

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

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

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

26 (d) proof of acquisition of a bond or its equivalent from the packers and stockyards administration
27 of the United States department of agriculture.

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

30 (3) A person who purports to act as an agent for a livestock dealer in the purchase or sale of

1 livestock may not engage in ~~such~~ those business activities without a livestock dealer's license."

2

3 **Section 4.** Section 81-8-302, MCA, is amended to read:

4 "81-8-302. **Contents of notices.** The notices ~~shall~~ must consist of a statement showing the date
5 of security agreement; the names and addresses of the debtors and secured parties or holders and owners
6 ~~thereof of the security agreement;~~ a description of the livestock covered by the security agreement, ~~and;~~
7 in the case of a notice of renewal, the date of renewal; ~~and,~~ in the case of a notice of assignment of a
8 security interest, the date of the assignment, ~~and~~ a description of the security agreement to which the
9 assignment is made, and the parties to the assignment; and any additional information ~~which~~ that is
10 required by the department of livestock. The notice of security agreement must be signed by the affected
11 debtor or proper legal authority."

12

13 **NEW SECTION. Section 5. Severability.** If a part of [this act] is invalid, all valid parts that are
14 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
15 applications, the part remains in effect in all valid applications that are severable from the invalid
16 applications.

17

-END-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

INTRODUCED BY

House BILL NO. 95
Karl Wiles
BY REQUEST OF THE DEPARTMENT OF LIVESTOCK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING CERTAIN PROVISIONS REGARDING THE SALE OF LIVESTOCK; ALLOWING THE POSTING OF A BOND EQUIVALENT AS A CONDITION OF APPROVAL FOR NONMARKET SALES AND FOR LICENSURE AS A LIVESTOCK DEALER; REQUIRING THE DEPARTMENT OF LIVESTOCK TO CONDUCT A PERIODIC AUDIT OF LIVESTOCK MARKETS AND DEALERS; REQUIRING THAT A NOTICE OF SECURITY AGREEMENT BE SIGNED BY THE AFFECTED DEBTOR OR PROPER LEGAL AUTHORITY; AND AMENDING SECTIONS 81-8-214, 81-8-231, 81-8-271, AND 81-8-302, MCA."

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

Section 1. Section 81-8-214, MCA, is amended to read:

"81-8-214. Regulation of certain nonmarket sales. (1) A person not a livestock market operator authorized under this part conducting the sale of livestock in a breed sale, a breed association sale, or at a test station sale, except when all of the livestock are he owned by that person and are being sold from he that person's own place, shall obtain approval from the department before conducting the sale.

(2) The department, as conditions to granting approval, may require:

- (a) the names and addresses of those conducting the sale;
- (b) the date and time when and the place where the sale will be conducted;
- (c) a detailed statement of the assets and liabilities of the persons conducting the sale;
- (d) the establishment of a custodial account into which all money received for the sale of livestock must be deposited;
- (e) the posting of a reasonable bond or its equivalent in an amount determined by the department;
- (f) the commissions or charges proposed to be imposed on the owners of livestock for services associated with the sale;
- (g) a guarantee to pay all consignors in full within a reasonable time as set by the department; and
- (h) ~~such~~ other information ~~as~~ that the department considers necessary."

1 **Section 2.** Section 81-8-231, MCA, is amended to read:

2 **"81-8-231. Duties of department.** The department shall:

3 (1) supervise and regulate livestock markets and livestock dealers in this state and periodically audit
4 the records of those markets and dealers;

5 (2) regulate the properties, facilities, operations, services, and practices of all livestock markets
6 and livestock dealers;

7 (3) supervise and regulate livestock markets in all matters affecting the relationship between the
8 livestock market and owners of livestock and between the livestock market and purchasers of livestock;

9 (4) prescribe, by general order or otherwise, rules in conformity with this part applicable to all
10 livestock markets or livestock dealers and not in conflict with the laws of the United States or regulations
11 of the United States department of agriculture or other federal agencies;

12 (5) enforce this part and adopt rules necessary to carry out this part."
13

14 **Section 3.** Section 81-8-271, MCA, is amended to read:

15 **"81-8-271. License to operate as livestock dealer -- application.** (1) A person may not operate as
16 a livestock dealer without a license. A person who wishes to operate as a livestock dealer shall file with
17 the department an application for a license to transact ~~such~~ business on a form prescribed by the
18 department, stating the type of license sought and the following information:

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

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

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

26 (d) proof of acquisition of a bond or its equivalent from the packers and stockyards administration
27 of the United States department of agriculture.

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

30 (3) A person who purports to act as an agent for a livestock dealer in the purchase or sale of

1 livestock may not engage in ~~such~~ those business activities without a livestock dealer's license."

2

3 **Section 4.** Section 81-8-302, MCA, is amended to read:

4 "81-8-302. **Contents of notices.** The notices ~~shall~~ must consist of a statement showing the date
5 of security agreement; the names and addresses of the debtors and secured parties or holders and owners
6 ~~thereof of the security agreement;~~ a description of the livestock covered by the security agreement, ~~and;~~
7 in the case of a notice of renewal, the date of renewal; ~~and,~~ in the case of a notice of assignment of a
8 security interest, the date of the assignment, ~~and~~ a description of the security agreement to which the
9 assignment is made, and the parties to the assignment; and any additional information ~~which~~ that is
10 required by the department ~~of livestock.~~ The notice of security agreement must be signed by the affected
11 debtor or proper legal authority."

12

13 **NEW SECTION. Section 5. Severability.** If a part of [this act] is invalid, all valid parts that are
14 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
15 applications, the part remains in effect in all valid applications that are severable from the invalid
16 applications.

17

-END-

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

House BILL NO. 95

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF LIVESTOCK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING CERTAIN PROVISIONS REGARDING THE SALE OF LIVESTOCK; ALLOWING THE POSTING OF A BOND EQUIVALENT AS A CONDITION OF APPROVAL FOR NONMARKET SALES AND FOR LICENSURE AS A LIVESTOCK DEALER; REQUIRING THE DEPARTMENT OF LIVESTOCK TO CONDUCT A PERIODIC AUDIT OF LIVESTOCK MARKETS AND DEALERS; REQUIRING THAT A NOTICE OF SECURITY AGREEMENT BE SIGNED BY THE AFFECTED DEBTOR OR PROPER LEGAL AUTHORITY; AND AMENDING SECTIONS 81-8-214, 81-8-231, 81-8-271, AND 81-8-302, MCA."

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

Section 1. Section 81-8-214, MCA, is amended to read:

"81-8-214. Regulation of certain nonmarket sales. (1) A person not a livestock market operator authorized under this part conducting the sale of livestock in a breed sale, a breed association sale, or at a test station sale, except when all of the livestock are he owned by that person and are being sold from his that person's own place, shall obtain approval from the department before conducting the sale.

(2) The department, as conditions to granting approval, may require:

- (a) the names and addresses of those conducting the sale;
- (b) the date and time when and the place where the sale will be conducted;
- (c) a detailed statement of the assets and liabilities of the persons conducting the sale;
- (d) the establishment of a custodial account into which all money received for the sale of livestock must be deposited;
- (e) the posting of a reasonable bond or its equivalent in an amount determined by the department;
- (f) the commissions or charges proposed to be imposed on the owners of livestock for services associated with the sale;
- (g) a guarantee to pay all consignors in full within a reasonable time as set by the department; and
- (h) ~~such~~ other information as that the department considers necessary."

1 **Section 2.** Section 81-8-231, MCA, is amended to read:

2 **"81-8-231. Duties of department.** The department shall:

3 (1) supervise and regulate livestock markets and livestock dealers in this state and periodically audit
4 the records of those markets and dealers;

5 (2) regulate the properties, facilities, operations, services, and practices of all livestock markets
6 and livestock dealers;

7 (3) supervise and regulate livestock markets in all matters affecting the relationship between the
8 livestock market and owners of livestock and between the livestock market and purchasers of livestock;

9 (4) prescribe, by general order or otherwise, rules in conformity with this part applicable to all
10 livestock markets or livestock dealers and not in conflict with the laws of the United States or regulations
11 of the United States department of agriculture or other federal agencies;

12 (5) enforce this part and adopt rules necessary to carry out this part."

13

14 **Section 3.** Section 81-8-271, MCA, is amended to read:

15 **"81-8-271. License to operate as livestock dealer -- application.** (1) A person may not operate as
16 a livestock dealer without a license. A person who wishes to operate as a livestock dealer shall file with
17 the department an application for a license to transact ~~such~~ business on a form prescribed by the
18 department, stating the type of license sought and the following information:

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

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

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

26 (d) proof of acquisition of a bond or its equivalent from the packers and stockyards administration
27 of the United States department of agriculture.

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

30 (3) A person who purports to act as an agent for a livestock dealer in the purchase or sale of

1 livestock may not engage in ~~such~~ those business activities without a livestock dealer's license."

2

3 **Section 4.** Section 81-8-302, MCA, is amended to read:

4 "81-8-302. **Contents of notices.** The notices ~~shall~~ must consist of a statement showing the date
5 of security agreement; the names and addresses of the debtors and secured parties or holders and owners
6 ~~thereof of the security agreement;~~ a description of the livestock covered by the security agreement; ~~and;~~
7 in the case of a notice of renewal, the date of renewal; ~~and,~~ in the case of a notice of assignment of a
8 security interest, the date of the assignment, ~~and~~ a description of the security agreement to which the
9 assignment is made, and the parties to the assignment; and any additional information ~~which~~ that is
10 required by the department ~~of livestock~~. The notice of security agreement must be signed by the affected
11 debtor or proper legal authority."

12

13 **NEW SECTION. Section 5. Severability.** If a part of [this act] is invalid, all valid parts that are
14 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
15 applications, the part remains in effect in all valid applications that are severable from the invalid
16 applications.

17

-END-