

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
59th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON AGRICULTURE**

**Call to Order:** By **CHAIRMAN EDWARD B. BUTCHER**, on January 11, 2005 at 3 P.M., in Room 472 Capitol.

**ROLL CALL**

**Members Present:**

Rep. Edward B. Butcher, Chairman (R)  
Rep. Carol Lambert, Vice Chairman (R)  
Rep. Jonathan Windy Boy, Vice Chairman (D)  
Rep. Joan Andersen (R)  
Rep. Bob Bergren (D)  
Rep. Gary Branae (D)  
Rep. Wanda Grinde (D)  
Rep. Ralph Heinert (R)  
Rep. Llew Jones (R)  
Rep. Jim Keane (D)  
Rep. Bruce Malcolm (R)  
Rep. Jim Peterson (R)  
Rep. Diane Rice (R)  
Rep. John (Jack) W. Ross (R)  
Rep. Veronica Small-Eastman (D)  
Rep. Dan Villa (D)  
Rep. Karl Waitschies (R)  
Rep. Jeanne Windham (D)  
Rep. Brady Wiseman (D)

**Members Excused:** Rep. Kevin T. Furey (D)

**Members Absent:** None.

**Staff Present:** Linda Keim, Committee Secretary  
Krista Lee Evans, Legislative Branch

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 195, 1/5/2005; HB 86, 1/6/2005;  
HB 37, 1/6/2005  
Executive Action: HB 37 Do Pass as Amended

Housekeeping Items: **CHAIRMAN BUTCHER** asked REP. GARY MATTHEWS to address the issue of reconsidering bills in committee. **REP. MATTHEWS** said there is a House Rules Meeting January 13 which will clarify this matter.

*{Tape: 1; Side: A; Approx. Time Counter: 0 - 8}*

HEARING ON HB 195

**Sponsor: REPRESENTATIVE GARY MATTHEWS, HD 40, MILES CITY.**

Opening Statement by Sponsor:

**REP. MATTHEWS** opened the hearing on HB 195, a bill that will revise laws governing farm scales. This bill is at the request of the Department of Labor and Industry (DLI) and harmonizes the weights and measures statutes pertaining to the licensing of weighing devices with statutes already in effect for measuring devices. It provides a definition of "on-farm scales" and clarifies license renewal periods for all weighing devices, with late fees for delayed renewals. It will allow DLI to seal and remove weighing devices for nonpayment of fees.

Proponents' Testimony:

**Jim Brown, Administrator of Business Standards Division, DLI,** noted that the Weights and Measures Bureau is part of the Business Standards Division. This is a housekeeping bill; no fiscal impact is anticipated, and no additional regulatory burden will be placed on device owners. It establishes in weights and measures statutes that, for licensing purposes, there are two different types of scales; on-farm (livestock) scales and all other scales. It makes licensing requirements for all scales except on-farm scales consistent with requirements that weights and measures presently enforces for meters. This bill brings licensing requirements for scales into line with requirements used by the One Stop Licensing Program that issues renewal notices, collects license fees, and issues licenses for weights and measures. This bill will avoid problems associated with staggered anniversary dates and late renewal fees.

**John Bloomquist, Montana Stock Growers Association (MSGA),** said he has spoken with Jack Kane, DLI and they support this bill.

**Barbara Broberg, Montana Women Involved in Farm Economics (WIFE),** said they support the bill.

Opponents' Testimony: None

Informational Testimony: None

*{Tape: 1; Side: A; Approx. Time Counter: 8.1 - 13.2}*

**Questions from Committee Members and Responses:**

**REP. PETERSON** asked Mr. Brown if the anniversary date for on-farm scales can be staggered. **Mr. Brown** explained that the expiration date for on-farm scales is the end of the calendar year. Late fees are not due until July 1 of the following year.

**REP. PETERSON** said his scale is tested and sealed in August, but the bill doesn't come until a month later. He asked when the late fee comes in if the bill isn't paid. Mr. Brown referred the question to Jack Kane for clarification. **Jack Kane, Bureau Chief Weights and Measures, DLI**, noted that the Weights and Measures Inspector checks **REP. PETERSON's** scale annually. Scale licenses and all other livestock scale licenses are due January 1. A renewal notice will be sent in November of the preceding year. For example, in November or December 2004 you would be sent a renewal notice for the year 2005. There is a six-month grace period before a late fee is assessed.

**REP. MALCOLM** asked if this bill would change the fees on the present schedule. **Mr. Kane** answered there would be no change.

**REP. RICE** asked Mr. Kane to explain what a weighing device is. **Mr. Kane** said a weighing device is simply a scale. In the context DLI uses, the scale is considered the entire system used in a commercial application.

**REP. RICE** asked how DLI could take property owned by the land owner if the fee was not paid. Perhaps the land owner does not plan to use it for a few years. **Mr. Kane** explained that the office should be notified that the scale will not be used and the land owner does not plan to license the scale, then it is no longer the concern of the Weights and Measures Bureau. DLI will notify the land owner if the device is not licensed but continues to be used commercially. If payment is not made, DLI may remove the scale, but that is seldom done.

**CHAIRMAN BUTCHER** asked Mr. Kane questions regarding a land owner with a certified scale who did not plan to use the scale for commercial activity and planned to use it for personal purposes. **Mr. Kane** responded that if the scale is used commercially after the fee was not paid for the year, the scale could be removed as a last resort. Any scale being used commercially is required to have a current sticker.

**REP. WISEMAN** asked Mr. Kane how many on-farm scales there are and what efficiency this bill would provide. **Mr. Kane** said the One

Stop Licensing Program began ten years ago when the Legislature initially decided that all agencies who issue licenses to separate entities should combine into one, except for livestock scales. The device owner has one point of contact for licensing questions and has to send only one check per year, and DLI won't have to shut everything down for a month to print and mail out licenses.

**REP. WISEMAN** inquired about the transfer of authority. **Mr. Kane** replied that the authority was transferred two sessions ago.  
**{Tape: 1; Side: A; Approx. Time Counter: 13.2 - 22.3}**

**Closing by Sponsor:**

**REP. MATTHEWS** closed by stating that scales are very important to the farming and ranching community and asked for a DO PASS.

**HEARING ON HB 86**

**SPONSOR: REP. CHRISTINE KAUFMANN, HD 81, HELENA.**

**Opening Statement by Sponsor:**

**REP. KAUFMANN** opened the hearing on HB 86, a bill that will simplify the apportionment procedure for Taylor Grazing Act revenue to counties. A portion of the revenue is distributed to the state, and current law provides that 100% of the money be given to the counties, which in turn give 50% back to the state. This bill provides that only 50% be transferred to the county in the first place, and was requested by the Department of Revenue.  
**{Tape: 1; Side: B; Approx. Time Counter: 0 - 2.2}**

**Proponents' Testimony:**

**Larry Finch, Research Administrator, Department of Revenue (DOR)**, indicated that they support this bill. Others affected by this bill, such as county treasurers and the Department of Administration, are also in support of this bill.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. ROSS** asked Mr. Finch to clarify whether the money received from the Taylor Grazing Act is paid directly to the State, the

State sends all the money to the appropriate county treasurer, and the treasurer sends half of it back. **Mr. Finch** concurred.

**REP. RICE** asked Mr. Finch if any administrative fees are involved that would cause either the state or the county to lose money in the processing. **Mr. Finch** said he was not aware of any fees.

**Closing by Sponsor:**

**REP. KAUFFMAN** closed by thanking the Committee for hearing HB 86. *{Tape: 1; Side: B; Approx. Time Counter: 2.2 - 4.7}*

**HEARING ON HB 37**

**SPONSOR: REP. CAROL LAMBERT, HD 39, BROADUS.**

**Opening Statement by Sponsor:**

**REP. LAMBERT** opened the hearing on HB 37, a housekeeping bill concerning retention of interest earned on livestock assessments in the per capita fee account. An amendment notes a change from state statute to county. Only four counties have their own Predator Board and assess themselves for the money to run it. [EXHIBIT \(agh07a010.PDF\)](#)

**Proponents' Testimony:**

**Bob Gilbert, Secretary and Lobbyist Montana Wool Growers Association (MWGA)** said they support the legislation and the amendment. Carter County is the largest sheep county in the state, and they have an effective predator control program which they are supplementing by taxing each sheep in that county \$.80 to \$1 a head to pay for it. Interest money is currently being used for other county spending.

**Nancy Schlepp, Montana Farm Bureau Federation,** said they support the bill and the amendment.

**John Bloomquist, Montana Stock Growers Association (MSGGA),** noted that the amendment is very important, as there were some drafting problems with the bill. They believe that money self assessed on cattle should also stay with the program.

**Opponents' Testimony:** None

**Informational Testimony:**

**Mark Bridges, Executive Officer Board of Livestock, Department of Livestock** stated that the amendments pertain to lines 10-20. He noted that under Section 81-1-104, Investment of State Special Revenue Funds, the Department of Livestock already has the authority to retain the interest, and the amendments do not delete lines 10-20. Also, the fiscal note has a typo, and 81-1-201 should read 81-1-104.

**{Tape: 1; Side: B; Approx. Time Counter: 4.7 - 12.2}**

**Questions from Committee Members and Responses:**

**REP. PETERSON** asked Mr. Bloomquist to discuss the intent of the bill. **Mr. Bloomquist** said the bill looked at per capita, a special revenue assessment, but the drafter picked the wrong section of code to do what the sponsor intended, which was to amend the predator control section. Mr. Bloomquist noted he raised the question of whether this could be done under the title of the bill, and legal counsel Greg Petsch said the amendment is acceptable.

**CHAIRMAN BUTCHER** asked Krista Lee Evans to explain. **Legislative Staffer Evans** said this was a drafting error. The amendment just reaffirms what the Department of Livestock can already do. She said **REP. LAMBERT's** intent was to go into county predator control accounts. We can't take out the first section, because that would gut the bill and wouldn't work with the title. The result is to leave in the first section and amend in the two statutes that should have been in the initial bill.

**REP. PETERSON** noted the per capita account is not being changed, it just points to the amendment, which is the 'meat' of the bill, so they can retain the interest on predator money in the predator control account. **Staffer Evans** agreed. In the per capita account, the interest earned goes back into that per capita account. They already have that authority from another statute and this just makes it very clear.

**REP. WAITSCHES** asked if this is a duplication of legislation from last Session. **Staffer Evans** stated that commissioners in these counties must not have deemed it appropriate. With this amendment we are telling them it is mandatory to retain the interest on predator control money in these two accounts.

**REP. BERGREN** asked that Staffer Evans present this in Executive Action. **CHAIRMAN BUTCHER** announced that Executive Action would be today so that everything could be clarified while expert witnesses were present.

**REP. WISEMAN** asked **REP. LAMBERT** how much money was involved.

**REP. LAMBERT** answered that only a small amount is involved currently, but someone may be donating money to the predator fund and they want to make sure the interest stays in the predator control account.

**REP. PETERSON** asked Mr. Gilbert to explain to the committee why sheep producers want this interest to go into the predator account. **Mr. Gilbert** said the issue is that it is their money in the first place. Fees are initiated with a petition signed by 51% of the cattle or sheep producers in the county. He noted that interest income is low at this point, but counties are struggling for money, and even \$100 is a lot when it will buy one more hour of aerial hunting time.

**REP. VILLA** asked for clarification: the self assessment is paid to the county treasurer, the Board of County Commissioners determines it is to go into the predator control fund, the interest is negligible, county commissioners can choose where that money goes but they currently have the option of keeping it in that fund. **Mr. Gilbert** affirmed.

**REP. VILLA** asked how Montana Association of Counties (MACO) feels about this. **Mr. Gilbert** said he could not speak for them.

**CHAIRMAN BUTCHER** commented that if they are not here, it is probably not a problem.

*{Tape: 1; Side: B; Approx. Time Counter: 12.2 - 22.9}*

**REP. ROSS** asked Mr. Gilbert to elaborate. **Mr. Gilbert** said the interest from predator money collected on the state-wide scene goes into their predator control fund. They are just saying if it is fair to the state, it ought to be fair to county programs.

**REP. KEANE** asked Mr. Gilbert if the money is invested in a county bank account. **Mr. Gilbert** acknowledged the money is in an interest bearing bank account, not the stock market.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 2.7}*

Closing by Sponsor:

**REP. LAMBERT** thanked the committee for a good hearing. The fair way to take care of the money is for the interest to go back into the fund that people are assessing themselves for. She said that MACO is behind this bill.

**EXECUTIVE ACTION ON HB 37**

**REP. PETERSON** clarified that there are 14 counties in Montana that have livestock control predator funds that operate like this. This bill addresses both sheep and cattle. The interest off the predator control money goes back into the predator control account, just like the state does with state livestock per capita fees; although the interest off the per capita account goes into the per capita fee account. This bill just takes the interest off the sheep and livestock predator control accounts and puts it back into that account. Both are paid 100% by producers.

**CHAIRMAN BUTCHER** said that as wolves get to be an issue this may become bigger, and there may be more counties getting involved.

**Motion/Vote:** **REP. WINDY BOY** moved that **HB 37 DO PASS**. Motion passed 20-0 by voice vote. Voting by proxy was **REP. FUREY**.

**Motion:** **REP. BERGREN** moved that **HB 37 BE AMENDED**.

**Discussion:**

**REP. BERGREN** noted that after line 20, the amendment becomes the bill.

**Legislative Staffer Evans** agreed. See 81-7-303 in Subsection 3 on Page 2 of the amendment where it states interest earned on money in the fund must be deposited in the fund; that same language is inserted into Subsection 3 of 81-7-603 as well.

**REP. BERGREN** asked about the title. **Staffer Evans** said that question had been asked of Greg Petsch, Legal Counsel and the first three amendments change the title, so it is okay.

**Vote:** On a voice vote, motion carried 20-0. Voting by proxy was **REP. FUREY**.

**Motion/Vote:** **REP. WISEMAN** moved that **HB 37 DO PASS AS AMENDED**. Motion carried unanimously, 20-0. **REP. FUREY** voted by proxy. {Tape: 2; Side: A; Approx. Time Counter: 2.7 - 7.9}

**ADJOURNMENT**

Adjournment: 3:50 P.M.

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REP. EDWARD B. BUTCHER, Chairman

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LINDA KEIM, Secretary

EB/LK

Additional Exhibits:

**EXHIBIT ([agh07aad0.PDF](#))**