

# Montana State Legislature

**2015 SESSION**

## **ADDITIONAL DOCUMENTS**

**Business Page**

[Signed by Chairman]

**Roll Call**

**Standing Committee Reports**

**Tabled Bills**

**Fiscal Reports**

**Rolls Call Votes**

**Proxy Forms**

**Visitor Registrations**

**\*Any other documents, which were submitted after the committee hearing has ended and/or was submitted late [within 48 hours], regarding information in the committee hearing.**

**\*Witness Statements that were not presented as exhibits.**

**Montana Historical Society Archives**

**225 N. Roberts**

**Helena MT 59620-1201**

**2015 Legislative**

**E-Document Specialist Susie Hamilton**

**BUSINESS REPORT**

**MONTANA SENATE  
64th LEGISLATURE - REGULAR SESSION**

**SENATE FINANCE AND CLAIMS COMMITTEE**

**Date:** Tuesday, March 10, 2015  
**Place:** Capitol

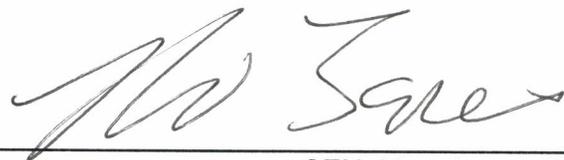
**Time:** 8:00 AM  
**Room:** 317

**BILLS and RESOLUTIONS HEARD:**

HB 145 - Revise laws related to livestock loss - Rep. Mike Cuffe  
SB 47 - Increase assessments on owners of classified forest land - Sen. JP Pomnichowski  
SB 99 - Revise insure Montana small business health insurance laws - Sen. Jill Cohenour  
SB 259 - Revising workers' compensation and occupational health and safety assessments -  
Sen. Bruce Tutvedt  
SB 312 - Generally revise USB laws - Sen. Mike Phillips

**EXECUTIVE ACTION TAKEN:**

**Comments:**



SEN. Llew Jones, Chair

MONTANA STATE SENATE  
 ROLL CALL  
 FINANCE AND CLAIMS  
 COMMITTEE

DATE: March 10, 2015

NAME	PRESENT	ABSENT/ EXCUSED
Chairman Jones	x	
Vice Chair Keenan	x	
Senator Blasdel	x	
Senator Brenden	x	
Senator Caferro	x	
Senator Hamlett	x	
Senator Hansen	x	
Senator Howard	x	
Senator Keane	x	
Senator Moore	x	
Sen. Phillips	x	
Senator Ripley	x	
Senator Rosendale	x	
Senator Sesso	x	
Senator Smith	x	
Senator Taylor	x	
Senator Webb	x	
Senator Windy Boy	x	
Senator Wolken	x	







**MONTANA STATE SENATE**  
**Visitors Register**  
**SENATE FINANCE AND CLAIMS COMMITTEE**

Tuesday, March 10, 2015

**SB 259 - Revising workers' compensation and occupational health and safety assessments**

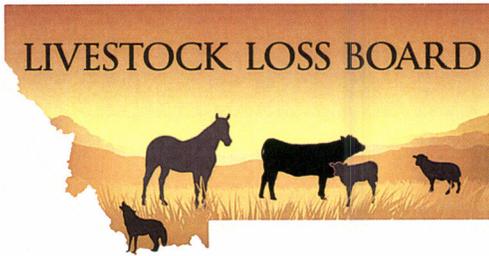
Sponsor: **Sen. Bruce Tutvedt**

**PLEASE PRINT**

Name	Representing	Support	Oppose	Info
Bob Worthington	LPIAC	✓		
Don Judge	LMAC	X		
Riley Johnson	NFIB	X		
Kevin Braun	Mt. State Fund	X		
Harold Blattie	MAC's IPA	X		
Diana Ferriter	DHT	X		
WEBB BROWN	MT CHAMBER	X		

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.





George Edwards  
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gedwards@mt.gov

## Senate Finance & Claims HB 145 Hearing

### Grant Criteria:

- High predation areas
- Dual purpose (areas containing both grizzly bears and wolves)
- Use of multiple prevention methods
- Number of livestock covered by the project
- Surface area covered
- Maintaining existing projects
- Number of livestock owners covered by a project

### Grant monitoring and reporting

**2-15-3113. Additional powers and duties of livestock loss board.** (3) The livestock loss board shall:

(a) coordinate and share information with state, federal, and tribal officials, livestock producers, nongovernmental organizations, and the general public in an effort to reduce livestock losses caused by wolves and grizzly bears;

(b) establish an annual budget for the prevention, mitigation, and reimbursement of livestock losses caused by wolves and grizzly bears;

(c) perform or contract for the performance of periodic program audits and reviews of program expenditures, including payments to individuals, incorporated entities, and producers who receive loss reduction grants and reimbursement payments;

(d) adjudicate appeals of claims;

(e) investigate alternative or enhanced funding sources, including possible agreements with public entities and private wildlife or livestock organizations that have active livestock loss reimbursement programs in place;

(f) meet as necessary to conduct business; and

(g) report annually to the governor, the legislature, members of the Montana congressional delegation, the board of livestock, the fish and wildlife commission, and the public regarding results of the programs established in [2-15-3111](#) through [2-15-3113](#)

## **Tribal Agreements:**

**2-15-3113. Additional powers and duties of livestock loss board.** (2) The livestock loss board may enter into an agreement with any Montana tribe, if the tribe has adopted a wolf or grizzly bear management plan for reservation lands that is consistent with the state wolf or grizzly bear management plan, to provide that tribal lands within reservation boundaries are eligible for mitigation grants pursuant to [2-15-3111](#) and that livestock losses on tribal lands within reservation boundaries are eligible for reimbursement payments pursuant to [2-15-3112](#).

## **Livestock Loss Board Accounts:**

**81-1-110. Livestock loss reduction and mitigation accounts.** (1) There are livestock loss reduction and mitigation special revenue accounts administered by the department within the state special revenue fund and the federal special revenue fund established in [17-2-102](#).

(2) (a) All state proceeds allocated or budgeted for the purposes of [2-15-3110](#) through [2-15-3114](#), [81-1-110](#), and [81-1-111](#), except those transferred to the account provided for in [81-1-112](#) or appropriated to the department of livestock, must be deposited in the state special revenue account provided for in subsection (1) of this section.

(b) Money received by the state in the form of gifts, grants, reimbursements, or allocations from any source intended to be used for the purposes of [2-15-3111](#) through [2-15-3113](#) must be deposited in the appropriate account provided for in subsection (1) of this section.

(c) All federal funds awarded to the state for compensation for wolf or grizzly bear depredations on livestock must be deposited in the federal special revenue account provided for in subsection (1) for the purposes of [2-15-3112](#).

(3) The livestock loss board may spend funds in the accounts only to carry out the provisions of [2-15-3111](#) through [2-15-3113](#).

### ***General accounts used by the board***

**81-1-111. Livestock loss reduction and mitigation trust fund.** (1) The legislature shall provide for a fund, to be known as the livestock loss reduction and mitigation trust fund, to be funded with gifts, grants, reimbursements, appropriations, or allocations from any source.

(2) The principal of the livestock loss reduction and mitigation trust fund shall forever remain inviolate in an amount of \$5 million unless appropriated by a vote of three-fourths of the members of each house of the legislature.

(3) The interest and income generated from the livestock loss reduction and mitigation trust fund must be deposited in the livestock loss reduction and mitigation state special revenue account provided for in [81-1-110](#). The interest and income may be

appropriated by a majority vote of each house of the legislature and may be used only to fund the livestock loss reduction program and the livestock loss mitigation program as provided in [2-15-3111](#) and [2-15-3112](#).

(4) (a) Until the principal of the fund reaches \$5 million, at the end of each biennium, any amount of interest and income from the trust fund that is not used for the livestock loss reduction program or the livestock loss mitigation program must be used to reimburse the state general fund up to \$120,000. Any remaining interest and income must be deposited in the trust fund as principal.

(b) After the principal of the trust fund reaches \$5 million, at the end of each biennium, any amount of interest and income that is not used for the livestock loss reduction program or the livestock loss mitigation program must be deposited in the general fund.

*No money has ever been available to be placed into this account*

**81-1-112. Livestock loss reduction and mitigation restricted account.** (1) There is an account in the state special revenue fund established by [17-2-102](#) to be known as the livestock loss reduction and mitigation restricted special revenue account. The account is administered by the department.

(2) Money is transferred to the account from the state general fund pursuant to [15-1-122](#) and is restricted to the purpose of making payments to livestock producers for confirmed and probable livestock losses pursuant to [2-15-3112](#)(2). Money in the account may not be expended for administrative expenses.

(3) The livestock loss reduction and mitigation restricted account is statutorily appropriated, as provided in [17-7-502](#), to the department for the purpose of making payments to livestock producers as provided in subsection (2) of this section.

*(Subsection (3) terminates June 30, 2017--sec. 13, Ch. 339, L. 2011.)*

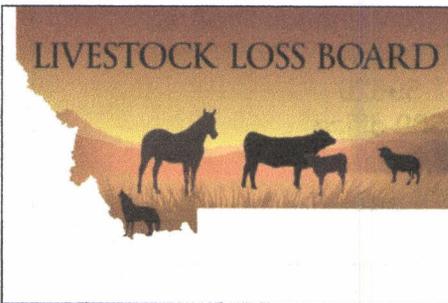
*This is the account established by HB 622 in the 2011 legislature. Current funding in this account is restricted to verified livestock death loss claims and can not be used for any other purpose.*

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### Technical Notes:

Funds from HB 622, 2011 Legislative session are restricted to payment of death loss claims and cannot be used for loss prevention projects. These funds are contained in the livestock loss reduction and mitigation special revenue account.

Legislative bill drafters modified language in HB 145 to rename the account the "livestock loss mitigation restricted state special revenue account" contained in 15-1-122, MCA.



Montana Livestock Board  
Livestock Loss Reduction & Mitigation Program  
PO Box 202005  
Helena MT 59620  
(406) 444-5609 office  
(406) 444-5606 fax  
[www.llb.mt.gov](http://www.llb.mt.gov)

## LOSS PREVENTION GRANT INTRODUCTION

Montana's Livestock Loss Board received \$100,000 dollars from the federal government for livestock loss prevention projects (wolves only). They also received \$25,000 dollars from Defenders of Wildlife for livestock prevention projects (grizzly only).

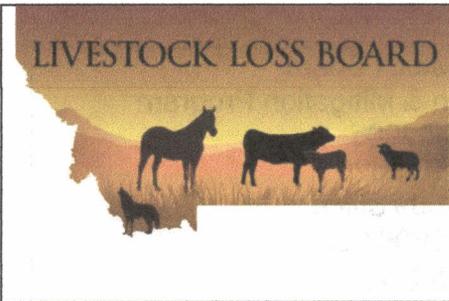
Anyone may apply to the board for livestock loss prevention grants. **All grants issued by the board require a 50% cost share from the applicant.** Cost share can be in the form of cash or in-kind contributions. **All cost share information must be documented.** Receipts for materials are essential.

If your in-kind contribution is labor, you will need to keep time sheets for the individuals working on the project and what value you place on the labor in a per hour basis. If the in-kind contribution is equipment, you will need to supply the number of hours the equipment is used on the project and a per hour value of the equipment. As an example if you used a loader for the project, what would it cost you to rent the piece of equipment for the time needed to complete the project. In essence if you are using in-kind methods to achieve your 50% cost share, you will need to submit how you will be documenting the value. Federal requirements placed upon the board are very strict in that the board will have to show how the 50% cost share was achieved for every dollar the board provided in a grant.

The board will accept grant applications until January 31, 2015. Copies of all grant applications will be provided to board members for review during February 2015. Grants will be awarded by March 2015. Board members have identified three main priorities for grant applications. 1. The project is in a high predation area. 2. The project serves a dual purpose of preventing losses by both wolves and grizzly bears. 3. More than one form of loss prevention is being attempted. This does not mean you will not receive a grant if you do not meet the three main criteria but a preference will be given to projects that do meet the criteria. All applicants will be asked their estimation of the effectiveness of the project in December 2015. This information will be used by the board to help them identify effective projects in the future.

**2-15-3111. Livestock loss reduction program.** The livestock loss board shall establish and administer a program to cost-share with individuals or incorporated entities in implementing measures to prevent wolf and grizzly bear predation on livestock, including:

- (1) eligibility requirements for program participation;
- (2) application procedures for program participation and procedures for awarding grants for wolf and grizzly bear predation prevention measures, subject to grant priorities and the availability of funds;
- (3) criteria for the selection of projects and program participants, which may include establishment of grant priorities based on factors such as chronic depredation, multiple depredation incidents, single depredation incidents, and potential high-risk geographical or habitat location;
- (4) grant guidelines for prevention measures on public and private lands, including:
  - (a) grant terms that clearly set out the obligations of the livestock producer and that provide for a term of up to 12 months subject to renewal based on availability of funds, satisfaction of program requirements, and prioritization of the project;
  - (b) cost-share for prevention measures, which may be a combination of grant and livestock producer responsibility, payable in cash or in appropriate services, such as labor to install or implement preventive measures, unless the board adjusts the cost-share because of extenuating circumstances related to chronic or multiple depredation; and
  - (c) proactive preventive measures, including but not limited to fencing, fladry, night penning, increased human presence in the form of livestock herders and riders, guard animals, providing hay and dog food, rental of private land or alternative pasture allotments, delayed turnouts, and other preventive measures as information on new or different successful prevention measures becomes available; and
- (5) reporting requirements for program participants to assist in determining the effectiveness of loss reduction relative to each grant.



Montana Livestock Board  
Livestock Loss Reduction & Mitigation Program  
PO Box 202005  
Helena MT 59620  
(406) 444-5609 office  
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[www.llb.mt.gov](http://www.llb.mt.gov)

## LOSS PREVENTION GRANT APPLICATION

Organizations other than Sole Proprietorships must be registered with the Montana Secretary of State prior to submittal of the application. **Any application from an organization that is not registered with the Montana Secretary of State will not be accepted.**

- The project will attempt to reduce wolf or grizzly bear caused livestock losses and the applicant authorizes board staff to enter property where loss prevention activities are being conducted.
- The applicant will provide matching funds in an amount at least equal to the grant request.
- The applicant agrees to provide a final report describing the effectiveness of the loss prevention methods used by the applicant.

### APPLICANT INFORMATION

\_\_\_\_\_  
*Name of Organization or Individual*

\_\_\_\_\_  
*Mailing Address*

\_\_\_\_\_  
*City*

\_\_\_\_\_  
*State*

\_\_\_\_\_  
*Zipcode*

\_\_\_\_\_  
*Telephone Number*

\_\_\_\_\_  
*Fax Number*

\_\_\_\_\_  
*E-mail Address*

### PRIMARY CONTACT PERSON

\_\_\_\_\_  
*Name of Primary Contact Person (if not the same as Applicant)*

\_\_\_\_\_  
*Mailing Address*

\_\_\_\_\_  
*City*

\_\_\_\_\_  
*State*

\_\_\_\_\_  
*Zipcode*

\_\_\_\_\_  
*Telephone Number*

\_\_\_\_\_  
*Fax Number*

\_\_\_\_\_  
*E-mail Address*

## PREVENTIVE MEASURES

Check all methods used by this grant application:

- Fencing  Fladry  Night Penning  Herders or Riders  Guard Animals  Hay or Dog Food  
 Rental of Pasture  Delayed Turnouts  Other \_\_\_\_\_

## PROPOSED BUDGET TOTAL

Grant Funds Requested \$

Total Matching Funds \$

## PROJECT DESCRIPTION

Identify the need or opportunity that exists:

## PROPERTY DESCRIPTION

\_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ Section

Allotment Name if available: \_\_\_\_\_

- Private Property  Public Property  Federal Owned  State Owned

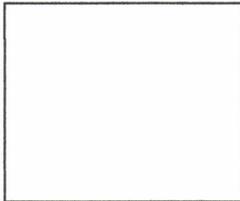
## LIVESTOCK INFORMATION

Types of livestock being protected by this project:  Cattle  Sheep  Goat  Horse  Mule  
 Swine  Llama

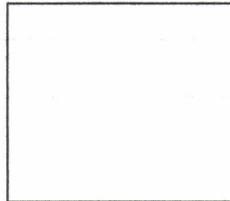
Number of livestock within the project area \_\_\_\_\_

Are the livestock branded?  Yes  No  Both branded and unbranded

Draw all brands and brand location for livestock within the project area. Attach additional sheets if necessary.



Location \_\_\_\_\_



Location \_\_\_\_\_

Brand Owner: \_\_\_\_\_ Brand Owner: \_\_\_\_\_

## PROJECT TIMELINE

Begin Date: \_\_\_\_\_ End Date: \_\_\_\_\_

## BOARD LIABILITY

The Livestock Loss Board and Program are not responsible for any injuries, taxes, etc... resulting from this grant. The Applicant assumes all liabilities for actions implemented by this grant.

## DISCLOSURE AND CONFIDENTIALTY

"I understand that any information provided to the Livestock Board in this application or other correspondence becomes public information. I waive any right to confidentiality and affirm that the information provided in this application is true and accurate to the best of my knowledge."

Applicant Signature	Date
Print Name	

Date: 3-10-15

Bill No. SB47

Montana DNRC  
Forestry Division – Fire and Aviation Management Bureau  
Proposed 2015 Forest Fire Assessment Fee Increase  
SB 47 Amending section 76-13-201

**Proposal:** Raise the per capita maximum fee from \$45 to \$50 for each landowner and the per acre fee from .25/ac. to .30/ac.

**Key points:**

- In 2014, 64,601 land owners paid the assessment fee: 52,262 small landowners paid the base fee and 12,339 large landowners (>20 acres) paid the base fee and an additional per acre fee.
- Approximately 5.1 million acres of forest lands are covered by fire assessments.
- Pursuant to 76-13-201 MCA, assessment limits are set at \$45/owner <20 acres, and \$0.25/acre for ownership greater than 20 acres.
  - Current fees (FY 15) are set at \$43.75 per parcel and \$.25/acre above 20 acres.
  - Current fees will generate \$3,660,839.00 per year.
- Proposed rates in this bill could generate an additional amount of \$574, 000.
  - *Actual rates would not move to the maximum immediately, but be driven by budget increases approved by the state legislature.*
  - *It has taken 7 years to reach the rates authorized by the 2007 legislature.*
- Current fee structure could only generate an additional \$80,000 before reaching legal limits.
- Current law (MCA 76-13-213) directs the department to fund no more than 1/3 of program budget from assessments, with 60% of the fees from small (<20 acres) landowners.
  - *Proposed FY16/17 budget sets the assessments at maximum of \$45/\$0.25, but is insufficient to generate 1/3 of total appropriation (71% GF/29% assessments).*
- Assessment rates fluctuate with each appropriated budget. Program level changes have occurred since 2005 to both increase and decrease assessment rates:
  - Increase funding for capital and operations costs (county engines)
  - Additional staff added following the 2008 Interim Fire Committee recommendations.
  - Compensation and benefits cost increases.
  - Reductions in FTE/budget due to budget cuts.

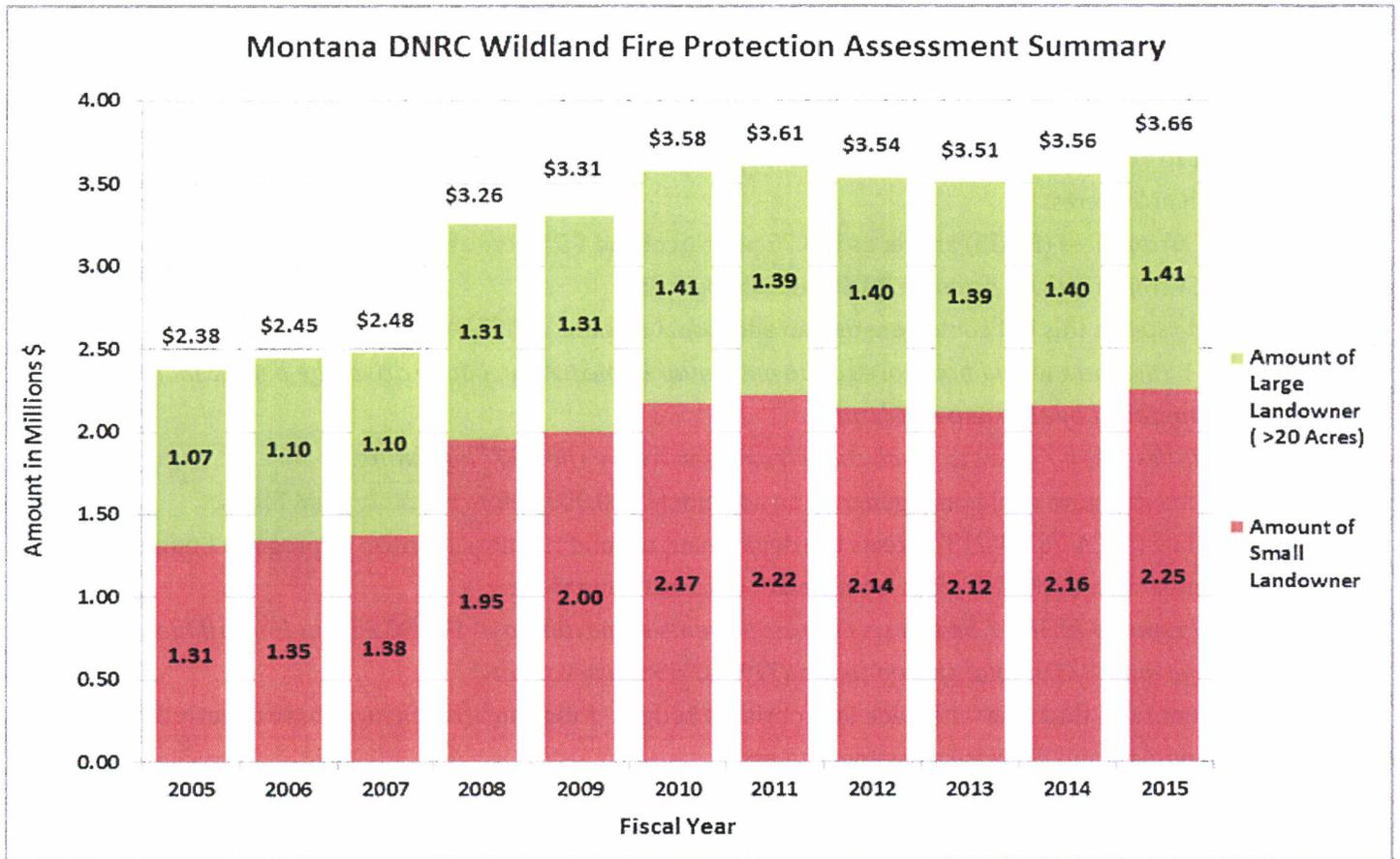
**Background/Issues:**

- Montana forest owners have been paying a minimum fee, per owner per year for wildland fire protection since the 1920s.
- This bill affects both small and large private forest landowners, primarily in western and west-central Montana. (see map)
- Private forest landowners and ag landowners in most of the eastern 2/3 of the state do not pay wildfire assessments to DNRC, although the fire program costs (and average fire suppression costs) for that part of the state are substantial.
- A 2003 study of alternative fire funding options, a legislative audit in 2004, and the Interim Fire Legislative Committee in 2008 all failed to identify a palatable alternative to the current assessment structure.

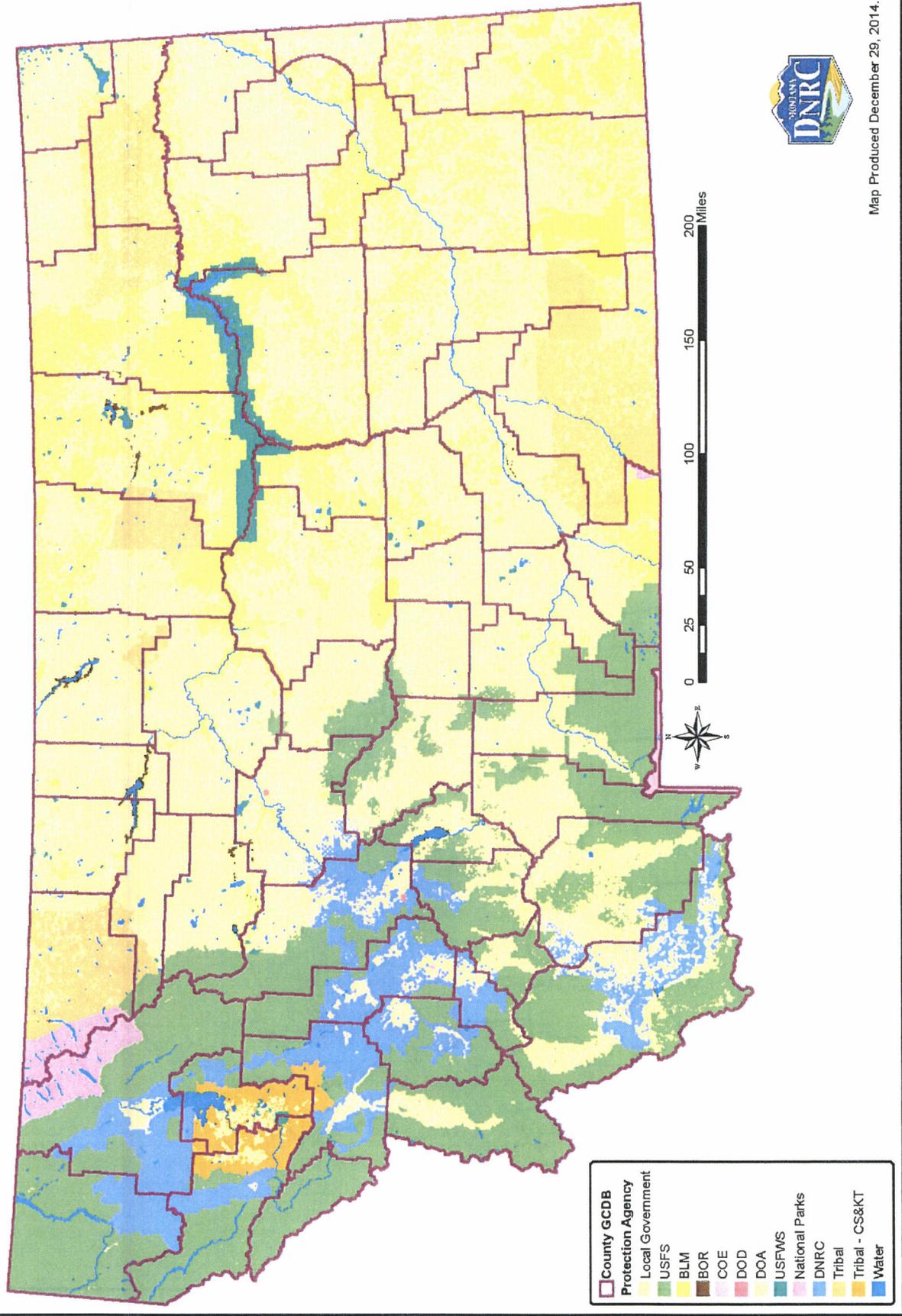
- Idaho forest landowners pay \$0.65/acre and a \$40 surcharge for parcels with structures.

Alternatives:

- Raise assessment limits with this legislation
- Increase general fund contribution to the DNRC wildland fire program
- Reduce DNRC firefighting staff and resources



# Wildfire Protection Boundaries 2014





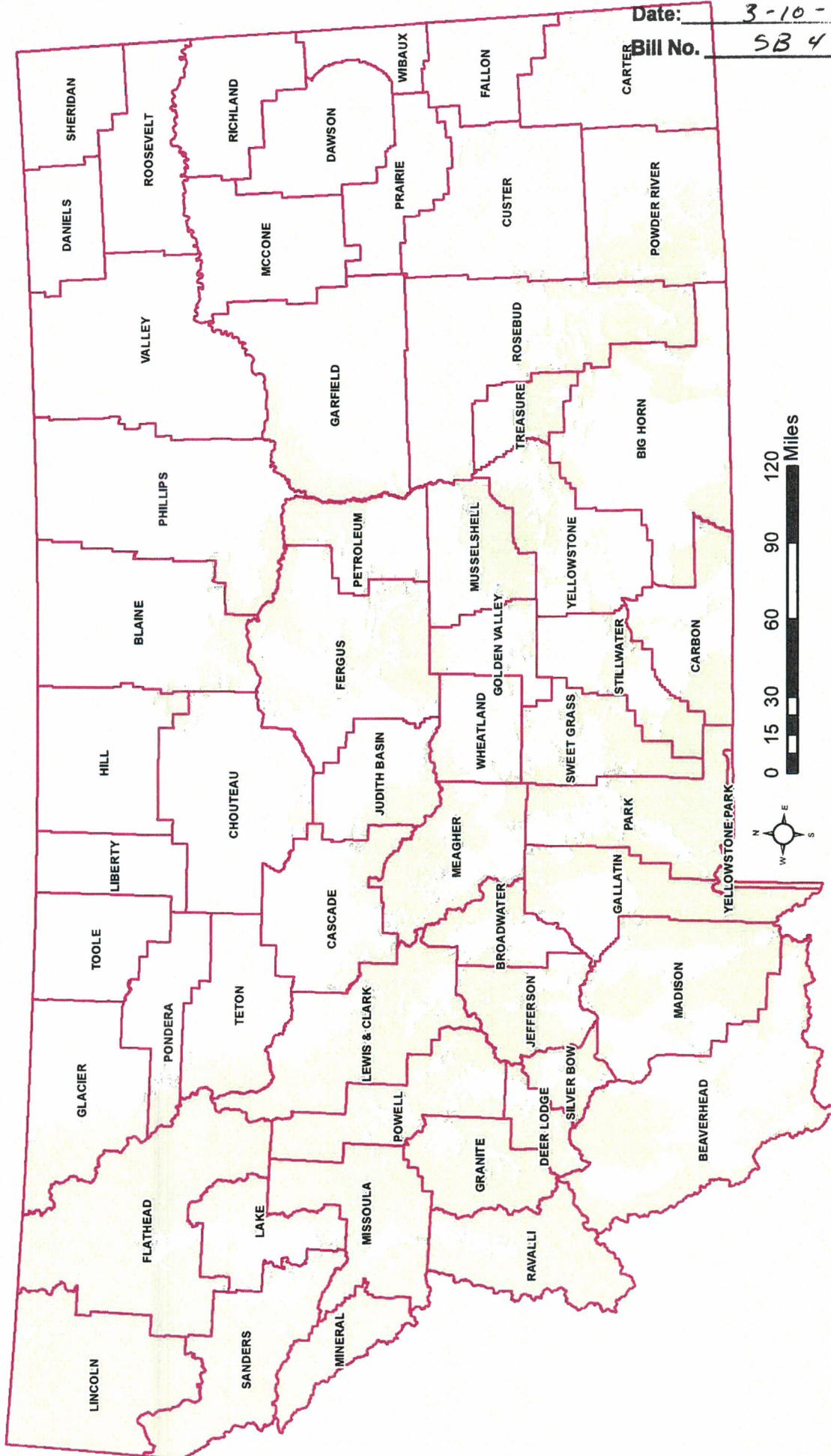
# MT DNRC CLASSIFIED FOREST LANDS

## Senate Bill 47



Date: 3-10-15

Bill No. SB 47



**Legend**  
Classified Forest Land  
FOREST - 33,992,409.75 Acres