

HOUSE BILL NO. 119

INTRODUCED BY B. LER

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA CATTLE COMMITTEE; ESTABLISHING MEMBERSHIP REQUIREMENTS; ESTABLISHING COMMITTEE DUTIES; PROVIDING FOR A CATTLE ASSESSMENT; PROVIDING FOR A CATTLE ASSESSMENT REFERENDUM FOR CATTLE SELLERS; CREATING A CATTLE SPECIAL REVENUE ACCOUNT; PROVIDING A STATUTORY APPROPRIATION; PROVIDING RULEMAKING AUTHORITY; PROVIDING DEFINITIONS; AMENDING SECTIONS 2-18-103, 17-7-502, AND 81-1-102, MCA; PROVIDING FOR CONTINGENT VOIDNESS; AND PROVIDING EFFECTIVE DATES."

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

NEW SECTION. Section 1. Montana cattle committee. (1) There is a Montana cattle committee.

(2) The committee consists of ~~seven~~eleven members.

(3) A list of nominees for appointment may be submitted to the governor by the Montana stockgrowers association, the Montana cattlemen's association, the Montana association of livestock auction markets, Montana cattlemen, the Montana beef council, the Montana farm bureau federation, the intertribal agriculture council, Montana meat processors, the Montana cattle feeders association, and the Montana farmers union. Names of nominees must be publicly submitted at least 90 days before the expiration of a committee member's term.

(4) (a) Except as provided in subsection (4)(b), the appointed members serve staggered terms of 3 years. A member may not serve more than three consecutive 3-year terms.

(b) The initial appointments are as follows: ~~two~~three members for 1-year terms, ~~two~~four members for 2-year terms, and ~~three~~four members for 3-year terms.

(5) The governor shall appoint ~~members~~a member from each association's nominated list and one at-large member from the individuals nominated as provided in subsection (3). If too few individuals are nominated to fill the available positions, the governor may appoint a Montana resident who is a cattle producer,

1 as defined in [section 3].

2 (6) Each appointed member must be a resident of Montana and be a cattle producer in the state.

3 (7) A member may be removed by the governor, after a full public hearing before the governor, for
4 malfeasance, misfeasance, or neglect of duty. Removal proceedings may not be stated except upon duly
5 verified written charges. The member must be given a copy of the written charges at least 10 days in advance
6 of the hearing. At the hearing, the member may be represented by an attorney and may present witnesses on
7 the member's behalf.

8 (8) A member who ceases to reside in the state or who ceases to be a Montana cattle producer is
9 disqualified from membership, and the office becomes vacant. If the member refuses to recognize the
10 member's disqualification, the refusal is cause for removal from the committee.

11 (9) The committee is allocated to the department of livestock for administrative purposes only as
12 provided in 2-15-121.

13

14 **NEW SECTION. Section 2. Purpose.** The legislature finds and declares that:

15 (1) the production of cattle constitutes a paramount industry in Montana that brings substantial
16 revenue to the state and provides consumers with local and nutritious beef;

17 (2) the production of cattle and beef provides a viable living for many Montanans and serves as
18 the economic foundation of many communities;

19 (3) the stabilization, maintenance, and expansion of markets for Montana cattle is necessary in
20 order to provide consumers with an adequate supply of high-quality beef;

21 (4) the committee form of administration is uniquely situated to provide those engaged in the
22 production of cattle with the opportunity to avail themselves of the benefits of collective action in advertising,
23 promotion, food safety production research, nutrition, marketing research, the collection and dissemination of
24 production and related statistics, and public education; and

25 (5) enabling the committee to formulate and effectuate research, promotion, and educational
26 programs designed to enhance the Montana cattle industry will create a favorable environment for Montana
27 cattle producers to operate and improve their competitiveness in both the domestic and international
28 marketplaces.

1

2 **NEW SECTION. Section 3. Definitions.** As used in [sections 2 through 16], unless the context
3 clearly indicates otherwise, the following definitions apply:

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

5 (2) "Cattle producer" means a person who owns cattle in their own name or is an owner or
6 beneficiary of a business entity or trust that owns cattle in the state.

7 (3) "Cattle seller" means a person or entity that sells cattle. The term includes a person,
8 partnership, association, corporation, cooperative, trust, joint tenancy, tenants in common, and all other
9 business units, devices, and arrangements.

10 (4) "Collecting person" means a person who is responsible for collecting and remitting a cattle
11 assessment pursuant to [section 12].

12 (5) "Committee" means the Montana cattle committee provided for in [section 1].

13 (6) "Department" means the department of livestock provided for in 2-15-3101.

14 (7) "Montana cattle" means any cattle that have been physically located inside the boundary of the
15 state for the past 30 days.

16
17 **NEW SECTION. Section 4. Compensation -- per diem.** Members of the committee may not receive
18 a salary but are entitled to compensation as provided in 2-15-122 for each day they are engaged in the
19 transaction of official business. Members must be reimbursed for travel expenses, as provided in 2-18-501
20 through 2-18-503, incurred while on official business.

21
22 **NEW SECTION. Section 5. Election of officers -- time of meetings -- quorum.** (1) The members of
23 the committee shall annually elect a chairperson and a vice chairperson from among the committee
24 membership. The chairperson and vice chairperson shall each serve a 1-year term.

25 (2) The committee shall meet at least once a year and at other times as called by the chairperson
26 or by any three members of the committee.

27 (3) ~~Four~~Six members of the committee constitute a quorum for the transaction of all business,
28 including the election of officers.

1

2 NEW SECTION. Section 6. Powers of committee. (1) The committee may:

3 (a) adopt rules and orders necessary for the administration of [sections 2 through 16] for the
4 exercise of its powers and the performance of its duties, in accordance with the Montana Administrative
5 Procedure Act;

6 (b) provide, through the department, for the enforcement of [sections 2 through 16];

7 (c) employ a person to serve as the executive director at the pleasure of the committee;

8 (d) retain additional staff to discharge the duties outlined in [sections 2 through 16];

9 (e) enter into contracts in the name of the committee to carry out the purposes of [sections 2
10 through 16];

11 (f) plan and conduct research programs to improve and benefit Montana's cattle industry;

12 (g) plan and conduct publicity and marketing promotion campaigns to increase the demand for
13 cattle and enter into publicity and sales promotion contracts and other agreements as necessary;

14 (h) cooperate with any local, ~~or state, or national organization or~~ agency engaged in similar work or
15 activities to carry out joint campaigns of research, education, product promotion, publicity, and reciprocal
16 enforcement of the objections of [sections 2 through 16];

17 (i) accept grants, donations, and gifts from any source for expenditure for any purpose consistent
18 with [sections 2 through 16], including a purpose specified as a condition of a grant, donation, or gift;

19 (j) establish and maintain the executive offices of the committee at any location in the state;

20 (k) authorize the purchase of equipment or supplies and incur all other reasonable and necessary
21 expenses and obligations required to carry out the provisions of [sections 2 through 16]; and

22 (l) become a member of and purchase membership in trade organizations and subscribe to and
23 purchase trade bulletins, journals, and other trade publications.

24 (2) The committee has final authority on the use and distribution of money from the cattle special
25 revenue account provided for in [section 10].

26

27 NEW SECTION. Section 7. Administrative costs. (1) The committee may be assessed costs by the
28 department for the services it provides, including but not limited to personal service costs, operating costs,

1 use by the committee for the purposes of [sections 2 through 16]. Expenditures for administrative costs allowed
2 under [section 6] must be made from temporary appropriations, as described in 17-7-501, made for that
3 purpose.

4 (5) The department may direct the board of investments established in 2-15-1808 to invest funds
5 from the account pursuant to the provisions of the unified investment program for state funds. The income from
6 the investments must be credited to the cattle special revenue account.

7
8 **NEW SECTION. Section 11. Cattle assessment referendum.** (1) By June 30, 2027, the department
9 shall conduct one or more referendums on the cattle assessment provided for in [section 12] based on rules
10 established by the committee.

11 (2) The department ~~may use funds in the cattle special revenue account provided for in [section~~
12 ~~10] to pay shall use funds that have been raised by the committee~~ for administering the cattle assessment
13 referendum as provided under this section and for future cattle assessment adjustment referendums as
14 provided in [section 14], if any.

15 (3) (a) ~~Any cattle seller who certifies by affidavit that they sold cattle in the state during a 2-year~~
16 ~~time period specified by the board is eligible to vote in any referendum conducted under this section. A ballot will~~
17 ~~be mailed to each of the cattle sellers that paid a per capita fee in 2024.~~

18 (b) (i) Each authorized cattle seller is entitled to cast only one ballot in a referendum.

19 (ii) A group of individuals that qualify as an eligible cattle seller is entitled to only one vote in a
20 referendum.

21 (iii) An individual representing a cattle seller shall provide certification, as determined by the
22 department, that the individual is authorized to vote on behalf of the cattle seller they represent.

23 (c) Cattle sellers younger than 18 years of age must provide a parent or guardian's co-signature
24 on their ballot.

25 (4) Passage of a referendum requires ~~a majority vote~~ an affirmative vote by the majority of the
26 cattle sellers who paid a per capita fee in 2024.

27 (5) (i) The department shall tabulate the ballots of all eligible cattle sellers, verified by the
28 department, and shall notify the committee of the results of the referendum.

(ii) The results of the referendum must be made available to the public immediately after the ballots have been counted and any verifications for accuracy have been completed.

NEW SECTION. Section 12. Cattle assessment -- collection. (1) There is an assessment of \$1 for each head of Montana cattle sold, regardless of age, that must be paid by the cattle seller on each sale of Montana cattle. Failure of the collecting person to collect the assessment on each head of cattle sold as designated in [sections 2 through 16] does not relieve the seller of their obligation to pay the assessment.

(2) This section does not apply to:

(a) cattle originating outside the state of Montana that are transported inside the boundary of the state to be sold or slaughtered within 30 days; or

(b) cattle resold within 10 days of purchase. Proof of a paid cattle assessment made pursuant to subsection (1) must be provided by the cattle seller.

(3) The department shall collect the assessment and deposit the revenue in the cattle special revenue account provided for in [section 10].

(4) The department may enter into a contract for collection on behalf of the committee.

(5) The department may collect the assessment in a similar process and timeline as its existing contract with the Montana beef council, created under 81-8-901, for the collection of an assessment established by the federal Beef Promotion and Research Act of 1985, 7 USC 2901 through 2911, also referred to as the national beef checkoff, and 7 CFR, part 1260, subpart A.

NEW SECTION. Section 13. Refund of cattle assessment. (1) (a) A cattle seller who has paid a cattle assessment to the department as provided in [section 12] may request that the department refund all or a portion of the cattle assessment levied under the rules of the committee.

(b) (i) A cattle seller who qualifies for a refund as provided in this section must submit a refund request in writing on an application form that is available from the department without cost to all sellers who pay the cattle assessment.

(ii) The cattle seller shall complete the application form provided by the department and return it to the department once each year, with a copy of payment documentation, ~~within 45 days after the date of the~~

1 sale.

2 (iii) If a refund request is not submitted to the department within the prescribed time period, the
3 cattle seller is presumed to have agreed to pay the assessment.

4 (2) (i) If a written request is submitted as provided for in subsection (1)(b)(ii), the department shall
5 refund to the cattle seller the cattle assessment due under [section 12] from the cattle special revenue account
6 provided for in [section 10] within 90 days.

7 (ii) The department may not impose conditions when issuing a refund pursuant to [sections 2
8 through 16].

9 (3) A cattle seller is not entitled to a refund under this section unless the refundable amount is \$5
10 or more.

11
12 **NEW SECTION. Section 14. Cattle assessment adjustment -- referendum.** (1) (a) Cattle sellers
13 may petition the department for a referendum to repeal or change the cattle assessment amount with a petition
14 collecting the signatures of at least 10% of cattle sellers who have paid or requested a refund in the current or
15 previous calendar year the assessment collected under [section 12].

16 (b) The petition process must be completed within 1 year of the date of filing the petition with the
17 department.

18 (2) All referendums must be conducted in accordance with [section 11(2) through (5)].
19

20 **NEW SECTION. Section 15. Penalty for nonpayment.** A cattle seller who fails to pay the cattle
21 assessment pursuant to [sections 2 through 16] is subject to a penalty of 5% of the amount of the assessment
22 determined to be due, as provided in [sections 2 through 16], plus 1% of that amount for each month of delay or
23 the fraction of that amount after the expiration of the month after the assessment became due. The penalty
24 must be paid to the department and disposed of as provided in [section 10].
25

26 **NEW SECTION. Section 16. Penalty for violation.** In addition to the penalty specified in [section
27 15], a person who violates or aids in a violation of any provisions of [sections 2 through 16] or any rules or
28 orders of the department adopted under [sections 12 through 16], upon conviction, is punishable by a fine not to