

Proposed 2011 Session Legislation

Agency Name & No: Agriculture - 62010

Priority Number: 001 Filename: 30-001

Short Title: Provide Alternative Commodity Dealer Deficit Bonding

Agency Contact Person/Phone: Cort Jensen 444-5402

1. Purpose:

Allow a commodity dealer who would otherwise have to deficit bond to alternatively bond for the amount they plan to buy.

2. Background:

The current commodity dealer law requires a commodity dealer without adequate corporate equity to deficit bond - which can sometimes run into the millions - even if the company plans to buy only a few hundred thousand dollars worth of commodities in Montana. Montana businesses would benefit from an alternative option that allows total coverage bonding which would cover the potential Montana liabilities of the company. Alternative bonding creates a more business-friendly environment for existing and new companies.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

None

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only Federal Requirement Audit Recommendation (Audit No.) Major Legislation
- Anticipated to be Controversial Legislation Bill Draft has been included in Legislation Submittal (if available)
- Supports Submitted EPP Item Number Local Government Fiscal Impact
- Increases FTE, or Decreases FTE by List FTE amount and program
- Increases Existing Revenue Tax Fee Penalty [amount in #3]
- Decreases Existing Revenue Tax Fee Penalty [amount in #3]
- Establishes New Revenue Tax Fee Penalty [amount in #3]
- Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):
- Legislation would affect other state agencies (list):
- Special Interest Groups Affected (list):
- Other: