



Legislative Background Brief

for the
Economic Affairs Interim Committee

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Horse Theft and Montana's Per Capita Fee Charges

by Pat Murdo, Legislative Research Analyst

At the Economic Affairs Committee's January meeting the Department of Livestock provided information on brand inspections and the need for transportation permits when livestock is moved across county lines. The questions specifically involved horse movements. The committee took no action on the information but asked for more information on horse theft, which was one reason given for enforcement of brand inspection laws. Ensuing information from the Department of Livestock generated more questions, provided below.

How severe a problem is horse theft in Montana?

Christian Mackay, executive officer for the Department of Livestock, reported in an email to Rep. Greg Hertz that there had been perhaps 6 cases in the past 10 years. He noted that the small number may be due, in part, to the value of horses and the deterrence factor provided by brand inspections and enforcement capability.

What benefits do horse brand inspections provide?

Christian Mackay in the email to Rep. Hertz noted that horse inspections provide tracking capability if there is a disease outbreak and proof of title for sale.

Does the Department of Livestock record the transportation permits in paper or electronic form? How long are the permits kept?

The Department receives transportation permits on paper then makes electronic records into a database. The annual permits are kept for 20 years. Lifetime permits are kept for 30 years, according to the Department.

How are brand/stock inspectors paid?

The brand/stock inspectors who are full-time employees of the Department of Livestock are paid through a per capita fee and a brand inspection fee levied on all livestock in Montana. Livestock is defined in 15-24-921 as "cattle, sheep, swine, poultry, bees, goats, horses, mules, asses, llamas, alpacas, domestic bison, ostriches, rheas, emus, and domestic ungulates. See Table 1 for the fees for each group. The Board of Livestock routinely sets those fees at its September board meeting.

How much money does the per capita fee bring in?

As of May 2014 per capita fees had generated \$4,538,413. The [Fiscal Report](#) (p. C-103) prepared by the Legislative Fiscal Division after passage of the state budget indicated that the Per Capita Fund will be structurally imbalanced in the

near future unless there are continued reductions in expenditures or fees are raised.

What does the per capita fee fund?

Basically the per capita fee funds about 40% of Department of Livestock operations, including central services, brand enforcement, animal health, and the Diagnostic Veterinary Laboratory. See Table 2.

Table 1: Per Capita Fees by Type of Livestock

Cattle	\$2.10	Bees	\$0.37
Sheep and Goats	\$0.47	Domesticated Bison	\$5.77
Horses and Mules	\$5.29	Llamas and Alpacas	\$8.81
Swine	\$0.68	Flightless birds (emus, etc.)	\$8.81
Poultry	\$0.05	Domestic Ungulates	\$23.83

How are bees (and the other livestock) counted?

All reporting for per capita fees is self-reporting by the owners or their agents. Bees are counted by the hive.

A funding system based on self-reporting seems inherently risky. What options are there to improve the self-reporting option?

Currently this reporting is on forms that go to the Department of Revenue. DOR, however, wants out of the collection business for fees, since it deals with taxes. The Board of Livestock has not yet acted on the proposed management change, which is projected to require the Department of Livestock to hire more staff although the Department of Livestock also would no longer be subject to the Department of Revenue retaining 2% of collections as provided in 15-24-925, MCA, for their service of collecting fees.

Table 2: Selected Overview of FY 2015 Biennium Budget for Department of Livestock

	General Fund	State Special Revenue	Federal Special Revenue
Department Total	\$3,005,558	\$16,756,891	\$2,787,447
Of which the State Special Revenue attributed to the Per Capita Fund goes to:			
Central Services		\$2,496,956	
Diagnostic Vet. Lab.		\$1,278,613	
Animal Health		\$1,299,735	
Brand Enforcement		\$3,168,953	

Who are brand/stock inspectors in Montana?

The Department appoints stock inspectors as well as detectives and designates which are considered law enforcement officers. Inspectors and detectives must pass an examination approved by the board. An inspector and a detective may be a full-time employee, a part-time employee, or what is called a deputy state stock inspector. These deputies function as the equivalent of an independent contractor who receives expenses from the owners and, as provided in 81-3-205, MCA, the inspection fee levied by the department. The department determines compensation, as provided in 81-1-203, MCA. The statute does not say that the compensation must be set by rule. Each inspector and detective works in an assigned district. (Districts are listed in the next question.) A check of the website listing stock inspectors in early May 2014 showed a total of 478 in 18 districts. Not all of these were full-time employees. (See below)

As provided in 81-3-201, MCA, deputy state stock inspectors do not receive a salary or compensation from the department. However, all inspectors are to receive their necessary actual expenses, which are to be paid by the person for whom the inspection service is done as provided in 81-3-205, MCA. Inspectors who are state employees collect the fees and forward

Only specially qualified deputy stock inspectors may issue permanent transportation permits. One of the concerns raised by rural stock owners is that stock inspectors who are part-time may be difficult to track down in a timely fashion and may not be able to write a permanent permit.

How many districts and brand/stock inspectors are there in Montana?

The districts (numbering is as provided by the Department of Livestock) account for all Montana counties. See Table 3, which also shows the number of inspectors and permit writers in each county. Permit writers presumably are the deputy state stock inspectors.

Department data lists:

District investigators	18	Part-time market inspectors	9
Area supervisors	3	Vacant part-time market	
Full-time market inspectors	23	inspector positions	5
Deputy stock inspectors	509		

Some stock inspectors and permit writers are in the Sheriff's Offices in certain counties. In response to a question of whether the Sheriff's Office personnel are receiving salaries from the Sheriff's Department as well as inspection fees, Christian Mackay wrote in a May 9, 2014, email:

"As far as sheriff deputies, counties handle it in various ways. If inspecting while on duty, some departments don't charge a fee. Some departments collect a fee and put it into the office pool for their own use. Some departments don't have inspectors. That is up to the sheriff to manage, we don't get involved with that. We're just happy to have the local inspectors!"

Table 3: Districts & number of stock inspectors/permit writers in Montana

	Counties	Stock Inspectors*	Permit Writers
District 5 no Brand Offices in district 28	Glacier 14	3 Babb 4 Browning 4 Cut Bank 1 East Glacier 1 Heart Butte 1 Kevin	2 Cut Bank (1 being Sheriff's Office) 1 Browning
	Liberty 4	2 Chester 1 Ledger 1 Whitlash	none
	Pondera 5	1 Brady 1 Conrad 1 Dupuyer 2 Valier	1 Valier (listed as Conoco station)
	Toole 5	1 Ethbridge 1 Ledger 1 Shelby 2 Sweetgrass	1 Galata (listed as Frazier's Oil Inc.)
District 6 Brand office at Billings Livestock Commission and Public Auction Yards 20	Big Horn 12	1 Big Horn 3 Busby 2 Hardin 2 Lame Deer 2 Lodge Grass 1 Fort Smith 1 Wyola	2 Hardin (1 is Sheriff's Office, other is Business) 1 Big Horn (Cafe) 1 Busby 1 Lame Deer 1 Pryor
	Yellowstone 8	1 Ballantine 3 Billings (1 is Brand Office) 1 Broadview 2 Custer 1 Huntley	1 Custer
District 7 Brand Office - Glasgow Stockyards	Daniels 8	3 Flaxville 3 Peerless 1 Scobey 1 Wolf Point	1 Peerless 1 Scobey
District 7 (map shows Daniels as being separate but listed with others as District 7) 42	Valley 13	1 Frazier 6 Glasgow (1 is Brand Office) 2 Hinsdale 3 Opheim 1 Saco	1 Glasgow (motel and tackle shop) 1 Hinsdale (quick stop) 1 Richland (Pro Co-Op)
	Roosevelt 11	2 Bainville 1 Froid 1 Medicine Lake 1 Poplar 1 Sidney 5 Wolf Point	1 Culbertson (listed as Val-Am Convenience Store) 3 Wolf Point (1 listed as Agland Co-Op)

	Sheridan 10	2 Dagmar 1 Outlook 2 Plentywood 2 Redstone 3 Westby	2 listed, but same name: Plentywood Veterinary Clinic
District 8 no Brand Offices in district 24	Garfield 7	1 Brusett 1 Cohagen 5 Jordan (1 is Sheriff's Office)	1 Cohagen 2 Miles City 1 Sand Springs
	Rosebud 14	1 Ashland 11 Forsyth (1 is Sheriff's Office) 1 Miles City 1 Sumatra	1 Angela 1 Ingomar 3 Rosebud 1 Sumatra
	Treasure 3	3 Hysham	None
District 9 Brand Office - Beaverhead Livestock Auction 22	Beaverhead 17	5 Dillon (1 is Brand Office) 2 Jackson 2 Lima 1 Melrose 4 Wisdom 3 Wise River	1 Dell (Mercantile) 2 Dillon (1 is Sheriff's Office) 1 Wise River (Mercantile) 1 Wisdom (Market)
	Madison (part) 5	1 Alder 2 Sheridan 2 Twin Bridges	2 Silver Star (1 is Store) 4 Twin Bridges (2 are businesses)
District 10 Brand Office in Missoula at Missoula Livestock Exchange 27	Lake (part) 2	1 Arlee 1 St. Ignatius	3 Arlee (2 Businesses)
	Mineral 2	1 St. Regis 1 Superior	1 Alberton (Grocery) 1 Superior (Sheriff's Office)
	Missoula 13	1 Bonner 1 Clinton 1 Condon 1 Frenchtown 2 Huson 3 Missoula (1 is Brand Office) 2 Potomac 2 Seeley Lake	1 Greenough (Business) 1 Missoula
	Ravalli 4	1 Corvallis 1 Hamilton 1 Stevensville 1 Victor	1 Corvallis 1 Darby 1 Florence (Business) 1 Stevensville (Business)

	Sanders (part) 6	1 Noxon 2 Plains 1 Stevensville 1 Thompson Falls 1 Trout Creek	2 Plains (1 Business) 1 Thompson Falls (1 is Sheriff's Office)
District 11 no Brand Offices in district 22	Golden Valley 4	2 Lavina 2 Ryegate	1 Ryegate (Sheriff's Office) 1 Lavina
	Meagher 6	1 Martinsdale 2 Ringling 3 White Sulphur Springs	1 Ringling (Bar) 1 Martinsdale 1 White Sulphur Springs (Sheriff's Office)
	Musselshell 6	1 Melstone 1 Musselshell 4 Roundup	1 Roundup (Sheriff's Office)
	Wheatland 6	3 Harlowton 1 Judith Gap 1 Melville 1 Shawmut	2 Harlowton (1 is Sheriff's Office) 1 Judith Gap (Oil) 1 Shawmut (Business)
District 12 Brand Office is in Three Forks at Headwaters Livestock Auction 23	Broadwater 6	2 Three Forks (1 is Brand Office) 3 Townsend 1 Winston	1 Toston (Bar) 1 Townsend (Sheriff's Office)
	Gallatin 6	2 Belgrade 1 Bozeman 1 Manhattan 1 Three Forks 1 West Yellowstone	1 Belgrade (Business) 3 Bozeman (1 Sheriff's Office, 2 Businesses) 2 Manhattan (Businesses)
	Madison (part) 5	2 Ennis 2 Harrison 1 McAllister	1 Ennis (Business) 1 Harrison (Business) 1 Norris (Business)
	Park 6	1 Clyde Park 1 Emigrant 3 Livingston 1 Wilsall	1 Clyde Park 1 Livingston (Business) 1 Springdale 1 Wilsall
District 13 Brand Office is in Lewistown at Lewistown Livestock Auction 26	Fergus 15	1 Denton 3 Grass Range 1 Hilger 1 Hobson 4 Lewistown (1 is Brand Office) 2 Roy 2 Winifred 1 Winnett	1 Buffalo 1 Grass Range (Merc) 1 Moore 1 Roy

	Judith Basin 9	1 Buffalo 1 Geyser 3 Hobson 1 Moccasin 1 Raynesford 2 Stanford	1 Geyser (Elevator) 1 Stanford (Sheriff's Office)
	Petroleum 2	2 Winnett	2 Winnett (Businesses)
District 14 Brand Office is in Vaughn at Western Livestock Auction 34	Cascade 16	4 Belt 4 Cascade 1 Fairfield 3 Great Falls 1 Simms 1 Sun River 2 Vaughn (1 is Brand Office)	None
	Lewis & Clark (part) 2	1 Augusta 1 Wolf Creek	2 Wolf Creek
	Teton 16	3 Augusta 6 Choteau (1 is Sheriff's Office) 1 Dutton 4 Fairfield 2 Power	1 Dutton (Co-Op) 2 Fairfield (1 is Co-Op) 1 Power (Co-Op)
District 15 Brand Office in Kalispell 20	Flathead 4	2 Kalispell 1 Columbia Falls 1 Somers	None
	Lake (part) 7	3 Ronan 1 Polson 1 Charlo 1 Bigfork 1 Elmo	1 Moiese
	Lincoln 7	2 Libby 3 Eureka 1 Troy 1 Fortine	none
	Sanders (part) 2	1 Hot Springs 1 Lonepine	none
District 16 Brand Office is in Chinook at Bear Paw Livestock Commission	Blaine 13	8 Chinook (1 is Brand Office, 1 is Sheriff's Office) 1 Dodson 1 Harlem 2 Havre 1 Lloyd	1 Chinook (Sheriff's Office) 2 Harlem (1 is City Office) 2 Hayes

	Hill 9	1 Big Sandy 1 Box Elder 4 Havre 1 Inverness 1 Kremlin 1 Rudyard	3 Box Elder (1 Business) 2 Havre (Businesses) 1 Rudyard
	Phillips 21	1 Havre 1 Loring 10 Malta 2 Saco 2 Turner 4 Whitewater 1 Zortman	3 Dodson (1 Business) 3 Malta (1 is Sheriff's Office, 1 is Business) 2 Saco (Businesses) 1 Whitewater
District 17 no Brand Offices in district 25	Carter 12	1 Capitol 9 Ekalaka 1 Helena 1 Hammond	None
	Fallon 8	5 Baker 1 Belle Fourche 1 Ismay 1 Plevna	None
	Wibaux 5	5 Wibaux (1 is Sheriff's Office)	None
District 18 Brand Offices at Glendive Stockyards and Sidney Livestock Market Center 20	Dawson 7	5 Glendive (1 is Sheriff's Office, 1 is Brand Office) 1 Lambert 1 Richey	1 Lindsay
	McCone 8	1 Brockway 5 Cirlice 1 Fort Peck 1 Vida	None
	Richland 4	3 Sidney (1 is Brand Office) 1 Poplar	1 Savage
	Wibaux 1	1 Wibaux	None
District 19 Brand Office at Miles City Livestock Commission 16	Custer 10	2 Ismay 1 Kinsey 5 Miles City (1 is Brand Office) 1 Powderville 1 Volborg	1 Ismay
	Prairie 6	1 Brockway 5 Terry (1 is Sheriff's Office)	1 Ismay 1 Mildred

District 21 no Brand Offices in district 42	Carter 12	4 Alzada 2 Boyes 1 Camp Creek 1 Capital 3 Hammond 1 Spearfish	None
	Powder River 24	1 Alzada 4 Ashland 1 Belle Creek 1 Biddle 1 Boyes 7 Broadus 1 Olive 2 Otter 1 Powderville 5 Volborg	None
	Rosebud (part) 6	1 Ashland 1 Broadus 1 Hysham 1 Lane Deer 1 Otter 1 Sheridan	None
District 25 Brand Office is in Ramsay at Montana Livestock Co. 31	Deer Lodge 1	1 Opportunity	1 Warm Springs
	Granite 5	3 Drummond 1 Hall 1 Phillipsburg	1 Drummond 1 Hall 2 Phillipsburg (1 is Sheriff's Office)
	Jefferson 8	3 Boulder 1 Butte 1 Cardwell 1 Clancy 1 East Helena 1 Whitehall	1 Boulder (Sheriff's Office) 1 Cardwell (Store) 1 Clancy 2 Jefferson City 3 Whitehall
	Lewis & Clark (part) 7	1 Canyon Creek 3 Helena 1 Lincoln 1 Ovando 1 Wolf Creek	1 Canyon Creek (Store) 1 Craig (Bar) 3 Helena (2 Businesses) 1 Lincoln 2 Wolf Creek (1 is Bowman's Corner)
	Powell 7	1 Avon 2 Deer Lodge 1 Gold Creek 1 Helmville 2 Ovando	2 Avon (1 is Cafe; 1 is Post Office) 3 Deer Lodge (1 is Sheriff's Office, 1 is Business) 1 Helmville 2 Ovando
	Silver Bow 3	1 Ramsay (Brand Office) 1 Butte 1 Melrose	None

District 28 no Brand Offices in district 13	Choteau 13	3 Big Sandy 3 Carter 1 Fort Benton 2 Geraldine 2 Highwood 1 Shonkin 1 Square Butte	1 Floweree 1 Fort Benton (Business) 1 Geraldine
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*If husbands and wives are under the same listing, they are recorded as "one" except in one case where the husband was listed with the wife under one box and the husband's name was listed separately in another box. That counted as 2.

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