

## **Kalispell Chamber of Commerce**

### **Second Quarter 2016 Montana Government Affairs Report – July 18, 2016**

Cleveland is buzzing this week as the Republican's kick off the National Republican Convention, while the Democrats will convene in Philadelphia next week for the National Democratic Convention. Stateside, the Governor's race is drawing a lot of attention, along with other statewide campaigns for Attorney General, Office of Public Instruction, State Auditor and Secretary of State. State legislators have also been raising money and educating voters on key issues facing Montana in the upcoming 2017 Legislature including infrastructure, healthcare, education and the economy.

Legislative interim committees, hold over Senators and candidates without a primary election have requested over 200 bill draft requests for consideration by the 2017 Montana Legislature.

**Legislative Council** has set the dates for the legislative caucuses for Monday, November 14, 2016; training and legislator orientation will be Monday – Wednesday of that same week and budget training will be on December 8. Legislative Council will meet on August 24-25 in Helena along with a Rules Subcommittee meeting. **(Bob Keenan)**

**The Children, Families, Health and Human Services** interim committee has recommended a number of committee bills related to its interim studies on guardianship and Alzheimer's disease, investments in mental health, and children's mental health outcomes. LC 5 will create a grant program for training people to volunteer as respite caregivers and appropriate \$240,000 to organizations that provide training. At the August 25-26 meeting, the committee will take final action on a number of other bill drafts including: LC2 to adopt legislation on financial exploitation of vulnerable people; LC4 to appropriate \$1.5 million to the states area agencies on aging; LC 6 to add 200 home and community based waiver slots for home and assisted living care; LC 7 to create a guardianship stakeholders group to fund public guardianship efforts; and LC8 to require guardians to report financial exploitation. CFHHS agreed not to advance LC3 to appropriate money to a nonprofit group to facilitate providing services for people with Alzheimer's or dementia. Finally, the committee approved LC12 to require Medicaid to reimburse clinical pharmacist practitioners for managing drug therapy. Members noted that bringing pharmacists into the treatment team may improve outcomes.

In other news, CFHHS heard from Director Opper that enrollment in the expanded Medicaid program is steady at 47,000. The state will be providing Medicaid coverage to people in most of Montana's prerelease centers and will be covering group prenatal care as a way to encourage better birth outcomes. **(Al Olszewski)**

**Economic Affairs** will gather for its final meeting on August 30-31 in Helena to receive a final report on the air ambulance working group, and consider committee bill proposals to set a trigger for reports on business and industrial development corporations; modify interim committee duties on advisory councils; and authorize two Department of Commerce bills related to the Board of Horseracing and the Board of Housing.

**Energy and Telecommunications** interim committee had a two-day meeting this month to wrap up recommendations on net metering as part of the Senate Joint Resolution 12. Utilities presented an updated framework for net metering in Montana focused on interconnection standards and rules, practices for consumer generators and developing a cost-benefit analysis. The primary focus

of the meeting was a discussion on Colstrip's future with owners Talen Energy and Puget Sound Energy given the recent settlement with MEIC and the Sierra Club to close units 1 and 2 by 2022 or sooner.

ETIC heard legislative proposals from the Montana Public Service Commission (PSC) to increase fines for public utilities, repeal property tax tracker, repeal community renewable energy projects (CREP) requirements and deregulate passenger transportation service. ETIC voted to support the proposal to repeal CREP requirements but did not support the other PSC proposals. Finally, the committee discussed a legislative proposal to adopt legislation concerning Next Generation 9-1-1 at its final meeting in September. **(Keith Regier)**

**Education and Local Government** and a **School Funding Interim Commission** are wrapping up assigned studies and ELG will have its final meeting on September 8-9. At its June 22-23 meeting, ELG heard discussion from the MT University System on community colleges and teacher training, in addition to receiving an overview of the 2015 Legislature's \$15 million Research Initiative. In addition, ELG heard from the Office of Public Instruction on the development of ESSA State Plan and the agencies six legislative proposals. The final School Funding Interim Commission meeting will be on August 29 when the commission will approve a final report on findings and recommendations regarding school funding.

As part of SJR20, regarding historic right-of-way, the committee discussed strategies to develop consistency between the MT Constitution and the Enabling Act and requiring DNRC to collect the "full market value of the estate or interest disposed of for the historic right-of-way."

**Environmental Quality Council's (EQC)** July meeting focused on DRNC's and FWP's legislative proposals, the impact of decreased natural resource revenues on the agencies budgets, and a number of program updates. EQC heard from the Real Estate Development Bureau that administers leases and sales of state land for the DNRC. A comprehensive report is available on line. FWP provided updates on land exchanges, licensing and its 2015 and Forward planning process. DNRC also shared a real estate management update, fire season update and reviewed its legislative proposals. Finally, a Sage-grouse conservation update provided updates on MSGOT grant applications and its habitat quantification process. **(Ed Lieser)**

The **Legislative Finance Committee** held its quarterly meeting in June and members received an update on the 2019 biennium outlook and budget status. The current 2017 biennium forecasts based on year to date revenues are approximately \$166 million lower than the revenue estimate. If revenue trends continue, the ending fund could be \$191 lower. Pressures on Montana's budget come primarily from increased Medicaid costs, correctional needs and education. In addition, natural resource prices have decreased lowering severance and corporate income taxes. The Legislative Finance committee meets again on September 29-30 for its final meeting before the 2017 session. **(Bob Keenan)**

**Law and Justice** interim committee met on June 28 for an update on the Commission on Sentencing and Task Force on State Public Defender Operations, as well as, to receive presentations from the Departments of Justice and Corrections and Boards of Crime Control and Pardons and Parole and discuss draft legislation. At LJIC's August 22 meeting, it will finalize any proposed legislation and wrap up its SJ24 study of sexual assault. **(Steve Lavin)**

**The Revenue and Transportation** interim committee met on June 9-10 to wrap up work on its nine studies and discuss draft legislation related to its studies, which will be approved at its September 7-8 meeting. RTIC will consider legislation regarding Tax Increment Financing Districts that would provide school district approval before creating a TIF; prohibit TIF fund grants for private projects; better define the ending date of a TIF; amending the definition of “blight”; and require an annual audit of districts using TIF. The committee also requested the drafting of a bill to allow the elderly homeowner/renter credit to be claimed on property not subject to property taxes. A similar bill was considered in 2015. At the request of the Departments of Justice and Transportation, the committee will consider a draft to prohibit the use of highway state special revenue account funds for the state crime lab and motor vehicle division.

RTIC is considering a number of tax proposals and will wrap up its study on the treatment of intangible personal property at its final meeting. A stakeholders group will meet in August and report its findings to RTIC in September. The committee also requested draft legislation on the classification of agricultural property that includes a number of concepts such as removal of the automatic classification for parcels of 160 acres or more and elimination of the nonqualified agricultural property classification.

Finally, RTIC requested draft legislation to provide for primary enforcement of the seatbelt law and to clean up errors contained in the 2-yr property reappraisal bill passed in 2015. **(Mark Blasdel and Greg Hertz)**

**State Administration and Veterans Affairs** met on June 8 in Helena to discuss Veterans suicide prevention, campaign finance changes from a recent court decision, and the issue of personal information ownership. The committee voted to not pursue any legislation related to HJR21 the study of personal information ownership. SAVA also received an update on the public employee retirement system. SAVA’s final meeting will be August 23 in Helena. **(Dee Brown)**

**State-Tribal Relations** met in Helena on July 13-14 to discuss the funding and economic impacts of tribal colleges in relation to MUS units; review data on Indian student achievement; and discuss impacts of SB 410 on reservation schools. In addition, the Department of Health and Human Services presented a strategic plan on Indian suicide prevention techniques. STR will hold its final meeting on August 30-31 in Helena. The committee is taking public comment until August 10 on five potential statutory changes related to tribal colleges and the state’s Indian language immersion program. At its final meeting, STR will take final action on draft legislation on funding tribal colleges and the immersion programs. **(Zak Perry)**

**Water Policy** interim committee met in July to review a draft summary of the committee’s work on issues related to water availability and supply. In addition, WPIC reviewed draft legislation including bills to clarify the threshold for the water commissioner appointments; require educational program for certain water commissioners; clarify the definition of “water right change”; allow applicants for permits or water right changes to ignore analysis of adverse effects for certain water rights; allow a person to appeal a DNRC decision to the Water Court; and define “combined appropriation” for water wells and developed springs that are exempt from permitting. The Committee is requesting public comment on the draft legislation and will finalize any committee bills at its final meeting in Helena on August 29-30.