



**ABS LEGAL**

---

ATTORNEYS AT LAW

---

---

*Mark Baker, Aidan Myhre, Shane Scanlon, Liberty Oldroyd*

# ABS Legal

March 2, 2017

## 2017 Legislative Session Transmittal Report



### Overview

TRANSMITTAL! It's here folks. Over the past 45 days legislators have introduced 981 bills, the lowest amount recorded in the last 16 years. There are approximately 322 bills still active in the House and 156 active in the Senate. The House tabled 150 bills and the Senate tabled 60 and a total of 32 bills are officially dead. The Governor signed 50 bills and vetoed two bills. An additional 23 bills sit on his desk awaiting action. Overall, most legislators are pleased with the standing of the body.

---

## Budget

Legislators are feeling the weight of the state budget on their shoulders. They continue to work toward addressing the budget shortfall while Governor Bullock insists on maintaining a \$300 million rainy day fund. However, it seems increasingly unlikely that the Governor's \$300 million surplus will be met due to the budget shortages. In order to balance the budget, Republicans have proposed cuts to government spending from several areas.

Subcommittees across the board have proposed spending cuts to balance the budget. For instance the general fund budget alone will be experiencing upwards of a \$59 million cut in spending.

Democrats are doing everything in their power to prevent and reverse cuts. Many have stated that their main goal for the second half of the session is to restore funds to education and health and human services. They are also proposing tax increases on tobacco, medicine, wine, and online sales, etc to deal with the budget deficit.

According to the Legislative Fiscal Division, the preliminary results show that the state budget will have a shortfall of \$15.8 million in 2018 only to jump to a \$80 million surplus in 2019. However, these numbers are subject to change depending on incoming tax revenue.

## Infrastructure

Funding for infrastructure is proving to be more difficult as there is just not that much money available. There are really only two ways to pay for infrastructure: a) bonding or b) raising taxes and many Republicans are vehemently opposed to option b).

Speaker of the House Austin Knudsen said, *"Whether you're talking about Colstrip, you're talking about infrastructure, at the end of the day we've got to figure out where we are budget-wise first. We're getting closer to be able to have those discussions about what we can afford and how much of a bonding bill we're going to have. But we've got to figure out what the budget is first."*

The Governor's infrastructure bill, HB 14, consists of a \$292 million infrastructure package which includes \$157 million in bonding. Groups have been trying to break up the bill to include more specific projects to include critical infrastructure needs such as roads, bridges, water and sewer systems. HB 14 passed out of the subcommittee and is now before the House Appropriations Committee for consideration. One of the Governor's main goals this session is to get an infrastructure bill on his desk this session given the failed attempts the previous two sessions.

---

## Taxes, Revenue, Taxes

Revenue bills are not subject to the general transmittal deadline, but have their own deadline set for March 30th. Because of this many revenue bills are still in discussion. The Governor has proposed \$280 million in new or increased taxes. Republican legislative leaders in both the House and Senate are opposed to any new taxes.

The Governor's proposal to double tax on wine, SB 191, was killed by the Senate, the cigarette tax and other "sin taxes" haven't been getting much support from the majority of Republicans and the tax increase on those earning more than \$500,000 hasn't even been drafted yet.

Beyond these revenue bills, HB 473, has been getting the most debate. HB 473 would increase the tax on gas by 8 cents per gallon to fund road projects to keep up with major growth in Montana. This bill, sponsored by Rep. Frank Garner, would raise approximately \$60 million to be used for road projects. Those who oppose this bill argue that it would hurt low income families unfairly. Others argue that no tax increases are needed and the money can be found to fund infrastructure projects.

## Healthcare

Several legislators this session have proposed bills dealing with health care funding, hospital and insurance policies and practices, billing and transparency and air ambulance services. Senator Cary Smith is sponsoring a right to shop act (SB 96). Rep. Greg Hertz is sponsoring a bill requiring hospital price transparency (HB 400), and Rep. Amanda Curtis has a bill that would minimize surprise billing from insurers (HB 123). These as well as many others have been under heavy debate in committees and on the floors of the respective chambers.

Legislative leaders are also considering "saving" legislative days in order to return at a later time this year or next to address any change (repeal and replace) that the federal government may make to the Affordable Care Act, which would also impact state programs like Medicaid.

## Gun Laws

The Governor vetoed two gun law bills earning him heavy criticism from 2nd Amendment supporters. During his campaign, the Governor declared he was an avid supporter for gun rights and many Montanans see these vetoes as a contradiction against his word. Despite these vetoes, the legislature has been considering a variety of other gun related bills. One that received considerable debate would allow the school administration the ability to carry concealed weapons

---

in schools. In a close vote, this bill was shot down in the house. More bills relating to the expansion or restriction of gun laws are debated regularly in committees and in the full House and Senate.

## Legal Reform

Several bills have been receiving legislative action that would change the legal issues in Montana. Greg Hertz has a bill that would revise punitive damage laws for businesses.

Steve Fitzpatrick has a bill that would revise court law to include seatbelt admissibility, however, this did not meet the transmittal deadline and is therefore deemed dead.

Cary Smith is sponsoring a judgements interest bill that would change interest payments in civil cases. These are but a few of the many legal reform bills that have been discussed this session.

## Natural Resources

Natural resources and environmental policy are always topics of debate during the legislative session. So far, many bills this session have been subject to discussion. There are several sage grouse bills including HB 211 sponsored by Bradley Hamlett that would require a population count.

Pipelines have also been under discussion and Senator Daines addressed the Keystone Pipeline issue in his speech to the legislature last Wednesday. He made it clear that according to him, *“You can be pro-energy and pro-environment”*. The Keystone Pipeline has been controversial as it would cut through Native American lands and could be detrimental to the environment.

Another main issue this session has been public lands. Many Montanans have made it clear that they want to keep their public lands public.

Below is the list of bills that have received legislative action that we are specifically watching for the Kalispell Chamber. ABS Legal team will continue to actively to ensure all your legislative needs are met.

Bill#	Bill Title	Sponsor	Status	Position
HB 76	Amend laws related to remittance of tax increment	Greg Hertz	Chapter Number Assigned	Support
HB 232	Revise laws for dual enrollment at community colleges	Kenneth L Holmlund	(H) Signed by Speaker	Support
HB 358	Revise workers' compensation laws pertaining to release of information	Mark Noland	(H) Transmitted to Senate	Support
HB 408	Enhance commercial airline service	Steve Lavin	(H) Tabled in Committee	Support
HB 462	Alcohol licenses for community colleges and MUS units for educational purposes	Frank Garner	(H) Committee Report--Bill Passed as Amended	Support
HJ 7	Interim study on economic impacts of outdoor recreation	Ellie Hill Smith	(S) Referred to Committee	Support
HB 2	General Appropriations Act	Nancy Ballance	(H) Hearing	Monitor
HB 3	Revising expenditures and providing supplemental appropriations	Nancy Ballance	(S) Committee Report--Bill Concurred as Amended	Monitor
HB 4	Appropriations by budget amendment	Nancy Ballance	(H) Referred to Committee	Monitor

HB 5	Long-range building appropriations	Jim Keane	(H) Rereferred to Committee	Monitor
HB 21	Establish benefits and retirement security task force	Jim Keane	(H) Tabled in Committee	Monitor
HB 30	Remove voted levies approved after creation of TIF from tax increment provision	Jeff Essmann	(S) Referred to Committee	Monitor
HB 185	Establish grant program to eliminate tuition for certain postsecondary programs	Shane A Morigeau	(S) Hearing	Monitor
HB 203	Provide supplemental funding to department of transportation	Greg Hertz	(H) Tabled in Committee	Monitor
HB 229	Allowing worker to choose treating physician in workers' compensation cases	Andrea Olsen	(H) Missed Deadline for General Bill Transmittal	Monitor
HB 250	Require county and school district approval for adoption of TIF provision	Bruce Grubbs	(H) Missed Deadline for General Bill Transmittal	Monitor
HB 346	Designate fiscal agent as employer for workers' compensation insurance	Willis Curdy	(S) Hearing	Monitor
HB 359	Limit tax increment financing revenue to local mills	Tom Burnett	(H) Tabled in Committee	Monitor
HB 412	Authorize municipalities to set alternate all-beverages, retail beer quotas	Bruce Grubbs	(H) Tabled in Committee	Monitor
HB 413	Revise laws related to use of tax increment financing	Jeff Essmann	(H) Hearing	Monitor

HB 414	Provide for enhancement of stream access in MDT construction projects	Zach Brown	(H) Missed Deadline for General Bill Transmittal	Monitor
HB 430	Create exception to liquor quota system for residential senior facilities	Adam Hertz	(H) Committee Report--Bill Passed as Amended	Monitor
HB 449	Revise the definition of wages in workers' compensation insurance.	Wylie Galt	(H) Transmitted to Senate	Monitor
HB 455	Review nondegradation rules for subdivisions	Forrest Mandeville	(H) Transmitted to Senate	Monitor
HB 456	Clarify time lines for subdivision review	Forrest Mandeville	(H) Transmitted to Senate	Monitor
HB 539	Limiting carryforward appropriations	Rob Cook	(H) Committee Report--Bill Passed as Amended	Monitor
HB 540	Generally revise laws related to aquatic invasive species	Mark Noland	(H) Hearing	Monitor
HB 549	Create BID/TIF districts beer and wine alcohol license	Derek Skees	(H) Tabled in Committee	Monitor
SB 10	Repeal the refundable income tax credit relief multiple	Mark Blasdel	Chapter Number Assigned	Monitor
SB 25	Generally revise gaming laws	Mark Blasdel	(H) Returned to Senate with Amendments	Monitor
SB 27	Amend TIF laws related to public hearings and reporting	Fred Thomas	(H) Hearing	Monitor
SB 35	Revise laws concerning deposit and expenditure of highway revenue	Brian Hoven	(S) Missed Deadline for General Bill Transmittal	Monitor



SB 57	Clarify highway patrol funding sources and increase certain registration fees	Mark Blasdel	(S) Hearing	Monitor
SB 72	Create presumptive illness for firefighters	Pat Connell	(H) Hearing	Monitor
SB 116	Disallowing workers' compensation benefits for certain false statements	Mark Blasdel	(H) Hearing	Monitor
SB 142	Revise laws related to volunteer emergency personnel and worker's comp insurance	Tom Facey	(H) Committee Report--Bill Concurred	Monitor
SB 159	Revise laws related to community colleges and bonding	Mark Blasdel	(H) Referred to Committee	Monitor
SB 162	Establish regional infrastructure	Keith Regier	(S) Missed Deadline for General Bill Transmittal	Monitor
SB 180	Revise laws regarding taxation of certain airlines	Mike Lang	(S) Hearing	Monitor
SB 184	Revise workers compensation to allow termination of payments due to fraud	Frederick (Eric) Moore	(H) Hearing	Monitor
SB 188	Revise authority to create special districts	Keith Regier	(S) Missed Deadline for General Bill Transmittal	Monitor
SB 189	Revise protest provisions for special districts	Keith Regier	(H) Hearing	Monitor
SB 194	Revise state secondary highway system funding laws	Mike Lang	(S) Missed Deadline for General Bill Transmittal	Monitor
SB 215	Major facility siting act for water bottling plants	Bob Keenan	(S) Hearing	Monitor

SB 218	Revise the apprentice hunter program	Mark Blasdel	(S) Committee Report--Bill Passed as Amended	Monitor
SB 231	Establish Conrad Burns Memorial Highway	Roger Webb	(H) Hearing	Monitor
SB 248	Revise laws regarding exempt wells and family transfer parcels	Mark Blasdel	(H) Hearing	Monitor
SB 252	Revise pass-through entity withholding	Mark Blasdel	(H) Hearing	Monitor
SB 253	Revise pass-through entity withholding	Mark Blasdel	(S) Hearing	Monitor
SB 260	Create school facilities subtrust within coal tax trust fund	Llew Jones	(H) Referred to Committee	Monitor
SB 268	Generally revise transparency in state employee settlement laws	Steve Fitzpatrick	(H) Referred to Committee	Monitor
SB 275	Revise construction industry in workers' compensation premium credit program	Edward Buttrey	(H) Hearing	Monitor
SB 298	Revise workers compensation relating to religious individuals and entities	Ryan Osmundson	(H) Referred to Committee	Monitor
SB 314	Revise off-highway vehicle/recreational vehicle laws	Chas Vincent	(S) Transmitted to House	Monitor
SB 324	Revise property tax exemption laws	Russel (Russ) Tempel	(S) Hearing	Monitor



SB 331	Local option infrastructure investment and property tax relief act	Mike Phillips	(S) Introduced	Monitor
--------	--	---------------	----------------	---------