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Kalispell Chamber

Monthly Legislative Report -- January, 2017

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January is over which means we are 5 weeks into the 90-Day Legislative session. ABS Legal continues to work diligently so that all of your legislative needs are met. Below, the major policy issues are briefly discussed to bring you up to date on the most significant and pressing matters so far.

Budget: Montana is experiencing a cash flow problem and legislators are scrambling to put together a budget plan that will be effective and efficient. Republicans are particularly frustrated with Governor Bullock's budget proposal calling it the "Governor's Bad Budget." As Governor Bullock and the Republican-controlled House and Senate continue to be at odds, it will be interesting to see how the budget crisis in Montana is resolved; especially because many of the bills proposed this session have their success riding on whether money is available. The declining revenues is a result of the substantially decreased oil and gas production levels and the 20% drop in worker's wages mainly in the energy sector. This wage decline impacted other industries, slowing their wage growth. According to the University of Montana's Bureau of Business and Economic Research, this wage depletion caused a stagnation in the income tax revenue leaving us significantly short on money. Government expenditures are exceeding revenues. There are major differences between the political parties on how to address this issue, with Republicans wanting to cut spending and Democrats wanting to raise taxes. Budget negotiations will be the main priority of the 2017.

Infrastructure: The debate continue over the best ways to invest in our critical infrastructure needs. Little has been accomplished on infrastructure over the past few legislative sessions. Over the interim, the Montana Infrastructure Coalition (MIC) was formed to put forth proposals to generate revenue streams to fund critical infrastructure projects i.e. road, bridges, water and sewer projects. These funding sources include a local option sales tax, gas tax, cash infusions, bonding, and utilizing the coal tax trust fund. These proposals have yet to receive any legislative consideration.

Healthcare: Health care has been a hot topic among lawmakers. Varying bills are being considered from air ambulance services to transparency in health care pricing to suicide prevention to mental health services. Both the Governor's and the GOP budget plans make significant cuts to the State Health Department. The director of the DPHHS said; "*The additional, unnecessary cuts made in subcommittee will strip vulnerable Montanans of critical community services, putting Montana families, seniors, and children at risk.*" Despite her statements, the subcommittee's "starting point" is a \$37.1 million cut from general funds and \$14 million from the Medicare Core Services. These issues continue to evolve rapidly.

Taxes: The Governor is proposing tax increases to balance the budget. Under consideration are raising taxes on those making \$500,000 or more a year, as well as increasing taxes on wine, tobacco, vapor products and medical marijuana. Also under consideration among legislators are a local option sales tax and raising the fuel tax.

Education: School choice and education funding are two additional issues that have received considerable attention this session. Supporters of school choice rallied at the Capitol on January 25 but opponents continue to argue diverting money from an already underfunded education budget could be detrimental to public schools. Higher education is also expected to experience major cuts and students are concerned that it will affect tuition costs. K-12 education, special education, and higher education are all vying for money that just isn't there. Additionally, infrastructure improvement projects, such as the renovation of MSU's Romney Hall, are adding to budgetary pressures.

Gun Laws: There are a number of new bills proposed to amend Montana's gun laws: Allow for gun owners to carry weapons without a concealed weapons permit, allow legislators to carry guns in the Capitol, and allow weapons to be carried in post offices. These bills are advancing in the House. In addition, Montana's Attorney General Tim Fox has also overturned the Missoula gun ordinance, saying the city-imposed background check was not legal.

Natural Resources and Public Lands: Montana's energy resources and public lands are also on the forefront this Legislative session. Over a thousand Montanans rallied at the Capitol on January 30th to defend Montana's public lands. In Governor Bullock's State of the State address, he emphasized that he will not tolerate any attempt to transfer "public lands out of public hands." He also cited Montana has always been proud of our lands and national parks. Various legislative efforts are being pursued to increase tourism opportunities and economic development. Another major focus is on Colstrip. Several bills are being considered to take into account the impact its closure will have on its workers, local community, the environment, as well as the economic well-being of the state. Other issues being considered: Exempt wells, oil and gas production, coal and timber production, and renewable energy.

Below are the status of the bills:

Bill#	Bill Title	Sponsor	Status	Position
HB 76	Amend laws related to remittance of tax increment	Greg Hertz	(S) 2nd Reading Concurred	Support
HB 232	Revise laws for dual enrollment at community colleges	Kenneth L Holmlund	(S) Referred to Committee	Support
HJ 7	Interim study on economic impacts of outdoor recreation	Ellie Hill Smith	(H) Hearing	Support
SB 116	Disallowing workers' compensation benefits for certain false statements	Mark Blasdel	(S) Committee Report--Bill Passed as Amended	Support
HB 2	General Appropriations Act	Nancy Ballance	(H) Hearing	Monitor
HB 3	Revising expenditures and providing supplemental appropriations	Nancy Ballance	(S) Rereferred to Committee	Monitor
HB 4	Appropriations by budget amendment	Nancy Ballance	(H) Referred to Committee	Monitor
HB 5	Long-range building appropriations	Jim Keane	(H) Hearing	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	(H) Hearing	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) Hearing	Monitor
HB 250	Require county and school district approval for adoption of TIF provision	Bruce Grubbs	(H) Tabled in Committee	Monitor
HB 346	Designate fiscal agent as employer for workers' compensation insurance	Willis Curdy	(H) Hearing	Monitor
HB 358	Revise workers' compensation laws pertaining to release of information	Mark Noland	(H) Referred to Committee	Monitor
HB 359	Limit tax increment financing revenue to local mills	Tom Burnett	(H) Hearing	Monitor
SB 10	Repeal the refundable income tax credit relief multiple	Mark Blasdel	(H) Hearing	Monitor
SB 25	Generally revise gaming laws	Mark Blasdel	(H) Hearing	Monitor
SB 27	Amend TIF laws related to public hearings and reporting	Fred Thomas	(H) Referred to Committee	Monitor

SB 35	Revise laws concerning deposit and expenditure of highway revenue	Brian Hoven	(S) Tabled in Committee	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	(S) Hearing	Monitor
SB 142	Revise laws related to volunteer emergency personnel and worker's comp insurance	Tom Facey	(S) Transmitted to House	Monitor
SB 159	Revise laws related to community colleges and bonding	Mark Blasdel	(S) Hearing	Monitor
SB 162	Establish regional infrastructure	Keith Regier	(S) Hearing	Monitor
SB 180	Revise laws regarding taxation of certain airlines	Mike Lang	(S) Referred to Committee	Monitor
SB 184	Revise workers compensation to allow termination of payments due to fraud	Frederick (Eric) Moore	(S) Hearing	Monitor
SB 188	Revise authority to create special districts	Keith Regier	(S) Hearing	Monitor
SB 189	Revise protest provisions for special districts	Keith Regier	(S) Hearing	Monitor
SB 194	Revise state secondary highway system funding laws	Mike Lang	(S) Referred to Committee	Monitor