

MISSOULA LOBBYING REPORT  
Week of March 6, 2017  
John MacDonald, Registered Lobbyist

First week back after transmittal and a number of key issues are moving forward quickly, including extensive additional groundwork being laid to get a positive outcome on HB473 in House Transportation. Spent considerable time this week talking with legislators on the committee in hopes of securing a positive “Do Pass” outcome and moving this to the House floor. General consensus right now is that it will be very close, continued efforts are underway, with executive action expected Monday. We are also preparing for hearings next week on the local option authority bill and a new TIF bill by Rob Cook that we need to defeat. Details are below.

### **TIF Bills**

#### **HB573: Revise education funding laws related to tax increment financing.**

Position: Oppose

This bill would remove the 95 school mills from the TIF calculation, but only for TIFS in urban renewal districts or REDDS established on or after the effective date. A BAD bill. We are working closely with the league to have a full press against this.

Status: Hearing set for March 14 in House Tax at 8 a.m.

#### **HB413: Revise laws related to use of TIF financing.**

Position: Oppose. (Could change)

From MLCT: The bill provides for a recapture provision if building improvements are made with TIF funds. If controlling stock or other equity interest in the building is sold, leased, or transferred within 5 years of the TIF funded improvements, 100% of the funds must be paid back; 80% if within 6 years; decreasing by 20% each year thereafter. No recapture after 10 years; no recapture if ownership conveyed to a governmental entity. (2) The bill provides for a direct court review of any decision made under Title 7, Chapter 15, Parts 42 or 43 by any taxpayer or taxing jurisdiction. Chris Behan testified for the city in opposition, along with other communities, MACO and the league. House Taxation was expected to take action Friday, March 10, but did not. Rep. Jacobsen had already asked Rep. Essman for more time to work on the standing language. Kelly Lynch with the Montana League of Cities and Towns and I had a good conversation with Dorsey Whitney reps and will be working on language that may be acceptable to local governments. All amendments may need to go into SB 27 because it has already transmitted.

#### **SB27: Amend TIF laws related to public hearings and reporting.**

Position: (Changed) Support Amended Version

Kelly Lynch and Tim Burton with the Montana League of Cities and Towns did substantial work with the sponsor to amend this to address concerns. A couple more have since arisen that Rep. Essman has asked for clarification on, dealing with a

specific issue in Billings. Passed Senate. Hearing on amended version held in House Tax Feb. 9. We currently are expecting Rep. Essman to bring amendments to add references to 2-3-103 (and 2-3-203 (participation and open meeting statutes) to the urban renewal board meetings and specify that a public hearing must be held if a modification of an urban renewal plan is being considered.

Status: Awaiting more possible amendments and executive action in House Tax

**[HB396](#): Revise laws related to tax increment financing**

Position: Support.

This is Rep. Grubbs' "replacement" bill to the one that would have given schools and counties "veto" power over TIF district creations.

Status: Scheduled for hearing March 15 in Senate Tax 9 a.m.

**[HB30](#): Remove voted levies approved after creation of TIF from tax increment provision**

Position: Neutral (changed from Oppose)

Another bill from the RTIC. We let this one go as part of an agreement.

Status: Scheduled for hearing March 15 in Senate Tax 9 a.m.

**[HB359](#): Limit tax increment financing revenue to local mills.**

Position: Oppose.

Terrible bill that would limit TIF revenue to local mills only, removing mills collected on behalf of school districts, mills supporting elementary and high school retirement obligations, public school equalization mills, u-system mills and permissive levies.

Status: TABLED IN House Tax.

**[HB411](#): Limiting use of TIF money. (Façade bill)**

Position: Oppose

Adam Hertz's bill dealing with concerns about TIF money being spent on private businesses within TIF Districts. Chris Behan testified on behalf of the city.

Status: TABLED in House Tax.

**[HB134](#): Revise school funding related to facilities**

Position: Neutral (CHANGED from oppose)

HB 134 originally would have removed the 95 school mills from the TIF calculation, redirecting it to fund school facility improvements through the state's Quality Schools Facility Grant Program. Essman agreed to an amendment to take that provision out of the bill and we remove our opposition. It was scheduled for second reading, but was instead referred to House Education.

Status: Second reading was deferred and bill has been referred to House Education.

**[HB250](#): Require county and school district approval for adoption of TIF provision**

Position: Oppose. (Amendments may be offered)

The league worked with the sponsor to table this in favor of a new version. (See HB396)  
Status: House Local Government TABLED.

**HB403: Revise TIF laws to require remittance if increment exceeds certain level.**

Position: Oppose.

This bill would require remittance of all incremental taxable value of one or more urban renewal districts in excess of 5 percent of the municipality's total taxable value, except for any revenue already pledged to the repayment of bonds.

Status: No action taken since Feb. 9 hearing. Also may be part of a study bill.

**SB34: Amend laws related to an urban renewal agency board of commissioners**

Position: Oppose

John Hoeven bill that would have required appointment of representatives from schools and county commissioners on boards. Originally passed, but the sponsor called the bill back and no action has been taken.

Status: Likely dead. Sitting in committee without further action.

**SB130: Revise tax increment finance laws**

Position: Support

Would have allowed TIF expenditures for energy efficiency in certain projects.

Status: Died on a tie vote in committee. Likely dead.

**OTHER BILLS:**

New:

**SB331: Local option infrastructure investment and property tax relief act**

Position: Support

Provides local authority to put to a vote whether to adopt a local option luxury tax to be used for critical infrastructure needs.

Status: Scheduled for hearing March 16, Senate Tax. 9 a.m.

**HB577: Provide for local option infrastructure tax**

Position: Support

Essentially similar to SB331 above, but introduced on the House side.

Status: Hearing set in House Tax March 14 at a.m.

**SB189: Not a new bill but one that I failed to provide in previous reports.**

Position: Oppose.

This is Sen. Regier's bill that would revise protest provisions for special districts. It's a bad bill in that all (and only) returned ballots would be counted. If 100 property owners are in a proposed district only ten return the letter and ONE of them protests, the 10 percent threshold is immediately met. If only two people returned a ballot and ONE protested, a 50 percent threshold is met and no action could be taken for two years. It's

unworkable. Unfortunately, it survived the Senate and now survived a House committee vote.

Status: Narrowly passed House Local Government 12-11. Headed to a floor vote.

**SB188: Revise authority to create special districts.**

Position: Oppose.

This was a companion bill to SB189 that would have decimated the ability to create special districts. We opposed along with the League on the Senate side and got it killed.

Status: TABLED in committee.

**HB473: Revise highway revenue laws.**

Position: Support

This is the Bridge and Road Safety and Security Act, which includes a fuel tax provision with money going in part to local governments for infrastructure work. Engen and Bickel came to Helena for the Feb. 22 hearing. Executive action expected Monday, March 13.

Status: Awaiting executive action.

**SB250: Revise laws related to prosecutorial immunity.**

Position: Support.

MacDonald testified in favor

Status: Passed Senate. Transmitted to House Judiciary.

**HB463: Prohibit chronically incapacitated substance abuse in public places.**

Position: Support (Due to local control component)

Request from Billings. A similar idea last session ran into roadblocks. Billings is asking for the city's support. We are reviewing.

Status: TABLED in Committee

**HB422: Generally revising laws related to local government; withholding or offsetting entitlement share payments to local government under certain circumstances.**

Position: Neutral/Monitor

Discussed with Engen and Bickel. This bill comes out of a situation in Glacier County that legislators want to address statutorily. The MLCT has been involved in crafting this to ensure it is very narrow and won't impact cities that are compliant.

We will monitor.

Status: Scheduled for hearing in Senate Local Government, March 13.

**HB417: Generally revise laws related to non-discrimination**

Position: Support/Monitor

Status: TABLED in committee.

**[HB294](#): Encourage accessible playgrounds across the state.**

Position: Support/Monitor

Status: Awaiting executive action in Senate Finance and Claims.

**[SB106](#): Revise laws related to use of certain chemical de-icers on Montana highways.**

Position: Oppose.

MacDonald testified against bill in Senate Finance and Claims after also testifying opposed in Senate Highways and Transportation. It got out of committee and then was tabled on the Senate floor. A motion to “indefinitely table” the bill failed and, instead, the bill was sent to Senate Finance and Claims for another hearing. This bill remains unlikely to pass, but is still alive at the moment. My hope is that Finance and Claims will not act on it, however, due to the substantial fiscal note.

Status: TABLED in committee..

**[HB94](#): Generally revise public safety officer standards/training council laws.**

Position: Support amended version.

MacDonald worked with other interested parties on this one, largely to ensure that private businesses can contract with local governments to provide pretrial and misdemeanor services. Heavily amended bill but I think we are good with the final version

Status: Scheduled for hearing March 14 in Senate Judiciary.

**[HB181](#): Establish requirements for police dogs.**

Position: Oppose without amendments.

MacDonald testified on behalf of the Missoula police in opposition to this bill. Committee tabled it on a voice vote Jan. 24<sup>th</sup>.

Status: TABLED in House Judiciary Committee.

**[HB194](#): Prohibit local restrictions on electronic devices while driving.**

Position: Oppose

MacDonald testified against, along with representatives from other communities, law enforcement and the League. Bill made it out committee Jan. 20 on a narrow vote, but died on the floor.

Status: DIED on House floor.

**[SB98](#): Property ownership fairness act.**

Position: Oppose.

MacDonald unable to attend the Jan. 27<sup>th</sup> hearing, but we are on record opposing this bill and will be directly lobbying legislators to oppose it. The bill has a substantial fiscal note.

Status: DIED on the Senate floor.

**[SB155](#): Prohibit local government regulation of agricultural seed**

Position: Oppose/Monitor

We missed the hearing due to workload.

Status: Passed the Senate. Awaiting executive action in House Agriculture.