

MISSOULA LOBBYING REPORT  
Week of March 13, 2017  
John MacDonald, Registered Lobbyist

A very busy week as local governments, the business community and the Montana Infrastructure Coalition worked on several pieces of important legislation to provide new revenues to local governments. We had two hearings on separate (identical) legislation for local option authority. Both hearings went well, but these bills continue to have enough opposition from both sides of the aisle that their success at passing is questionable. Lobbyists also spent a significant amount of time this week attempting to secure necessary votes on the major infrastructure bill, HB473, which includes the gas tax. Executive action in House Transportation is scheduled for Monday and we believe it will get out of committee and be on the House floor that Thursday. Significant work is underway to secure the votes we need.

### **Local Option and Gas Tax Updates**

#### **[HB577](#): Provide for local option infrastructure tax**

Position: Support

Hearing held March 14 in House Tax and we had a good turnout of support, but there were also a lot of opponents. The bill's fate is probably not good. We have opponents on both sides of the aisle and the current vote count is not good. Missoula continues to work with the League and lobbyists from other communities to see if we can join a few votes.

Status: Hearing held. Awaiting executive action. No date set for that.

#### **[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. Successful hearing March 16, but there remains significant opposition. We are working the committee.

Status: Hearing held March 16. Awaiting executive action.

#### **[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. We continue to work votes as there is a pretty narrow margin that changes daily. Engen and other city folks are visiting with Missoula's delegation to help get the vote count in the right direction. Executive action expected Monday March 20. We expect it to get out of committee. Our problem will be on the House floor, where a vote is tentatively scheduled for Thursday March 23.

Status: Awaiting executive action.

## 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 worked with the League and put together a good hearing full of opponents. A fairly good level of confidence that this will be tabled.

Status: Hearing held March 14. Awaiting executive action.

### **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. Kelly Lynch with the League has worked this bill very hard and believes Essman will agree to table this bill in committee and some reporting issues will become part of SB27.

Status: Awaiting executive action.

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

Position: (Changed) Support Amended Version

Kelly Lynch and Tim Burton with the league 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: Hearing held March 15 in Senate Tax 9. Awaiting executive action.

### **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 to .  
Status: Hearing held March 15 in Senate Tax. Awaiting executive action.

**[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.

Status: Amended version passed 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 likely to be part of a study bill and won't move forward.

**[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.

**NEW BILLS:**

**[LC2134](#): Generally revise state laws related to immigration and refugees.**

Position: Likely Oppose, but need to review.

SK Rossi with the ACLU made us aware of this bill March 17. It essentially prohibits local governments from enacting any “sanctuary”-type legislation or addressing immigration or refugee issues.

Status: Draft language introduced. No hearing date set.

**[LC2373](#): Generally revise privacy laws concerning protected facilities.**

Position: Likely oppose, but need to review.

SK Rossi also made us aware of this bill, which is essentially a transgender bathroom bill dubbed the “Montana Locker Room Privacy Act,” that would include civil penalties against local governments that fail to “protect the privacy” of one sex from another in bathrooms, changing rooms, locker rooms.

**OTHER BILLS:**

**[SB189](#): Revise protest provisions for special districts**

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. We attempted to get an amendment on the House floor, but it failed. This bill survived third-reading. We’ll need to discuss possibility of a governor veto.

Status: Passed both House and Senate.

**[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.

**[SB250](#): Revise laws related to prosecutorial immunity.**

Position: Support.

MacDonald testified in favor

Status: Passed Senate. Scheduled for hearing in House Judiciary March 28.

**[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: Amended version passed Senate Local Government. Awaiting floor vote.

**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 was referred to Senate Finance and Claims, where it was tabled.

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: Hearing held March 14 in Senate Judiciary. Awaiting executive action.

**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. Kelly Lynch with the League was, I believe, able to get some amendments on this that should address city concerns. Need to follow up with her.

Status: Passed House Agriculture.

