

MISSOULA LOBBYING REPORT  
Week of March 20, 2017  
John MacDonald, Registered Lobbyist

One of our major pieces of legislation, HB473, which is the Bridge and Road Safety and Security Act, passed the House on second-reading by a 56-44 vote on Thursday. This was a broader margin than I had expected and came likely due largely to a significant final push by the coalition members, governor's office and others in the day leading up to the vote. Because the margin was shy of 60 votes, it was referred to House Appropriations, where another vote will be required. We expect much of the same intensity of work will be required in that committee before this comes up for a final vote in the House and moves on to the Senate. Other bills being tracked for the City of Missoula were also up for important action this week and are detailed below.

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

#### **[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. A last-minute surge of direct lobbying helped us secure a 56-44 vote on second-reading before the House. It was a very good sign, but a lot of work lies ahead.

Status: Passed second-reading in the House and referred to House Appropriations.

#### **[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. As we anticipated, the bill's fate was not good. The House Tax committee took action on Friday and, despite amendments that included raising the property tax relief from 25 percent to 50 percent, the bill failed on vote of 12 against, 8 for.

Status: Tabled in House Taxation. Likely dead.

#### **[SB331](#): Local option infrastructure investment and property tax relief act**

Position: Support

Nearly identical to above. Due to the fate of the first bill, legislative rules call for this bill to not be able to move forward. We didn't have the votes in the Senate anyway. One short on the Senate Tax committee.

Status: Likely now dead due to legislative rules pertaining to identical bills.

### **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 this one pretty hard and believed it would be tabled, but it got out of committee and passed the House. We are working on amendments on the Senate side. Status: Passed the House. Transmitted to the Senate. No hearing set yet.

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

Position: Oppose.

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: TABLED in committee. Likely dead.

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

Position: (Changed) Support Amended Version

As amended in Senate, requires the local government's annual financial report under 2-7-503 to include a report of the financial activities related to TIF; requires public meeting and opportunity for comment on all matters before the urban renewal agency board; requires the TIF annual report under 7-15-4237 to "describe the public purpose of expenditures of tax increment and how the expenditures meet the goals of the urban renewal plan or comprehensive development plan (TEDD).

Status: Passed the House with amendments. Returned to the Senate.

**HB396: Revise laws related to tax increment financing**

Position: Support.

Replacement bill for HB 250. MACO, MTSBA, and League drafted amendment language to HB 250 that would remove veto vote but require that city meet and confer with county and school district before creating plan with TIF, adding TIF to existing plan, or bonding. Met with Grubbs 1/30 to review proposed amendments; new bill title needed to make amendments, Rep Grubbs tabled HB250 and replace with HB 396 with the amendments previously approved

Status: Passed both House and Senate.

**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: Passed Senate.

**[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:**

### **[SB330](#): Provide for property assessed clean energy financing.**

Position: Support

This bill was the authorizing legislation for PACE in Montana. We supported and I provided brief testimony at the hearing. Lots of opponents, however, who pointed out some flaws in how the bill was put together.

Status: TABLED in Committee

### **[HB611](#): 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: Hearing scheduled for March 27.

### **[HB609](#): Generally revise privacy laws concerning protected facilities.**

Position: Opposed.

House Judiciary hearing March 23 was a train wreck. Chair allowed only 20 minutes for each side and we witnesses were cut off before we could provide any testimony. I submitted written testimony. The chair did not allow questions from the committee. Questionable actions by the committee chair at best.

Status: Awaiting executive action.

## **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: Passed the Senate and returned to the House.

**[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: Passed the House. Senate hearing held. 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 and Senate.