

CITY OF MISSOULA

LOBBYING REPORT

WEEK ENDING 4/26/19

LEGISLATIVE SESSION SUMMARY

The House and Senate both wrapped up sine die on April 25th, the 87th day of the session. The last two weeks of the session became a bit of a minefield for local government interests as we fought off repeated efforts to snag entitlement share money from local government coffers. Most significantly was an effort based on a false narrative that local government ordinances were a considerable factor in the rise of Office of Public Defender costs – that local governments therefore should be paying more toward those costs. Despite the narrative being proven false, this attempt continued, even after the original bill died. Through efforts involving the League of Cities and Towns, MACO and other interests, we successfully pushed back on the original – and most direct – assault on the entitlement grab. But since the first week of April, we were aware of several efforts involving the use of “placeholder” or “companion” to try to take another run at the entitlement share. We were successful in beating that back each time. The final two days of the session, however, involved every local government lobbyist closely monitoring the activities of two free conference committees that had access to placeholder bills we feared might be used for more efforts. Preventing this grab was a significant victory for local governments.

Additionally, largely through the fantastic leadership of Kelly Lynch at the League, local governments prevented passage of numerous bills that could have negatively affected Tax Increment Financing from moving forward. We also successfully warded off bills mandating PSC regulation of city utilities and defeated a bill that was the direct result of litigation regarding the Missoula water system. Local governments also will benefit from housing grant bills and infrastructure funding that passed this year.

On other issues, we were not as successful. Among them: Our efforts to defeat a bill limiting local governments’ ability to regulate firearms is moving forward but faces a likely veto from the governor. If that happens, an identical referendum bill WILL move forward for voters to decide. We also were unable to pass a workforce housing bill that would have benefited new homeowners and businesses.

Significant Bill Developments:

HJ57: Interim study of homelessness, behavioral health disorders, and public safety. SUPPORT. **FAILED Third reading in the Senate on the last day of the session.** This measure received decent support in the House, but was not very popular in the Senate for whatever reason. It initially passed second-reading by just one vote, then died a short time later by one vote. MacDonald testified in favor in both the House and Senate committees.

HB773: Modifying entitlement share payments. OPPOSE. **Failed second reading April 13. Probably dead.** What local governments feared about this bill came true. After finally being amended down to nothing more than a study bill, the legislation was amended BACK into an entitlement grab in Senate Finance and Claims on April 11. The concern is simple. While the amount being taken (6.6 percent) is small (\$11,700 for Missoula), the money is not the point. This is a foot in the door. If this passes the Senate, it will have to go to a conference committee, where we expect strong efforts will be made to increase the

cash amount and make this a permanent entitlement cap, which would open the door for future “grabs” of local money. At the time of this writing, significant lobbying is underway to KILL this bill on the floor of the Senate.

BILLS MOVING FORWARD and OTHER UPDATES

SB276: Revise laws related to condos and townhouses. **Passed by legislature. Enrolling and final preparation process.** This bill has impacts on us, but the League is taking the lead on this and Kelly Lynch has secured an amendment should address the concerns that the cities and towns had raised. We will continue to MONITOR

HB567: Establish Montana school marshal program. Oppose. **Passed 3rd reading in Senate on April 12. Passed by legislature. In enrolling and final preparation process.** We have worked with the law enforcement organizations and others to kill this bill. It’s simply a bad idea. Despite the bill sponsor mischaracterizing the marshals in committee as “police officers” the bill got out of Senate Judiciary on a party line vote and out of the Senate on the same.

SB52: Generally revise laws on sexual assault kits. Strong support. **Passed by legislature. Enrolling and final preparation process Became law April 16.** Formalizes process for submission and requirements for testing sex assault kits. MacDonald testified in support. MacDonald will continue to testify in support. No problems expected with the bill.

SB254: Revise laws regarding chief municipal judges: SUPPORT. **Passed by legislature. Enrolling and final preparation process.** Amendments added by the House improved the bill and Missoula continues to fully support. MacDonald testified Feb. 20, along with City of Billings and League. Missoula bill to address existing law that requires cities with more than one municipal judge to rotate the “chief” judge position every year. Diane Sands is carrying. No opponents.

HB6: Renewable resource grants. Strong support. **Passed by legislature. Enrolling and final preparation process.** Dale reviewed. Fiscal note printed. PASSED second reading in the House March 22 on vote of 99-0.

HB16: Establish affordable housing loan program. Support. **Passed by legislature. Enrolling and final preparation process.** Was amended in Senate Tax in a bad way. Proponents of the initial legislation intend to let it get back to the House with the Senate amendments and seek a ‘do not concur’ vote in order to get it to a working committee to fix.

HB47: Generally revise criminal records laws. Monitor. **Bill PASSED both Houses. Enrolling and final preparation process completed. Transmitted to governor. Became law Feb. 26.** MacDonald: Monitoring for Missoula and Montana Newspapers. Bill was in response to unintended consequences of legislation last year that decriminalized certain offenses. At hearing on 1-14, AG has apparently agreed to amendments to clarify that the fingerprinting and mug shots would be ONLY for cases in which a person must be booked into jail. No executive action yet.

HB146: Establish laws regarding sanctuary cities in Montana. Oppose. **Passed by legislature. In Enrolling and final preparation process.** Likely to be vetoed. Hearing held Feb. 1 Per guidance from the mayor and the league, MacDonald stayed out of the room and monitored and provided information to Lynch

with the league. MacDonald has visited with ACLU and others, who are specifically seeking law enforcement support.

HB192: Revise laws related to privacy in communications. SUPPORT. **Passed by legislature, in final enrolling and preparation process.** Bill has been heavily and repeatedly amended, but nothing at this point that we believe changes things for the city. Reviewed by Nugent. Hearing held Jan. 28. MacDonald did not testify, but has spoken with committee members and is monitoring. Some amendments are being proposed to clean up some language at the request of the ACLU. This is the “revenge porn” bill similar to last session which makes it a crime to post or publish nude photos of a person without that person’s permission.

HB325: Generally revise firearm laws. OPPOSE. **Passed by legislature, in final enrolling and preparation process.** MacDonald, along with the League and others testified against the bill March 15 in Senate Local Gov’t. The bill appears to be in direct response to the Missoula ordinance that is now being appealed to the state Supreme Court. Bill was amended to remove Section 3, which among other things restores the current standing that having a CCW permit is NOT a defense for carrying in a restricted area. Still oppose.

HB357: Revise concealed carry laws by initiative: OPPOSE. **Passed by legislature, in final enrolling and preparation process.**

HB394: Revise property tax appraisal and tax appeal process. SUPPORT. **Passed by legislature, in final enrolling and preparation process.**

HB481: Revising the clean indoor air act relating to private establishments. OPPOSE. **Passed by legislature, in final enrolling and preparation process.** Health interests and local interests have heavily amended this bill and I believe it now meets the concerns raised by the city of Missoula. Amendments make it clear the business cannot share any ventilation system of another and cannot be in a building occupied by another business. Existing clubs, however, are grand-fathered in.

Bills DOA:

HB147: Referendum to establish sanctuary city laws in Montana. Oppose. **2nd reading not passed. Probably dead. Same as HB146.

HB483: Generally revise absolute liability laws. Oppose. **TABLED in House Judiciary Committee.** MacDonald testified against on Mar. 13, along with representatives from the county attorneys and law enforcement. Another bill that Rep. Read brought on behalf of several anti-government fringe constituents.

HB120: Revise local government authority of certain speed limits. SUPPORT. **TABLED in Senate Highways and Transportation after strong support on the House side.** The bill simply allows local governments to lower speed limits on highways in “urban” areas. No executive action yet.

SB15: Allow certain state funds to be used for affordable housing infrastructure. Support. **TABLED in Committee.**

SB18: Establish workforce housing tax credits. Support. **PASSED Senate Tax Feb. 15. Referred to Senate Finance and Claims. Tabled in committee Mar. 22. Failed 2nd reading pass motion. Probably dead.**

Awaiting Executive action. Senate Tax and MacDonald testified along with a variety of housing advocates. A one-page fact sheet and talking points on this bill were provided to MacDonald. This bill has some issues. Leading proponents didn't explain some of the tax implications well and several key senators, including chair Roger Webb and Sen. Dick Barrett of Missoula, expressed mild skepticism that it could "pencil out." MacDonald spoke with Barrett after and he wants to support the bill and is trying to work with the sponsors to get information in a format that he can use to also persuade other committee members.

SB19: Revise laws related to local government budgeting and accounting. Oppose. **TABLED In Senate Judiciary.** This bill includes new audit requirements that could conflict with financial reporting requirements that are established by the Government Accounting Standards Board. MacDonald stayed out of the room for this very contentious hearing that included accusations of racism. The League is taking the lead. We are confident this bill has enough problems that it will die.

SB 103: Revise laws on PSC regulation of municipalities. OPPOSE. **TABLED in committee Feb. 12.** Hearing held Jan. 29 in Senate Energy and Telecommunications. MacDonald testified against, along with the League. The hearing was almost uncomfortable as the sponsor's explanation for the bill seemed to change and didn't make a lot of sense. He claimed that the intent was not to give the PSC "rate-setting" authority and that the intent was only to give them "oversight" to protect people from bad actors. However, he later said that, in fact, the PSC would have the final say – which seems to indicate that it could set rates (by simply saying 'no' to the ones it doesn't like.) MacDonald and others spoke with Missoula committee members after the hearing, as well as with the sponsor. We would be surprised if this one makes it out of committee.

SB 117: Revise highway de-icer laws. Oppose. **TABLED IN Finance and Claims Committee.** Identical to SB 106 in 2017 session. MacDonald testified in opposition along with state Department of Transportation. Supporters included the Montana Logging Association, regarding damage to vehicle components. MacDonald testimony reiterate the fiscal concerns raised by DOT, but concentrated more on the air quality issues in Missoula and the fact that the city has no viable alternatives to mag chloride. The fiscal note arrived in time for the hearing. It is less than previous years, but still substantial. The bill is likely to get out of committee, but as in past sessions, the fiscal note will likely kill it. This is Sen. Brown's last year in the legislature.

SB315: Revise laws on public defender assignments related to local ordinances. **Tabled in House Local Government.** The amended bill meets cities' concerns in that it makes it clear the city is responsible to pay public defender costs ONLY if the defendant is solely accused of a municipal crime that carries the chance of incarceration. Most cities, including Missoula, are already doing away with ordinances that carry any time behind bars.

SB323: Allow the creation and assessment of a public safety district: OPPOSE. **Hearing held in Senate Local Government March 18, bill tabled on Mar. 27.** MacDonald testified in opposition, along with nonprofit groups and hospital reps. Awaiting executive action. The bill is being characterized as an effort by the sponsor to get back at some specific nonprofits (hospitals mostly) and is going to have a lot of opposition. That will be led by the League of Cities and Towns, which will argue that cities already have the ability to create these districts and that this language only duplicates and complicates that process in a clear effort to target specific nonprofits.

SB340: Authorize statewide economic opportunity district. SUPPORT. **Bill tabled Mar. 28. An attempt to blast it to the floor failed March 29. MacDonald testified in favor at hearing on March 21.

HB15: Revise laws related to nonmotorized vehicle and mobile home disposal. SUPPORT. **Tabled in committee Mar. 11.**

HB 125: Limit use of emergency ordinances by local governments. Oppose. **TABLED in committee.** Jessica reviewed & sent talking points to MacDonald. MacDonald has met one-on-one with most members of Senate Local Government to let them know the city opposes. Tim Burton took the lead on this. Continuing to monitor and getting in touch with other committee members. Executive action believed to be on Jan. 21. Currently relatively sure this bill will die in committee. Still awaiting executive action.

HB 134: Revise prostitution statute to include nonpenetrative sex acts. Support. **TABLED in committee Feb. 20.** Detective Baker with Missoula spoke on the bill at Dudik's request. MacDonald attended a portion of the hearing, then met with Dudik and Baker after to exchange info and make sure they know he is available in the future. No executive action yet. Bill is likely to pass.

HB 138: Include exposure to prostitution in acts constituting child abuse and neglect. Support. **TABLED in committee.** Detective Baker supporting at request of Dudik. Fiscal note printed. No executive action yet.

HB 194: Revise lodging and rental car taxes including local option. Support. **DIED in House Tax.**

HB223: Deter the fraudulent use or theft of taxpayer funded resources. OPPOSE. **Bill withdrawn—DOA.** MacDonald and others visited with the sponsor to express concerns about the legislation and let her know what she's attempting to do is already addressed – and in better language – in existing law. As of the date of the hearing, the sponsor confirmed she intended to pull her bill due to the overwhelming concerns raised by local governments, law enforcement and fire lobbyists.

HB232: Revise assessment of taxes during condemnation proceedings. OPPOSE. **Tabled in Senate Taxation committee Mar. 12.** MacDonald opposed along with the League and MACO. There were no supporters. Significant efforts by Missoula and the League seemed to have convinced Senate Local Gov't that this was a bad idea. Sen. Barrett instrumental in helping get this killed in committee as well.

HB236: Generally revise building code program laws. SUPPORT. **Tabled in Senate Local Government committee Mar. 12.** Some concerns have arisen with members of the Senate committee. MacDonald and the league are attempting to shore up votes. Aaron Bowman testified on Feb. 20. Bill had PASSED House Third Reading 67-30 and was transmitted to Senate. Repeat of efforts two sessions ago to allow local governments with building code enforcement divisions to have two-year reserve accounts, rather than just one year.

HB367: Require advisory committee for urban renewal districts using TIFS. STRONG OPPOSE. **Bill TABLED in Committee.** Bill by Rep. Garcia would require advisory. Adds another level. Meaningless since cities and counties already have these in place. League and MACO opposed and we had good turnout from communities and several businesses. Dale Bickel with the City came over to testify against.

HB379: Establish working animal protection act. MONITOR/ OPPOSE. **Heavily edited version passed Local Government on an 9-8 vote. Transmitted to Senate. Hearing in Senate Local Government Mar.**

18. 3:00 p.m. Bill tabled in committee Mar. 25. As noted, the bill was heavily amended and removes all of Section 1 and II dealing with local control. Now is simply a "policy statement." League took the lead on this. Bill would essentially forbid cities from adopting any ordinances affecting "work" animals, which is just about any animal. We may be smart to continue efforts to kill this bill as the policy statement is now in TITLE 81, which is the livestock and agriculture section, and could be used as a citation to push other prohibitions moving forward.

HB442: Generally revise evidence laws. STRONG OPPOSE. **TABLED in committee Feb. 21.**

HB462: Revise administration of tax increment financing districts. Oppose. **Passed House Taxation. Transmitted to Senate Feb. 27. Referred to Senate Taxation. Hearing Mar. 20. Tabled in committee Mar. 25.**

****HB740: Provide for local option sales tax. Support. Tabled in first house committee Mar. 28.**

MacDonald testified in support. Should not that we made some progress this year. Despite NOT getting any of these passed, one member of House Tax, Democrat Kim Abbott voted for Pope's bill, stating that she was tired of voting against local-government ideas while at the same time watching the state do nothing.