

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

Lobbyists for local government interests made significant, positive headway on critical bills related to TIFs. Working with Rep. Jeff Essman, we ensured several of the most onerous died in committee, agreed to one TIF bill, and agreeing in principle to support efforts to study this issue much more closely during the interim, hopefully through a newly created interim committee dedicated exclusively to local government issues. Separately, we also continue to work closely with the Montana Infrastructure Coalition, which finally has the Bridge and Road Safety and Accountability Act bill scheduled for a hearing next week.

### **TIF Bills First**

#### **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.

#### **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: Awaiting executive action by 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.

#### **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: PASSED House Tax

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

**HB134: Revise school funding related to facilities**

Position: Oppose.

HB 134 would remove the 95 school mills from the TIF calculation, redirecting it to fund school facility improvements through the state's Quality Schools Facility Grant Program. The fiscal note estimates this change will redirect \$2-3 annually in TIF increment from the TIF districts to the schools. The bill would be effective July 1, 2017, but allows 95 mills. Hearing held Feb. 8. Good turnout of opponents, including Ellen Buchanan.

Status: Awaiting executive action in House Tax

**HB250: Require county and school district approval for adoption of TIF provision**

Position: Oppose. (Amendments may be offered)

The league was working on amendments, but the bill was tabled in committee on Feb. 2

Status: House Local Government TABLED. (See HB396 above)

**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. Chris Behan testified for the city in opposition, along with other communities, MACO and the league.

Status: Awaiting executive action in House Tax.

**OTHER BILLS:**

**NEW:**

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

Position: REVIEWING

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

Status: Hearing scheduled for Feb. 21.

**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.

Status: Hearing scheduled for Feb. 22

**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: Hearing set for Feb. 16 in House Local Government.

**LC2325: Local option infrastructure investment and property tax relief act**

Position: Support

This bill draft is now available for review <http://leg.mt.gov/bills/2017/billpdf/LC2325.pdf>

Status: Draft language released. No hearing set.

**HB417 (LC1152): Generally revise laws related to non-discrimination**

Position: Support/Monitor

Status: Bill introduced.

## UPDATES:

**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: Hearing Feb. 14. Awaiting action.

**HB94: Generally revise public safety officer standards/training council laws.**

Position: Oppose without amendments. Support with.

MacDonald and other interested parties continue to work on details of this bill, specifically concerning the need to ensure private companies can contract with local governments to provide pretrial and misdemeanor parole and probation services. Details have been worked out with POST to maintain the status quo for now with private companies, but additional efforts may be coming down this session still to address other issues.

Status: Hearing held. Awaiting amendments

**[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.

**[SB130](#): Revise tax increment finance laws**

Position: Support

MacDonald testified along with the league and MACO at Jan. 24 hearing on this bill that add to the definition of costs that can be paid with TIF money. Would include for energy efficiency expenditures.

Status: TABLED in Senate Local Government.

**[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 and is unlikely to pass.

Status: Awaiting executive action in Senate Judiciary

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

Position: Oppose/Monitor

We missed the hearing due to workload.

Status: Passed Committee. Awaiting floor action

**ADDITIONAL DIRECT LOBBYING:**

Along with the league and others, we are active participants in the Montana Infrastructure Coalition, helping raise awareness of infrastructure needs and building support among legislative members. Efforts include direct contact with more than a dozen lawmakers in the House and Senate. We have been actively seeking support from legislators on HB14, the long-range bonding bill for infrastructure projects.

**COALITION UPDATE:**

[See HB473.](#)

Details of the bill: Right now the fuel tax stands at 8 cents a gallon. The revenue raised would be divided as follows:

\$35 million to MDT annually

\$5.5 million biennial to DOJ for vehicle-related issues

\$25 million to cities and counties.

There continue to be suggestions that local governments should be required to make a local match. The bill is currently expected to have some kind of a match requirement in place – a 10-12 percent. This will be difficult since there aren't a lot of options at the local level and the local-option idea doesn't seem to be moving forward. (see below). If a local government couldn't make a match in the first year, the money would be banked. If they can come up with money in the second year, they can get the first year back.

A permissive levy is also still being considered as an option.

Outreach efforts are underway, including one-pagers on the bill, social media outreach and targeted radio ads.