

WEEKLY REPORT  
Missoula  
Week Ending 4-23-2021

WEEK IN REVIEW

This week's report is more narrative in style as individual bills are giving way to more conference committees to work out final details of significant issues with overlapping legislation.

Most concerning for us this week: We became aware mid-week of efforts by Sen. Greg Hertz to insert an amendment that would prohibit local governments from using any public money for lobbying the legislature, directly or indirectly. HB632 currently has a proposed amendment that would prohibit the use of any ARPA funds for lobbying, but Hertz indicated – and had drafted – a separate amendment that would prohibit ANY money from being used to lobby the legislature. It has NOT been posted as an amendment yet that we've found, but Hertz said in a conversation with another lobbyist that it is still his intent to do so. While he said his legislation would not prohibit government employees from providing testimony to the legislature, the language of the draft amendment we saw is vague enough to likely prohibit even that. We are monitoring HB632 very closely at this point. It is scheduled for a free conference committee next week. We've also heard it may appear in another bill and continue to monitor it as well. Current expectations are that the Legislature will wrap up by Thursday or Friday next week, hopefully adjourning sine die, with a plan to return at a later date to "distribute" the ARPA funds.

ARPA: As noted above, we continue to monitor HB632 closely as it is the vehicle the legislature is using to determine how federal ARPA funds will be distributed, but also because of concerns that Hertz could try to amend. Local governments – city and county – have been alerting individual members of both the House and Senate to oppose this amendment if it does come up.

Marijuana: The legislature designated a cannabis working group to hammer out details on a series of marijuana bills, with two of the primary bills passing the Senate on Friday and moving forward. HB701 is headed back to the House for concurrence in the Senate amendments (which is expected) and HB640 is headed to a free conference committee. Both bills are sponsored by Rep. Mike Hopkins.

One of the major issues for local government in HB640 was how recreational marijuana sales would be legalized at the local level, and whether local governments would have to "opt in" or "opt out." As passed by the Senate Friday, in counties that voted in favor of the marijuana ballot measure last year, recreational marijuana sales would be automatically legalized. But in counties where ballot measures did not pass, voters would have to separately approve recreational marijuana sales to opt-in to the program.

As outlined in the bill, recreational marijuana sales would be taxed at a rate of 20%. Of the state revenue generated by sales, \$6 million annually would go towards a drug addiction treatment

program backed by Gov. Greg Gianforte; 20% would go toward conservation efforts; 4% or up to \$650,000 each would go to state parks, trails and recreational facilities, and wildlife protection; up to \$200,000 would go to veterans services and improving veterans' cemeteries; \$300,000 would go toward a one-time purchase of drug detection canines; \$150,000 would fund a one-time police training; and the remaining money would enter the state's general fund.

Health Orders: Here's where we are on the remaining health issues.

**HB121: Require elected official approval of local health board and officer actions.**

Position: SUPPORT/MONITOR

Status: SIGNED by the governor on 4/16.

We are including this bill in the weekly report again because of the bill below, HB257.

As a reminder, we supported this bill because of all the legislation to restrict local health regulations, this was the most workable and least troublesome for local governments. It was one of many bills attempting to limit the ability of local health boards. We had initial hopes that HB257, detailed below, would be tabled during the process, but it is a troublesome bill that is still alive.

**HB257: Revise laws relating to government mandates and businesses.**

Position: OPPOSE

Status: Amended version scheduled for third reading on 4/26.

Probably one of the most problematic of the local control issues, this bill prohibits local governments from approving any ordinances or rules in an emergency that would prohibit a business from continuing to operate. We're making a big push with all legislators to kill the bill. While there were rumors that the LT. Gov. supports this bill and is pushing it, we believe she is opposed and we need to ensure that is the case and make sure that if this gets to the governor's desk, it gets a swift veto.

**Status of other bills:**

**HB427: Provide for youth health protection**

Position: OPPOSE

Status: INDEFINITELY POSTPONED

This was a significant win. After languishing for weeks, the bill was brought to the Senate floor this week where a motion was made to pass consideration for a day. Sen. Bennett of Missoula then requested a vote on a motion to indefinitely postpone, which passed 27-22. As it stands now, the bill is dead.

**SB385: Revise special district laws and provide time limit on property tax levies**

Position: OPPOSE (Original version)

Status : Scheduled for third-reading in the House 4/26.

We had hoped for a clear “grandfather” clause that would essentially protect two districts in Missoula and one in Bozeman. That has been unsuccessful. However, Dale Bickell did note that it appears the latest version has been changed so the inflationary cap applies only to new districts and the July 1 effective date was eliminated. The legislation would still require an election to keep a district after a 13-year life. This version MAY ease some of the concerns.

**SB388: Provide for infrastructure through tax increment financing**

Position: OPPOSE

Status: AMENDED version passed House Tax and was re-referred to House Appropriations, which approved in unanimously on 4/23.

We continue to oppose. The hope now is we can get this to a free conference committee and get several additional amendments on that Kelly Lynch has proposed that would address move of the issues we have. When this was revived in the Senate, the sponsor included amendments removing several of the critical concerns with the bill: the inclusion of university mills and any new mill levies. It also improved the definition of infrastructure. We believe the current version now only applied to future TEDDs, but we do remain concerned, along with the league, that this is a “foot in the door” effort to eventually further limit or prohibit the use of TIF/TEDD and will continue to work to oppose or get additional amendments.

**SB358: Repeal numeric nutrient standards for water quality**

Position: SUPPORT

Status: Passed both houses and sent to the governor.

A lot of solid work under the leadership of Kelly Lynch at the league. This bill, initially tabled in committee, was brought back to due to the work of the league and others in order to address the ability of local governments to meet nutrient standards and balance development needs. In short, the bill eliminates unrealistic nutrient standard statutes and, instead, requires the state to adopt rules for creation of consistent, realistic standards.