

By Bruce MacIntyre
Director of Business Advocacy and Government Affairs
Billings Chamber/CVB

On September 19th, the Eastern Montana Energy Group met in Miles City to further discuss possible legislative issues that could impact the group. Once again, we had a great turnout, consisting of 35 attendees from eastern and central Montana. Dave Galt, Executive Director of the Montana Petroleum Association gave an overview of issues that he anticipates will be important either on the state or federal level. Federally, the sage grouse plan which, it approved in its current form and applied to the state of Montana, would severely curtail acreage available for drilling because of sage grouse habitat requirements. The state issues that MPA is concerned with are water issues, exempt wells, fracking and fracking water, central assessment of property taxes, and the continuation of royalty tax 18 month tax holiday. He also reviewed the activity in Montana versus North Dakota and he does not think Montana will ever reach North Dakota type of activity due to the lower flows of oil from the Bakken formation.

Senator Eric Moore and Representative Bill McChesney gave their legislative perspectives and an issue of concern is the continued funding of coal impact funds for the affected counties. Funding at the \$5.9 million dollar level is scheduled to expire and revert back in the two million dollar range. Water policy is another issue of importance throughout the region as is K-12 education and the community colleges. K-12 has seen a substantial increase in students in several communities and the accompanying state funding from the state does not become effective until the following year. There was extensive discussion on changing the basic entitlement for larger school districts. Community colleges in Montana do not get the same fiscal attention during the session that the mainstream higher education units and COT's get.

Infrastructure funding of cities and towns is a problem, like a new jail for Miles City and a new sewage lagoon for Sidney. An idea that was discussed would be to increase the population cap on population in the formula for using the Resort Tax, and removing the 10% tourism related revenue criteria. Resort tax is a much easier mechanism since it already exists and would need modification rather than lobbying through a new piece of legislation.

The discussions raised a number of questions and the group felt it would be appropriate to get together in mid December after most of the bill draft requests have been made for legislation and discuss the issues identified further.