

LEGISLATIVE **WRAP-UP** 2021

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Business Advocacy Director
Billings Chamber of Commerce



it's
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Chamber of Commerce

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TAKING A LOOK BACK AT MONTANA'S
2021 LEGISLATIVE SESSION

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session shaped by
mandates

by the
numbers

chamber
priorities

moving
forward

mandates

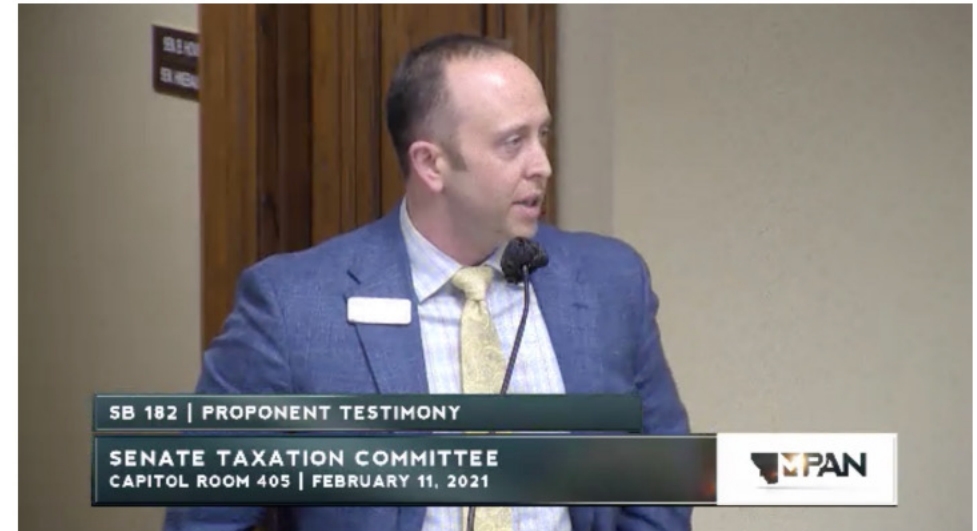
MASKS, GUIDELINES, COVID



How it started:



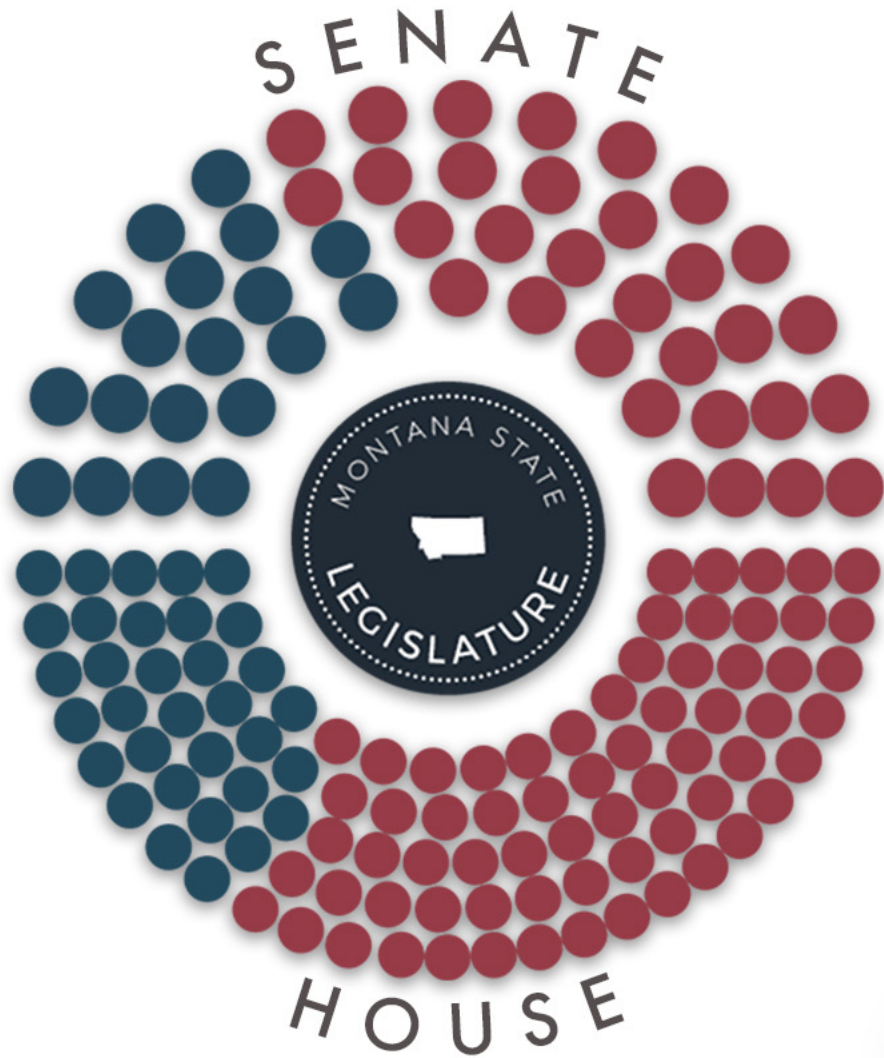
How it's going:



mandates

GOP UNIFIED GOVERNMENT

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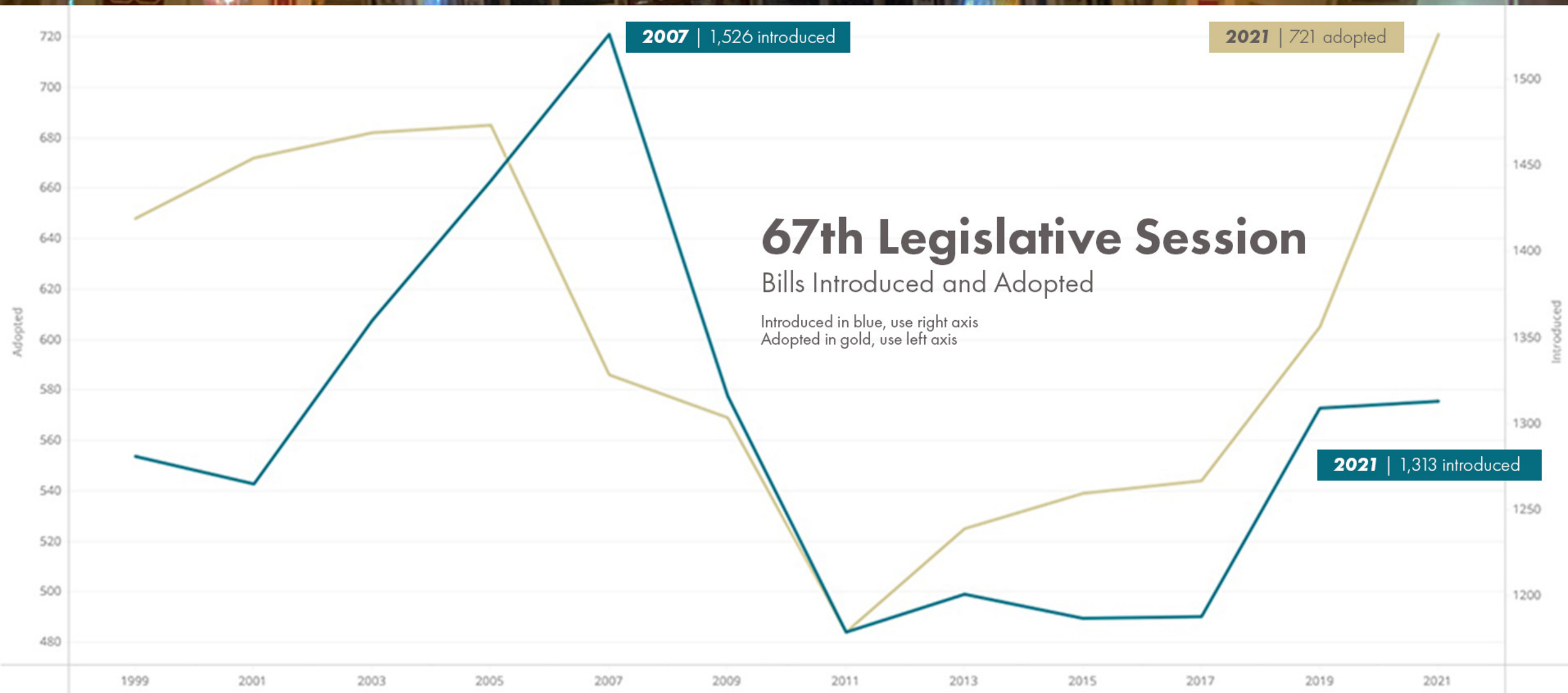
GREG
GIANFORTE

25TH GOVERNOR

data |

BILL STATS

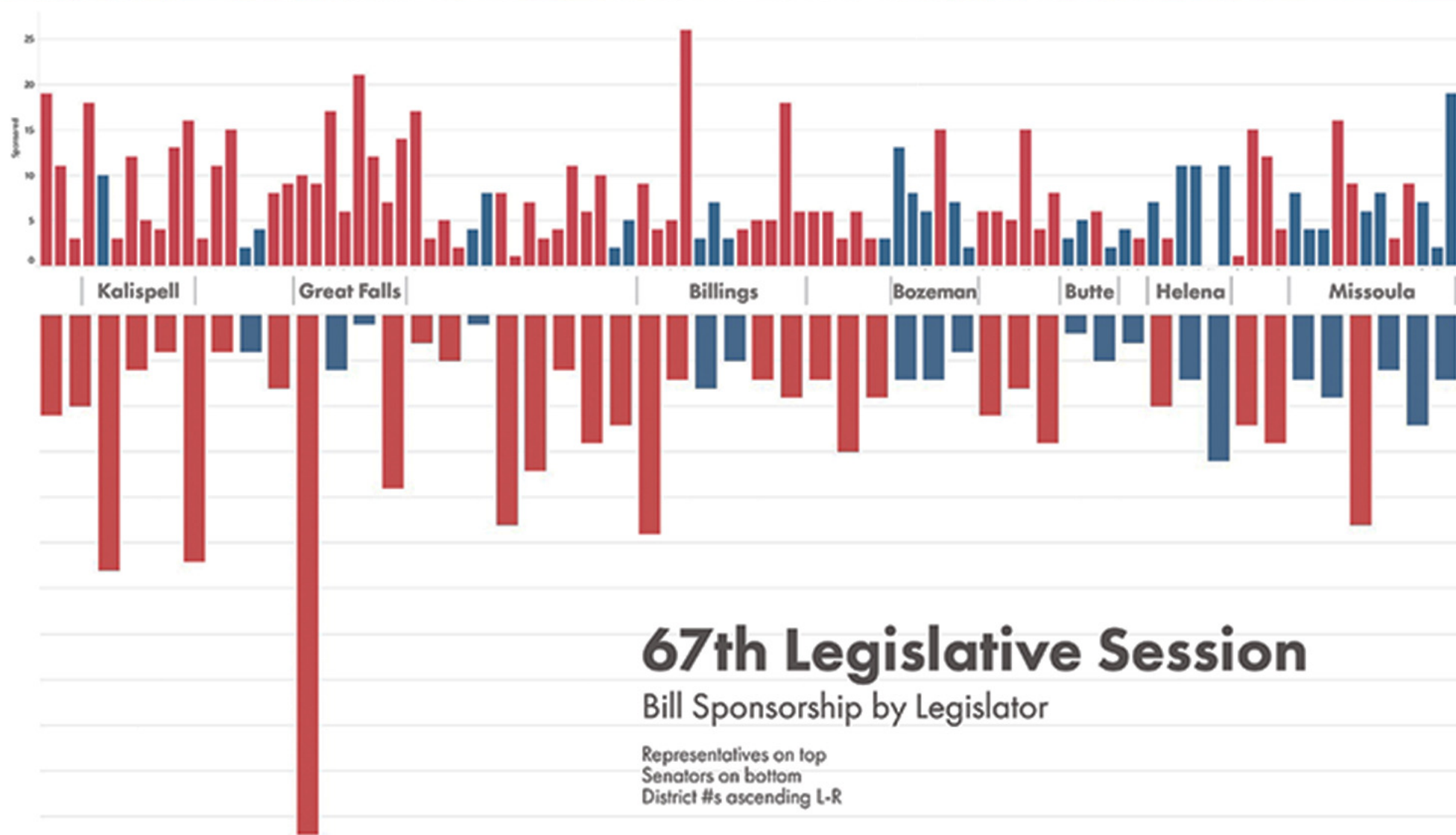
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data

BILL SPONSORSHIP

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HB 2 FUNDING

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DPHHS
\$6,083.7

Office of Public Instruction
\$2,181.8

Comm. of Higher
Education
\$590.5

Dept. of Corrections
\$472.1

Dept. of Justice
\$225.9

Office of State Public

67th Legislative Session

HB 2 Funding

Colors represent different sections (A-F)
Data accessed from MT LEG website 5/5

Dept. of Transportation
\$1,555.3

Dept. of
Fish,
Wildlife, &
Parks
\$212.9

DNRC
\$152.1

Dept. of
Labor &
Industry
\$178.4

Dept. of
Revenue
\$123.6

Dept. of
Military
Affairs
\$107.5

State
Auditor
\$105.3

Dept. of

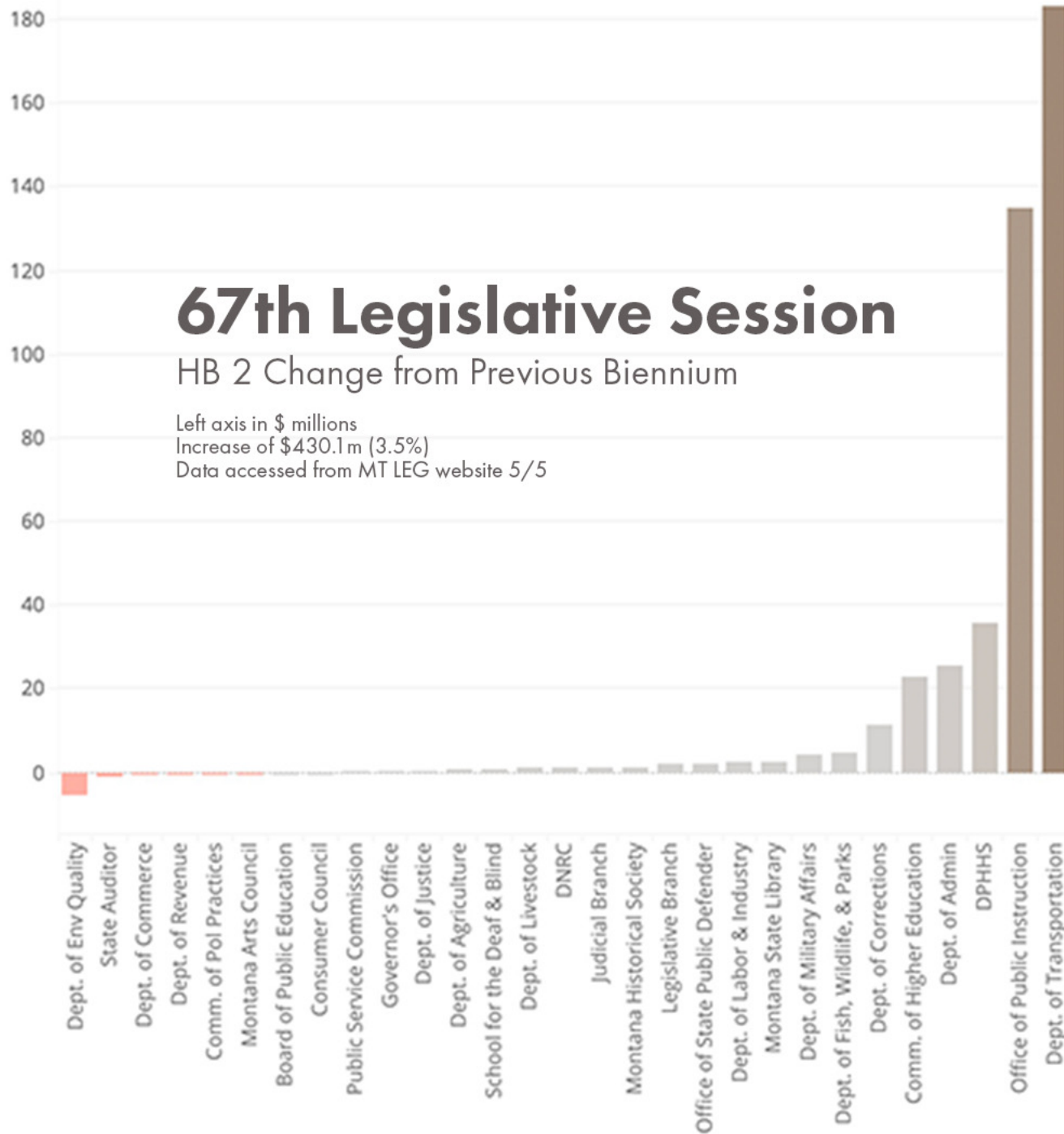
Dept. of

Dept. of

67th Legislative Session

HB 2 Change from Previous Biennium

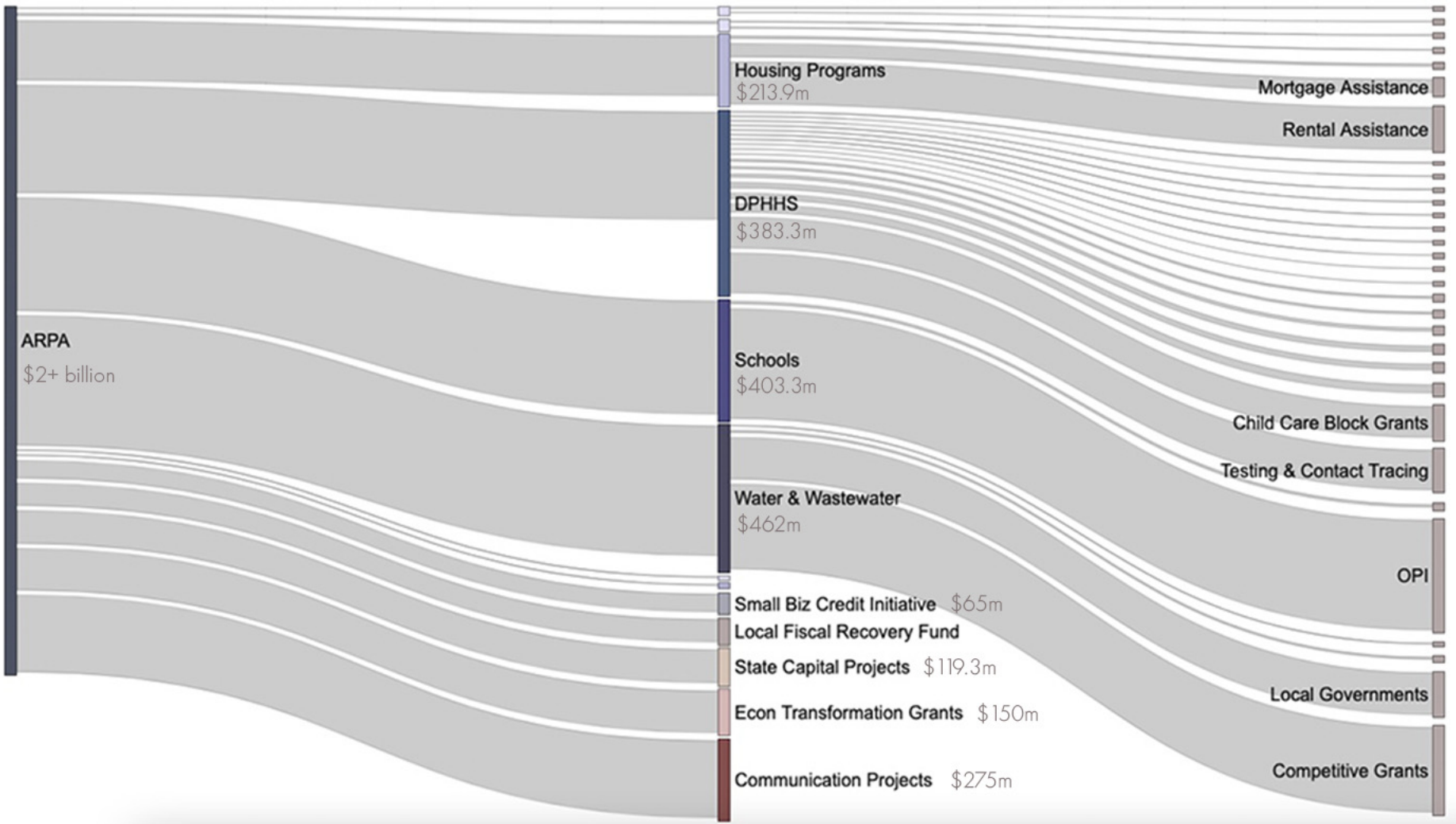
Left axis in \$ millions
Increase of \$430.1m (3.5%)
Data accessed from MT LEG website 5/5



data

HB 632 "THE BEAST"

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67th Legislative Session

HB 632 "The Beast"

Federal funding from
American Rescue Plan Act

data

CHAMBER NUMBERS

MONTANA'S
WORKFORCE

TAX
REFORM

PUBLIC
SAFETY

39

Bills Supported

13

Bills Opposed

HB 143 *Provide incentives for increasing starting teacher pay*
Rep. Llew Jones (R) Conrad

Additional funding for school districts that meet a competitive base pay goal. Currently, MT ranked last among states in starting teacher pay.

HB 252 *Tax credit for employer-paid education of trades professions*
Rep. Llew Jones (R) Conrad

Creates a tax credit for education and training of an employee in a trade profession. Credit is equal to 50% of training expenses and training may occur in a typical classroom setting, on the job site, or online.

HB 624 *Establish a business task force on child care*
Rep. Alice Buckley (D) Bozeman

Establishes a task force of business leaders to make recommendations for incentivizing employer-supported childcare, improving childcare access, and enhancing workforce development. This is privately funded, not costing the state.



tax reform

CHAMBER PRIORITY

SB 399 *Generally revise and simplify income taxes* **Sen. Greg Hertz (R) Polson**

Simplifies taxes by basing MT Taxable Income on Federal Taxable Income and reducing the number of tax brackets from seven to two. Reduces top tax rate to 6.5% starting in 2024.

SB 376 *Corporate tax modernization through double-sales factor* **Sen. Greg Hertz (R) Polson**

Double weights the sales factor in MT's three-factor corporate tax apportionment. Reducing taxes on payroll and property will make MT more attractive for businesses to relocate or expand.

HB 303 *Revise business equipment tax laws: BIG Jobs Act* **Rep. Joshua Kassmier (R) Ft Benton**

Triplies the business equipment tax exemption from \$100,000 to \$300,000. Also backfills local funds that would take a hit from revenue reductions.

public safety | CHAMBER PRIORITY

HB 578 *Revise laws related to commitment of defendants* **Rep. Terry Moore (R) Billings**

Requires Dept. of Correction to notify courts if unable to accept sentenced defendants within five days. Intent is to identify and address inefficiencies.

HB 701 *Generally revise marijuana laws* **Rep. Mike Hopkins (R) Missoula**

Two important aspects are \$6 million funding for HEART fund, addressing addiction issues, and allows a local option tax on recreational sales in county.

HJ 34 *Study of pretrial and presentence diversion programs* **Rep. Barry Usher (R) Billings**

Examines programs in other state, best practices, and funding sources for diversion programs. With our jail overcrowding and recidivism issues, findings could help modify existing or create new programs to benefit Billings.



more wins

CHAMBER ISSUE AREAS

SB 65 *Revise civil liability laws*
Sen. Steve Fitzpatrick (R) Great Falls

Provides liability protections to businesses taking steps to protect employees, customers, and the public. Also provides an affirmative defense against allegations.

HB 340 *Revise the MEDIA Act film tax credits*
Rep. Wylie Galt (R) Martinsdale

Increases the tax credit cap from \$10 million to \$12 million, continuing the successful film credits established in 2019. Studies suggest the 2019 bill resulted in \$47.6 million in total economic impact to Montana.

HB 397 *Establish workforce housing tax credits*
Rep. Joshua Kassmier (R) Ft. Benton

Creates an income tax credit equal to 50% of the federal low-income housing credit, available to corporations, pass-throughs, and individuals on their income.



defense

BILLS OPPOSED

HB 107 *Revise mill levy election laws*
Rep. Ron Marshall (R) Hamilton

Would have required a 2/3 majority vote to pass local mill levies. Looking back at Billings elections, only one (2020 PSML) would have passed.

HB 150 *Establish a carbon tax*
Rep. Mary Ann Dunwell (D) Helena

Would have added a carbon tax of \$10 per ton on certain emitters, resulting in \$280 million in carbon taxes over 4 years. There is no need for a carbon tax as renewable businesses are investing in Montana.

HB 284 *Provide a living wage*
Rep. Mary Ann Dunwell (D) Helena

Would have increased minimum wage to \$15 per hour, similar to federal proposal estimated by CBO would lead to 1.4 million job losses and disproportionately affect young, less educated.

ongoing

WORK REMAINS



WORKFORCE ATTRACTION

Our businesses need additional workforce to grow and that means attracting people to move to our state. While the pandemic has caused many relocations to MT, it remains to be seen whether they are the workforce demographic we need or are looking to work at our businesses.

REVENUE DIVERSIFICATION

Good tax changes were made this session but the foundational structure remains, creating a burdensome reliance on property owners at the local level. Until we allow for a local option sales tax, necessities like public safety will continue to be the onus of property owners while non-residents benefit without paying.

PUBLIC SAFETY

Worthy first steps were taken to address jail overcrowding and fund addiction treatment. Other ideas like a statewide crimestoppers tipline aimed at drug dealing and human trafficking did not pass. We should refine this concept that could help foster an environment more hostile to criminal activity.

voting review | A SNAPSHOT OF VOTES

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MONTANA SENATE	Senate Bill 65 Covid liability protection Chamber Supports	House Bill 143 Increase starting teacher pay Chamber Supports	House Bill 252 MT Trades Education Credit Chamber Supports	House Bill 624 Taskforce on childcare Chamber Supports	Senate Bill 399 Tax relief and simplification Chamber Supports	Senate Bill 376 Corporate tax modernization Chamber Supports	House Bill 303 Biz equipment tax exemption Chamber Supports	House Bill 340 Film tax credits Chamber Supports
Duane ANKNEY	+	+	+	+	+	+	+	+
Jason SMALL	+	+	+	+	+	+	+	+
Doug KARY	+	+	+	○	+	+	+	+
Tom MCGILLVRA	+	+	○	○	+	+	+	○
Mary McNALLY	○	+	+	+	○	○	+	+
Jen GROSS	○	+	○	+	○	○	○	+
Chris FRIEDEL	+	+	+	○	+	+	+	○
Cary SMITH	+	+	+	○	+	+	+	○
Brad MOLNAR	○	+	+	○	○	+	+	○
David HOWARD	+	+	○	○	+	+	+	○

Senate Bill 297 ConnectMT rural broadband Chamber Supports	Senate Bill 147 CPACE capital enhancement Chamber Supports	House Resolution 34 Study pretrial diversion Chamber Supports	House Bill 701 Rec marijuana / HEART fund Chamber Supports	House Bill 578 Address jail overcrowding Chamber Supports	House Bill 464 Repeal local option gas tax Chamber Opposes	House Bill 188 Revise elect vehicle laws Chamber Supports	Senate Resolution 16 Urges support for Keystone XL Chamber Supports	VOTING SCORE
+	+	+	+	+	○	+	+	93.8 %
+	+	+	+	+	○	+	+	93.8 %
+	+	+	○	+	○	+	+	81.3 %
+	○	+	○	+	○	+	+	62.5 %
+	+	+	+	+	+	○	○	68.8 %
○	+	+	+	+	+	○	○	50.0 %
+	○	+	+	+	○	+	+	75.0 %
+	○	+	○	+	○	+	+	68.8 %
+	+	+	○	+	○	+	+	62.5 %
+	○	+	○	+	○	+	+	62.5 %

SCORECARD METHODOLOGY

// BILL SELECTION

Bills were selected with consideration for our policy issue areas: workforce development, tax reform, public safety, economic development and infrastructure. We also selected bills that passed the legislature, ensuring every legislator had a chance to vote on each bill. This allows you to see how legislators voted and compare their votes to the rest of our delegation.

// FAVORING BIPARTISANSHIP

While the selection of bills and resulting votes favors Republicans, a conscious effort was made to include bills that garnered votes from members of both parties. Of the 16 bills selected, 12 received votes from Republicans and Democrats in alignment with the chamber position.

// CALCULATING SCORES

Voting Scores were calculated by taking the number of Business Positive votes and dividing by the total number of votes. Instances where legislators were excused or absent were not factored in to the final Voting Score.

SCORECARD KEY

⊕ : Business Positive Vote
○ : Business Negative Vote

ABS : Absent
EXC : Excused

Q&A WITH LOCAL LEGISLATORS

BILL

MERCER

HOUSE
DISTRICT 46



KATHY

KELKER

HOUSE
DISTRICT 47



LEGISLATIVE **WRAP-UP** 2021



Century 21 Hometown Brokers - Julie Seedhouse
MSU Billings Foundation



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