

LEGISLATIVE **WRAP-UP** 2023

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it's
Billings
Chamber of Commerce

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TAKING A LOOK BACK AT MONTANA'S
2023 LEGISLATIVE SESSION

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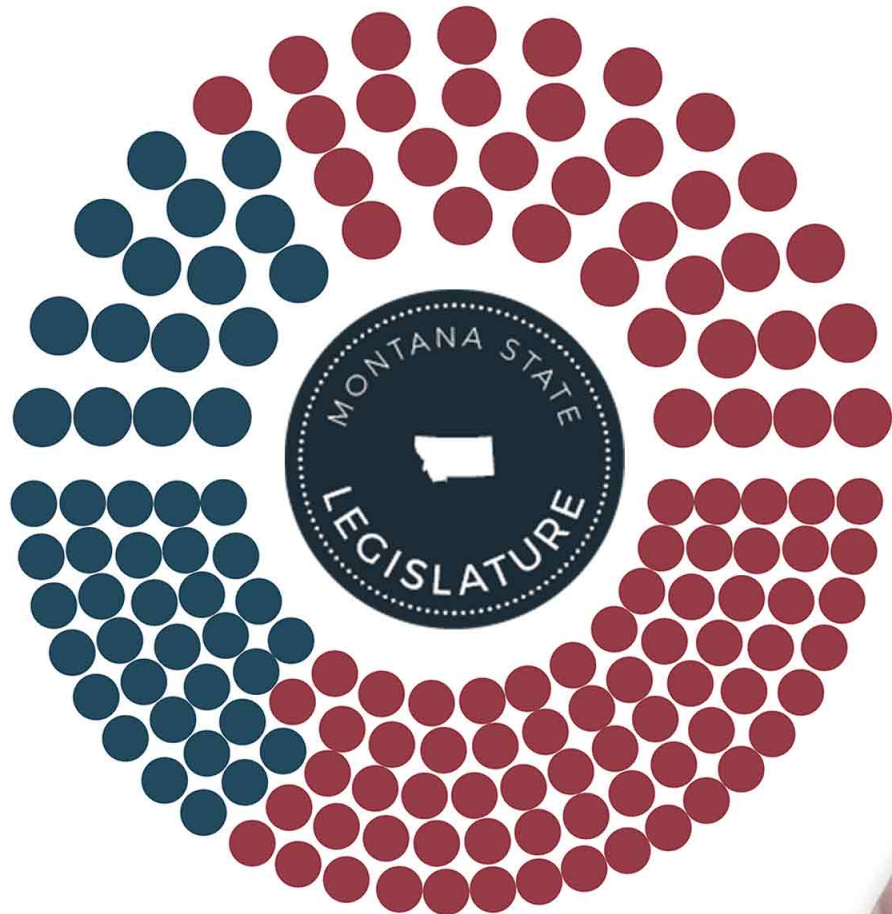
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moving
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SUPERMAJORITY & TRIFECTA

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GREG
GIANFORTE

25TH
GOVERNOR

2/3 vote

CONSTITUTIONAL AMENDMENTS

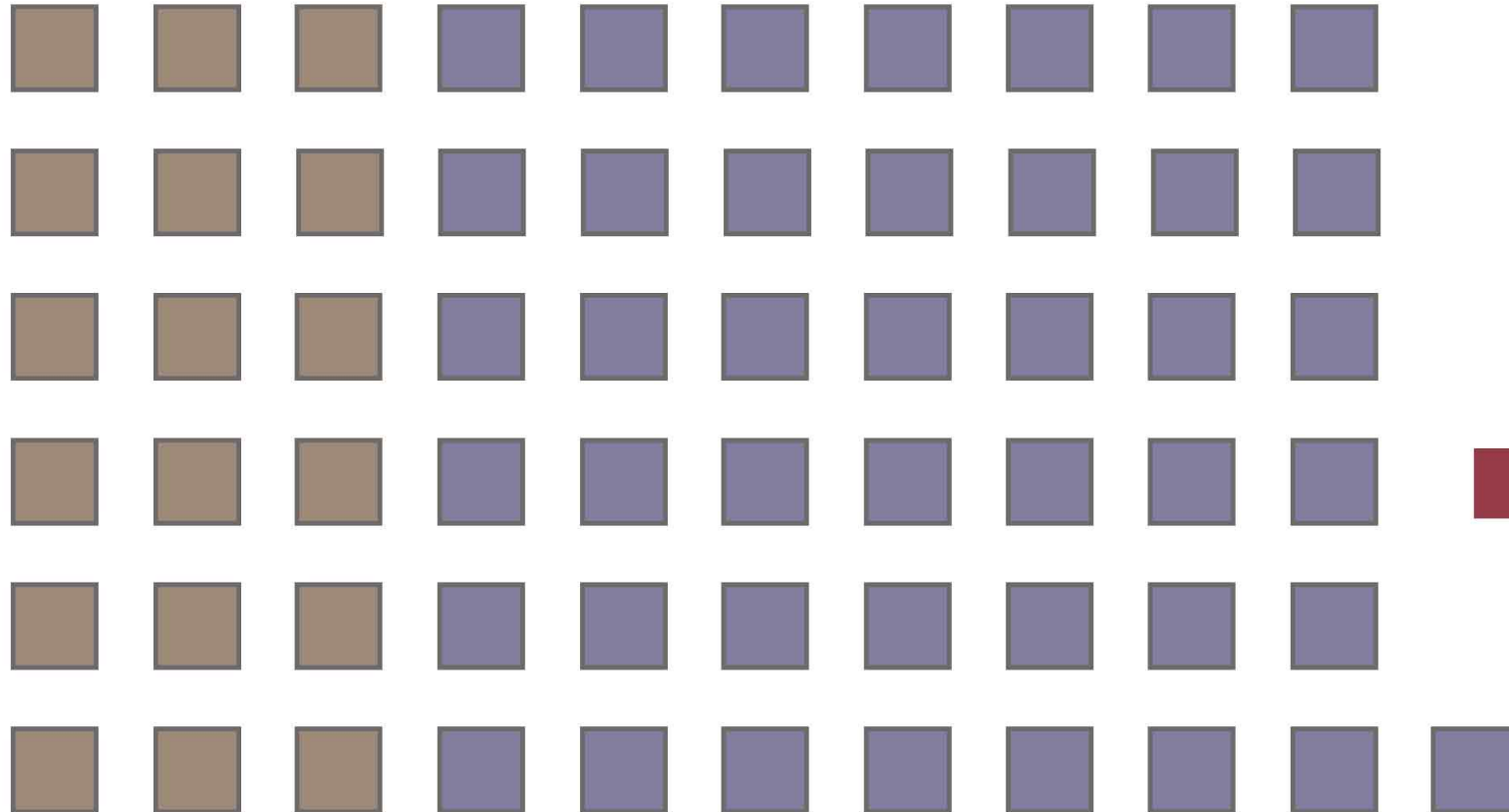
it's
Bill iNGS
Chamber of Commerce

18

INTRODUCED

61

TOTAL



0

PASSED

surplus

"THE SESSION OF GLUTTONY"

—Sen. Majority Leader Steve Fitzpatrick

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Bill iNGS
Chamber of Commerce



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2023 LEGISLATURE

How to spend a \$2.5 billion surplus? Lawmakers have no shortage of ideas.



BDC



Lots of open hands, but only one \$2.5B surplus

SAM WILSON Lee Newspapers Feb 16, 2023

AP

U.S. News World News Politics Sports Entertainment Business Technology Health Science Oddities

Listen



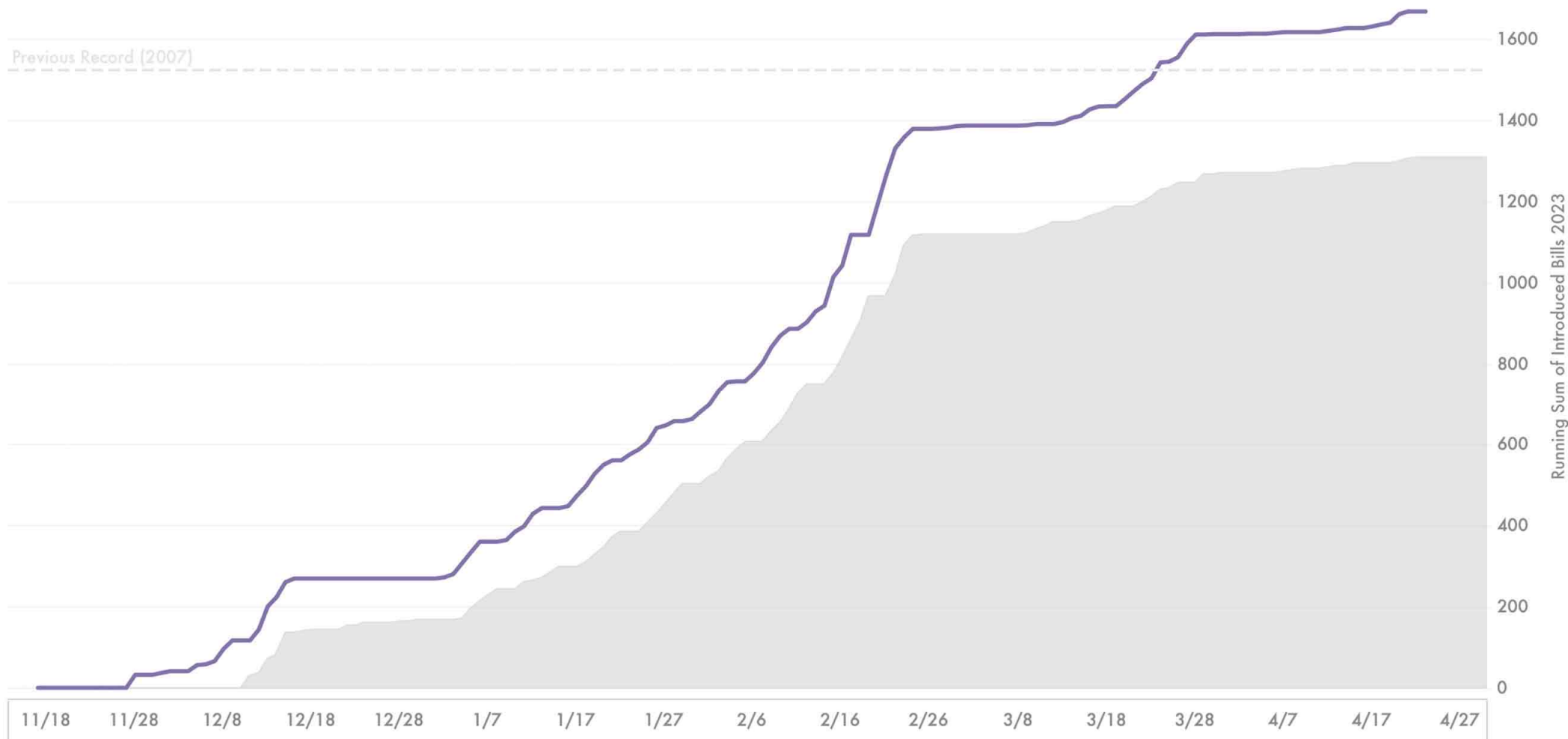
Montana governor wants tax rebates, cuts with budget surplus

By AMY BETH HANSON January 25, 2023

data

BILLS INTRODUCED

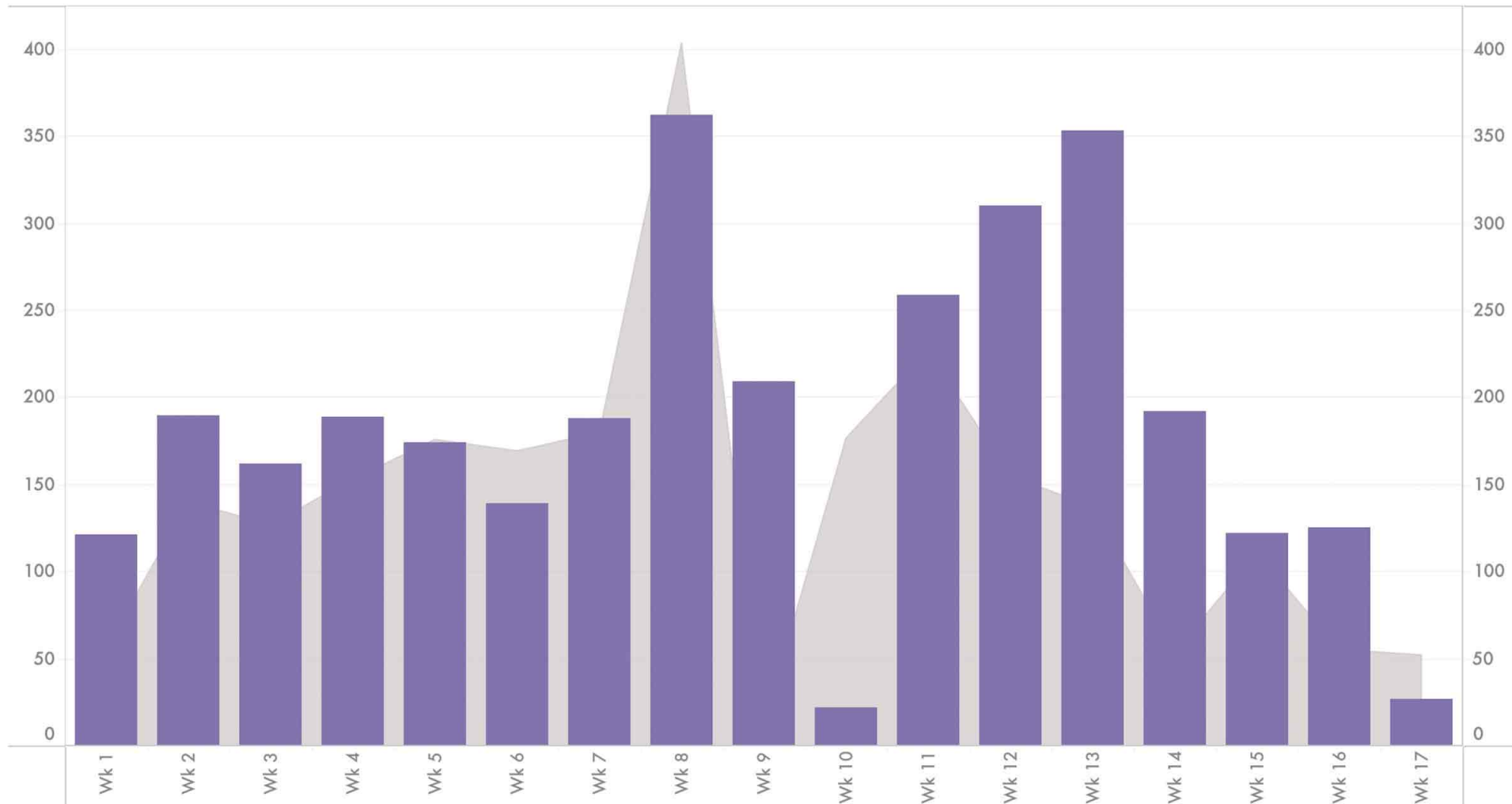
Running Total of MT LEG Introduced Bills
(compared to 2021)



data

WEEKLY HEARINGS

Weekly Scheduled Hearings
(compared to 2021)



data

HB 2 FUNDING SECTIONS

it's
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DPHHS
7,061

68th Legislative Session

HB 2 Funding

Colors represent different sections (A-F)
Data accessed from MT LEG website 4/25
Numbers are in \$MM

Office of Public Instruction
2,303

Comm. of
Higher
Education
629

Dept. of Corrections
514

Dept. of Justice
297

Office of State Public

Dept. of Transportation
1,555

Dept. of
Fish,
Wildlife, &
Parks
255

DNRC
174

Dept. of
Labor &
Industry
184

Dept. of
Revenue
143

Dept. of Military
Affairs

Dept.
of

State Auditor
110

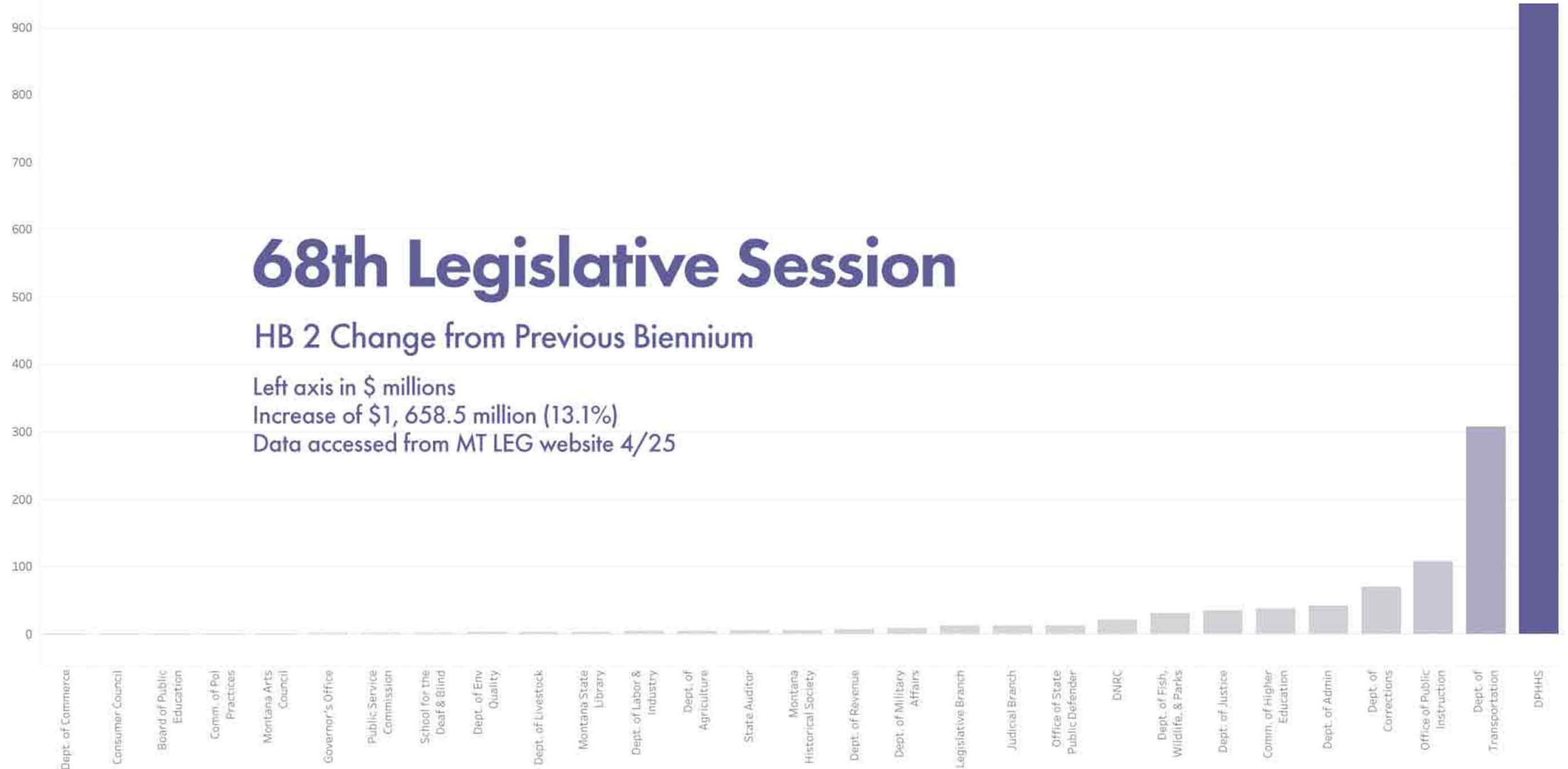
Dept. of Admin
107

Dept. of
Env Quality
130

Dept.
Dept.

data

HB 2 BIENNIUM CHANGE



data

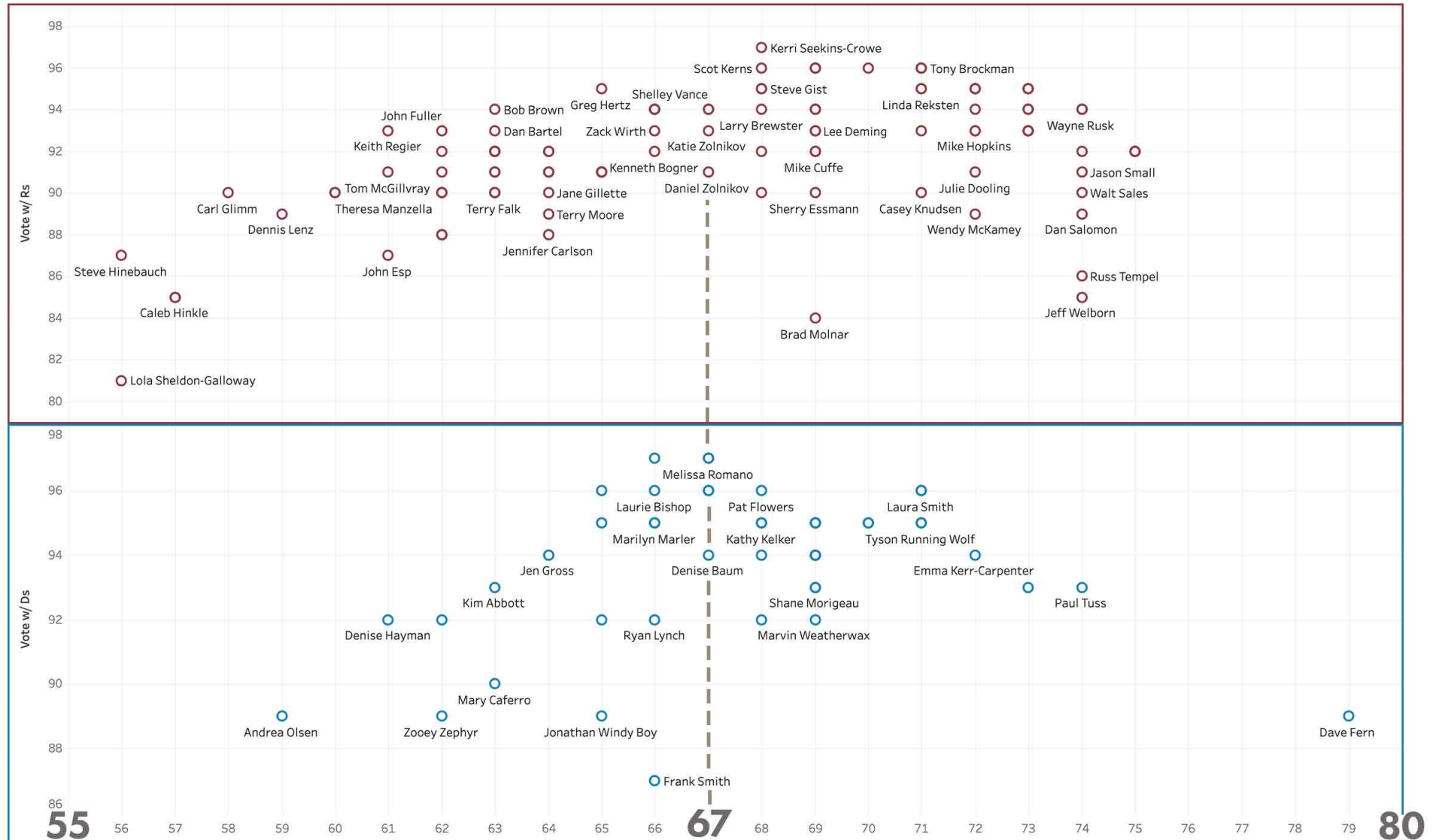
PARTY VOTING PATTERNS

Average percentage of
votes cast with a majority
of the opposing party.

67.2%

67.6%

Data from MT Free Press,
accessed April 25.



policy

CHAMBER NUMBERS

MONTANA'S
WORKFORCE

TAX
REFORM

PUBLIC
SAFETY

45

Bills Supported

8

Bills Opposed

HB 212

Increase business equipment tax exemption
Rep. Joshua Kassmier (R) Fort Benton

This bill increases the business equipment tax exemption from \$300,000 to \$1 million. For Yellowstone County, that means significant savings to our business community. There are 502 entities with business equipment tax liability in tax year 2022. House Bill 212 would fully exempt 273 entities, reduce liabilities for the remaining 229, and provide a total savings of \$1.293 MILLION to businesses in Yellowstone County.

SB 121

Reduce top income tax rate and increase EITC
Sen. Becky Beard (R) Elliston

This bill lowers the top marginal income tax rate from 6.5% to 5.9% and increases the state earned income tax credit (EITC) from 3% to 10% of the federal EITC. The Department of Revenue estimates SB 121's reduction of top marginal tax rate will result in a tax savings of \$20.5 million for Yellowstone County taxpayers in tax year 2024. With many of our small businesses filing as pass-throughs, this means more money to reinvest in their businesses and in our local economy.



Bloomberg

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CityLab | Housing

How YIMBYs Won Montana

A wave of legislation designed to reform local zoning rules and boost housing is sweeping this GOP-led state, thanks to an unusual left-right coalition of supporters.

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TOWNS

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Montana's Fear of "California-Style Zoning" Spurs Reform

Planetizen



Montana Legislature Considering Historic Package of Pro-Housing Development Bills

State legislators agree the cost of housing is a growing problem, but there is little consensus on how to boost the supply of affordable housing.

Sightline
INSTITUTE

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MONTANA'S BIG BIPARTISAN HOUSING DEAL

Amid the US's second-worst price spikes and shortage of homes, a broad coalition unified to find solutions.

“Supporters of housing abundance have longed for something like this legislative **Montana Miracle**.

— Kriston Capps, Bloomberg

“It took a few dozen people at the heart of this effort, working across party lines and for the common interest of their residents, to change the conversation in Big Sky Country. **Where else could pro-housing advocates do the same to promote abundant, lower-cost housing options?**

— Catie Gould, Sightline Institute

Meanwhile, MT media:

The one thing everyone agrees on: **Not much work got done on making housing more affordable.** (Daily Montanan)

Lawmakers hope pro-construction zoning and a **\$225 million** spending package will ease the state's affordability woes. **Did they go far enough?** (MTFP)



**HOUSING
CRISIS**

CENTER

LEFT

RIGHT

policy |

WORKFORCE ISSUES

SB 382

Create the Montana Land Use Planning Act
Sen. Forrest Mandeville (R) Columbus

This bill makes a number of changes to land use and zoning processes. It requires cities to analyze existing and projected housing needs and provide regulations that allow for the rehabilitation, improvement, or development of the number of housing units needed. Cities must select a minimum of five housing strategies listed in the bill to accommodate needed housing.

HB 245

Revise tax credit for trades education & training
Rep. Sue Vinton (R) Billings

This bill builds on the success of the Montana Trades Education and Training Tax Credit, established last legislative session, which offers a credit for 50% of an employee's education, up to \$2,000 annually. HB 245 expands the number of occupations and industries that qualify for the tax credit. The Department of Labor estimates the current credit covers 38,000 employees. The expansion offered by HB 245 would include an additional 31,130 employees.

policy

PUBLIC SAFETY

HB 174

Require costs paid to jails be based on actual costs
Rep. Kerri Seekins-Crowe (R) Billings

The bill requires the state to increase reimbursement to county jails from \$69/day to the greater of \$82/day or 10% below the daily rate for the private prison in Shelby for every state inmate housed in county facilities. While the estimated cost of housing inmates in the Yellowstone County Detention Facility is about \$100/day, this bill is a significant improvement.

SB 94

Generally revise laws related to recovery residences
Sen. Barry Usher (R) Billings

The bill requires the registration of sober living residences. It also requires sober living residences to have administrative oversight, quality standards, emergency, eviction, and resident policies and protocols. In order for sober living residences to receive referrals from a judge, justice of the peace, or magistrate they must be certified by a recovery residence certifying organization recognized by DPHHS.



policy

DEFENSE

SB 145

Provide local distribution of lodging tax revenue
Sen. Keith Regier (R) Kalispell

This bill would have diverted 50% of lodging facility use tax that goes to the Department of Commerce to be redistributed back to local governments for property tax relief. Those dollars currently fund grant programs used by our visitors bureaus to promote rural communities and businesses. For example, Visit Southeast Montana has utilized those dollars to create a Burger Trail and Dark Skies promotions that navigate tourists to our rural areas where a few extra tourists a month make a big impact on local economies.

SB 523

Generally revise tax increment finance laws
Sen. Greg Hertz (R) Polson

This bill would have made significant changes to tax increment finance (TIF) laws in Montana. Two of the more impactful changes would have reduced available TIF funding by 30-50% and would have likely cause the Billings Industrial Revitalization District (between downtown and Metra) to shut its doors. TIF is one of the few economic development tools in our state and used effectively and prudently in Billings.

policy

ADDITIONAL WINS

HB 652

Revise UI law relating to benefit duration
Rep. Steven Galloway (R) Great Falls

This bill revises the duration of unemployment benefits from 28 weeks—1/2 a year—to 24 weeks. Currently, Montana has one of the longest unemployment benefit durations in the U.S. A reasonable reduction in the length of unemployment benefits is likely to result in more unemployed people returning to the workforce and helping our businesses.

SB 216

Revise laws related to litigation and products
Sen. Steve Fitzpatrick (R) Great Falls

The bill provides common sense product liability law reforms to protect manufacturers and Montana businesses from unfair claims. The bill:

- ◆ strengthens product misuse defense when product used contrary to express warning or instruction
- ◆ creates defense for gov't safety regulation compliance if product complies with gov't safety requirements
- ◆ allows for an innocent seller defense, protecting retailers selling products unchanged from manufacturers
- ◆ allows comparative fault defense when other parties contributed to the injury

policy

ADDITIONAL WINS

HB 5

Long-range building appropriations
Rep. Mike Hopkins (R) Missoula

This bill includes appropriations for numerous capital projects throughout the state. Among that funding is **\$8,000,000** for the Billings west end reservoir.



TAX INCREMENT FINANCE

Bills targeting tax increment finance saw strong support and were only defeated in the 11th hour. Work during the interim will be necessary to find an acceptable compromise, addressing real/perceived abuses of TIF while maintaining TIF as one of the few economic development tools available in Montana.

WORKFORCE ISSUES

While tremendous progress was made on housing with pro-housing policies and over \$100 million towards affordable housing loan funds, work remains to address the issue of childcare and the impact that inadequate supply has on our business community.

PUBLIC SAFETY

On the heels of a significant public safety mill levy, this legislative session provided a continuation of public safety successes. However, work remains to address issues like overcrowding at the county detention facility and spreading awareness of crime prevention through environmental design (CPTED) in our community.



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