



# Final Session Report

## 65<sup>th</sup> Legislative Session (2017)

### Revenue and Finance (#2016-1 and 2016-2)

- **HB 2** (General Appropriations Act) – HB 2 is handed by various joint subcommittees during the first half of the session, which then make recommendations to House Appropriations. HB 2 was amended by the Senate and the House concurred in the amendments, no conference committee was necessary. Transmitted to Governor 5/1.
- **HB 43** (Fern) – This bill places a deadline on informal review and appeal for DOR property classification and appraisal for the 2-year valuation cycle. Signed by Governor, effective February 17, 2017.
- **HB 261** (Garner) – This bill extends the termination date of the statutory appropriation for per capita and per square mile funding for public libraries from July 1, 2017 to July 1, 2023, with an immediate effective date. The League supported the bill in House Appropriations and Senate Finance and Claims. Signed by Governor, effective May 7, 2017.
- **HB 422** (Cook) – This bill requires the Department of Revenue to withhold entitlement share and other payments to a local government if the local government fails to make a required report to the Department of Administration and fails to remit payments to the state or other taxing jurisdictions; DOR may withhold such payments if the local government fails to make a required report or fails to remit payments for more than 90 days. The bill also requires the County Attorney to refer misconduct complaints, if not acted on, to the Attorney General. The League worked with the sponsor and MACO to draft language that will allow the state stronger statutory authority to withhold payments when there is an egregious situation where reports have not been filed and payments to the state have not been remitted. The bill was signed by the Governor on April 7, 2017 and is effective July 1, 2017.
- **HB 565** (Cook) – This bill implements the Governor’s budget goal to reduce the local government entitlement share growth to .5% in FY-18 and 1.87% in FY-19. As a result, cities will lose an estimated \$2.3 million and \$3.6 million in estimated growth for FY18 and FY19, respectively. Amendments to the bill made these growth reductions one time only, so that they do not reduce future growth by adjusting the base for future growth calculations. HB 565 also contains the negotiated language for HB 422 (above) regarding required withholding of entitlement share by DOR. The bill as amended is supported by League as a compromise for a tight budgetary biennium. Signed by Governor, effective May 4, 2017.
- **SB 16** (Jones) – MLCT sponsored this bill to fix the amounts required to be held in fire relief association disability and pension funds. The bill will require these funds to be reviewed on an annual basis at fiscal year-end to ensure that the assets in the fund are at a level equal to at least 3x but no more than 5x the benefits paid by the fund in the previous or current fiscal year, whichever is greater. The bill was signed by the Governor and became effective on March 1, 2017.

## Infrastructure (#2016-1, 2016-5, 2016-6, 2016-17)

- **HB 6, 7, and 11** – The RRGL, RDGP, and TSEP bills were amended to include funding for all projects with a combination of special revenue account funding and contingency on another bill that would fund the remaining projects with bonding proceeds (either HB 645 or SB 367). Neither bonding bill was passed. With just available cash funding for each program, cities and towns will receive \$11.5 million in TSEP funds, \$875,000 in RRGL funds, and \$775,000 in RDGP funds. All three bills were signed by the Governor on May 8, 2017 and are effective for the 2019 biennium beginning July 1, 2017.
- **HB 209** (Usher) – This bill extends the increased funding to the Coal Board (5.8%) to the end of the 2019 biennium. The League testified in support of this bill in both houses. The Governor issued an amendatory veto on 4/7 tying the bill to the passage of HB 648 with language including certain supplemental transfers to the pension fund; the amendments were adopted by both the House and the Senate, as was HB 648 with the required language. The bill was signed by the Governor May 11, 2017 and is effective for the 2019 biennium beginning July 1, 2017.
- **HB 225** (Greef) – This bill creates a program at MDT for the maintenance and repair of shared-use paths, paid for with a statutorily appropriated optional light vehicle registration fee of \$5. In some limited cases, the funds may be used for construction or extension of a shared-use path, and the municipality may enter into a maintenance agreement with MDT where MDT will transfer maintenance funds to the municipality to conduct the maintenance. Assuming 1.4% of registrations will pay the optional fee, the fiscal note estimated up to \$68,000 generated annually for the program. Signed by the Governor on May 3, 2017; effective July 1, 2017.
- **HB 294** (Price) – This bill appropriates \$100,000 from the state parks special revenue account to fund grants to municipalities and school districts to increase accessibility in existing parks or install accessible features in new playgrounds. The League supported the bill in House Appropriations and Senate Finance and Claims. Signed by Governor May 4, 2017; grants available for 2019 biennium through Fish, Wildlife, and Parks.
- **HB 424** (Zach Brown) – This bill recognizes the importance of source watersheds and soil and range health for water supplies, and adds both to the types of projects eligible for renewal resources grants and loans from DNRC. Communities that rely on source watersheds for drinking water supply will have access to this grant funding for projects that maintain and repair source watersheds. The League supported the bill in House Natural Resources. Signed by Governor May 7, 2017; new eligibility criteria effective for 2019 biennium RRGL grants.
- **HB 473** (Garner) – The Montana Infrastructure Coalition’s gas tax bill. As amended, provides for a graduated 6 cent increase in the gas tax realized by FY23 (the reduction from the original 8 cent proposal was backfilled with an increased tax for luxury cars and RVs to fund the highway patrol in HB 650 and increased annual vehicle registration fee of \$5 in SB 57). Each fiscal year, 35% or \$9.8 million of the proceeds (whichever is greater) is allocated to MDT and the remainder (approximately \$21 million by FY 2021) to local governments. Cities will access funds for projects after adopting a resolution documenting the required 5% in local matching funds and providing a description of the project to MDT; when the project is finished, the municipality will submit an annual report to MDT regarding final project costs. The League supported the bill in House Transportation and Senate Finance and Claims. Signed by Governor May 4, 2017; effective July 1, 2017 with first distributions available March 1, 2018.
- **SB 189** (Regier) – This bill will modify the method for counting protests to the creation of a special purpose district (Sections 7-11-1001, et seq., MCA), treating the protest form as a vote and counting only those that are received, as opposed to those opposing the creation counted against the landowners to be assessed. The League opposed it and worked with Rep. Custer to

bring an amendment on the House floor, which failed. Governor issued an amendatory veto with same amendment; the changes were adopted by the Legislature and the bill was signed by Governor May 4, 2017 with an October 1, 2017 effective date.

## **DIED**

**HB 14** (Keane) – Tabled in House Appropriations and replaced with HB 645/SB 367.

**HB 301** (Ellis) – This bill would have modified the street maintenance district statute to clarify that local governments can issue bonds for street maintenance projects. The League supported in House Local Government and it passed committee. On the House floor, the bill was tied up in a discussion about municipal bonding limits and failed 2<sup>nd</sup> reading. The League opposed attempts to tie the bill to a bill proposing municipal bonding limits.

**HB 405** (Cook) – This bill as passed had little effect on municipalities, but the Governor issued an amendatory veto on 4/26, which were adopted by the House. These amendments would have authorized the creation of natural resource impact areas for communities facing impacts from the growth or decline in oil and gas, mining, or forestry activities, and impose a local option lodging facility tax of up to 4%. The motion to approve the Governor's amendments in the Senate failed on a tie vote.

**HB 577** (Fern) – The Montana Infrastructure Coalition's local option tax bill to be heard in the House of Representatives. The bill was tabled in House Taxation.

**HB 586** (Lenz) – This bill would have appropriated \$2.5 million to DNRC for a grant to the City of Laurel for its water intake project. The bill was amended in Senate Finance and Claims to provide for an appropriation of \$1.7 in bonding proceeds to the Laurel water intake project provided for in a bonding bill. No bonding bill was passed and approved so HB 586 contains no funding for Laurel.

**HB 627** (Cook) – This bill would have repealed the local option fuel tax and was part of the negotiations concerning passage of the gas tax increase (HB 473). The bill was supported by the League but failed 2<sup>nd</sup> reading and missed the revenue bill transmittal deadline.

**HB 645** (Cuffe) – House replacement bill for HB 14. Would fund all RRGL, RDGP, and TSEP projects by backfilling with bonding revenues. No additional local government grant program. Failed 3<sup>rd</sup> reading for second time on 4/6. The League is monitoring this bill in coordination with SB 367.

**HB 660** (Eck) – Increased lodging facility tax by .05% to fund construction of the Montana Heritage Center. Passed the House; died on second reading in the Senate during the final days of the session.

**SB 88** (Sesso) – The Governor's infrastructure proposal to create a local government infrastructure program within the coal severance tax trust. This bill missed transmittal deadline and died in Senate Finance and Claims.

**SB 188** (Regier) – This bill would have removed a local government's ability to create a special purpose district (Sections 7-11-1001, *et seq.*, MCA) by resolution; leaving only petition or referendum as the methods to create a special purpose district. The League opposed in Senate Local Government and the bill was tabled.

**SB 331** (Phillips) – The Montana Infrastructure Coalition's local option tax bill. Provides authority for any municipality, consolidated city-county, or county, by vote of the electorate, to impose a local option tax on hotels, restaurants, bars, and recreational goods and services up to 4% to be spent on critical local infrastructure projects, with at least 10% of the revenue to go to property tax rebates. The bill was tabled in Senate Taxation on a 5-7 vote.

**SB 367** (Moore) – The Senate's replacement bill for HB 14. Would fund all RRGL, RDGP, and TSEP projects by backfilling with bonding revenues, and appropriate \$5 million for a new local government grant program.

**SB 376** (Cohenour) – The Senate's version of lodging facility tax funding for the Montana Heritage Center. The bill was tabled in House Appropriations.

## TAX INCREMENT FINANCING (#2016-4)

A subcategory of infrastructure bills that we saw a lot of activity on during the first half of the session is tax increment financing. There were 13 bills introduced that sought to modify TIFs in one or more ways. The League strongly opposed these bills and was able to organize a strong organized coalition of the private sector, Governor's Office of Economic Development, and TIF communities to provide the testimony and data necessary to successfully resist these proposals. The League worked with House Taxation committee on a TIF interim study bill to be coordinated with the TIF performance audit launched this spring by the Legislative Audit Division.

- **HB 30** (Essman) – This bill was also approved by Revenue and Transportation interim committee. The bill removes levies adopted after the TIF is created from the TIF calculation. The bill now has an immediate effective date; applies to any voted levy approved on or after effective date of the bill. League agreed to be neutral on bill. Bill was signed by the Governor and is effective April 6, 2017.
- **HB 76** (Adam Hertz) – The bill is unchanged from what was proposed by the Revenue and Transportation interim committee. It adds language to existing 7-15-4291 that restricts the agreement terms for remittance of unused portions of tax increments, requiring remittance to all taxing jurisdictions included in the calculation and proportional to each jurisdiction's share of total mills levied. Applies to remittance agreements entered into on or after February 17, 2017, the date the bill was signed by the Governor.
- **HB 396** (Grubbs) – This bill requires that a municipality meet and confer with county and school districts at a public meeting with opportunity for public comment before creating plan with TIF, adding TIF to existing plan, or bonding; requires counties do the same with TIFs for TEDDs. The League opposed the original bill (HB 250) that would have required school district and county to approve the creation of a TIF, and worked with MACO, MTSBA, and Rep. Grubbs on amendments. Bill was signed by the Governor and is effective as of April 4, 2017.
- **SB 27** (Thomas) - As amended, the bill requires the local government's annual financial report under 2-7-503 to include a report of the financial activities related to TIF; requires public meeting and opportunity for comment on all matters before the urban renewal agency board; requires the TIF annual report under 7-15-4237 to "describe the public purpose of expenditures of tax increment and how the expenditures meet the goals of the urban renewal plan or comprehensive development plan (TEDD). The League opposed the first version of the bill and worked with Sen. Thomas on amendments. Bill as amended transmitted to House, amended again with League support in House Taxation, and the Senate concurred in the House amendments. Signed by Governor May 4, 2017 with October 1, 2017 effective date.
- **HJ 18** (A Hertz) – House Joint Resolution to perform an interim study of TIF. League supports; the bill was filed with the Secretary of State on 4/27.

### DIED

**HB 134** (Essman) – While the Revenue and Transportation interim committee voted not to move forward with the proposal to remove the 95 school mills from TIF calculation, the proposed language was instead put into the School Funding Interim Commission's draft bill revising the Quality Schools Facility Grant Program. The League opposed this bill in House Education. Bill was amended to remove all reference to the 95 mills. The bill as amended was never heard on the House Floor and died at the end of the session.

**HB 403** (Greg Hertz) – This bill would require remittance of all incremental taxable value of one or more urban renewal districts in excess of 5% of the municipality's total taxable value, except to the extent such revenues are pledged for the payment of bonds before the effective date of the act (immediate effective date). The League opposed the bill in House Taxation and the bill was tabled.

**HB 411** (Adam Hertz) – This bill would have prohibited TIF funds for paying for facade improvements to privately owned buildings. The League opposed this bill in House Taxation and it was tabled.

**HB 413** (Essman) – This bill provides (1) 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. The bill has an immediate effective date, and applies to improvements funded on or after effective date of bill; liability provisions apply to decisions on or after the effective date of the bill. The League opposed the bill in House Taxation and the bill was tabled.

**HB 359** (Burnett) – This bill would have limited tax increment financing revenue to the mills collected by the TIF-creating entity only, removing mills collected on behalf of a school districts, mills supporting elementary and high school district retirement obligations, public school equalization mills, university system mills, and the permissive levies in 15-10-420(9)(a). The League opposed and organized a strong opposition from the private sector, Governor’s Office of Economic Development, and TIF communities, and the bill was tabled in House Taxation.

**HB 549** (Skees) – This bill would have allowed cities with BID/TIF districts to issue ordinances to license alcohol sales. League monitored; the bill was tabled in House Business and Labor.

**HB 573** (Cook) – This bill is essentially the language that RTIC voted not to move forward with. The bill would remove the 95 school mills from TIF calculation, but only for TIFs in urban renewal districts or TEDDs established on or after the effective date of the act (October 1, 2017); bill was amended to allow use of 95 mills during first 15 years of TIF. The League opposed but bill passed the House; the bill was tabled in Senate Taxation.

**SB 34** (Hoven) - The bill was substantively the same as what was approved by the interim committee. The bill would require a representative of a school district within the municipality and a representative who lives in the county to be appointed by the mayor to the urban renewal agency board. The mayor must appoint these two new members from a list of three people each submitted by the school board and by the county commission. The League opposed the bill and worked with Sen. Hoven on amendments. Amendments were rejected and bill was tabled by Senate Local Government.

**SB 130** (Barrett) – This bill added cost-effective improvements for energy efficiency purposes to list of costs that may be paid by tax increment financing (7-15-4288, MCA). The League supported the bill. Senate Taxation committee vote on bill tied 6-6; bill missed deadline for transmittal.

### **Land Use and Planning (#2016-4)**

- **HB 245** (Mandeville) – This bill places deadlines on the review and approval of a final subdivision plat. The League supported the bill with amendments to extend the deadlines to 20 working days to review and 20 working days to approve, with ability to mutually agree to extend the deadline. Signed by Governor May 3, 2017; effective October 1, 2017.
- **HB 416** (Greef) – This bill will codify the arbitrary and capricious standard of review for court review of a local government decision on a subdivision application, and clarify that environmental assessments completed for subdivision proposals are not the equivalent to environmental assessments completed under the Montana Environmental Policy Act. The bill attempts to legislatively override court decisions holding local governments to the “hard look” standard in reviewing an environmental assessment prepared under the Montana Subdivisions and Platting Act. The League supports the bill and worked with MACO on amendments; the bill

was amended in Senate Local Government and House concurred. The bill was signed by the Governor May 8, 2017 and is effective October 1, 2017.

- **HB 445** (Greef) – This bill will create statutory authority for phased subdivision developments, providing review timelines and processes to allow for further public comment and mitigation on long-term development proposals. The League supports the bill and has worked with MACO and other interested parties on amendments to clarify the requirements for phased developments. The bill was signed by the Governor and applies to any phased subdivision applications submitted on or after May 8, 2017.
- **SB 219** (Buttrey) – This bill will clarify that landowners who used the mortgage exemption prior to October 1, 2003 to create a parcel, then transferred that parcel prior to October 1, 2003 without foreclosure (date is when that requirement was codified in statute), can now transfer the other parcel without subdivision review. Bill signed by Governor and effective April 7, 2017.

## **DIED**

**HB 317** (Sales) – This bill would have amended the statute governing review of minor subdivisions to allow a local government to hold a public hearing. Although a quick survey indicated most cities do not hold public hearings on minor subdivisions, the League supported as local control issue; the bill was tabled in House Local Government.

**HB 457** (Mandeville) – This bill would have removed the 5-lot limit on exempted boundary line adjustments within platted subdivisions, essentially allowing all lot boundaries within a platted subdivision to be adjusted without local government review. The League opposed the bill and it was tabled in House Local Government.

**SB 98** (Smith) – Property fairness ownership act. This bill would have made the majority of local land use actions, including administrative actions, a regulatory taking requiring compensation to the property owner. The League opposed this bill in Senate Judiciary, and after the League issued a call to action, the bill failed to pass 2<sup>nd</sup> Reading on the Senate Floor.

**SB 251** (Facey) – This bill will clarify that local governments have the authority to regulate short-term rentals through zoning regulations, by removing all transient occupancies in lodging facilities from the landlord tenant act. League supported in order to help local governments avoid litigating the issue; bill was tabled in House Judiciary.

**SB 266** (Cohenour) – This bill would have prohibited local governments from extending a preliminary plat approval unless the jurisdiction had an adopted growth policy, zoning, and an infrastructure plan. The League opposed the bill and it was tabled in Senate Local Government.

**HJ 31** (A Hertz) – Interim study of land use regulations and affordable housing. League supported concept but not necessarily language of the resolution; bill failed second reading in the House.

## **Water and Wastewater Regulation (#2016-1, 2016-4, 2016-7)**

The issue of exempt wells is again front and center during the 2017 session, with the building industry, realtors, agricultural users, environmentalists, and the League at odds over the long-term meaning of the Clark Fork Coalition decision in September 2016 and the remaining viability of the exempt well.

- **HB 510** (Adam Hertz). In 2014, DEQ changed its policy to prohibit the use of the municipal facilities exclusion for subdivision exemptions. This bill will statutorily authorize that certain subdivision exemptions are allowed to apply for certification under the municipal facilities exclusion in the Sanitations in Subdivisions Act that adequate storm water drainage and municipal facilities are available to serve the subdivision. The League worked on amendments with DEQ to clarify bonding for subdivisions wouldn't apply; bill was signed by the Governor and became effective May 9, 2017.

## **DIED**

**HB 339** (Glimm) – This bill was touted as the “compromise” bill to address the issue of exempt wells, but none of the prevailing named plaintiffs in the court case were in support of the bill. The bill would allow for continued use of the exempt well, but with spacing limitations of 660 feet between wells within newly created subdivisions in closed basins and 330 feet elsewhere. These spacing limitations are not based on scientific data and rather appear aimed at continuing the status quo, where exempt wells can be placed within the required spacing, each one serving numerous new homes. The League strongly opposed the bill in the House and the Senate and signed on to a letter requesting the Governor veto the bill; the Governor vetoed the bill on May 11, 2017.

**HB 433** (Hamlett) – This bill would prohibit all condemnation of agricultural water by a municipality. The League strongly opposed the bill in the House and the Senate and signed on to a letter requesting the Governor veto the bill; it was vetoed by the Governor on May 11, 2017.

**HB 546** (Hamlett) – This bill would have reduced the volume for exempt wells from 10 AFY to 2.1 AFY for domestic uses and an additional .4 AFY for grey-water systems, based on DEQ residential use assumptions, with an additional 10 AFY for other beneficial uses (irrigation). This limitation is illusory, as current domestic use associated with exempt wells likely do not exceed these limits already. The League opposed; the bill was tabled.

**HB 547** (Hamlett) – This bill would have codified DNRC’s 1993 rule definition of “combined appropriation” that was struck down by the Montana Supreme Court in the Clark Fork case. The League opposed the bill and it was tabled.

**HB 629** (Manzella) – This bill would have prohibited state agencies from entering into agreements with local governments that would have affected water rights and resources. League opposed; bill was amended into study bill but failed 3<sup>rd</sup> reading in the House.

**HB 659** (Hamlett) – This bill was a copy of HB 546 but with a fee that made it a revenue bill. The League opposed and the bill was tabled.

**SB 248** (Blasdel) – This bill added a new exempt-well category to the Water Use Act for family transfers exempted from the Montana Subdivision and Platting Act. The bill was tabled in House Natural Resources, then taken from the table and passed as amended 4/7. Amendments place a volume and flow limitation on the family transfer exempt well. The League strongly opposed the bill in the Senate and signed on to a letter requesting the Governor veto the bill; it was vetoed by the Governor on May 25, 2017.

## **Colstrip-Related Legislation (#2016-18)**

In line with League Resolution 2016-18, the League has supported several bills aimed at assisting Colstrip and Rosebud County with the pending closure of Units 1 and 2.

- **HB 22** (Keane) – This bill appropriates money to the Attorney General’s office to intervene in the Washington rate case involving Puget Sound Energy’s closure of Units 1 and 2. Bill became effective April 14, 2017 when signed by the Governor.
- **SB 140** (Ankney) – This bill would allow low-interest coal tax trust fund loans from the Board of Investments to local governments impacted by the closure of a coal-fired generating unit to fund infrastructure projects. The League supported the bill; signed by Governor and effective May 22, 2017.
- **SB 339** (Ankney) – This bill would require remediation of the Colstrip Unit properties after closure. League supported the bill in both the House and the Senate; signed by Governor and effective April 4, 2017.

## **DIED**

**HB 21** (Keane) – This bill would have established a benefits and retirement security task force; it was tabled.

**SB 37** (Ankney) – This bill established a coal-fired generating unit decommissioning remediation act; tabled and replaced with SB 339.

**SB 38** (Ankney) – Would have established an energy accountability act; tabled.

**SB 338** (Ankney) – This bill would require a retirement and transition plan for the closure of a coal-fired generating unit. Bill was tabled in House Energy.

## **Local Control and Other (#2016-1, 2016-14, 2016-15)**

- **HB 83** (Bennett) – Elections clean-up bill, amended to reinstate authority of self-governing local government to place amendment to charter on ballot by resolution; language was inadvertently omitted as part of 2015 elections bill. The League wrote the amendments and has worked with sponsor to support the bill. Governor issued amendatory veto 4/7 inserting language allowing counties to hold special election in May 2017 by mail-in ballot. Amendments were not adopted by the House. Governor signed original bill and is effective May 3, 2017.
- **HB 447** (Fitzgerald) – Bill would authorize (but not require) municipalities to cancel local uncontested general elections. League supports as local control issue; bill was signed by Governor and is effective April 7, 2017.
- **SB 151** (Dee Brown) – Bill will create local government interim committee, separate and distinct from education committee. The League supports the bill and has worked with the sponsor and other Senators to amend the bill to ensure no fiscal impact; the bill was signed by Governor and is effective April 7, 2017. The League will work closely with Legislative services and keep members informed as to the establishment of this committee and any studies assigned thereto.
- **SB 274** (Buttrey) – This bill will allow a consolidated election to create a special purpose district and to elect the board for the district at the same time; the bill also provides for staggered board terms. The League supports; signed by Governor on May 4, 2017; effective October 1, 2017.
- **SB 278** (Hinebauch) – This bill would raise the bid limit for professional services to \$50,000 (from \$20,000) and provide that after undergoing the selection process for choosing professional services, the local government may enter into contracts with one or more firms to provide services on an as-needed basis for a term to be mutually agreed upon. During that contract period, the local government may select one of the firms to perform project-specific work without undergoing further competitive selection processes. The League supports; signed by Governor and effective May 4, 2017.
- **SB 359** (Blasdel) – This bill would provide a new property tax classification for qualified data centers at .9% of its market value. The League monitored; the bill was signed by President 5/4.
- **SB 372** (Moore) – This bill would increase the threshold at which local governments and school districts must prepare a biennial audit from \$500,000 to the threshold dollar amount established by the federal OMB (currently \$750,000). League monitoring; signed by Governor on May 22, 2017; effective July 1, 2017.
- **HJ 25** (A Hertz) – Interim study of municipal fire protection statutes. League supports; filed with Secretary of State 4/27.

## **DIED**

**HB 194** (Treas) – This bill would have prohibited municipalities from enacting ordinances regulating cell phone use while driving. The League opposed; the bill failed on 2<sup>nd</sup> reading.



**HB 463** (Kelker) – Bill would have allowed local governments to prohibit chronically incapacitated substance abuse in public places by ordinance, and allow local law enforcement ability to steer chronic substance abusers into treatment. League supported as local control issue; bill was tabled.

**HB 562** (Casey Knudsen) – This bill would restrict local government authority to regulate cell phone use while driving, limiting the maximum violation to a \$100 fine. The League opposed the bill and signed a veto request letter submitted by the City of Great Falls; the bill was vetoed by the Governor on May 11, 2017.

**HB 609** (Glimm) – This bill would have created liability for state and local governments that failed to take reasonable steps to prohibit a person using or accessing a locker room, restroom, or shower room designated for use by that person's sex from encountering a person of the opposite sex. The League opposed; the bill was tabled in committee.

**HB 626** (Shaw) – Constitutional amendment to revise legislator term limit laws; would allow for a state representative or state senator to serve 16 years in any 20-year period in either house or both. Bill was tabled in Senate State Administration.

**SB 289** (Moore) – Bill would have required cities and towns to place a lien on real property for unpaid municipal utility bills in order for the delinquent bill to transfer to new owner. The League opposed; the bill was tabled in House Business and Labor.

## **LAW ENFORCEMENT (#2016-20)**

The League worked with MACOP and other law enforcement lobbyists to monitor, oppose, or modify a number of bills related to law enforcement, including several bills related to Marsy's Law, disposition of tangible property by law enforcement, and the enforcement of disputes between landlords and tenants that rise to the level of criminal activity, where local law enforcement would be required to remove trespassers and get involved in other landlord-tenant disputes:

- **HB 77** (Brodehl) – Would revise OPD system, creating an office of state public defender with a director at the Department of Administration and a public defender advisory commission serving in an advisory role to the director. The bill was signed by Governor on May 8, 2017. With some exceptions relating to beginning the transition of the public defender's office, the bill is effective July 1, 2017.
- **HB 133** (McConnell) – This bill generally revises sentencing laws in Montana. The bill would exclude a high BAC alone from criminal endangerment charges and reduce fines, sentences, and mandatory minimums for certain theft charges, issuing bad checks, deceptive practices, forgery, identify theft, disorderly conduct, failure to disperse, public nuisance, driving without a license, driving with a suspended license, criminal distribution/possession/ possession with intent to distribute/criminal production or manufacture of marijuana and other dangerous drugs. The bill would redefine persistent felony offender, tying it to prior convictions for sexual or violent offenses. The bill also revises the standards for deferral of sentences. Signed by Governor on May 4, 2017 and effective July 1, 2017.
- **HB 600** (Garner) – This bill will implement Marsy's Law with definitions and processes defined; the League has been on the working group with the Attorney General's office on this bill. Signed by Governor on May 4, 2017 and effective July 1, 2017.
- **HB 604** (Harris) – This bill establishes a statewide public safety communications system. The League supported in Senate Energy and Telecommunications. Signed by Governor on May 4, 2017 and effective July 1, 2017.
- **SB 200** (Buttrey) – Bill will provide authority for local government ordinances to provide process for disposal of lost, abandoned, and found tangible personal property and tangible

personal property seized as evidence but no longer necessary to retain. The League sponsored and drafted this bill. Signed by Governor and effective May 4, 2017.

- **SB 228** (Ankney) – This bill will exempt needle and syringe exchange providers from drug paraphernalia laws. The League supported; the bill was signed by the Governor and is effective March 23, 2017.
- **SB 250** (Swandal) – This bill provides immunity for law enforcement, the courts, prosecutors, and local governments from monetary damages for violations of Marsy’s Law (CI-116). The bill passed the Senate with 50 votes and the House with 82 (over 2/3 entire Legislature). Signed by Governor May 19, 2017 and effective July 1, 2017.
- **SB 276** (Webb) – Appeared to add local government responsibility for code enforcement and citation when requested by tenant. Vetoed by Governor on May 22, 2017.

## **DIED**

**HB 231** (Webb) – Modifies 45-6-201, MCA to provide specific language applicable to rental property – if a person is asked to leave a rental property by the landlord, they must produce written permission or a valid rental agreement. If they do not leave or are unable to produce such documentation, the person “*must* be removed from the premises immediately” as criminal trespass. The bill also expands the definition of criminal trespass to include remaining unlawfully in an unoccupied structure. Vetoed by Governor 4/20.

**HB 404** (Sheldon-Galloway) – Add definition of “abandoned” and modifies definition of “unauthorized person” in LTA and Res Mobile Home Act that cross-references 45-6-201 and 45-6-203. Provides a new section in both that an unauthorized person “may be removed from the premises immediately by law enforcement.” Failed 2<sup>nd</sup> reading in Senate.

**HB 559** (Webb) – Requires all local law enforcement to receive 3 hours of annual training on landlord tenant law. May be provided by LEA. Appropriates \$49,900 from GF to DOJ for training costs. Tabled in House Judiciary.

**HB 611** (Skees) – This bill would have required all local law enforcement agencies from refusing to share information with federal immigration authorities or detain a person on a federal immigration order. The League opposed; the bill was tabled in committee.

**SB 177** (Webb) – Adds LTA and Res Mobile Home Act as statutes that must be followed by the local government. In Senate hearing, sponsor explained this will require local law enforcement to remove unauthorized persons and otherwise enforce landlord responsibilities with respect to tenants. Vetoed by Governor on May 22, 2017.

**SB 239** (Webb) – Adds cross-reference to 45-6-301 for abandoning unit without paying rent. Tabled in Senate Judiciary.