

State Government Affairs Report – June 2011
Kalispell Chamber of Commerce
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June 2011 was a busy month for the formation of Montana Legislative Interim Committees. Most committees met to transition leadership from the previous Interim to the new Interim leadership, review assigned study resolutions and prioritize work schedules.

There are thirteen legislative interim committees that are responsible for conducting assigned studies from the previous (2011) legislative session and oversee state agency programs and administrative rules. Interim committees can propose bills and resolutions to the next Legislature (2013) for consideration; however, the real value of these committees is the education and more thorough analysis of issues that occurs over the 18 months.

A summary of these committees along with assigned areas of interest and study are below. The big issues that we will continue to focus on are fair and equitable taxation, economic development opportunities, natural resource development, water policies, medical marijuana in the workplace, workers' compensation insurance and healthcare. If there are other topics of interest, please let us know.

We will also closely follow the commitment of time and energy by the Flathead legislative delegation. They work hard and focus on issues impacting Montana each and every day.

Children, Families, and Health and Human Services (Met June 20, 2011)

Monitors the Department of Health and Human Services and generally reviews issues related to health and human services. Assigned studies include HJR 8 study of childhood hunger and SJR30 study of childhood health trauma.

Computer System Planning Council

Council is responsible for the Legislative branch computer system. Representative Bill Beck from the Flathead area serves on this council.

Districing and Apportionment Commission (Next meeting July 12, 2011)

The legislative redistricting plan will be presented to the 2013 Legislature for review and recommendations. Jim Regnier of Lakeside is the presiding officer on the Commission.

Economic Affairs (Met June 3, Next meeting August 23-24, 2011)

Monitors the Departments of Labor and Industry, Commerce, Agriculture and Livestock. Also monitors the Office of State Auditor and Insurance Commissioner and the Governor's

office of Economic Development. Assigned studies include HB 525 study of Licensing Boards, HJR 33 study of health insurance exchange, and SJR 15 study of agricultural commodities bonding.

Education and Local Government (Met June 13, 2011)

Monitors the operations of, and providing information to State Board of Education, Board of Public Education, Board of Regents of Higher Education, and the Office of Public Instruction. The committee also works closely with local governments to provide a forum for discussion on issues and the community and county level. Assigned studies include SJR 28 study of performance-based K-12 funding and HJR 39 study of subdivision lease or rent exemptions.

Energy and Telecommunications (Meets July 15, 2011)

Monitors and reviews administrative rules proposed by the Public Service Commission and the Department of Public Service Regulation. The committee was not assigned any interim studies.

Flathead delegation includes Senator Jackson.

Environmental Quality Council (Met May 24, Next meeting September 14-15, 2011)

EQC includes legislators (6 senators and 6 representatives) along with 4 public members and 1 nonvoting member who represents the Governor. Assigned studies include HJ32 state parks and outdoor recreation and heritage resource programs; SJ26 review specific DFWP and DEQ programs and activities; and HB 142 review of reports and advisory councils. The committee will hear specific reports on the number of jobs created in MT as a result of changes to MT's coal leasing laws and the closure of petroleum storage tank release sites. And, determine areas of efficiency and effectiveness in regulatory processes related to natural resource development and looking at technologies and taxation related to natural resources.

Area legislators (Libby) includes Senator Vincent and Representative Bennett and public member, Ms. Diane Conradi from Whitefish.

Law and Justice (Met June 21, 2011)

Monitors the Department of Corrections, Department of Justice, the Office of State Public Defender and the Judicial Branch further examining law and justice policy issues and makes recommendations to the Legislature. Assigned study of SJR 29 restorative justice. Flathead delegation includes Representative Lavin.

Revenue and Transportation (Met June 15-16)

Monitors the Department of Revenue and the Department of Transportation. Assigned studies include HJR13 study of state income tax and options for revision; SJR 17 study of the valuation of centrally assessed property and industrial property for tax purposes; and SJR 23 study of tax exemptions for nonprofit organizations.

Flathead delegation includes Senator Tutvedt.

Select Committee on Efficiency in Government

HB 642 passed in 2011 created the committee to examine the efficiency and effectiveness of state government in four broad areas: budgeting, healthcare, technology and natural resources.

Of the 12 members, four are from the Flathead Delegation: Senators Tutvedt and Sonju and Representatives Blasdel and Reichner.

State Administration and Veterans Affairs (Met June 24, 2011)

Monitors the Department of Administration, Military Affairs and the Offices of Secretary of State and Commissioner of Political Practices. No assigned studies. This committee examines issues of state employee compensation and benefits, information technology, procurement, tort claims, elections, veterans, disaster and emergency services and public employee retirement.

State Tribal-Relations (Met June 28, 2011)

This committee serves as the liason with tribal governments and Montana. The committee will travel to the Northern Cheyenne and Fort Peck reservations this interim. Flathead area members include Senator Mowbray (Polson) and Rep. Joe Read (Ronan).

Water Policy (Met June 21, 2011)

This Committee studies topical water quality and quantity issues. With the passage of HB 602 the committee will study exempt wells, including how many, permitting, water appropriated by exempt wells, the statutes, rules, and programs on exempt wells, etc. Members from the Flathead area include Senator Vincent (Libby)

Other Topics of Interest:

Workers' Compensation Insurance Reform

Workers' compensation continues to be a much talked about issue. While rates appear to be on the downward direction for most employers, the true impact of HB 334, the major

workers' compensation insurance reform bill of 2011, will likely not be evident until next year. The Montana State Fund adopted an overall average decrease of 20% for premium rates effective 7-1-2011. Rates vary up or down depending on class code losses.

Medical Marijuana Reform

SB 423 by Senator Jeff Essmann is in question before a Helena District Court Judge. Medical marijuana industry (plaintiff) are seeking an injunction that would prevent SB 423 from going into effect on July 1.

SB 423 repeals existing law and puts into place a stricter regulations on medical marijuana businesses and create substantial barriers for people to get medical marijuana cards. Under the law, large marijuana growing operations and storefront medical pot dispensaries must shut down operations by July 1.

If struck down, the current initiative language would prevail with no legislative changes. Stay tuned.

News:

- The Districting and Apportionment Commission formally adopted the state's only congressional district. Despite growing 9.7% since 2000, Montana did not gain a second seat.
- The Legislative Audit Committee will consider a financial compliance audit of the Montana State Lottery. The Legislative Audit Division provides independent, objective evaluations of stewardship, performance and cost of government policies, programs and operations.
- Montana has \$366 million in the bank.
- Montana's Business Equipment taxes are going down. SB 372 by Senator Tutvedt reduced the equipment tax and was signed by the Governor.