

#### **Economic Affairs Interim Committee**

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#### 65th Montana Legislature

SENATE MEMBERS
GORDON VANCE--Chair
EDWARD BUTTREY
TOM FACEY
LEA WHITFORD

HOUSE MEMBERS
RYAN LYNCH--Vice Chair
MARK NOLAND
VINCE RICCI
SHARON STEWART-PEREGOY

COMMITTEE STAFF
PATRICIA MURDO, Lead Staff
JAMESON WALKER, Staff Attorney
FONG HOM, Secretary

## MINUTES LOG

July 9, 2018 Room 137, Capitol Building Helena, Montana

<u>Please note</u>: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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Please contact the Legislative Services Division at 406-444-3064 for more information.

#### **COMMITTEE MEMBERS PRESENT**

SEN. GORDON VANCE, Chair REP. RYAN LYNCH, Vice Chair

SEN. EDWARD BUTTREY

SEN. TOM FACEY
SEN. LEA WHITFORD

REP. MARK NOLAND

REP. VINCE RICCI

REP. SHARON STEWART-PEREGOY

#### **COMMITTEE MEMBERS EXCUSED**

#### STAFF PRESENT

PATRICIA MURDO, Lead Staff JAMESON WALKER, Staff Attorney FONG HOM, Secretary

#### VISITORS' LIST (Attachment 1)

#### **AGENDA** (Attachment 2)

#### **COMMITTEE ACTIONS**

The Economic Affairs Interim Committee took the following actions at its July 9 meeting:

- Voted 5-3 for a committee bill that would exempt Montana State Fund from participating in the Montana state procurement process or the state information technology requirements.
- Voted 5-3 for a committee bill that would revise the appointment process for Montana State Fund's board of directors to have three of the seven directors elected by policyholders and the remainder continue to be appointed by the governor with Senate concurrence.
- Voted 5-3 for a committee bill that would allow the state to bid out its workers' compensation coverage to a private insurer, or self-insure, or continue with Montana State Fund as its work comp insurer.
- Voted 2-6 on a proposal for a committee bill to impose a 2.75% tax on Montana State Fund premiums, a rate paid by private workers' compensation insurers.
- Requested that the Senate Joint Resolution 27 study final report include that safety is an
  important factor in keeping workers' compensation premium rates low and that safe
  work places are the responsibility of employers and employees.
- Voted unanimously to adopt LCRSCC as a committee bill that would repeal the statutory creation of the Rail Service Competition Council.
- Voted unanimously to adopt LCbsd1 as a committee bill, which would revise the
  definition of "high-poverty county" from a county with a 14% poverty rate to a county that
  has a rate higher than the statewide average poverty rate as determined by the U.S.
  Census Bureau.
- Voted 3-5 on a proposal for a committee bill, LCbsd2, that would have required both high unemployment and high poverty rates to get a \$2,500 added incentive under the Big Sky Economic Development Program that awards \$5,000 for each qualifying job added under the grant program.
- Voted 4-4 on a bill draft, LCbsd3, that would have allowed \$2,500 additional incentive for either high-poverty or high unemployment conditions under the Big Sky Economic Development program. The tie vote means the bill draft will not move forward.
- Voted 8-0 to accept the final report for the SJR 32 study of community-integrated health care and veterans services, but without adoption of the bill draft revising Senate Bill 104 from the 2017 session.
- Voted unanimously for a revision to SB 5 from the 2017 special session to reorganize
  references to all-beverage, retail beer, and restaurant beer and wine license auctions,
  change the language on how overlapping quota areas are split, and retain the auctions
  put in place by SB 5 rather than let some of them lapse under a sunset date.

#### CALL TO ORDER AND ROLL CALL

00:00:10 Sen. Gordon Vance called the meeting to order at 9:04 a.m. The secretary called roll. (Attachment 3)

#### ADMINISTRATIVE UPDATES, AGENDA REVIEW - Pat Murdo, Staff

00:01:04 Pat Murdo gave an overview of the agenda.

#### PUBLIC COMMENT on any item not on the agenda but relevant to the EAIC

- 00:02:17 Steve Arveschoug, Big Sky Economic Development, and President, Montana Economic Developers Association, commented on strengthening the partnership between the Economic Affairs Committee, the Legislature, and the Montana Economic Developers Association. Mr. Arveschoug distributed a document, "Fast Facts on the '2019 Programs'" to the committee. (Exhibit 1)
- 00:07:48 Kathie Bailey, Executive Director, Snowy Mountain Development Corporation, commented on the barriers to employment regarding child care, quality housing, and public transportation.
- 00:09:38 Sarah Converse, Executive Director, Sweet Grass Development, agreed with the comments from Mr. Arveschoug and Ms. Bailey.

#### SJR 27 STUDY DISCUSSION

Sen. Ed Buttrey and Rep. Mark Noland summarized the activities of the SJR 27 00:10:37 subcommittee.

#### Presentation of LC9997 - Jameson Walker, Staff Attorney

00:15:00 Mr. Walker (Exhibit 2)

about costs.

00:46:21

| Committee Questions |   |  |
|---------------------|---|--|
| 00:27:37            | Rep. Ricci asked about the distribution of the premium tax.                         |  |
| 00:30:52            | Sen. Buttrey asked if the distribution is by percentage or by dollar amount.        |  |
| 00:31:42            | Sen. Tom Facey said that the idea of releasing Montana State Fund from the          |  |
|                     | procurement process and from the State Information Technology (IT) is an issue      |  |
|                     | that deserves discussion. He also commented on other parts of LC9997 that           |  |
|                     | could be separate bills. He asked how other self-insurers operate.                  |  |
| 00:34:58            | Ms. Murdo discussed how local governments, such as the Montana Association          |  |
|                     | of Counties, administer claims. She also discussed the makeup of the State          |  |
|                     | Fund Board of Directors.  |  |
| 00:37:05            | Sen. Vance asked about next steps.  |  |
| 00:37:22            | Sen. Facey suggested that State Fund revision concepts ought to be divided into     |  |
|                     | individual bills.   |  |
| 00:37:34            | Sen. Buttrey said he thought a discussion on the state self-insuring is necessary.  |  |
| 00:39:18            | Rep. Noland asked for clarification on why Montana State Fund should be             |  |
|                     | exempt from procurement.  |  |
| 00:41:16            | Sen. Facey expressed his concerns about the state being allowed to put out its      |  |
|                     | own work comp bid.  |  |
| 00:42:05            | Mr. Walker explained that the draft currently applies to state agencies as a        |  |
|                     | whole, but a sentence could be put in reinforcing that this applies to the state as |  |
|                     | a whole and not individual state agencies.  |  |
| 00:42:35            | Rep. Lynch commented on cost-shifting and the procurement in ITSD. He would         |  |
|                     | not be opposed to the state self-insuring as long as it is on an equitable playing  |  |
|                     | field with the private carriers. He suggested adding a 10-year sunset. He asked     |  |

There was a discussion about state procurement, IT exemptions, and whether

| 00:46:43       | agencies could be split into separate accounts for work comp. Rep. Sharon Stewart-Peregoy expressed her concerns with the procurement process and the IT provisions. She said that the bill may impact small businesses. She feels the bill will not save the state money. |
|----------------|--|
| 00:50:44       | Rep. Noland said he would like more information on what other states did going away from the state fund model.   |
| 00:52:58       | Sen. Facey discussed making Montana State Fund more competitive and more like the private market to get a reduction in work comp rates.  |
| 00:54:53       | Sen. Buttrey discussed the five components of LC9997.  |
| 00:59:03       | Sen. Facey commented on administrative costs of Montana State Fund.  |
| 01:01:52       | Sen. Vance said that it is the consensus of the committee that mutualization and dissolution are off the table.  |
| 01:02:27       | Rep. Noland said that he would be in favor of dissolving Montana State Fund if it benefits the state of Montana.   |
| 01:04:38       | Ms. Murdo said that if the committee wanted to pay for an actuarial analysis of what it would mean for the state to self-insure, then the committee needs to come up with specifics on what it wants before the September meeting.   |
| 01:06:56       | Break at 10:11 a.m. and reconvened at 10:26 a.m.   |
| Public Comment |  |

| 01:22:49 | Bridger Mahlum, Chamber of Commerce, commented on the SJR 27 approach regarding a modified status quo.  |
|----------|---|
| 01:24:33 | Jason Todd-Hunter, Montana Logging Association, commented on the issue of premium taxes.  |
| 01:25:56 | Jon Metropolous, Fair Montana and Victory Insurance Company, made reference to Fair Montana's report that had been given to the committee members before the meeting and said that Fair Montana supported LC9997. (Report available here)   |
| 01:33:25 | Laurence Hubbard, President, Montana State Fund, commented on LC9997.   |
| 01:38:57 | Matthew Rosendale, Commissioner of Securities and Insurance, commented on the work done by the committee, reiterated that 75% of the business that the State Fund handles are from businesses that pay \$5,000 a year or less in premium. He urged the committee to continue to reduce workers' comp rates. |
| 01:43:59 | Abigail St. Lawrence, Montana Building Industry Association, commented on LC9997 and premium taxes.   |
| 01:45:06 | Adam Haight, Political Director, Montana AFL/CIO, commented on LC9997 and the premium tax issue.  |

### Committee Discussion on LC9997

| COMMITTEE DE | <u> </u>  |
|--------------|---|
| 01:46:41     | Sen. Vance asked the committee members if there was a consensus on how to   |
|              | move forward with LC9997.   |
| 01:46:59     | Sen. Buttrey asked Mr. Hubbard about the premium tax and what the           |
|              | policyholders might expect in return.                                       |
| 01:49:53     | Sen. Buttrey asked Mr. Hubbard if the implementation of a premium tax would |
|              | result in a 2.75% increase to all policyholders.                            |
| 01:50:19     | Sen. Buttrey supported the intent of LC9997.                                |
| 01:51:11     | Rep. Ricci said he is not opposed to retaining the status quo.              |
|              |   |

#### Motion

O1:52:11 Sen. Buttrey moved that LC9997 be brought forward as a committee bill, with changes as discussed and adding a severability clause.

#### Discussion on the motion

| 01:53:29 | Sen. Whitford said the bill will not make sure that people are safe in the        |
|----------|---|
|          | workplace and that there are no guarantees that costs will not be shifted towards |
|          | the customers.  |

01:57:07 Rep. Lynch said the bill should be split into two bills based on the issues and let each bill sink or swim on its own. Rep. Lynch said he would not support the motion.

01:59:54 Sen. Buttrey withdrew his motion.

#### Motion

O2:01:12 Sen. Facey moved for a committee bill that would exempt Montana State Fund from participating in the Montana state procurement process or the state information technology requirements.

#### Discussion on the motion

02:01:42 Sen. Buttrey asked for clarification regarding procurement for IT.

#### **Roll Call Vote**

02:03:15 The motion passed on a roll call vote, 5 to 3, with Sen. Buttrey, Sen. Facey, Rep. Lynch, Rep. Noland, and Rep. Ricci voting yes; Sen. Vance, Sen. Whitford, and Rep. Stewart-Peregoy voted no. (Attachment 4)

#### Motion

O2:03:25 Sen. Facey moved for a bill draft to revise the appointment process for Montana State Fund's board of directors to have three of the seven directors elected by policyholders and the remainder of board members to continue to be appointed by the governor with Senate concurrence.

#### Discussion on the motion

| 02:03:52 | Rep. Noland asked Sen. Facey about the makeup of the board membership.   |
|----------|--|
| 02:04:08 | Sen. Facey said that the majority of the board has to be appointed by the governor, but the board itself would appoint the other three members and its leadership.   |
| 02:04:32 | Rep. Lynch asked if the election of the board members would still require senate confirmation.   |
| 02:05:16 | Ms. Murdo discussed the selection process that includes the requirement for someone with insurance background and asked the committee if it wants that to still remain the governor's requirement and not under the policyholders. |

#### **Roll Call Vote**

02:05:47 The motion passed on a roll call vote, 5 to 3, with Sen. Buttrey, Sen. Facey, Sen. Vance, Rep. Lynch, and Rep. Noland voting yes; Sen. Whitford, Rep. Ricci, and Rep. Stewart-Peregov voted no. (Attachment 5)

#### Motion

02:07:05 Sen. Facey moved for a committee bill that would allow the state to bid out its workers' compensation coverage to a private insurer, or self-insure, or continue

with Montana State Fund as its work comp insurer.

#### Discussion on the motion

| 02:07:30 | Sen. Vance asked if Sen. Facey's motion would include the requirement that the state bid it out as a whole.  |
|----------|--|
| 02:07:38 | Sen. Buttrey commented on allowing the state to utilize plans 1, 2, or 3 on a competitive basis, and to require the state to go through the normal process of selection based upon those bids. |
| 02:07:42 | Sen. Facey asked if Ms. Murdo would speak with the stakeholders regarding an effective date.   |
| 02:08:26 | Ms. Murdo  |

#### **Roll Call Vote**

02:10:36 The motion passed on a roll call vote, 5 to 3, with Sen. Buttrey, Sen. Facey, Rep. Lynch, Rep. Noland, and Rep. Ricci voting yes; Sen. Vance, Sen. Whitford, and Rep. Stewart-Peregoy voted no. (Attachment 6)

#### <u>Motion</u>

02:10:56 Rep. Lynch moved for a committee bill to impose a 2.75% tax on Montana State Fund premiums.

#### **Roll Call Vote**

| 02:12:40 | The motion failed on a roll call vote, 2-6, with Sen. Buttrey and Rep. Lynch voting |
|----------|---|
|          | yes; Sen. Facey, Sen. Vance, Sen. Whitford, Rep. Noland, Rep. Ricci, and Rep.       |
|          | Stewart-Peregoy voted no. (Attachment 7)  |

- 02:12:57 Sen. Vance commented on the potential bill requests for the committee to look at in September.
- 02:13:01 Ms. Murdo asked the committee for an opportunity to finish the final report.
- 02:15:07 Sen. Facey thanked staff for the work done on the study.
- Sen. Vance echoed Sen. Facey's comments and said that a reference to safety should be in the final report, as well as noting that the committee cannot legislate and force businesses to have a safe workplace.

#### **RULE REVIEW - Jameson Walker**

02:16:40 Mr. Walker (Exhibit 3)

#### **Committee Questions**

02:20:52 Rep. Lynch asked how the "dogs in the barbershop" rule would be enforced.

#### REPORTS FROM THE LIAISONS

#### State Fund

| 02:21:52 | Rep. Ricci reported on the State Fund meeting.                                 |
|----------|--|
| 02:22:38 | Sen. Vance asked if there was an update regarding the lawsuit.                 |
| 02:22:57 | Ms. Murdo reported on what Rep. Grea Hertz said in an email said regarding the |

lawsuit.

#### **HB 661 Study of State Labs**

| 02:23:25 | Sen. Facey reported that at the last meeting the committee met with a consulting |
|----------|--|
|          | firm that will look at the current labs in Bozeman and will report back with an  |
|          | estimate of what it would cost to combine the labs.                              |

02:24:09 Sen. Vance said that his hope is that by the EAIC's September meeting, there will be a decision on whether to move forward with the labs.

#### **Rail Service Competition Council**

| 02:25:16 | Sen. Vance discussed terminating the Rail Service Competition Council.     |
|----------|--|
| 02:25:36 | Rep. Ricci and Sen. Facey suggested that the committee move forward on the |
|          | issue of repealing the Rail Service Competition Council.                   |

#### LCRSCC: Terminate the Rail Service Competition Council

| 02:26:38 | Ms. Murdo (Exhibit 4)   |
|----------|---|
| 02:28:37 | Sen. Facey discussed a presentation made at the RSCC regarding the state      |
|          | having no control over rail competition. He said that he doesn't think that a |
|          | legislator needs to be a member of the committee.                             |
| 02:30:35 | Rep. Ricci supported Sen. Facey's comments.                                   |

#### **Public Comment on LCRSCC**

None.

#### Motion

02:29:07 Sen. Vance called for a vote on whether to support LCRSCC as a committee bill to terminate the Rail Service Competition Council.

#### <u>Vote</u>

02:32:26 The motion passed unanimously by voice vote.

#### **Proposed Bill Drafts, Findings/Recommendations**

| Ms. Murdo said that the committee will hear bill draft requests from agencies at                                    |
|---|
| the Sept. 6 meeting. She also asked if the committee would like to go over the                                      |
| SJR 32 study at that meeting.   |
| Sen. Vance said that it would be beneficial for the committee to have the SJR 32                                    |
| information prior to the September meeting.   |
| Ms. Murdo discussed a list of providers related to the SJR 32 study on emergency care and veteran care. (Exhibit 5) |
|   |

#### Committee Questions of Ms. Murdo

| 02:47:42 | Rep. Lynch asked about the communities of Cut Bank and Red Lodge that are      |
|----------|--|
|          | receiving grants.  |
| 02:47:57 | Ms. Murdo said that the Community Foundation of Montana provided \$450,000     |
|          | over 5 years for Red Lodge, and Cut Bank partnered with the Kalispell Regional |
|          | Medical Center.  |
| 02:50:11 | Sen. Whitford asked if Sarah Converse could clarify issues that the Glacier    |

County EMS is facing regarding paramedics.

| 02:50:48 | Sarah Converse, Executive Director, Sweet Grass Development, said that the Glacier County EMS is doing a variety of different things because they serve the county and have third-party billing.   |
|----------|--|
| 02:52:05 | Sen. Whitford clarified that one of the added benefits was being able to partner with the local community colleges in order to get people certified so that they could go into homes and assist patients coming back into the community. |
| 02:52:50 | Lunch (reconvened at 1:03 p.m.)  |

# SJR 20 FINAL REPORT ON UNEMPLOYMENT IN MONTANA'S HIGH-POVERTY AREAS Review of Findings - Pat Murdo

03:59:43 Ms. Murdo (Exhibit 6)

#### Committee Questions of Ms. Murdo

| 04:08:11 | Rep. Ricci commented about counties with high poverty rates and the margin of                        |
|----------|--|
|          | error.   |
| 04:08:52 | Ms. Murdo explained that the lower population counties are the ones with the higher margin of error. |
| 04:09:14 | Rep. Ricci asked if there are jobs in some of the counties with low employment numbers.              |

#### **Public Comment on Bill Drafts**

| 04:11:29 | Sarah Converse, Sweet Grass Development, commented on counties that have           |
|----------|--|
|          | high poverty rates and the Big Sky Trust Fund job creation programs.               |
| 04:13:02 | Kathie Bailey, Snowy Development Corporation, commented on the Big Sky Trust Fund. |

04:15:37 Rep. Ricci asked about bill draft LCbsd3.

#### **Review of Proposed Bill Drafts**

| 04:15:56 | Ms. Murdo discussed the bill drafts: |
|----------|--------------------------------------|
| 04:16:15 | LCbsd1 (Exhibit 7)                   |
| 04:16:26 | LCbsd2 (Exhibit 8)                   |
| 04:16:34 | LCbsd3 (Exhibit 9)                   |

#### Questions from the committee

| 04:17:25 Sen | . Whitford asked for | clarification of LCbsd3. |
|--------------|----------------------|--------------------------|
|--------------|----------------------|--------------------------|

04:17:42 Ms. Murdo

#### LCBSD1

#### Motion

04:19:38 Sen. Facey moved to approve LCbsd1 regarding the definition of a high-poverty county.

#### Discussion on the motion

| 04:20:16 | Sen. Vance suggested voting on the bill drafts one at a time.                     |
|----------|---|
| 04:20:18 | Ms. Murdo pointed out that in all the bill drafts, the definition of high poverty |
|          | matches that provided by the U.S. Census Bureau.                                  |

| 04:20:42  | Sen. Facey said that if the definition of high poverty were to be changed, the committee could go with No. 3, giving flexibility for high unemployment and/or   |
|---|---|
| 04:22:00  | high poverty. Sen. Buttrey said that he would support No. 1, but not Nos. 2 and 3.  |
| <u>Vote</u><br>04:23:29   | The motion to approve LCbsd1 passed unanimously by voice vote.  |
| LCBSD 2<br>04:23:54<br>04:23:58   | Sen. Whitford asked if LCbsd2 is a combination of high unemployment and high poverty.  Ms. Murdo said yes and pointed out that LCbsd2 caps the available money for a high poverty and high unemployment are at \$7,500. She said that LCbsd3 allows the cap to go up to \$10,000 if it is both high poverty and high unemployment, with \$2,500 for each condition.   |
| <u>Motion</u>   | Based on Sen. Vance's earlier proposal to address bills one at a time, the committee took up bill draft LCbsd2.   |
| Roll Call Vot   | e <u>e</u>  |
| 04:26:30  | The motion failed on a roll call vote, 3-5, with Sen. Facey, Sen. Whitford, and Rep. Stewart-Peregoy voting yes. Sen. Buttrey, Sen. Vance, Rep. Lynch, Rep. Noland, and Rep. Ricci voted no. (Attachment 8)   |
|   |   |
| <u>Motion</u>   | Based on Sen. Vance's earlier proposal to address bills one at a time, the committee took up bill draft LCbsd3.   |
| Discussion<br>04:26:56<br>04:31:49  | Rep. Stewart-Peregoy and Rep. Lynch supported LCbsd3.  Sen. Whitford discussed counties that have historically not been a part of the grant program. She wanted to make sure that people across the state have the opportunity to create job growth. She supports the bill.  Sen. Buttrey said that the money that is set aside for the grant program cannot be used anywhere else. The money is not paid to the business until the business has hired people. He agreed with Sen. Whitford that there should be a fair   |
| Discussion<br>04:26:56<br>04:31:49  | Rep. Stewart-Peregoy and Rep. Lynch supported LCbsd3.  Sen. Whitford discussed counties that have historically not been a part of the grant program. She wanted to make sure that people across the state have the opportunity to create job growth. She supports the bill.  Sen. Buttrey said that the money that is set aside for the grant program cannot be used anywhere else. The money is not paid to the business until the business has hired people. He agreed with Sen. Whitford that there should be a fair process and equity involved. He does not support LCbsd3.  |
| Discussion<br>04:26:56<br>04:31:49<br>04:35:35                              | Rep. Stewart-Peregoy and Rep. Lynch supported LCbsd3.  Sen. Whitford discussed counties that have historically not been a part of the grant program. She wanted to make sure that people across the state have the opportunity to create job growth. She supports the bill.  Sen. Buttrey said that the money that is set aside for the grant program cannot be used anywhere else. The money is not paid to the business until the business has hired people. He agreed with Sen. Whitford that there should be a fair process and equity involved. He does not support LCbsd3.  The motion failed on a tie vote, 4-4, with Sen. Facey, Sen. Whitford, Rep. Lynch, and Rep. Stewart-Peregoy voting yes. Sen. Buttrey, Sen Vance, Rep. Noland, and Rep. Ricci voted no. (Attachment 9)  Sen. Facey asked Sen. Buttrey if this is the program where there are more |
| Discussion<br>04:26:56<br>04:31:49<br>04:35:35<br>Roll Call Vot<br>04:38:08 | Rep. Stewart-Peregoy and Rep. Lynch supported LCbsd3.  Sen. Whitford discussed counties that have historically not been a part of the grant program. She wanted to make sure that people across the state have the opportunity to create job growth. She supports the bill.  Sen. Buttrey said that the money that is set aside for the grant program cannot be used anywhere else. The money is not paid to the business until the business has hired people. He agreed with Sen. Whitford that there should be a fair process and equity involved. He does not support LCbsd3.  The motion failed on a tie vote, 4-4, with Sen. Facey, Sen. Whitford, Rep. Lynch, and Rep. Stewart-Peregoy voting yes. Sen. Buttrey, Sen Vance, Rep. Noland, and Rep. Ricci voted no. (Attachment 9)  |

04:40:00 Sen. Vance asked if there were changes in the findings. There were none.
 04:40:50 Sen. Whitford commented on unemployment and poverty in the state and particularly on the reservations. She encouraged legislators to visit reservations.

### SJR 32 STUDY OF EMERGENCY/COMMUNITY SERVICE AND VETERANS

#### Motion

04:43:15 Rep. Lynch moved to table LCVFF2 and to let the Local Government Interim Committee address LCVFF2.

#### **Public Comment on SJR 32 Study**

None.

#### Discussion on the motion

| 04:43:53 | Sen. Facey asked if Rep. Lynch meant to table the bill draft LCVFF2, not the    |
|----------|---|
|          | SJR 32 study.   |
| 04:44:08 | Sen. Vance agreed with Rep. Lynch because of the information provided by Ms.    |
|          | Murdo.  |
| 04:44:32 | Sen. Buttrey said for clarification, there is no action item because no one has |
|          | moved the proposed bill, so there is no need to propose to table it.            |

#### Findings in SJR 32 final report

94L48:00 Sen. Facey commented that all who travel in Montana's rural areas as well as those who live there may need emergency services.

#### Motion on the floor

04:48:30 Sen. Vance said that the motion from Rep. Lynch is to accept the SJR 32 final report and to decline to move LCVFF2 forward.

#### **Roll Call Vote**

04:48:45 The motion passed on a roll call vote, 8-0. (Attachment 10)

#### PROPOSED COMMITTEE LEGISLATION

#### Revision to SB 5 from Special Session - Jameson Walker, staff attorney

04:49:51 Mr. Walker (Exhibit 11)

#### Motion

O4:56:21 Sen. Buttrey moved for a revision to SB 5 from the November 2017 special session to reorganize references to all-beverage, retail beer, and restaurant beer and wine license auctions, change the language on how overlapping quota areas are split, and retain the auctions put in place by SB 5 rather than let some of them lapse under a sunset date.

#### Discussion on the motion

| 04:56:50 | Rep. Ricci commented on the proposal to remove the 2024 sunset date.               |
|----------|--|
| 04:57:19 | Mr. Walker said that on a technical note the Legislature would repeal section 5 of |
|          | SB 5 from the November special session. That removes the subsequent                |
|          | temporary tags and temporary sections. He noted which sections would have to       |

be amended.

04:58:09 Rep. Lynch asked for public comment.

#### Public Comment on revision of Senate Bill 5 of the Special Session

| 04:58:40 | Floyd Hoff, East Helena, approved the revisions to SB 5.   |
|----------|--|
| 04:59:25 | John Iverson, Montana Tavern Association, supported Sen. Buttrey's proposal to remove the sunset and supported the changes that the Department of Revenue requested. |
| 05:00:48 | John Youngberg, Belgrade, appreciated the work done on SB 5 and asked when the changes would become effective.   |

## Questions from the Committee

| 05:01:37 | Sen. Vance asked Ms. Schlauch about the administrative rules.   |
|----------|---|
| 05:01:52 | Becky Schlauch, Department of Revenue, said they have not adopted the final rules but are in the process of reviewing the comments and are responding to those. |
| 05:02:44 | Sen. Vance asked that the Department of Revenue keep him apprised as to how that is moving forward.   |
| 05:02:55 | Sen. Buttrey gave an overview of the process regarding the Department of Revenue rules. He also referenced errors in the bill from the special session.         |
| 05:03:43 | Sen. Whitford asked Ms. Schlaugh where the Department of Revenue is with the rules.   |
| 05:04:50 | Ms. Schlaugh discussed the timeframe of the rules and what happens if the rules are not adopted by Aug. 28.   |

#### **Roll Call Vote**

05:06:37 The motion passed unanimously on a roll call vote, 8-0. (Attachment 11)

# <u>UPDATE ON SUPREME COURT ONLINE GAMING AND MONTANA IMPACTS</u> - Jameson Walker

05:06:36 Mr. Walker (Exhibit 12)

#### **Public Comment**

None.

#### **REVIEW OF SEPTEMBER MEETING ACTIVITIES - Sen. Vance and Pat Murdo**

| 05:16:34 | Ms. Murdo said that at the Sept. 6 meeting the committee will hear the final |
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|          | reports and receive proposed legislation from the agencies.                  |
| 05:17:54 | Sen. Facey said that he will not be available for the Sept. 6 meeting.       |
| 05:18:20 | Rep. Lynch thanked Sen. Facey for his service to Montana.                    |
| 05:19:14 | Sen. Whitford also thanked Sen. Facey for his service to Montana.            |

#### **ADJOURNMENT**

05:19:44 Sen. Vance adjourned the meeting at 2:23 p.m.

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