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MEDA represents over 230 members, who are actively involved in local economic activity, community development, job retention and job creation for Montana.

March 25, 2013

TO: Chairman Duane Ankney and members of the House Appropriations Committee
RE: MEDA Opposition to HB621 AN ACT ABOLISHING THE DEPARTMENT OF COMMERCE; TRANSFERRING THE FUNCTIONS OF THE DEPARTMENT OF COMMERCE TO THE DEPARTMENT OF LABOR AND INDUSTRY

The Montana Economic Developers Association (MEDA), an organization of over 230 economic and community development practitioners from across our state, stand in strong opposition to HB621, which would abolish the Montana Department of Commerce and transfer its functions to the Montana Department of Labor.

The Montana Department of Commerce (MDOC) has a very different mission from the Montana Department of Labor and Industry (MDLI). MDOC is all about economic and community development, including the promotion of all things Montana, while the major focus of MDLI is related to licensing, regulation and compliance.

The fact that MDOC has 200 employees while MDLI has over 800 employees raises serious concerns among MEDA's members that the focus on economic development and promotion would be lost in a larger combined agency.

This valid concern was a major contributing factor to legislation in 2001 that addressed this very issue. In 2001, under Governor Judy Martz, SB445 was carried by Senator Mike Taylor (R), with the purpose of removing all regulatory and compliance activity from the Montana Department of Commerce and re-assigning that responsibility to other agencies, primarily the Montana Department of Labor. The purpose of this legislation, which has worked extremely well since 2001, was to (Section 1. Policy –purpose):

- (a) strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability;
- (b) cooperate with business enterprises, local governments, other public organizations, and the federal government and use all practical means and measures, including financial and technical assistance, to:
 - (i) establish an economic climate in which the state's natural resources and agricultural operations remain constant contributors to the state's economic welfare;
 - (ii) articulate a coherent economic development vision for the future; and
 - (iii) take a proactive role to ensure that Montana has the flexibility and resources to be an effective competitor in the changing global marketplace.

In conclusion, MEDA stands in strong opposition to this legislation. Montana has made significant strides economically in recent years and is recognized as a business leader among the states. To derail an effective mechanism for economic development with a proven track record of success during a time when Montana's economy is shifting and changing would seriously damage Montana's bright economic future.

For MEDA,

Tracy McIntyre, President

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