House convened at 1:00 p.m. Mr. Speaker presiding. Invocation by Representative Ryan. Pledge of Allegiance to the Flag.

Roll Call. All members present, except Representatives Mortensen and Windy Boy, excused. Quorum present.

BILLS (Ricci, Chair):

Correctly printed: HB 29, HB 50, HB 51, HB 55, HB 59, HB 64, HB 66, HB 73, HB 91, HB 102, HB 107, HB 123, HB 124, HB 126, HB 136, HB 151, HB 160, HB 166, HB 175, HB 183, HB 198, HB 234, HB 244, HB 245, HB 296, HB 297, HB 298, HB 299, HB 301.

Transmitted to the Senate: HB 55, HB 73, HB 123, HB 124, HB 136, HB 175, HB 198.

Signed by the President at 8:45 a.m., January 28, 2019: HB 1.

Delivered to the Governor for approval at 10:40 a.m., January 28, 2019: HB 1.

LEGISLATIVE ADMINISTRATION (Ricci, Chair):

MR. SPEAKER:

We, your committee on Legislative Administration recommend employment of the following pages of the House cease as of 5:00 p.m., Friday, January 25, 2019:

Dana Baskett, Livingston
Athena Haka, Broadview
Nicholas Konen, Fairfield
Anne Marie Luehr, Helena
Tom Melgren, Helena
Trevor Westervelt, Columbus

and recommend that the following pages of the House be employed as of 1:00 p.m., Monday, January 28, 2019:

Jason Hernandez, Bozeman
Hannah Musczkiewicz, Helena
Thomas Penley, Helena
Cael Ricci, Billings

Report Adopted.
HOUSE JOURNAL
SIXTEENTH LEGISLATIVE DAY - JANUARY 28, 2019

REPORTS OF STANDING COMMITTEES

BUSINESS AND LABOR (Noland, Chair):

HB 35, introduced bill, be amended as follows:

1. Title, page 1, line 10.
   Following: "16-4-204,"
   Insert: "16-4-207,"

2. Title, page 1, line 12.
   Following: "IMMEDIATE EFFECTIVE DATE"
   Insert: "AND A RETROACTIVE APPLICABILITY DATE"

3. Page 1, line 17.
   Following: "(1)"
   Insert: "(a)"

4. Page 1, line 19.
   Following: "apply for the license."
   Insert: "The department shall use a competitive bidding process when:
   (i) a new license becomes available in a quota area where a license of the same type is not currently available in the quota area;
   (ii) the opportunity to transfer a license into a quota area becomes available where a license of the same type is not currently available in the quota area;
   (iii) the lapse, revocation, or issuance of a license within the quota area where the license located has created the last remaining license for that license type in the quota area; or
   (iv) the department's denial of an application for licensure or an applicant's withdrawal of an application for licensure has created the last remaining license for that license type in a quota area."
   (b)"

5. Page 1, line 20.
   Strike: "(a)"
   Insert: "(i)"
   Renumber: subsequent subsections

   Following: "(2)"
   Insert: "(a)"

7. Page 1, line 27.
   Strike: "(a)"
   Insert: "(i)"
   Renumber: subsequent subsections

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8. Page 1, line 29.
Following: "bid amount."
Insert: "The financial institution may issue the irrevocable letter of credit in the name of the bidder, if the bidder is a business entity, or in the name of an individual who is an owner of the business entity."

Following: line 29
Insert: "(b) The department shall contact any bidder whose timely submitted bid form has a deficiency and shall provide that bidder with an opportunity to resubmit the bid form within 5 business days to correct any deficiency."

Following: "bid amount."
Insert: "The financial institution may issue the irrevocable letter of credit in the name of the bidder, if the bidder is a business entity, or in the name of an individual who is an owner of the business entity."

Strike: "5 years"
Insert: "1 year"

12. Page 2, line 27.
Following: "proposes a location for the license"
Insert: "within the first year of operation"

Following: "A license issued under this section is not"
Strike: "a qualification" on line 7 through "issued pursuant to this section" on line 8
Insert: "eligible to offer gambling under Title 23, chapter 5, part 3, 5, or 6"

Following: "boundary of the city of town."
Insert: "A license that is restricted by quota limitations in this section may not be located farther than:
   (i) the county boundary within which the incorporated city or incorporated town is located;
   or
   (ii) the line that separates the incorporated city's or incorporated town's boundary from another incorporated city or incorporated town as specified in this section."

Following: line 21
Insert: "(C) In the Polson and Ronan quota areas, the straight line will be drawn from U.S. highway 93 west on Pablo West road to the quota area boundary and east on Clairmont road extending out to the quota area boundary. Any license existing as of November 24, 2017,
within the Polson quota area will become a Polson license, regardless of where it falls in the new quota areas. Any license existing as of November 24, 2017, within the Ronan quota area will become a Ronan license, regardless of where it falls in the new quota areas."

16. Page 5, line 5.
Strike: "(6)"
Insert: "(7)"

17. Page 5, line 9.
Following: "existing licenses"
Insert: "or licenses that resulted from applications in process"

18. Page 5, line 11.
Following: "were part of"
Strike: "a"
Insert: "the"

Following: line 26
Insert: "(5) Except as provided in subsection (2)(b), when more than one new beer license becomes available at the same time in the same quota area, the department shall conduct a separate competitive bidding process at separate times for each available license."
Renumber: subsequent subsections

20. Page 7, line 7 through line 8.
Strike: subsection (7) in its entirety
Insert: "(8) An applicant for a license issued through a competitive bidding process in [section 1] shall pay a $25,000 new license fee and in subsequent years pay the annual fee for the license as provided in 16-4-501."

Following: "boundary of the city or town."
Insert: "A license that is restricted by quota limitations in this section may not be located farther than:
(a) the county boundary within which the incorporated city or incorporated town is located;
or
(b) the line that separates the incorporated city's or incorporated town's boundary from another incorporated city or incorporated town as specified in this section."

Following: line 11
Insert: "(iii) In the Polson and Ronan quota areas, the straight line will be drawn from U.S. highway 93 west on Pablo West road to the quota area boundary and east on Clairmont road extending out to the quota area boundary. Any license existing as of November 24, 2017,"
within the Polson quota area will become a Polson license, regardless of where it falls in the new quota areas. Any license existing as of November 24, 2017, within the Ronan quota area will become a Ronan license, regardless of where it falls in the new quota areas."

23. Page 11, line 12.
Following: "existing licenses"
Insert: "or licenses that resulted from applications in process"

Following: "were part of"
Strike: "a"
Insert: "the"

Following: line 19
Insert: "Except as provided in subsection (5), when more than one new all-beverages license becomes available at the same time in the same quota area, the department shall conduct a separate competitive bidding process at separate times for each available license."
Renumber: subsequent subsections

Following: "under subsection"
Strike: "(8)"
Insert: "(9)"

27. Page 17.
Following: line 3
Insert: "Section 5. Section 16-4-207, MCA, is amended to read:

"16-4-207. Notice of application -- investigation -- publication -- protest. (1) When an application has been filed with the department for a license to sell alcoholic beverages at retail or to transfer the location of a retail license, the department shall review the application for completeness and, based upon review of the application and any other information supplied to the department, determine whether the applicant or the premises to be licensed meets criteria provided by law. The department may make one request for additional information necessary to complete the application. The application is considered complete when the applicant furnishes the application information requested by the department. When the application is complete, the department of justice shall investigate the application as provided in 16-4-402. When the department determines that an application for a license under this code is complete, the department shall publish in a newspaper of general circulation in the city, town, or county from which the application comes a notice that the applicant has made application for a retail on-premises license or a transfer of location and that protests may be made against the approval of the application by residents of the county from which the application comes, residents of adjoining Montana counties, or residents of adjoining counties in another state if the criteria in subsection (4)(d) are met. Protests must be mailed to the department within 10 days after the final notice is published. Notice of application for
a new license must be published once a week for 4 consecutive weeks. Notice of application for
transfer of ownership or location of a license must be published once a week for 2 consecutive
weeks. Notice may be substantially in the following form:

NOTICE OF APPLICATION FOR RETAIL
ALL-BEVERAGES LICENSE

Notice is given that on the ........ day of ......, 20..., one (name of applicant) filed an
application for a retail all-beverages license with the Montana department of revenue to be used
at (describe location of premises where beverages are to be sold). Residents of ...... counties may
protest against the approval of the application. Each protestor is required to mail a letter that
contains in legible print the protestor's full name, mailing address, and street address. Each letter
must be signed by the protestor. A protest petition bearing the names and signatures of persons
opposing the approval of an application may not be considered as a protest. Protests may be
mailed to ......, department of revenue, Helena, Montana, on or before the ..... day of ......, 20......

Dated ........................

Signed

..............................

(2) Each applicant shall, at the time of filing an application, pay to the department an
amount sufficient to cover the costs of publishing the notice.

(3) (a) If the department receives no written protests, the department may approve the
application without holding a public hearing.

(b) A response to a notice of opportunity to protest an application may not be considered
unless the response is a letter satisfying all the requirements contained in the notice in subsection
(1).

(c) If the department receives sufficient written protests that satisfy the requirements in
subsection (1) against the approval of the application, the department shall hold a public hearing
as provided in subsection (4).

(4) (a) If the department receives at least one protest but less than the number of protests
required for a public convenience and necessity determination as specified in subsection (4)(c), the
department shall schedule a public hearing to be held in Helena, Montana, to determine whether
the protest presents sufficient cause to deny the application based on the qualifications of the
applicant as provided in 16-4-401 or on the grounds for denial of an application provided for in
16-4-405, exclusive of public convenience and necessity. The hearing must be governed by the
provisions of Title 2, chapter 4, part 6.

(b) If the department receives the number of protests required for a public convenience and
necessity determination as specified in subsection (4)(c) and the application is for an original
license or for a transfer of location, the department shall schedule a public hearing to be held in the
county of the proposed location of the license to determine whether the protest presents sufficient
cause to deny the application based on the qualifications of the applicant as provided in 16-4-401 or on the grounds for denial of an application provided for in 16-4-405 including public convenience
and necessity. The hearing must be governed by the provisions of Title 2, chapter 4, part 6.

(c) The minimum number of protests necessary to initiate a public hearing to determine
whether an application satisfies the requirements for public convenience and necessity, as
specified in 16-4-203, for the proposed premises located within a quota area described in 16-4-201
must be 25% of the quota for all-beverages licenses determined for that quota area according to
16-4-201(1), (2), and (8)(9) but in no case less than two. The minimum number of protests
determined in this manner will apply only to applications for either on-premises consumption beer
or all-beverages licenses.

(d) A resident of a county in another state that adjoins the county in Montana from which an application comes may protest an application only if the county or state of residence of the person has certified to the department that a similarly situated Montana resident would be able to make formal protest of a liquor license application in that state or county. The department may, by rule, establish how the certification is to be made."

Renumber: subsequent sections

28. Page 17, line 11.
Strike: "(5)"
Insert: "(6)"

Strike: "(13)"
Insert: "(14)"

Following: "each city or town."
Insert: "A license that is restricted by quota limitations in this section may not be located farther than:
   (A) the county boundary within which the incorporated city or incorporated town is located; or
   (B) the line that separates the incorporated city’s or incorporated town’s boundary from another incorporated city or incorporated town as specified in this section."

Following: line 30
Insert: "(C) In the Polson and Ronan quota areas, the straight line will be drawn from U.S. highway 93 west on Pablo West road to the quota area boundary and east on Clairmont road extending out to the quota area boundary. Any license existing as of November 24, 2017, within the Polson quota area will become a Polson license, regardless of where it falls in the new quota areas. Any license existing as of November 24, 2017, within the Ronan quota area will become a Ronan license, regardless of where it falls in the new quota areas."

32. Page 26, line 6.
Following: "were part of"
Strike: "a"
Insert: "the"

Following: line 10
Insert: "(10) Except as provided in subsection (9)(b), when more than one new restaurant beer and wine license becomes available at the same time in the same quota area, the department
shall conduct a separate competitive bidding process at separate times for each available license."

**Renumber:** subsequent subsections

34. Page 26, line 16.

**Strike:** "(10)"

**Insert:** "(11)"

35. Page 34, line 9 through line 10.

**Following:** "[section 1]"

**Strike:** "may not offer gambling"

**Insert:** "is not eligible to offer gambling under Title 23, chapter 5, part 3, 5, or 6"

36. Page 34.

**Following:** line 18

**Insert:** "NEW SECTION. Section 14. Retroactive applicability. [This act] applies retroactively, within the meaning of 1-2-109, to existing licenses or licenses that resulted from applications in process for alcohol licenses as of November 24, 2017."


**MESSAGES FROM THE SENATE**

**Senate bills passed and transmitted to the House for concurrence:** 1/24/2019

**SB 41**, introduced by T. Richmond

**SB 76**, introduced by B. Hoven

**FIRST READING AND COMMITMENT OF BILLS**

The following House bills were introduced, read first time, and referred to committees:


**HB 303**, introduced by G. DeVries, C. Knudsen, referred to Education.

**HB 304**, introduced by S. Morigeau, referred to Judiciary.

**HB 305**, introduced by T. Winter, W. McKamey, C. Schreiner, referred to State Administration.


**HB 308**, introduced by J. Bachmeier, G. Custer, J. Krautter, S. Malek, referred to State Administration.

**HB 309**, introduced by K. Dudik, D. Sands, referred to Judiciary.

HB 311, introduced by K. White, Z. Brown, referred to Fish, Wildlife and Parks.


HB 315, introduced by J. Keane, referred to Appropriations.

HB 316, introduced by K. White, B. Hamlett, M. Hopkins, referred to State Administration.

HB 317, introduced by J. Keane, referred to Legislative Administration.

HB 318, introduced by F. Garner, referred to State Administration.

HB 319, introduced by T. Winter, referred to State Administration.

HB 320, introduced by B. Mercer, referred to Business and Labor.

HB 321, introduced by F. Anderson, referred to Local Government.

The following House joint resolutions were introduced, read first time, and referred to committees:


HJR 9, introduced by K. Kelker, referred to Human Services.

The following Senate bills were introduced, read first time, and referred to committees:

SB 41, introduced by T. Richmond (by request of the Department of Natural Resources and Conservation), referred to Natural Resources.

SB 76, introduced by B. Hoven (by request of the Department of Transportation), referred to Transportation.

SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)

Majority Leader Tschida moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Skees in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

HB 115 - Majority Leader Tschida moved consideration of HB 115 be passed for the day. Without objection, so ordered.
HB 37 - Representative Loge moved HB 37 do pass. Motion carried as follows:

Total 98

Nays: Doane, Noland.
Total 2

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 47 - Representative T. Moore moved HB 47 do pass. Motion carried as follows:

Total 99

Nays: Woods.
Total 1

Voted absentee: Mortensen, Windy Boy, Aye.
Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

HB 56 - Representative Keane moved HB 56 do pass. Motion carried as follows:

Total 100

Nays: None.
Total  0

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

HB 78 - Representative Perry moved HB 78 do pass. Motion carried as follows:

Total  88
Nays: Burnett, DeVries, Doane, Fuller, Galt, Glimm, Kassmier, Knudsen C, Mercer, Noland, Redfield, Tschida.
Total 12

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 110 - Representative Lynch moved HB 110 do pass. Motion carried as follows:

Total 97

Nays: Kerr-Carpenter, Moore E, Vinton.
Total 3

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 119 - Representative Loge moved HB 119 do pass. Motion carried as follows:

Total  64

Total  36

Voted absentee: Windy Boy, Aye; Mortensen, No.

Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

HB 145 - Representative Zolnikov moved HB 145 do pass. Motion carried as follows:

Total  93

Total  7

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

HB 155 - Representative C. Knudsen moved HB 155 do pass. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Bahr, Ballance, Bartel, Beard, Bedey, Berglee, Bessette,

Total 99

Nays: Ryan.
Total 1

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 206 - Representative Garner moved HB 206 do pass. Motion carried as follows:

Total 100

Nays: None.
Total 0

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0
HB 237 - Representative Krotkov moved HB 237 do pass. Motion carried as follows:

Total  66

Total  34

Voted absentee: Windy Boy, Aye; Mortensen, No.

Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

HJR 5 - Representative Dudik moved HJR 5 do pass. Motion carried as follows:

Total  92

Nays: Beard, Glimm, Knudsen R, Mandeville, Noland, Redfield, Tschida.
Total  7

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total  2
Absent or not voting: Marler.
Total 1

**SB 62** - Representative Holmlund moved **SB 62** be concurred in. Motion carried as follows:

Total 100

Nays: None.
Total 0

Voted absentee: Mortensen, Windy Boy, Aye.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

Majority Leader Tschida moved the Committee rise and report. Motion carried. Committee arose. House resumed. Mr. Speaker presiding. Chair Skees moved the Committee of the Whole report be adopted. Report adopted as follows:

Total 97

Nays: Skees.
Total 1

*STATE INTERNET/BBS COPY*
Voted absentee: None.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

THIRD READING OF BILLS

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

HB 55 passed as follows:

Total 97

Nays: Fitzgerald.
Total 1

Voted absentee: None.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 73 passed as follows:

HB 123 passed as follows:

Total 98

Nays: None.
Total 0

Voted absentee: None.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0
HB 124 passed as follows:

Total  97

Nays: Fitzgerald.
Total  1

Voted absentee: None.

Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

HB 136 passed as follows:

Total  95

Nays: Glimm, Noland, Webb.
Total  3

Voted absentee: None.
Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 175 passed as follows:

Total 91

Nays: Burnett, DeVries, Fuller, Manzella, Redfield, Regier, White.
Total 7

Voted absentee: None.

Excused: Mortensen, Windy Boy.
Total 2

Absent or not voting: None.
Total 0

HB 198 passed as follows:

Total 98
Nays: None.
Total  0

Voted absentee: None.

Excused: Mortensen, Windy Boy.
Total  2

Absent or not voting: None.
Total  0

MOTIONS

Majority Leader Tschida moved the Speaker be authorized to appoint a Special Joint Select Committee for the sole purpose of meeting with Montana's major hospitals.

Without objection, Speaker Hertz appointed the following members:
Representative E. Moore
Representative Buttrey
Representative Caferro
Representative Pierson.

UNFINISHED BUSINESS

Mr. Speaker, I move that the following undersigned name be ADDED as sponsor to HB 293. Motion carried.

HB 293 (W. Galt, Chief Sponsor)
Malek.

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Tschida moved the House adjourn until 1:00 p.m., Tuesday, January 29, 2019. Motion carried.

House adjourned at 2:00 p.m.