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

Roll Call. All members present, except Representatives Garcia, Hayman, Keane, Mercer, and Mortensen, excused. Quorum present.

Majority Leader Tschida moved the Speaker be authorized to appoint a Committee of four to notify the Senate that the House has, once again, defeated the Senate in the Legislative Basketball Game. Without objection, the Speaker appointed the following members:

Representative Jump Shot Bessette (Barbara Bessette)
Representative OK Knudsen (Casey Knudsen)
Representative 3 Point Morigeau (Shane Morigeau)
Representative 357 Regier (Matt Regier)

The Committee was discharged.

BILLs (Ricci, Chair):


Correctly engrossed: HB 301, HB 385, HB 389, HB 404, HB 525, HJR 10, SB 46.


Examined by the sponsor and found to be correct: HB 112, HB 142, HJR 4.

Transmitted to the Senate: HB 217, HB 295, HB 423, HB 432, HB 638, SB 56, SB 57, SB 91, SB 137.

Signed by the Speaker at 3:00 p.m., March 15, 2019: HB 30, HB 70, HB 142, HB 151, HB 259.

Signed by the Chief Clerk of the House at 3:30 p.m., March 15, 2019: HB 30, HB 70, HB 142, HB 151, HB 259.

REPORTS OF STANDING COMMITTEES

FISH, WILDLIFE AND PARKS (Brown, Chair):

HB 301, introduced bill, be amended as follows:

1. Title, page 1, line 4.

Following: "THE USE OF"

Insert: "CERTAIN"

STATE INTERNET/BBS COPY
2. Title, page 1, line 5 through line 6.
Strike: "AND THE" on line 5 through "PARKING PASS" on line 6  
Insert: "OR PAYMENT OF A DAY USE FEE"

3. Title, page 1, line 6.
Following: "PENALTIES;"
Insert: "ELIMINATING THE LIGHT MOTOR VEHICLE REGISTRATION FEE FOR FISHING ACCESS SITES;"
Strike: "SECTION"
Insert: "SECTIONS"
Following: "23-1-105"
Insert: "AND 61-3-321"

4. Page 1, line 11 through line 12.
Strike: "park" on line 11 through "vehicle at" on line 12  
Insert: "use"

5. Page 1, line 12.
Following: "vehicle at a"
Insert: "high-use"
Following: "fishing access site"
Insert: "listed in subsection (4)"
Following: "a person"
Insert: "16 years of age or older"

Strike: "and display" through "vehicle"
Insert: "or pay a $2 day use fee to be collected at the site"

7. Page 1, line 14 through line 15.
Strike: subsection (2) in its entirety  
Reletter: subsequent subsections

8. Page 1, line 16.
Strike: "and fishing access site parking pass"

9. Page 1, line 18.
Following: "department until"  
Insert: "a"  
Strike: "copies are"
Insert: "copy is"

Following: line 20
Insert: "(4) The term "high-use fishing access site" includes the following fishing access sites:
    (a) Bighorn;
    (b) Black's Ford;
    (c) Brownes Bridge;
    (d) Carter's Bridge;
    (e) Fishtrap Creek;
    (f) Florence Bridge;
    (g) Henneberry;
    (h) Johnsrud Park;
    (i) Kelly Island;
    (j) Kona Bridge;
    (k) Mallard's Rest;
    (l) Old Steel Bridge;
    (m) Rosebud East;
    (n) Rosebud West;
    (o) Sidney Bridge;
    (p) Somers;
    (q) Tarkio;
    (r) Teakettle;
    (s) Wolf Creek Bridge;
    (t) Woodside Bridge;
    (u) York Bridge."

11. Page 1, line 23.
Strike: "$50"
Insert: "$10"

12. Page 1, line 27.
Strike: "July 1, 2020"
Insert: "March 1, 2021"

Following: line 5
Insert: "Section 4. Section 61-3-321, MCA, is amended to read:

  "61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration fees -- disposition of fees. (1) Except as otherwise provided in this section, registration fees must be paid upon registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers, semitrailers, and pole trailers as provided in subsections (2) through (20).

  (2) (a) Except as provided in subsection (2)(b), unless a light vehicle is permanently registered under 61-3-562, the annual registration fee for light vehicles, trucks, and buses that weigh 1 ton or less and for logging trucks that weigh 1 ton or less is as follows:

    (i) if the vehicle is 4 or less years old, $217;
    (ii) if the vehicle is 5 through 10 years old, $87; and
    (iii) if the vehicle is 11 or more years old, $28."
(b) For a light vehicle with a manufacturer's suggested retail price of more than $150,000 that is 10 years old or less, the annual registration fee is the amount provided for in subsection (2)(a) plus $825.

(3) (a) Except as provided in subsection (15), the one-time registration fee based on the declared weight of a trailer, semitrailer, or pole trailer is as follows:
   (i) if the declared weight is less than 6,000 pounds, $61.25; or
   (ii) if the declared weight is 6,000 pounds or more, $148.25.
   (b) If a trailer, semitrailer, or pole trailer is registered under 61-3-701, the fees required in subsection (3)(a) must be paid annually.

(4) Except as provided in subsection (15), the one-time registration fee for motor vehicles owned and operated solely as collector's items pursuant to 61-3-411, based on the weight of the vehicle, is as follows:
   (a) 2,850 pounds and over, $10; and
   (b) under 2,850 pounds, $5.

(5) Except as provided in subsection (15), the one-time registration fee for off-highway vehicles other than a quadricycle or motorcycle is $61.25.

(6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is $22.75.

(7) (a) Except as provided in subsection (7)(c), the annual registration fee for a motor home, based on the age of the motor home, is as follows:
   (i) less than 2 years old, $282.50;
   (ii) 2 years old and less than 5 years old, $224.25;
   (iii) 5 years old and less than 8 years old, $132.50; and
   (iv) 8 years old and older, $97.50.
   (b) The owner of a motor home that is 11 years old or older and that is subject to the registration fee under this section may permanently register the motor home upon payment of:
   (i) a one-time registration fee of $237.50;
   (ii) unless a new set of license plates is being issued, an insurance verification fee of $5, which must be deposited in the account established under 61-6-158;
   (iii) if applicable, five times the renewal fees for personalized license plates under 61-3-406; and
   (iv) if applicable, the donation fee for a generic specialty license plate under 61-3-480 or a collegiate license plate under 61-3-465.
   (c) For a motor home with a manufacturer's suggested retail price of more than $300,000 that is 10 years old or less, the annual registration fee is the amount provided in subsection (7)(a) plus $800.

(8) (a) Except as provided in subsection (15), the one-time registration fee for motorcycles and quadricycles registered for use on public highways is $53.25, and the one-time registration fee for motorcycles and quadricycles registered for both off-road use and for use on the public highways is $114.50.
   (b) An additional fee of $16 must be collected for the registration of each motorcycle or quadricycle as a safety fee, which must be deposited in the state motorcycle safety account provided for in 20-25-1002.

(9) Except as provided in subsection (15), the one-time registration fee for travel trailers, based on the length of the travel trailer, is as follows:
(a) under 16 feet in length, $72; and
(b) 16 feet in length or longer, $152.

(10) Except as provided in subsection (15), the one-time registration fee for a motorboat, sailboat, personal watercraft, or motorized pontoon required to be numbered under 23-2-512 is as follows:
(a) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length, $65.50;
(b) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in length, $125.50; and
(c) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, $295.50.

(11) (a) Except as provided in subsections (11)(b) and (15), the one-time registration fee for a snowmobile is $60.50.
(b) (i) A snowmobile that is licensed by a Montana business and is owned exclusively for the purpose of daily rental to customers is assessed:
(A) a fee of $40.50 in the first year of registration; and
(B) if the business reregisters the snowmobile for a second year, a fee of $20.
(ii) If the business reregisters the snowmobile for a third year, the snowmobile must be permanently registered and the business is assessed the registration fee imposed in subsection (11)(a).

(12) (a) The one-time registration fee for a low-speed electric vehicle is $25.
(b) The one-time registration fee for a golf cart that is owned by a person who has or is applying for a low-speed restricted driver's license is $25.
(c) The one-time registration fee for golf carts authorized to operate on certain public streets and highways pursuant to 61-8-391 is $25. Upon receipt of the fee, the department shall issue the owner a decal, which must be displayed visibly on the golf cart.

(13) (a) Except as provided in subsection (13)(b), a fee of $10 must be collected when a new set of standard license plates, a new single standard license plate, or a replacement set of special license plates required under 61-3-332 is issued. The $10 fee imposed under this subsection does not apply when previously issued license plates are transferred under 61-3-335. All registration fees imposed under this section must be paid if the vehicle to which the plates are transferred is not currently registered.
(b) An additional fee of $15 must be collected if a vehicle owner elects to keep the same license plate number from license plates issued before January 1, 2010, when replacement of those plates is required under 61-3-332(3).
(c) The fees imposed in this subsection (13) must be deposited in the account established under 61-6-158, except that $2 of the fee imposed in subsection (13)(a) must be deposited in the state general fund.

(14) The provisions of this part with respect to the payment of registration fees do not apply to and are not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled by the United States of America or any state, county, city, or special district, as defined in 18-8-202, or to a vehicle or vessel that meets the description of property exempt from taxation under 15-6-201(1)(a), (1)(d), (1)(e), (1)(g), (1)(h), (1)(i), (1)(k), (1)(l), (1)(n), or (1)(o), 15-6-203, or 15-6-215, except as provided in 61-3-520.

(15) Whenever ownership of a trailer, semitrailer, pole trailer, off-highway vehicle, motorcycle, quadricycle, travel trailer, motor home, motorboat, sailboat, personal watercraft, motorized pontoon, snowmobile, motor vehicle owned and operated solely as a collector's item.
pursuant to 61-3-411, or low-speed electric vehicle is transferred, the new owner shall title and register the vehicle or vessel as required by this chapter and pay the fees imposed under this section.

(16) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

(17) Except as otherwise provided in this section, revenue collected under this section must be deposited in the state general fund.

(18) The fees imposed by subsections (2) through (12) are not required to be paid by a dealer for the enumerated vehicles or vessels that constitute inventory of the dealership.

(19) (a) Unless a person exercises the option in either subsection (19)(b) or (19)(c), an additional fee of $6 must be collected for each light vehicle registered under this part. This fee must be accounted for and transmitted separately from the registration fee. The fee must be deposited in an account in the state special revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities. Of the $6 fee: the department of fish, wildlife, and parks shall use

(i) $5.37 ($5.62 must be deposited in the state special revenue account established in 23-1-105 and used for state parks; or as otherwise appropriated by the legislature), 25 cents for fishing access sites; and

(ii) 38 cents must be deposited in the Montana heritage preservation and development account established in 22-3-1004 for the operation of state-owned facilities at Virginia City and Nevada City.

(b) A person who registers a light vehicle may, at the time of annual registration, certify that the person does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election not to pay the additional $6 fee provided for in subsection (19)(a). If a written election is made, the fee may not be collected.

(c) (i) A person who registers one or more light vehicles may, at the time of annual registration, certify that the person does not intend to use any of the vehicles to visit state parks and fishing access sites and may make a written election not to pay the additional $6 fee provided for in subsection (19)(a). If a written election is made, the fee may not be collected at any subsequent annual registration unless the person makes the written election to pay the additional fee on one or more of the light vehicles.

(ii) The written election not to pay the additional fee on a light vehicle expires if the vehicle is registered to a different person.

(20) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle, quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of $10 must be collected and forwarded to the state for deposit in the account established in 44-1-504.

(21) (a) If a person exercises the option in subsection (21)(b), an additional fee of $5 must be collected for each light vehicle registered under this part. This fee must be accounted for and transmitted separately from the registration fee. The fee must be deposited in an account in the state special revenue fund. Funds in the account are statutorily appropriated, as provided in 17-7-502, to the department of transportation and must be allocated as provided in 60-3-309.

(b) A person who registers one or more light vehicles may, at the time of annual registration, make a written or electronic election to pay the additional $5 fee provided for in subsection (21)(a).
(22) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by 61-3-721.

(23) (a) The $800 and $825 amounts collected based on the manufacturer's suggested retail price in subsections (2) and (7) are exempt from the provisions of 15-1-122 and must be deposited in the motor vehicle division administration account established in 61-3-112.

(b) By August 15 of each year, beginning in the fiscal year beginning July 1, 2019, the department of justice shall deposit into the general fund an amount equal to the fiscal yearend balance minus 25% of the current fiscal year appropriation for the motor vehicle division administration account established in 61-3-112. (Bracketed language terminates June 30, 2019--sec. 21, Ch. 351, L. 2017.)"

Renumber: subsequent sections


SB 144, be concurred in. Report adopted.

STATE ADMINISTRATION (Mandeville, Chair):

HB 525, introduced bill, be amended as follows:

1. Title, page 1, line 4.
   Strike: "ELIMINATING"
   Insert: "REVISING"

2. Title, page 1, line 5.
   Strike: "REPEALING"
   Insert: "AMENDING"

3. Page 1, line 10.
   Strike: section 1 in its entirety
   Insert: "Section 1. Section 5, Chapter 422, Laws of 2015, is amended to read:
   "Section 5. Termination. [This act] terminates June 30, 2021."
   "Termination.
   "[This act] terminates June 30, 2029.""


HJR 10, introduced joint resolution, be amended as follows:

1. Page 1.
   Following: line 27
   Insert: "BE IT FURTHER RESOLVED, that the committee provide progress reports and a final report to the State Administration and Veterans' Affairs Interim Committee."

SB 46, be amended as follows:

1. Title, page 1, line 6.
   Strike: the first "AND"
   Following: "MCA"
   Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

   Following: line 10
   Insert: NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval."


SB 72, be concurred in. Report adopted.

TAXATION (Redfield, Chair):

 HB 293, introduced bill, be amended as follows:

1. Title, page 1, line 10.
   Following: "CREDITS;"
   Insert: "PROVIDING FOR A TRANSFER FEE;"

2. Title, page 1, line 15.
   Following: "CREDIT;"
   Insert: "PROVIDING LIMITS ON THE AMOUNT OF CREDITS THAT MAY BE REQUESTED AND CLAIMED EACH YEAR;"

3. Page 1, line 20.
   Strike: "9"
   Insert: "12"

4. Page 1, line 23.
   Strike: "9"
   Insert: "12"

5. Page 1, line 26.
   Strike: "9"
   Insert: "12"

   Strike: "9"
   Insert: "12"
   Strike: "9"
   Insert: "12"

   Strike: "group" through "1504(a)"
   Insert: "corporation, as that term is defined in 15-31-321,"

   Strike: "group"
   Insert: "corporation"

    Strike: "(3)(b)"
    Insert: "(3)(c)"

11. Page 2, line 16.
    Following: line 15
    Insert: "(b) The term does not include compensation paid that is less than the minimum wage 
            described in 39-3-409."
    Renumber: subsequent subsections

    Following: "withheld"
    Insert: "and remitted"

13. Page 2, line 27.
    Strike: "$600,000"
    Insert: "$500,000"

    Strike: "credits"
    Insert: "credit"
    Strike: "7"
    Insert: "9"

    Strike: "7"
    Insert: "9"

    Strike: "and living allowances"

17. Page 4, line 21.
    Following: "practices"
House Journal
Fiftieth Legislative Day - March 15, 2019

Insert: "and generally accepted accounting principles"

Strike: "6(3)(b)(i)"
Insert: "7(3)(b)(i)"

Following: "performed"
Insert: "in this state"

20. Page 5, line 22.
Following: "compositions,"
Insert: "or"
Strike: ", or" through "materials"

Following: "company;"
Insert: "or"

22. Page 6, line 1 through line 3.
Strike: ";" on line 1 through "practices" on line 3

23. Page 6, line 19.
Strike: ", including" through "XXX"
Insert: "as defined in 45-8-201(2)"

Strike: ", including" through "XXX"
Insert: "as defined in 45-8-201(2)"

Strike: "or "Montana resident"

Following: "(1)"
Insert: "(a)"

27. Page 7, line 15.
Strike: "6"
Insert: "7"

Following: line 16
Insert: "(b) A postproduction company may not receive the tax credit provided for in [section 9]
unless the postproduction company has been certified by the department of commerce. The"
postproduction company shall submit an application that includes the information provided for in subsection (2)(a) for the postproduction company. The application must be submitted in the year in which the postproduction plans to claim the credit and must be accompanied by a $500 application fee. For the purposes of allocating the credit pursuant to [section 11], the application must contain an estimate of the amount of credit the postproduction company will claim. A postproduction company that plans to claim the credit in more than 1 tax year must apply for the credit each year but the application fee is only required in the first year of application. The department of commerce shall notify the applicant whether the postproduction company qualifies for the credit within 30 days of receipt of the application.

29. Page 8, line 4 through line 6.
Strike: ", including" on line 4 through "and" on line 6
Insert: ";"

30. Page 8, line 8.
Following: "more"
Insert: "; (m) an estimate of the amount of credit the production company will claim for the purposes of allocating the credit pursuant to [section 10]. The estimate must be submitted for each year in which the production company plans to claim the credit.
(n) an estimate of the economic benefit created by the state certified production"

Strike: "under"
Insert: "before the department of commerce on the revocation of the state certification as provided in"

32. Page 8, line 25.
Following: line 24
Insert: "(c) If the production company transferred the tax credit, the recapture provisions of [section 8(7)] apply."

33. Page 8, line 25 through line 26.
Strike: "the Montana" on line 25 through "and" on line 26

34. Page 8, line 30.
Strike: "9"
Insert: "12"

35. Page 9, line 2.
Strike: "department's"
Insert: "department of commerce's"

36. Page 9, line 2 through 3.
Strike: the second "the" on line 2 through "credit," on line 3
37. Page 9, line 7.
Strike: "6"
Insert: "7"
Strike: "8"
Insert: "9"

38. Page 9, line 8.
Following: "the second "company"
Insert: "must be approved to claim the credit by the department of commerce and"
Strike: "commerce"
Insert: "revenue"

Strike: "6"
Insert: "7"
Strike: "8"
Insert: "9"

40. Page 9, line 10.
Strike: "$500"

41. Page 9, line 11.
Following: "fee"
Insert: "as follows:
(a) for a production company with a base investment of less than $350,000, $500;
(b) for a production company with a base investment of $350,000 or more, $1,000;
(c) for a postproduction company claiming the credit provided for in [section 9], $1,000"

42. Page 9, line 13.
Strike: "6"
Insert: "7"
Strike: "commerce"
Insert: "revenue"

43. Page 9, line 17.
Following: "claimed."
Insert: "If the production company fails to submit the required expenditures and compensation
within 60 days, the tax credits may not be claimed until the following tax year."

44. Page 9, line 25.
Strike: "commerce"
Insert: "revenue"
45. Page 9, line 26.
   Strike: "revenue"
   Insert: "commerce"

46. Page 9, line 27.
   Strike: "6"
   Insert: "7"

47. Page 9, line 29.
   Strike: "commerce"
   Insert: "revenue"

   Strike: "commerce" through "to"
   Insert: "revenue shall"

49. Page 10, line 8.
   Strike: "8"
   Insert: "9"
   Strike: "commerce"
   Insert: "revenue"

50. Page 10, line 17 through line 19.
   Strike: subsection (5)(a) in its entirety

   Strike: "(b)"
   Insert: "(5)"
   Strike: "commerce"
   Insert: "revenue"
   Strike: "expenditure"
   Insert: "expenditures"

52. Page 10, line 21.
   Strike: "(i)"
   Insert: "(a)"
   Strike: "half"
   Insert: "50%"
   Strike: "Montana"
   Insert: "this state"

53. Page 10, line 22.
   Strike: "(ii)"
   Insert: "(b)"
Strike: "half"
Insert: "50%"
Strike: "Montana"
Insert: "this state"

54. Page 10, line 23 through line 24.
Strike: subsection (6) in its entirety
Insert: "(6) A production company or postproduction company that submits costs pursuant to this section to claim the credit provided for in [section 7] or [section 9] shall submit the production expenditure verification report provided for in [section 6] by the due date provided for in 15-30-2604 without extension."

55. Page 10, line 30.
Strike: "6"
Insert: "7"
Strike: "8"
Insert: "9"
Following: line 30
Insert: "NEW SECTION. Section 6. Production expenditure verification report. (1) A production company or postproduction company that claims the credit provided for in [section 7] or [section 9] shall submit a production expenditure verification report to the department of revenue as provided in this section.

(2) The production expenditure verification report must:
(a) be issued by a certified public accountant who is unrelated to the production company or postproduction company and include a certification to that effect;
(b) be performed in accordance with the accounting standards generally accepted in the United States;
(c) be addressed to the person who engaged the accountant with a copy addressed to the production company, postproduction company, or person who applies for the credit provided for in [section 7];
(d) include the accountant’s name, address, and telephone number;
(e) include the date of completion of the accountant’s work; and
(f) contain a statement of acknowledgment by the accountant that the state is relying on the report to issue tax credits.

(3) The contents of the report must include:
(a) verification of the accuracy of the production expenditures and compensation submitted pursuant to [section 5(2)] or the qualified postproduction expenditures, equipment purchases and rentals, and compensation submitted pursuant to [section 5(4)];
(b) an opinion from the accountant stating that there are no related party transactions or that material related party transactions are properly reported and accounted for, adequately disclosed, and explained in the report; and
(c) a statement that the submission of the production expenditures, postproduction expenditures, and compensation presents fairly, in all material aspects, the production expenditures, postproduction expenditures, and compensation expended in Montana pursuant to the provisions of [sections 1 through 12].
(4) All costs associated with the report are the obligation of the production company or postproduction company."

Renumber: subsequent sections

56. Page 11, line 2.
Strike: "A"
Insert: "Subject to [section 11], a"

57. Page 11, line 5.
Strike: "up to 1 year before"
Insert: "from the"

Following: "paid"
Insert: " unless the credit is transferred to the next tax year because the limits provided for in [section 10] have been met"

Strike: "Montana"

60. Page 11, line 20.
Strike: the first "Montana"

61. Page 11, line 22.
Strike: "25%"
Insert: "15%"
Strike: "$10"
Insert: "$5"

Following: "expenditures"
Insert: "incurred in this state"

63. Page 12, line 1.
Following: "more;"
Insert: "and"

64. Page 12, line 2 through line 4.
Strike: "; and" on line 2 through "4(7)]" on line 4

65. Page 12, line 7.
Following: "credit"
Insert: "provided that all expenditures are incurred in the state"
66. Page 12, line 8.  
Following: "for"  
Strike: "5"  
Insert: "3"

Strike: "7]."  
Insert: "8]. The credit allowed by this section, including a transferred credit, may not be refunded if the taxpayer has a tax liability less than the amount of the credit."

68. Page 12, line 15 through line 16.  
Strike: subsection (7) in its entirety  
Insert: "(7) (a) A taxpayer claiming the credit provided for in this section must claim the credit as provided in subsection (7)(b).  
(b)(i) An entity taxed as a corporation for Montana income tax purposes shall claim the credit on its corporate income tax return.  
(ii) Individuals, estates, and trusts shall claim a credit allowed under this section on their individual income tax return.  
(iii) An entity not taxed as a corporation shall claim the credit allowed under this section on member or partner returns as follows:  
(A) corporate partners or members shall claim their share of the credit on their corporate income tax returns;  
(B) individual partners or members shall claim their share of the credit on their individual income tax returns; and  
(C) partners or members that are estates or trusts shall claim their share of the credit on their fiduciary income tax returns.  
(c) In order to prevent disguised sales of the credit provided for in this section, allocations of credits through partnership and membership agreements may not be recognized unless they have a substantial economic effect as that term is defined in 26 U.S.C. 704 and applicable federal regulations."
73. Page 13, line 8.

**Following:** line 7

**Insert:** "(6) The notification of the transfer of a tax credit must be accompanied by a fee equal to 2% of the value of the tax credit transferred. The transfer fee must be deposited in the general fund."

**Renumber:** subsequent subsections

74. Page 13, line 13 through line 14.

**Strike:** "and shall" on line 13 through "credits" on line 14

75. Page 13, line 19.

**Following:** "commerce"

**Insert:** "as provided in [section 4] and to the department of revenue"

76. Page 13, line 21.

**Strike:** "a majority"

**Insert:** "more than 50%"

77. Page 13, line 22.

**Strike:** "a majority"

**Insert:** "more than 50%"

78. Page 13, line 29.

**Strike:** "5"

**Insert:** "3"

79. Page 14, line 5.

**Following:** line 4

**Insert:** "(6) (a) A taxpayer claiming the credit provided for in this section must claim the credit as provided in subsection (6)(b).
(b) (i) An entity taxed as a corporation for Montana income tax purposes shall claim the credit on its corporate income tax return.
(ii) Individuals, estates, and trusts shall claim a credit allowed under this section on their individual income tax return.
(iii) An entity not taxed as a corporation shall claim the credit allowed under this section on member or partner returns as follows:
(A) corporate partners or members shall claim their share of the credit on their corporate income tax returns;
(B) individual partners or members shall claim their share of the credit on their individual income tax returns; and
(C) partners or members that are estates or trusts shall claim their share of the credit on their fiduciary income tax returns."
(c) In order to prevent disguised sales of the credit provided for in this section, allocations of credits through partnership and membership agreements may not be recognized unless they have a substantial economic effect as that term is defined in 26 U.S.C. 704 and applicable federal regulations."

Renumber: subsequent subsections

80. Page 14, line 6.
Strike: "6"
Insert: "7"

81. Page 14, line 7 through line 8.
Strike: subsection (7) in its entirety

82. Page 14, line 9.
Insert: "NEW SECTION. Section 10. Limitation of tax credits. (1) (a) The department of commerce may grant to applicants pursuant to [section 4] the authority to apply for the tax credits provided for in [sections 7 and 9].
(b) The total credits authorized may not exceed $5 million per year. The department of commerce may by rule allocate the total amount of credits among different components of the film industry to ensure the tax credit is fairly distributed.
(c) The authorization by the department of commerce to apply for a credit does not guarantee the credit. A taxpayer authorized to apply for a credit pursuant to [section 4] and this section must meet the requirements of [sections 5 through 9] and subsection (2) of this section.
(d) The department of commerce shall make reasonable efforts to post on its website the amount of tax credits available and not yet allocated.
(2) (a) Total claims for the tax credits provided for in [sections 7 and 9] may not exceed $7.5 million per calendar year. (b) Claims must be allowed on a first-come, first-served basis. A taxpayer whose claim for a credit is disallowed because the calendar year limit has been reached may use the credit in the next calendar year but the transfer of the credit to the next calendar year does not extend the carry forward periods provided for in [section 7(5)] or section 9(4)].
(c) If a claim is disallowed because the calendar year limit has been reached, the department of revenue may waive penalties and interest pursuant to 15-1-216.
(d) The department of revenue shall make reasonable efforts to post on its website the amount of credits available and not yet claimed."

Insert: "NEW SECTION. Section 11. Report to legislature. (1) The department of commerce shall provide a written report about the economic impact of the tax credits provided for in [sections 7 through 9] to the revenue and transportation interim committee, provided for in 5-5-227. The report must be provided no less than 6 months before the start of the 2021 regular legislative session and, pursuant to 5-11-210, every 2 years thereafter, and must be posted on the department of commerce’s website.
(2) The report must include:
(a) the overall impact of the tax credits;
(b) the dollar amount of tax credits issued;
(c) the number of net new jobs created;
(d) the amount of compensation paid;
(e) the economic impact of the film industry in the state;
(f) the names of all state certified productions eligible to claim tax credits; and
(g) any other information that describes the impact of the tax credits.

(3) The department of commerce shall contract with a research organization to prepare the report required by this section. The research organization may not be affiliated with the film industry or with the department of commerce. The department may use the fees collected pursuant to [section 4] or other funding to pay for the report.

(4) The department of commerce shall make recommendations to the revenue and transportation interim committee on whether to make changes to the tax credits provided for in [sections 7 through 9], including changes to the cap provided for in [section 10]. The revenue and transportation interim committee may make recommendations to the legislature based on the information contained in the report and the department of commerce’s recommendations.”

Renumber: subsequent sections

83. Page 14, line 11.
Strike: "8"
Insert: "12"
Strike: "and this section"

84. Page 14, line 13.
Strike: "6"
Insert: "7"

85. Page 14, line 14.
Strike: "8"
Insert: "9"

86. Page 14, line 16.
Strike: "7"
Insert: "8"

87. Page 16, line 11.
Strike: "9"
Insert: "12"

Strike: "9"
Insert: "12"

HB 385, introduced bill, be amended as follows:

1. Title, page 1, line 5.
   Strike: "A NONPROFIT ORGANIZATION"
   Insert: "CERTAIN NONPROFIT ORGANIZATIONS"
   Following: "AS"
   Strike: "A"
   Strike: "CONTRACTOR"
   Insert: "CONTRACTORS"

2. Title, page 1, line 8.
   Following: "LIMIT;"
   Insert: "PROVIDING DISTRIBUTION OF A PORTION OF THE REVENUE THROUGH FISCAL YEAR 2024 FOR EMERGENCY SERVICES;"

3. Page 1, line 14.
   Strike: "(a) A nonprofit organization"
   Insert: "An organization with tax-exempt status under section 501(c)(3) of the Internal Revenue Code"

4. Page 1, line 16.
   Strike: "or twenty-one"

5. Page 1, line 17.
   Strike: "or twenty-one"

6. Page 1, line 18 through line 19.
   Strike: subsection (b) in its entirety

7. Page 1, line 20.
   Strike: "or twenty-one"

8. Page 1, line 28.
   Following: line 28
   Insert: "(3) The account is an interest-bearing account with all interest or other return earned on the money in the account credited to and deposited in the account."
   (4) All expenses of the department incurred in the administration and enforcement of [sections 1 through 3] must be paid from the account.
   (5) The department shall deduct from the gross deposits into the account an amount sufficient to reimburse the department's actual costs and expenses incurred in administering [sections 1 through 3]. The amount remaining after the deduction for administrative expenses is the net blackjack tax revenue.
   (6) In addition to the amount deducted in subsection (5), the department may retain up to 15% of the gross deposits to fund operations and administrative expenses.
   (7) For the fiscal year ending June 30, 2020, through the fiscal year ending June 30, 2024,
the funds in the account must be used as follows:
   (a) $250,000 a year for assisting local fire agencies with purchasing workers' compensation
       coverage for volunteer firefighters as provided in [section 4]; and
   (b) the remainder for grants for emergency medical and trauma services as provided in
       [section 5]."

   Strike: "or twenty-one"

   Strike: "2%"
   Insert: "5%"

    Strike: "or twenty-one"

12. Page 2, line 14 through line 15.
    Strike: ":" on line 14 through (a) on line 15
    Insert: ";

    Strike: "50% of the"

14. Page 2, line 16 through line 19.
    Strike: "; and" on line 16 through "laws" on line 19

    Insert: "NEW SECTION. Section 4. Workers' compensation coverage for local fire
    entities -- rulemaking. (1) The department of natural resources and conservation shall create a
    program for assisting a governing body of a local fire agency organized under Title 7, chapter 33,
    with purchasing workers' compensation coverage for volunteer firefighters.
    (2) The department shall adopt rules governing the distribution of the funding provided for in
    [section 2(7)(a)]. The rules must provide a process for local fire agencies to request assistance and
    must establish eligibility criteria. Funding may be provided to a local fire agency for up 2 years, after
    which the department shall review whether to continue the funding.
    (3) For the purposes of this section, a governing body of a local fire agency organized under
    Title 7, chapter 33, does not include a governing body of a city of the first class or second class,
    including a city to which 7-33-4109 applies, that provides workers' compensation coverage to
    employees as defined in 39-71-118."

    Insert: "NEW SECTION. Section 5. Emergency medical and trauma services grant
    program -- rulemaking. (1) The department of public health and human services shall create an
    emergency medical and trauma services grant program for the development, maintenance, and
    improvement of emergency medical and trauma services with the revenue provided for in [section
    2(7)(b)].
    (2) The grants must be made on the basis of substantiated need, with priority given to applicants
that have underdeveloped or aged emergency medical and trauma services equipment or systems.

(3) Grants awarded under this section require local matching funds unless the department
waives the matching funds requirement upon demonstration that local sources of matching funds
are not available.

(4) The department shall adopt rules to implement the emergency medical and trauma services
grant program. The rules must:
   (a) establish eligibility criteria and priorities for emergency medical and trauma services grants;
   (b) provide for an application process, including an annual deadline to apply for the grants;
   (c) provide the date by which grants will be awarded each year; and
   (d) provide matching funds criteria.

Renumber: subsequent sections

16. Page 3, line 16 through line 17.
Strike: "For" on line 16 through "blackjack," on line 17

17. Page 8, line 19.
Strike: "twenty-one"
Insert: "blackjack"

Following: "poker"
Strike: \\

19. Page 8, line 23.
Strike: "or twenty-one,"

20. Page 9, line 12.
Following: "or"
Insert: "or"
Strike: ", or twenty-one"

Strike: "twenty-one"
Insert: "blackjack"

22. Page 10, line 1.
Strike: "or twenty-one"

23. Page 11, line 23.
Following: "or"
Insert: "or"
Strike: ", or twenty-one"
Following: "instruction."
Insert: "(1)"

Insert: "(2) [Section 4] is intended to be codified as an integral part of Title 76, chapter 13, and the provisions of Title 76, chapter 13, apply to [section 4].
(3) [Section 5] is intended to be codified as an integral part of Title 50, chapter 6, and the provisions of Title 50, chapter 6, apply to [section 5]."


HB 404, introduced bill, be amended as follows:

1. Page 1, line 25.
Strike: "5%"
Insert: "7.5%"


SB 207, be concurred in. Report adopted.
SB 217, be concurred in. Report adopted.

MESSAGES FROM THE SENATE

Senate bill passed and transmitted to the House for concurrence: 3/13/2019
SB 267, introduced by D. Sands

House bills concurred in and returned to the House: 3/13/2019
HB 33, introduced by J. Windy Boy
HB 198, introduced by N. Duram
HB 334, introduced by B. Mercer

FIRST READING AND COMMITMENT OF BILLS

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


HB 681, introduced by G. Pierson, referred to Human Services.


HB 683, introduced by M. Regier, referred to Appropriations.

HB 684, introduced by M. Regier, referred to Appropriations.

HB 685, introduced by M. Regier, referred to Appropriations.

HB 686, introduced by M. Regier, referred to Appropriations.

HB 687, introduced by M. Regier, referred to Appropriations.

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 Stewart Peregoy in the chair.

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

HJR 14 - Representative Hamlett moved HJR 14 do pass. Motion carried as follows:


Total 100

Nays: None.

Total 0

Voted absentee: Garcia, Hayman, Keane, Mercer, Mortensen, Aye.
Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 389 - Representative Krautter moved HB 389 do pass.

HB 389 - Representative Krautter moved HB 389, second reading copy, be amended as follows:

1. Title, page 1, line 4.
   Following: "CERTAIN"
   Insert: "IMPLEMENTS OF HUSBANDRY AND"

2. Page 1, line 13.
   Following: "does not apply to"
   Insert: "an implement of husbandry or"

3. Page 1, line 15.
   Following: "(a) the"
   Insert: "implement of husbandry or"
   Strike: "or returning from transporting"

4. Page 1, line 16.
   Strike: "on a" through "apart;"
   Insert: "for a distance not more than 100 miles and is incidental to farming operations; and"

5. Page 1, line 17.
   Following: "(b)"
   Insert: "the implement of husbandry or"

6. Page 1, line 18.
   Strike: "; and"
   Insert: "."

7. Page 1, line 19.
   Strike: subsection (c) in its entirety

Amendment adopted as follows:

McKamey, Mercer, Moore E, Moore T, Morigeau, Nolande, Peppers, Pierson, Pope, Read, Redfield, Regier, Ricci, Runningwolf, Ryan, Sales, Skees, Smith, Stewart Peregyo, Sullivan, Sweeney, Usher, Weatherwax, Webb, Welch, White, Winter, Zolnikov, Mr. Speaker. Total 81


Voted absentee: Garcia, Hayman, Keane, Mercer, Aye; Mortensen, No.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.

Total 5

Absent or not voting: None.

Total 0

HB 389 - Representative Krautter moved HB 389, as amended, do pass. Motion carried as follows:


Nays: Bahr, Karjala, Krotkov, Mandeville, Olsen, Vinton. Total 6

Voted absentee: Garcia, Hayman, Keane, Mercer, Mortensen, Aye.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.

Total 5

Absent or not voting: None.

Total 0
HB 431 - Representative Z. Brown moved HB 431 do pass. Motion carried as follows:


Voted absentee: Garcia, Hayman, Keane, Mercer, Mortensen, Aye.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 443 - Representative Fitzgerald moved HB 443 do pass. Motion carried as follows:


Voted absentee: Garcia, Hayman, Keane, Mercer, Mortensen, Aye.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5
Absent or not voting: None.
Total 0

HB 515 - Representative Usher moved HB 515 do pass.

HB 515 - Representative Noland moved consideration of HB 515 be passed for the day. Motion carried as follows.

Total 78

Total 17

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 552 - Representative B. Brown moved HB 552 do pass. Motion failed as follows:

Total 50

Total 50
Voted absentee: Garcia, Mercer, Mortensen, Aye; Hayman, Keane, No.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 633 - Representative Hamlett moved HB 633 do pass. Motion carried as follows:

Total 78

Total 22

Voted absentee: Garcia, Hayman, Keane, Mercer, Mortensen, Aye.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 639 - Representative Bartel moved HB 639 do pass. Motion carried as follows:

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


Total 93

Nays: Stewart Peregoy.
Total 1

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: Brown Z.
Total 1
The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**HB 217** passed as follows:

Total 65

Total 29

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: Farris-Olsen.
Total 1

**HB 295** passed as follows:

Total 79

Total 16
Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 423 passed as follows:

Total 87

Nays: Bartel, Berglee, Burnett, DeVries, Kelker, Krotkov, Regier, Smith.
Total 8

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

HB 432 passed as follows:

Total 89
Total 6

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

**HB 638** passed as follows:

Total 87

Nays: Berglee, Burnett, DeVries, Doane, Manzella, Redfield, Regier, Zolnikov.
Total 8

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

**SB 56** concurred in as follows:

Total 71
Total 24

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

SB 57 concurred in as follows:

Total 81

Nays: Bartel, Duram, Fleming, Glimm, Hopkins, Mandeville, Moore T, Noland, Read, Skees, Tschida, Usher, White, Mr. Speaker.
Total 14

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

SB 91 concurred in as follows:

Total 61

Total 34

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0

**SB 137** concurred in as follows:

Total 95

Nays: None.
Total 0

Voted absentee: None.

Excused: Garcia, Hayman, Keane, Mercer, Mortensen.
Total 5

Absent or not voting: None.
Total 0
MOTIONS

Majority Leader Tschida moved to re-refer HB 515 from the Committee of the Whole to the Business and Labor Committee. Without objection, so ordered.

Majority Leader Tschida moved to re-refer HB 431 to the Appropriations Committee. Without objection, so ordered.

UNFINISHED BUSINESS

Mr. Speaker, I move that the following undersigned name be ADDED as sponsor to HB 652. Motion carried.

HB 652 (M. Hopkins, Chief Sponsor)
M. Cuffe, J. Dooling, J. Hamilton, W. Sales.

Mr. Speaker, I move that the following undersigned name be ADDED as sponsor to HB 425. Motion carried.

HB 425 (M. Caferro, Chief Sponsor)

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Tschida moved the House adjourn until 8:00 a.m., Saturday, March 16, 2019. Motion carried.

House adjourned at 2:50 p.m.