Senate convened at 1:00 p.m. President Sales presiding. Invocation by Senator McClafferty. Pledge of Allegiance to the Flag.


**BILLS AND JOURNALS** (Keenan, Chair): 1/24/2019
Mr. President: We, your committee on Bills and Journals, having examined the daily journals for the sixth through the tenth legislative days, find the same to be correct.

Correctly engrossed: SB 92.
Transmitted to the House: SB 2, SB 14, SB 25, SB 28, SB 42, SB 51, SB 56, SB 57, SB 63, SB 67, SB 75, SB 90, HB 1.

**REPORTS OF STANDING COMMITTEES**

**BUSINESS, LABOR, AND ECONOMIC AFFAIRS** (Fitzpatrick, Chair): 1/24/2019
SB 58, introduced bill, be amended as follows:

1. Page 4, line 5.
   **Strike:** "30%"
   **Insert:** "22%"

2. Page 10, line 22.
   **Following:** and security monitoring
   **Insert:** "but not including the provision of an interactive computer service or a general audience internet or communications platform unless the service or platform is specially designed or adapted for the business of banking and activities relating to banking"

And, as amended, do pass.

SB 94, do pass.

SB 119, introduced bill, be amended as follows:

1. Title, page 1, line 7.
   **Following:** "RULEMAKING AUTHORITY;"
   **Insert:** "AND"
2. Title, page 1, line 8.
   Following: "23-5-628, MCA"
   Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 1, line 20.
   Strike: "must"
   Insert: "shall"

4. Page 1, line 22.
   Following: "The licensee"
   Strike: "must obtain approval from"
   Insert: "shall notify"

5. Page 1, line 24.
   Following: "licensee"
   Insert: "of"

   Strike: "must"
   Insert: "shall"

7. Page 1, line 28.
   Following: "licensee has"
   Insert: "a significant violation or"

8. Page 1, line 29.
   Following: "department's"
   Insert: "or the department of justice's"

   Following: "The department"
   Insert: "or the department of justice"

    Strike: "its"
    Insert: "the"

    Following: line 5
    Strike: "licensed premises"
    Insert: "licensee or employees of the licensee"

    Strike: "identifies"
SB 92, introduced bill, be amended as follows:

1. Page 5, line 26 through page 8, line 21.
   Strike: section 3 in its entirety

   Following: line 21
   Insert: "Section 3. Section 20-9-525, MCA, is amended to read:

   "20-9-525. School major maintenance aid account -- formula. (1) There is a school
   major maintenance aid account in the state special revenue fund provided for in 17-2-102.
   (2) [Subject to legislative fund transfer[,] the purpose of the account is to provide, contingent
   on appropriation from the legislature, funding for school major maintenance aid as provided in
   subsection (3) for school facility projects that support a basic system of free quality public
   elementary and secondary schools under 20-9-309 and that involve, except as provided in
   subsection (7):

   (a) first, making any repairs categorized as "safety", "damage/wear out", or "codes and
   standards" in the facilities condition inventory for buildings of the school district as referenced in
   the K-12 public schools facility condition and needs assessment final report prepared by the
   Montana department of administration pursuant to section 1, Chapter 1, Special Laws of December
   2005; and

   (b) after addressing the repairs in subsection (2)(a), any of the following:
   (i) updating the facility condition inventory as recommended in the final report referenced
   in subsection (2)(a) with the scope and methods of the review to be determined by the trustees,
   employing experts as the trustees determine necessary. The first update must be completed by
   July 1, 2019, and each district shall certify the completion to the office of public instruction no later
   than October 31, 2019. Subsequent updates must be certified to the office of public instruction no
   less than once every 5 years following the first certification.
   (ii) undertaking projects designed to produce operational efficiencies such as utility savings,
   reduced future maintenance costs, improved utilization of staff, and enhanced learning
   environments for students, including but not limited to projects addressing:
   (A) roofing systems;
   (B) heating, air-conditioning, and ventilation systems;
   (C) energy-efficient window and door systems and insulation;
   (D) plumbing systems;
   (E) electrical systems and lighting systems;
   (F) information technology infrastructure, including internet connectivity both within and to
   the school facility; and

   And, as amended, do pass.
other critical repairs to an existing school facility or facilities.

(3) (a) In any year in which the legislature has appropriated funds for distribution from the school major maintenance aid account, the superintendent of public instruction shall administer the distribution of school major maintenance aid from the school major maintenance aid account for deposit in the subfund of the building reserve fund provided for in 20-9-502(3)(e). Subject to proration under subsection (5) of this section, aid must be annually distributed no later than the last working day of May to a school district imposing a levy pursuant to 20-9-502(3) in the current school fiscal year, with the amount of state support per dollar of local effort of the applicable elementary and high school program of each district determined as follows:

(i) using the taxable valuation most recently certified by the department of revenue under 15-10-202:

(A) divide the total statewide taxable valuation by the statewide total of school major maintenance amounts and multiply the result by 171%;

(B) multiply the result determined under subsection (3)(a)(i)(A) by the district's school major maintenance amount;

(C) subtract the district's taxable valuation from the amount determined under subsection (3)(a)(i)(B); and

(D) divide the amount determined under subsection (3)(a)(i)(C) by 1,000;

(ii) determine the greater of the amount determined in subsection (3)(a)(i) or 18% of the district's mill value; and

(iii) multiply the result determined under subsection (3)(a)(ii) by the district's school major maintenance amount, then divide the product by the sum of the result determined under subsection (3)(a)(ii) and the district's school major maintenance amount.

(b) For a district with an adopted general fund budget in the prior year greater than or equal to 97% of the district's general fund maximum budget in the prior year, the amount determined in subsection (3)(a)(iii) rounded to the nearest cent is the amount of school major maintenance aid per dollar of local effort, not to exceed an amount that would result in the state aid composing more than 80% of the district's school major maintenance amount.

(c) For a district with an adopted general fund budget in the prior year less than 97% of the district's maximum budget in the prior year, multiply the amount determined in subsection (3)(a)(iii) by the ratio of the district's adopted general fund budget in the prior year to the district's maximum general fund budget in the prior year. The result, rounded to the nearest cent, is the amount of state school major maintenance aid per dollar of local effort, not to exceed an amount that would result in the state aid composing more than 80% of the district's school major maintenance amount.

(4) Using the taxable valuation most recently certified by the department of revenue under 15-10-202, the superintendent shall provide school districts with a preliminary estimated amount of state school major maintenance aid per dollar of local effort for the ensuing school year no later than March 1 and a final amount for the current school year no later than July 31.

(5) If the appropriation from or the available funds in the school major maintenance aid account in any school fiscal year are less than the amount for which school districts would otherwise qualify, the superintendent of public instruction shall proportionally prorate the aid distributed to ensure that the distributions do not exceed the appropriated or available funds.

(6) If in any fiscal year the amount of revenue in the school major maintenance aid account is sufficient to fund school major maintenance aid without a proration reduction pursuant to subsection (5) and if in that same fiscal year the amount of revenue available in the school facility and technology account established in 20-9-516 will result in a proration reduction in debt service
Assistance pursuant to 20-9-346(2)(b) for that fiscal year, the state treasurer shall transfer any excess funds in the school major maintenance aid account to the school facility and technology account, not to exceed the amount required to avoid a proration reduction.

(7) School district boards of trustees that have certified to the office of public instruction a current school safety plan or emergency operations plan pursuant to 20-1-401 may, prior to addressing the school facility projects under subsection (2) of this section, utilize the proceeds from the levy authorized in 20-9-502(3) and any school major maintenance aid for improvements to school and student safety and security as described in 20-9-236(1).

(7)(8) For the purposes of this section, the following definitions apply:

(a) "Local effort" means an amount of money raised by levying no more than 10 mills pursuant to 20-9-502(3) and, provided that 10 mills have been levied, any additional amount of money deposited or transferred by trustees to the subfund pursuant to 20-9-502(3).

(b) "School major maintenance amount" means the sum of $15,000 and the product of $100 multiplied by the district's budgeted ANB for the prior fiscal year. (Bracketed language in subsection (2) terminates June 30, 2019--sec. 28, Ch. 6, Sp. L. November 2017.)"
NATURAL RESOURCES (Welborn, Chair): 1/23/2019

SB 32, introduced bill, be amended as follows:

1. Title, page 1, line 6.
   Following: "EFFECTIVE DATE"
   Insert: "AND A TERMINATION DATE"

2. Page 2, lines 11 through 12.
   Strike: "including" on page 2, line 11 through "citizens" on page 2, line 12
   Insert: "with no fewer than 12 members and no more than 20 members, including no more than:
   (a) two members from state agencies;
   (b) two members from federal government agencies;
   (c) two members from conservation districts;
   (d) two members who are irrigators;
   (e) two members from municipalities;
   (f) two members from Indian tribes;
   (g) two water commissioners;
   (h) two members from watershed groups;
   (i) two members of the recreation industry; and
   (j) two citizen members"

   Strike: "and the consultant or advisor shall identify"
   Insert: "shall appoint"

   Following: "group"
   Insert: "based on recommendations from the groups identified in subsection (2)"

   Following: line 24
   Insert: Insert: "NEW SECTION. Section 8. Termination. [This act] terminates June 30, 2023."

And, as amended, do pass.

SB 45, introduced bill, be amended as follows:

1. Page 6, line 19.
   Following: "participated in the"
   Strike: "particular"

2. Page 6, line 29 through page 7, line 1.
   Strike: subsection (c) in its entirety

And, as amended, do pass.
SB 49, introduced bill, be amended as follows:

1. Title, page 1, line 7.
   Following: "MITIGATION"
   Insert: "IN CERTAIN INSTANCES"

2. Page 1, line 22.
   Following: "section," on line 22
   Strike: "the flow" on line 22 through "recharge."
   Insert: "if the water retained for the original beneficial uses and the amount sold or marketed for mitigation or aquifer recharge are:
   (i) not diverted at a common point of diversion, the flow rate and volume of water retained at the point of diversion for the original beneficial uses must be equal to the flow rate and volume allowed under the original beneficial uses minus the amount sold or marketed for mitigation or aquifer recharge; or
   (ii) diverted at a common point of diversion, the entire flow rate and volume of the appropriation is allowed from the common point of diversion."

3. Page 1, line 29 through line 30.
   Following: "that" on line 29
   Strike: "continues" on page 1, line 29 through "uses" on page 1, line 30
   Insert: "will be used for mitigation or aquifer recharge"

And, as amended, do pass.

SB 81, do pass.

STATE ADMINISTRATION (Brown, Chair): 1/23/2019
SB 98, do pass.
SB 101, do pass.
SB 115, do pass.

Without objection, committee reports were adopted.

MESSAGES FROM THE OTHER HOUSE

House bills passed and transmitted to the Senate for concurrence: 1/23/2019

HB 46, introduced by L. Galloway
HB 68, introduced by R. Shaw
HB 72, introduced by M. Marler
HB 88, introduced by K. Abbott
HB 90, introduced by S. Gunderson
HB 96, introduced by F. Garner
HB 99, introduced by F. Garner
HB 143, introduced by N. Duram

House joint resolutions passed and transmitted to the Senate for concurrence: 1/23/2019

HJ 1, introduced by D. Hayman
HJ 3, introduced by F. Mandeville

FIRST READING AND COMMITMENT OF BILLS

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

SB 167, introduced by B. Gillespie, referred to Fish and Game.
SB 168, introduced by B. Hoven, referred to Business, Labor, and Economic Affairs.
SB 169, introduced by B. Hoven, referred to Highways and Transportation.
SB 170, introduced by B. Hoven, referred to Taxation.
SB 171, introduced by S. Fitzpatrick, referred to Business, Labor, and Economic Affairs.
SB 172, introduced by M. MacDonald, referred to Judiciary.

The following Senate bill, previously introduced, was referred to committee:

SB 166, introduced by B. Gillespie, referred to Agriculture, Livestock and Irrigation.

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

SR 8, introduced by K. Regier, referred to Judiciary.
SR 9, introduced by K. Regier, referred to Judiciary.
SR 10, introduced by K. Regier, referred to Judiciary.
SR 11, introduced by J. Ellsworth, referred to Judiciary.
SR 12, introduced by D. Brown, referred to State Administration.

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

HB 46, introduced by L. Galloway (by request of the Law and Justice Interim Committee), referred to Judiciary.
HB 68, introduced by R. Shaw (by request of the State Electrical Board), referred to Business, Labor, and Economic Affairs.
HB 72, introduced by M. Marler (by request of the Department of Revenue), referred to Taxation.
HB 88, introduced by K. Abbott (by request of the Department of Revenue), referred to Taxation.
HB 90, introduced by S. Gunderson (by request of the State Auditor), referred to Business, Labor, and Economic Affairs.
HB 96, introduced by F. Garner (by request of the Public Safety Officer Standards and Training Council), referred to Judiciary.
HB 99, introduced by F. Garner (by request of the Public Safety Officer Standards and Training
Council), referred to Judiciary.

HB 143, introduced by N. Duram, B. Grubbs, W. McKamey, W. Galt, referred to Fish and Game.

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

HJ 1, introduced by D. Hayman (by request of the State Administration and Veterans’ Affairs Interim Committee), referred to State Administration.

HJ 3, introduced by F. Mandeville (by request of the State Administration and Veterans’ Affairs Interim Committee), referred to State Administration.

MOTIONS

Majority Leader Thomas moved that SB 47 be taken from the third reading board and re-referred to the Natural Resources Committee. Without objection, so ordered.

SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)

Majority Leader Thomas moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator McNally in the chair.

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

SB 77 - Majority Leader Thomas moved consideration of SB 77 be placed at the bottom of the second reading board. Without objection, so ordered.

SB 54 - Senator Thomas moved SB 54 do pass.

SB 54 - Senator Malek moved SB 54, second reading copy, be amended as follows:

   Following: "premiums to an insurance company."
   Insert: "An arrangement must be an association of employers that has been in existence for a period of not less than 5 years prior to sponsoring a self-funded multiple employer welfare arrangement, during which time the association has engaged in substantial activities relating to the common interests of member employers, and that continues to engage in substantial activities in addition to sponsoring an arrangement."

Amendment not adopted as follows:

Yeas: Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Pominchowski, Sands, Sesso, Smith F, Vuckovich, Webber.

Total 27

Paired: None.


Total 4

Absent or not voting: None.

Total 0

**SB 54** - Bill passed as follows:

Yeas: Ankney, Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Pomnichowski, Sands, Sesso, Smith F, Vuckovich, Webber.

Total 46

Nays: None.

Total 0

**SB 74** - Senator Vuckovich moved **SB 74** do pass. Motion carried as follows:


Total 46

Nays: None.

Total 0
Paired: None.

Total  4

Absent or not voting: None.
Total  0

**SB 10** - Senator Salomon moved **SB 10** do pass. Motion carried as follows:

Total  46

Nays: None.
Total  0

Paired: None.

Total  4

Absent or not voting: None.
Total  0

**SB 50** - Senator McClafferty moved **SB 50** do pass. Motion carried as follows:

Total  46

Nays: None.
Total  0

Paired: None.

Total  4
Absent or not voting: None.
Total 0

**SB 87** - Senator K. Regier moved **SB 87** do pass.

**SB 87** - Senator K. Regier moved consideration of **SB 87** be placed at the bottom of the second reading board. Without objection, so ordered.

**SR 1** - Senator Thomas moved **SR 1** be adopted.

**SR 1** - Senator Thomas moved **SR 1**, second reading copy, be amended as follows:


   - **Following:** "chair"
   - **Insert:** "or other member of the Senate"

Amendment **adopted** as follows:

Total 43

Nays: Brown, Kary, Vance.
Total 3

Paired: None.

Total 4

Absent or not voting: None.
Total 0

**SR 1** - Resolution **SR 1**, as amended, adopted as follows:

Total 46
Nays: None.
Total 0

Paired: None.

Total 4

Absent or not voting: None.
Total 0

SJ 1 - Senator Thomas moved SJ 1 do pass.

SJ 1 - Senator Barrett moved SJ 1, second reading copy, be amended as follows:

1. Page 5, line 4.
Following: "BILL"
Insert: ", the House or Senate majority leader or minority leader, or a member of the committee hearing the bill"

Amendment not adopted as follows:

Yeas: Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Pommichowski, Sands, Sesso, Smith F, Vuckovich, Webber. Total 19


Paired: None.

Total 4

Absent or not voting: None.
Total 0

SJ 1 - Joint resolution SJ 1 passed as follows:

Yeas: Ankney, Blasdel, Bogner, Brown, Cuffe, Ellsworth, Esp, Fitzpatrick, Gauthier, Gillespie, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Mr President, Olszewski, Regier, Richmond, Salomon, Small, Smith C, Tempel, Thomas, Vance, Webb. Total 27
Nays: Barrett, Bennett, Boland, Cohenour, Ellis, Flowers, Gross, Jacobson, MacDonald, Malek, McClafferty, McConnell, McNally, Pomnichowski, Sands, Sesso, Smith F, Vuckovich, Webber. Total 19

Paired: None.

Excused: Fielder, Osmundson, Phillips, Welborn. Total 4

Absent or not voting: None. Total 0

Senator Sesso excused at this time.

SR 2 - Senator Sales moved that the nomination transmitted by the Governor be concurred in and confirmed by the Senate in accordance with SR 2. Motion carried. Resolution passed as follows:


Nays: None. Total 0

Paired: None.

Excused: Fielder, Osmundson, Phillips, Sesso, Welborn. Total 5

Absent or not voting: None. Total 0

SR 3 - Senator Sales moved that the nomination transmitted by the Governor be concurred in and confirmed by the Senate in accordance with SR 3. Motion carried. Resolution passed as follows:

Total 45

Nays: None.
Total 0

Paired: None.

Total 5

Absent or not voting: None.
Total 0

Majority Leader Thomas moved the committee rise and report. Motion carried. Committee arose. Senate resumed. President Sales presiding.

Chair McNally moved the Committee of the Whole report be adopted. Report adopted as follows:

Total 44

Nays: Smith F.
Total 1

Paired: None.

Total 5

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:

**SB 41** passed as follows:

Yeas: Ankney, Barrett, Bennett, Blasdel, Bogner, Boland, Brown, Cohenour, Cuffe, Ellis,

Total 45

Nays: None.
Total 0

Paired: None.

Total 5

Absent or not voting: None.
Total 0

**SB 76** passed as follows:


Total 41

Nays: Brown, Hinebauch, McClafferty, Vance.
Total 4

Paired: None.

Total 5

Absent or not voting: None.
Total 0

**ANNOUNCEMENTS**

Committee meetings were announced by the committee chairs.

Majority Leader Thomas moved the Senate adjourn until 1:00 p.m., Friday, January 25, 2019, the fifteenth legislative day. Motion carried.
Senate adjourned at 2:30 p.m.

Marilyn Miller
Secretary of the Senate

Scott Sales
President of the Senate