

**SENATE JOURNAL
67TH LEGISLATURE
NINETEENTH LEGISLATIVE DAY**

Helena, Montana
January 28, 2021

Senate Chambers
State Capitol

Senate convened at 1:00 p.m. President Blasdel presiding. Invocation by Pastor Steve Bostrom. Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

BILLS AND JOURNALS (Keenan, Chair): 1/28/2021

Correctly printed: **SB 59, SB 64, SB 101, SB 118, SB 132, SB 152, SB 153, SB 154, SB 155, SJ 4, SR 5, SR 12, HB 3.**

Correctly engrossed: **SB 22, SB 38, SB 114, SB 121.**

Correctly enrolled: **SR 3.**

Examined by the sponsor and found to be correct: **SR 3.**

Transmitted to the House: **SB 39, SB 56, SB 96, SB 112.**

REPORTS OF STANDING COMMITTEES

FINANCE AND CLAIMS (Osmundson, Chair): 1/27/2021

SB 58, do pass.

SB 110, do pass.

HIGHWAYS AND TRANSPORTATION (Vance, Chair): 1/26/2021

SB 125, do pass.

LOCAL GOVERNMENT (Gauthier, Chair): 1/27/2021

SB 80, introduced bill, be amended as follows:

1. Title, line 4.

Strike: "AN"

Insert: "CERTAIN"

2. Title, line 4.

Strike: "AGREEMENT"

Insert: "AGREEMENTS"

3. Page 1, line 12 through line 13.

Strike: "that" on line 12 through "7-11-107" on line 13

4. Page 2, line 2 through line 3.

Strike: "The" on line 2 through "90-6-310" on line 3

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Insert: "An agreement authorized by 7-11-104 between a city or town and a county that governs the adoption and enforcement of municipal zoning or subdivision regulations beyond the boundaries of a municipality pursuant to 76-2-310 and 76-2-311 may not exceed a term of 5 years, at which time both parties may mutually agree to renew the agreement"

And, as amended, do pass.

SB 123, introduced bill, be amended as follows:

1. Page 1, line 19.

Following: "seat."

Insert: "The office of a county officer must be located within the boundaries of the county."

And, as amended, do pass.

STATE ADMINISTRATION (Kary, Chair): 1/27/2021
SB 92, do pass.
SB 93, do pass.

TAXATION (Hoven, Chair): 1/28/2021
SR 6, be adopted.
SR 8, be adopted.

Without objection, committee reports were adopted.

ADVERSE COMMITTEE REPORT

TAXATION (Hoven, Chair): 1/28/2021
SR 7, be **not** adopted. Adverse Committee Report adopted as follows:

Yeas: Ankney, Bogner, Brown, Cuffe, Ellsworth, Esp, Fitzpatrick, Friedel, Gauthier, Gillespie, Glimm, Hertz, Hinebauch, Hoven, Howard, Kary, Keenan, Lang, Manzella, McGillvray, Molnar, Osmundson, Regier K, Sales, Salomon, Small, Smith C, Tempel, Vance, Welborn, Mr. President.
Total 31

Nays: Bennett, Boland, Boldman, Cohenour, Ellis, Flowers, Fox, Gross, Jacobson, Lynch, McClafferty, McNally, Morigeau, O'Brien, Pomnichowski, Pope, Sands, Sweeney, Webber.
Total 19

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.

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Total 0

MESSAGES FROM THE OTHER HOUSE

House bills passed and transmitted to the Senate for concurrence:

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HB 31, introduced by E. Buttrey
HB 40, introduced by W. Curdy
HB 75, introduced by B. Putnam
HB 80, introduced by K. Seekins-Crowe
HB 93, introduced by K. Walsh
HB 95, introduced by B. Tschida
HB 104, introduced by M. Malone
HB 112, introduced by J. Fuller
HB 163, introduced by P. Fielder

FIRST READING AND COMMITMENT OF BILLS

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

SB 156, introduced by B. Bennett, K. Bogner, P. Fielder, P. Flowers, C. Friedel, B. Mitchell, D. Skees, K. Sullivan, referred to Business, Labor, and Economic Affairs.
SB 157, introduced by S. Hinebauch, M. Binkley, K. Bogner, J. Ellsworth, P. Fielder, G. Frazer, E. Hill, C. Hinkle, J. Hinkle, D. Howard, D. Kary, R. Knudsen, B. Ler, T. Manzella, R. Marshall, T. McGillvray, B. Molnar, M. Noland, B. Phalen, A. Regier, K. Regier, J. Schillinger, C. Smith, B. Tschida, G. Vance, C. Glimm, B. Mitchell, referred to Education and Cultural Resources.
SB 158, introduced by S. Hinebauch, M. Binkley, J. Ellsworth, P. Fielder, G. Frazer, C. Glimm, E. Hill, C. Hinkle, J. Hinkle, D. Howard, D. Kary, R. Knudsen, B. Ler, T. Manzella, R. Marshall, T. McGillvray, B. Mitchell, B. Molnar, M. Noland, B. Phalen, A. Regier, K. Regier, J. Schillinger, C. Smith, B. Tschida, G. Vance, referred to Judiciary.
SB 159, introduced by G. Hertz, B. Beard, M. Blasdel, J. Fuller, W. Galt, C. Knudsen, R. Knudsen, C. Smith, G. Vance, S. Vinton, T. Welch, referred to Taxation.
SB 160, introduced by D. Kary, D. Ankney, D. Bedey, K. Bogner, L. Brewster, G. Custer, W. Galt, T. Gauthier, S. Greef, S. Gunderson, R. Lynch, T. McGillvray, R. Osmundson, R. Tempel, J. Welborn, referred to Energy and Telecommunications.
SB 161, introduced by J. Esp, M. Bertoglio, referred to Local Government.
SB 162, introduced by D. Howard, M. Blasdel, B. Brown, S. Galloway, S. Hinebauch, C. Hinkle, M. Hopkins, D. Kary, T. Manzella, T. McGillvray, B. Mitchell, F. Nave, R. Osmundson, J. Patelis, J. Read, A. Regier, D. Salomon, L. Sheldon-Galloway, J. Small, C. Smith, B. Tschida, referred to State Administration.
SB 163, introduced by C. Glimm, B. Brown, M. Cuffe, N. Duram, J. Ellsworth, P. Fielder, J. Fuller, S. Galloway, C. Hinkle, J. Kassmier, T. Manzella, B. Mitchell, M. Noland, R. Osmundson, K. Regier, L. Sheldon-Galloway, D. Skees, C. Smith, B. Tschida, referred to Natural Resources.
SB 164, introduced by C. Glimm, B. Brown, M. Cuffe, N. Duram, J. Ellsworth, P. Fielder, J. Fuller,

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S. Galloway, C. Hinkle, J. Kassmier, D. Lenz, T. Manzella, B. Mitchell, M. Noland, R. Osmundson, K. Regier, L. Sheldon-Galloway, D. Skees, C. Smith, B. Tschida, J. Welborn, referred to Natural Resources.

SB 165, introduced by C. Glimm, M. Blasdel, B. Brown, M. Cuffe, J. Ellsworth, J. Esp, P. Fielder, J. Fuller, S. Galloway, T. Gauthier, J. Kassmier, T. Manzella, B. Mitchell, M. Noland, R. Osmundson, K. Regier, L. Sheldon-Galloway, D. Skees, C. Smith, B. Tschida, referred to Local Government.

SB 166, introduced by T. Gauthier, referred to Business, Labor, and Economic Affairs.

SB 169, introduced by M. Cuffe, F. Anderson, D. Ankney, D. Bartel, B. Beard, D. Bedey, S. Berglee, M. Bertoglio, M. Binkley, M. Blasdel, K. Bogner, L. Brewster, B. Brown, E. Buttrey, J. Carlson, J. Dooling, N. Duram, J. Ellsworth, P. Fielder, R. Fitzgerald, S. Fitzpatrick, F. Fleming, G. Frazer, J. Fuller, S. Galloway, W. Galt, F. Garner, T. Gauthier, J. Gillette, S. Gist, C. Glimm, S. Greef, S. Gunderson, G. Hertz, E. Hill, S. Hinebauch, C. Hinkle, J. Hinkle, K. Holmlund, M. Hopkins, B. Hoven, D. Howard, L. Jones, D. Kary, J. Kassmier, B. Keenan, S. Kerns, C. Knudsen, R. Knudsen, M. Lang, D. Lenz, B. Ler, D. Loge, M. Malone, T. Manzella, R. Marshall, T. McGillvray, W. McKamey, B. Mercer, B. Mitchell, B. Molnar, T. Moore, F. Nave, M. Noland, R. Osmundson, B. Phalen, J. Read, A. Regier, K. Regier, M. Regier, L. Reksten, W. Sales, D. Salomon, J. Schillinger, K. Seekins-Crowe, L. Sheldon-Galloway, D. Skees, J. Small, C. Smith, M. Stromswold, R. Tempel, J. Trebas, B. Tschida, B. Usher, G. Vance, S. Vinton, K. Walsh, J. Welborn, T. Welch, K. Whitman, K. Zolnikov, referred to State Administration.

The following Senate bills were introduced and read first time:

SB 167, introduced by S. Fitzpatrick, W. Galt, M. Blasdel.

SB 168, introduced by S. Fitzpatrick.

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

SR 13, introduced by D. Kary, referred to State Administration.

SR 14, introduced by D. Kary, referred to State Administration.

SR 15, introduced by D. Kary, referred to State Administration.

SR 16, introduced by D. Kary, referred to State Administration.

SR 17, introduced by S. Fitzpatrick, referred to Business, Labor, and Economic Affairs.

SR 18, introduced by S. Fitzpatrick, referred to Business, Labor, and Economic Affairs.

SR 19, introduced by S. Fitzpatrick, referred to Business, Labor, and Economic Affairs.

SR 20, introduced by S. Fitzpatrick, referred to Business, Labor, and Economic Affairs.

SR 21, introduced by D. Kary, referred to State Administration.

SR 22, introduced by D. Kary, referred to State Administration.

SR 23, introduced by D. Kary, referred to State Administration.

SR 24, introduced by D. Kary, referred to State Administration.

SR 25, introduced by D. Kary, referred to State Administration.

SR 26, introduced by D. Kary, referred to State Administration.

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

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HB 31, introduced by E. Buttrey (by request of the Department of Military Affairs), referred to State Administration.

HB 40, introduced by W. Curdy (by request of the Environmental Quality Council), referred to Natural Resources.

HB 75, introduced by B. Putnam (by request of the Department of Transportation), referred to Highways and Transportation.

HB 80, introduced by K. Seekins-Crowe (by request of the State Auditor), referred to Business, Labor, and Economic Affairs.

HB 93, introduced by K. Walsh (by request of the Department of Agriculture), referred to Agriculture, Livestock and Irrigation.

HB 95, introduced by B. Tschida (by request of the Commissioner of Political Practices), referred to State Administration.

HB 104, introduced by M. Malone, referred to Local Government.

HB 163, introduced by P. Fielder, B. Brown, R. Fitzgerald, C. Glimm, S. Gunderson, S. Hinebauch, J. Hinkle, B. Ler, D. Loge, M. Noland, D. Skees, J. Small, C. Smith, referred to Fish and Game.

The following House bill was introduced and read first time:

HB 112, introduced by J. Fuller.

**SECOND READING OF BILLS
(COMMITTEE OF THE WHOLE)**

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

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

SB 18 - Senator Salomon moved **SB 18** do pass. Motion carried as follows:

Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Fox, Friedel, Gauthier, Gillespie, Glimm, Gross, Hertz, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McClafferty, McGillvray, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Smith C, Sweeney, Tempel, Vance, Webber, Welborn, Mr. President.
Total 50

Nays: None.
Total 0

Paired: None.

Excused: None.
Total 0

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Absent or not voting: None.

Total 0

SB 75 - Senator Salomon moved **SB 75** do pass. Motion carried as follows:

Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Fox, Friedel, Gauthier, Gillespie, Glimm, Gross, Hertz, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McClafferty, McGillvray, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Smith C, Sweeney, Tempel, Vance, Webber, Welborn, Mr. President.
Total 50

Nays: None.

Total 0

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

SB 104 - Senator Welborn moved **SB 104** do pass. Motion carried as follows:

Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Fox, Friedel, Gauthier, Gillespie, Glimm, Gross, Hertz, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McClafferty, McGillvray, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Smith C, Sweeney, Tempel, Vance, Webber, Welborn, Mr. President.
Total 50

Nays: None.

Total 0

Paired: None.

Excused: None.

Total 0

Absent or not voting: None.

Total 0

SB 40 - Senator Ellis moved **SB 40** do pass. Motion carried as follows:

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Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Brown, Cohenour, Cuffe, Ellis, Fitzpatrick, Flowers, Fox, Gauthier, Gillespie, Gross, Hertz, Hinebauch, Hoven, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McClafferty, McGillvray, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Smith C, Sweeney, Tempel, Vance, Webber, Welborn, Mr. President.
Total 45

Nays: Ellsworth, Esp, Friedel, Glimm, Howard.
Total 5

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

SR 4 - Senator Welborn moved that the nomination transmitted by the Governor be concurred in and confirmed by the Senate in accordance with **SR 4**. Motion carried as follows:

Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Fox, Friedel, Gauthier, Gillespie, Glimm, Gross, Hertz, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McClafferty, McGillvray, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Smith C, Sweeney, Tempel, Vance, Webber, Welborn, Mr. President.
Total 50

Nays: None.
Total 0

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

Majority Leader Smith moved the committee **rise and report**. Motion carried. Committee arose. Senate resumed. President Blasdel presiding.

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

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Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Brown, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Fox, Friedel, Gauthier, Gillespie, Glimm, Gross, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McClafferty, McGillvray, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Smith C, Sweeney, Tempel, Vance, Webber, Welborn, Mr. President.
Total 49

Nays: Hertz.
Total 1

Paired: None.

Excused: None.
Total 0

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 101 passed as follows:

Yeas: Ankney, Bogner, Boldman, Brown, Cuffe, Ellsworth, Esp, Fitzpatrick, Fox, Friedel, Gauthier, Gillespie, Glimm, Hertz, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, Manzella, McGillvray, Molnar, Morigeau, Osmundson, Regier K, Sales, Salomon, Small, Smith C, Tempel, Vance, Welborn, Mr. President.
Total 36

Nays: Bennett, Boland, Cohenour, Ellis, Flowers, Gross, McClafferty, McNally, O'Brien, Pomnichowski, Pope, Sands, Sweeney, Webber.
Total 14

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

HB 3 concurred in as follows:

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Yeas: Ankney, Bennett, Bogner, Boland, Boldman, Cohenour, Cuffe, Ellis, Ellsworth, Esp, Fitzpatrick, Flowers, Fox, Friedel, Gauthier, Gillespie, Gross, Hertz, Hinebauch, Hoven, Howard, Jacobson, Kary, Keenan, Lang, Lynch, McClafferty, McNally, Molnar, Morigeau, O'Brien, Osmundson, Pomnichowski, Pope, Regier K, Sales, Salomon, Sands, Small, Sweeney, Tempel, Webber, Welborn, Mr. President.
Total 44

Nays: Brown, Glimm, Manzella, McGillvray, Smith C, Vance.
Total 6

Paired: None.

Excused: None.
Total 0

Absent or not voting: None.
Total 0

MOTIONS

Majority Leader Smith moved that **SB 150** be taken from the Judiciary Committee and re-referred to the Highways and Transportation Committee. Without objection, so ordered.

ANNOUNCEMENTS

Committee meetings were announced by the committee chairs.

Majority Leader Smith moved the Senate recess until 6:50 p.m. at which time the Senate will meet to hear the Governor's State of the State Address. Motion carried.

Senate recessed at 1:42 p.m. Senate reconvened at 6:50 p.m., President Blasdel in the chair.

MOTIONS

Majority Leader Smith moved the Senate proceed to the House of Representatives to hear the Governor's State of the State Address. Upon adjournment of the joint session, the Senate will be adjourned until the hour of 1:00 p.m. Friday, January 29, the twentieth legislative day.

Motion carried.

STATE OF THE STATE ADDRESS
Governor Greg Gianforte

Lieutenant Governor Juras, President Blasdel, Speaker Galt, members of the 67th Legislature. My fellow statewide officials, tribal leaders, honored members of the judiciary, members of the Cabinet.

My wife, Susan, and our kids and grandson.

And finally, my fellow Montanans.

Serving you is the highest honor and privilege of my life. You have entrusted me to lead our Montana comeback, and I am humbled.

I will continue to wake up every day with you at the front of my mind – from our seniors to our hopeful kids, from our Main Street business owners to our hardworking farmers and ranchers, from our men and women in uniform to our veterans who have answered the call of duty.

I had the opportunity to welcome home members of the Montana National Guard this week. On short notice, they were activated, flew to Washington, D.C., and fulfilled their mission to ensure a peaceful transition of power at the U.S. Capitol. And now, they are home.

Only weeks before, the same U.S. Capitol had been under siege by a violent mob intent on destroying our democratic institutions. It's a day we won't forget. It revealed just how fragile our republic can be. It also reaffirmed, though, how resilient our institutions are. Hours after the storming of the Capitol, the House and Senate came back together and finished their work, certifying the next president of our United States.

That resiliency is also what defines us as Montanans.

This last year has brought real, serious challenges. But through it all, we've seen the resiliency of Montanans.

The first case of COVID was reported in Montana on March 11th. Almost eleven months later, Montana has seen nearly 93,000 cases, and sadly, more than 1,200 Montanans have lost their lives.

In the four months after the first case, more than 150,000 Montanans filed for unemployment.

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Since that time, an untold number of businesses have closed, many for good. Men and women, who took an idea and invested their savings, energy, and lives, saw what they built disappear – the victims of pandemic-induced restrictions and mandated closures.

And despite all these stark challenges and many dark days, Montanans remain resilient.

We found our heroes in doctors and nurses on the frontlines.

Like Dr. Paul Johnson, a husband and father in Great Falls, who works at Benefis. For 13 weeks, Dr. Johnson treated COVID-19 patients and lived out of his camper. He went to that great length to keep his family safe and the virus out of their home.

We found our heroes in first responders.

Like firefighters, law enforcement officers, and other first responders in Butte. Despite the pandemic straining their resources, they still showed up to host a parade for the Montana Special Olympics Torch Run.

We found our heroes in educators.

Like Kristi Borge, a fourth-generation Montanan who teaches 11 students in a one-room school in Polaris. When the pandemic disrupted regular instruction, Kristi had summer school outside to keep her students up to speed and on track.

We found our heroes in truckers who kept our supply chains moving. And grocery store clerks who kept our shelves full.

Like Myron Aeschbacher, a Montanan who's been trucking for 30 years. With truck stops, rest areas, and restaurants closed along his route, Myron had to make do without some basic necessities – all while keeping our supply chains moving.

We found our heroes in small business owners and others who helped support our response to the pandemic.

Like Steel Toe Distillery in Potomac, which partnered with veteran nonprofit organizations to make hand sanitizer.

Like Dayspring Restoration, whose employees washed and disinfected first-responder vehicles for free.

Like Billings Clinic, which provided free child care to essential health care workers.

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We found our heroes next door – in our friends and in our neighbors.

The people who checked on seniors to make sure they were okay when the state was locked down. The people who sewed masks for health care providers and emergency responders when PPE was in short supply.

In Montana, neighbors help neighbors. It's what we do. And it's what we've done during this difficult year.

Our Montana resiliency has shown bright – an example to other states.

And while we are resilient, the pandemic remains the biggest challenge we face. Addressing it is my top priority as your governor.

We have begun improving how we confront the pandemic.

On my second day in office, we changed the state's vaccine distribution plan to protect the most vulnerable. These changes are saving lives.

Our focus is on ensuring those most at risk can get vaccinated: seniors 70 and older and our families, friends, and neighbors with severe underlying health conditions, like cancer and heart disease. They're at the front of the line now and are getting vaccinated in Phase 1B.

As of today, Montanans have administered more than 92,000 total doses, and nearly 22,000 Montanans have been fully vaccinated. At the end of this week, nearly all of our long-term care facilities and nursing homes will have had at least one vaccination clinic.

And while we are quickly deploying the doses we receive to communities throughout Montana, our supplies from the federal government aren't keeping up with the demand. Each week, we ask for as many doses as the federal government will give us. We have proven in Montana that we can get the vaccine quickly in the arms of our most vulnerable. We just need more vaccines.

That's why today I asked President Biden to do everything in his power to ramp up production and send more vaccines to Montana. We need them.

And while we face a public health crisis, we also face an economic crisis.

Too many Montanans lost their jobs and found themselves without a paycheck through no fault of their own. Too many small business owners closed their doors for good. Too many farmers and ranchers struggled with uncertainty. Too many students were left to

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learn in front of a computer and not in a classroom.

We are righting the course and improving our response.

We consulted with public health officials, health care providers, and business leaders. And nine days after I was sworn in, we lifted arbitrary restrictions that limited hours of operation and capacity for restaurants and other small businesses. Instead, we're relying on business owners to follow industry best practices and public health guidance – rather than relying on the long reach and heavy hand of government.

As we continue to move forward, we need to protect businesses, nonprofit organizations, places of worship, and health care providers from lawsuits, provided they make a good faith effort to protect their staff and customers.

I appreciate the urgency with which the legislature has acted to pass Senator Fitzpatrick's bipartisan bill to do just that. I look forward to getting SB 65 to my desk so we can take a critical step toward getting Montana safely open for business – moving toward incentives and personal responsibility and away from impractical government mandates.

I look forward to a day when we can all take off our masks, throw them in the trash and get on with our lives in a safe manner. In the meantime, I'll continue wearing one and encourage Montanans to do the same.

Finally, as hard as 2020 was for Montana workers and business owners who were just trying to get by, the last thing we all needed was for the government to get in the way.

But that's exactly what happened in the fall. The state government under the previous administration sued five businesses, all in Flathead County, alleging they did not adequately enforce a mask mandate. The first judge in the case ruled against the state, saying it didn't have enough evidence and that the businesses made reasonable efforts.

A pandemic with severe economic fallout is bad enough. We don't need government piling on.

That's why, tonight, I am announcing I have directed our staff to seek dismissal of the litigation against these businesses. Enough is enough.

As we continue making progress to address the economic fallout from the pandemic, we are guided by three clear imperatives.

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First, we must get our economy going again. Second, we must get Montana open for business. Third, we must get Montanans back to work in good-paying jobs.

As we lead the Montana comeback, we can't just talk about doing these things. We must do them.

Businesses and the jobs they create are fleeing high-tax, high-regulation states, and moving to states where the business climate is friendlier, with lower taxes and less red tape.

Unfortunately, Montana is not competitive today. Montana taxpayers with at least \$18,500 of taxable income pay our top income tax rate. More than half of Montana taxpayers pay that top rate of 6.9 percent.

Look across our competitors in the Rocky Mountain West. Of the eight states in our region, Montana ranks seventh, near the bottom.

We used to have the highest rate in the country at 11 percent before we cut it to 6.9 percent 18 years ago. That made us competitive then. But no longer.

Since then, Idaho cut its rate to ours. And Utah, Arizona, and New Mexico cut their rates at least two points below ours. That's a stark difference, and it's one reason we're losing out on opportunities and good jobs. Our high rate drives away too many businesses that may want to locate in Montana.

The effects of that are very real: Montana loses out on good-paying jobs and the tax revenue that comes from it. And when we lose out on opportunities and good-paying jobs here, our kids and grandkids leave Montana in pursuit of them: better jobs for better pay.

To get our economy going again, to get Montana open for business, and to get Montanans back to work in good-paying jobs, we must make Montana more competitive.

We must lower our top personal income tax rate, and that's what I've proposed in my budget. Not only will the majority of Montana income taxpayers see relief, but also Montana will become more competitive.

I thank Senator Hertz and Representative Knudsen for working on the Personal Income Tax Relief Act.

Let's be clear and set the record straight here tonight: we don't pay for it by cutting

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services. We pay for most of it by modernizing our corporate tax structure to reward businesses that create Montana jobs and make investments in Montana.

Reducing the top rate is just a start. To make Montana more competitive, we must bring our income tax rates in line with other states in our region. But we must do it prudently.

That's why I urge the legislature to send to my desk a bill that continues to reduce our uncompetitive income tax rate as our economy grows and we find efficiencies in government.

Our budget also creates the entrepreneur magnet, which encourages companies to establish their headquarters in Montana and create jobs here. I thank President Blasdel and Representative Beard for their efforts to introduce the Entrepreneur Magnet Act.

We must reform our tax system so our Main Street businesses can thrive and create jobs. Under the current system, Montana small business owners have to invest countless hours as they try to comply with our business equipment tax. They have to value their property, file paperwork, and pay the tax. This is a burdensome process that takes a lot of time.

To reduce the burden on our small businesses, my budget calls for reforming the business equipment tax by exempting business equipment valued up to \$200,000, boosting the exemption by 100 percent. The BIG Jobs Act, or Business Investment Grows Jobs Act, eliminates the business equipment tax burden for 4,000 Montana small business owners. I appreciate the efforts of Representative Kassmier and Senator Hoven to get that bill to our colleagues in the legislature.

The increased exemption also encourages our small business owners, farmers, and ranchers to invest in their business. When they make those investments, they support the Montana businesses they buy from, retailers and manufacturers whose sales will grow and who, in turn, create more jobs.

I ask the legislature to pass and send me the BIG Jobs Act. Together, we can ease the burden on small business owners, encourage them to make investments, and help them, and Montana, thrive.

To make Montana more competitive, we also need to get a better handle on our regulatory scheme. Burdensome, unnecessary red tape ties up our small businesses, farms, and ranches. These regulations cost time and money. Ultimately, Montana consumers bear the burden with higher prices on goods and services, and the biggest burden falls on low- and middle-income Montanans who are trying to make ends meet.

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It's time to cut back this thicket of red tape, and it's one of my top priorities.

That's why, on my second day in office, I signed an executive order to establish the Red Tape Relief Task Force, which Lieutenant Governor Juras will lead. I have charged the task force to complete a comprehensive, top-to-bottom review of regulations in every single state agency. They are to leave no stone unturned as they identify excessive, outdated, and unnecessary regulations.

Our budget builds a stronger Montana workforce by prioritizing trades education. Many jobs require specialized skills, and we should ensure that Montanans have access to the training and education they need to acquire and refine those skills.

That's why my budget establishes the Montana Trades Education Credit, or M-TEC. Our budget provides for as many as 1,000 scholarships per year by offering businesses a 50-percent credit for their employees to learn a trade. Together, employers and employees can decide on training that's best for the business and the employee.

Representative Jones and Senator Salomon, thank you for leading the effort on M-TEC to strengthen our workforce, ensuring that Montana workers are well-equipped to succeed, thrive, and achieve the American dream.

Taken together, these measures will make Montana more competitive, but it doesn't matter if no one knows about it. That's why we need to effectively promote a more competitive Montana to job creators.

That's one reason I asked Scott Osterman to lead the Department of Commerce. A native of north central Montana, Scott has broad experience, including as a senior executive in Fortune 500 companies. He knows how to grow businesses. I gave Scott this charge: use your business experience to grow Montana's economy, create high-paying jobs, and bring Montanans home to live and work here.

I will join Scott to promote a more competitive Montana and emphasize what really makes Montana a special place. First, the Montana work ethic is second to none. Montanans are hardworking and know the value and virtue of work. Second, our quality of life is second to none. Our public lands make this one of the best places to live, work, and raise a family.

These are two of the reasons Susan and I decided to move to Montana – to put down roots, raise our family, and start a business here. Our decision to move here wasn't random. We didn't throw a dart at a map.

I knew from my first trip to Montana nearly 45 years ago that I wanted to make Montana

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home. That's when Tim Frable introduced me to Montana. His deep love of this state was infectious. He had trained at Malmstrom Air Force Base and flew missions in a P-51 over Japan during World War Two.

Tim was my junior-high science teacher, and in 1976, he drove me and 17 other ninth graders to Red Lodge to hike into the back country. We hiked to Black Canyon Lake, Grasshopper Glacier, and onto the Lake Plateau.

I tell this story, because Tim was a dedicated educator who shaped my life.

There are many educators like Tim in Montana and throughout our country. They make lasting impacts in the lives of their students – not only imparting their knowledge but also sharing their experience, wisdom, and passions.

They make us better.

We should do everything we can to ensure that any teacher who wants to start her career in Montana can. But Montana ranks at the bottom nationally in starting teacher pay. Wyoming's starting teacher pay is 45 percent higher than ours.

After receiving a teaching degree, a Montanan shouldn't have to choose between earning more in Wyoming and teaching in Montana for the worst starting salary in the country.

That's what happened to a couple of teachers I talked to who used to live in central Montana. A husband and wife, who were early in their teaching careers, were starting a family. They soon realized that they couldn't raise a family and make ends meet on one teacher salary here. So they moved to Wyoming where they could.

We must do better for our starting teachers. That's why my budget provides \$2.5 million in incentives to schools to improve starting teacher pay. I encourage the legislature to pass the TEACH Act, or Tomorrow's Educators are Coming Home Act, which Representative Jones is sponsoring.

By increasing their pay, let's make it easier for our starting teachers to choose to stay in Montana or come back home. Let's make our communities stronger and our classrooms better with excellent starting teachers in them. Let's make their pay more competitive.

Our kids will thank us for it one day.

There are young educators, future Tim Frables out there, who we want to teach our

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kids.

Ultimately, our budget is about our Montana priorities. It's about increasing opportunities here at home and bringing the American dream into greater reach for all Montanans. We should ensure every Montanan has the opportunity to realize it – earning a decent living, raising a family, contributing to our communities, retiring comfortably, and owning a home.

One of our current taxes, however, jeopardizes part of the American dream for some lower-income Montanans. Every two years, reappraisals drive up our property tax bills. These rising taxes threaten the American dream, particularly for lower-income Montanans, people who have invested in their homes, raised their families there, and have retired with a fixed income.

Ever-rising property tax bills shouldn't force someone to make a difficult decision. Pay the tax or sell her home. Pay the tax or put food on the table. Pay the tax or get her prescription drugs.

That's why I proposed the Keep Your Home Tax Relief Act in my budget. Keep Your Home provides \$3 million per year over the next biennium to mitigate the impact of reappraisal on lower-income Montanans, including our seniors and disabled veterans. I appreciate the work of Senator Hoven, Representative Beard, and Representative Hopkins to get this critical bill introduced.

Part of the foundation of the American dream is safe communities where we live and work, and where our kids go to school.

But our state faces a grave threat to our safety: drug use. The Department of Public Health and Human Services estimates that about 64,000 Montanans have a substance use disorder. Addiction is tearing apart families and ravaging our communities.

Few Montanans are untouched by addiction.

There are devastating consequences to this crisis. Our treatment facilities are filling up, some unable to take new patients. Our corrections institutions are filling with people who, losing a battle against addiction, resort to increasingly violent crimes. Our first responders and frontline medical workers at hospitals not only confront it with overdoses but also see it in the innocents – the spouses, the children, the loved ones – who are victims of meth-induced violence. Our schools see our young people drop out as addiction overtakes them. Addiction leaves them falling further and further behind in their education and further off the path to a better life.

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Most tragically, the crisis of meth in Montana is dissolving families and endangering our kids. Meth use has transformed homes from places of love and care to ones of mistreatment and abandonment. Addicted parents neglect their children, leaving too many of our Montana kids fending for themselves. Kids go to bed hungry, and face constant food insecurity. Some fear their parents will become violent.

Last year, two parents in Great Falls allegedly smoked meth in front of their four young children. Meth and drug paraphernalia were within the kids' reach. They were only 6, 3, 2, and one years old. The two-year-old was covered in bruises. A CT scan showed he had a skull fracture.

Children who survive this abuse and neglect often end up in foster care, a system severely strained by meth. Montana has the second highest number of kids in foster care per capita in the entire country. Forty-four percent of all children in our foster care system are there because of parental meth use.

This crisis is heartbreaking, and it has to stop.

There is no silver bullet, but there are steps we can take to confront it. My budget begins to take some of those steps.

It will take investments. So let me be clear: tax revenues from the sale of recreational marijuana should go toward confronting the epidemic of addiction we face.

That's why my budget devotes marijuana tax revenue and part of the tobacco tax settlement to the HEART Fund, or the Healing and Ending Addiction through Recovery and Treatment Fund. The HEART Fund will provide for a full continuum of substance abuse prevention and treatment programs for communities.

That full continuum of programs is critical. Under our current system, there are gaps in coverage that reduce effectiveness. In some communities, there is no coordinated prevention program. In some communities, there are gaps in meth treatment. In some communities, there is a lack of local recovery support for someone leaving treatment who wants to stay clean, sober, and healthy.

We must close those glaring gaps, and the HEART Fund will do that.

With \$7 million in new funds and a federal match, our budget makes an historic investment. An additional \$23.5 million per year will provide for substance abuse prevention and treatment programs for communities.

This is not bigger government. It's a community grant program to help non-profits and

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NGOs do the work on the ground in our communities. And that's where our focus lies, in our communities. With guidance and resources from the state to improve their response to addiction, our communities will lead this effort, because they know their local needs best.

Successful prevention and treatment programs help people who have hit rock bottom regain their health, rebuild their lives, and become vibrant, productive members of their community.

In addition to making an historic investment in prevention and treatment programs in our communities, we must prioritize and invest in treatment courts. Treatment courts work. They reduce recidivism. They reduce drug use. They increase public safety. And they are much more cost effective than incarceration.

Three years after completing treatment court, 70 percent of graduates are clean and holding a job.

But don't just take my word for it. Ask Judge Mary Jane Knisely in Yellowstone County, who started a treatment court there in 2010. Judge Knisely swore me into office a few weeks ago. I asked her to do it because of her experience and outstanding record. Her treatment court model is one we should implement throughout our state.

For all those reasons, our budget provides funding for five drug treatment courts.

And while we should focus on treatment for nonviolent offenders, we must maintain the rule of law. Montana has the highest violent crime rate in the northwest. And we saw an eight percent increase in violent crime last year, even as our nation saw a decline.

Ladies and gentlemen, we are a nation of laws. That's why I support Representative Holmlund's bill to ban sanctuary cities in Montana.

And the hands of justice must be swift. That's why our budget provides for a new district judge in both Gallatin and Flathead counties. That's why our budget adds 14 new parole and probation officers, since our officers are overwhelmed because of prior cuts and growing crime.

While we face an epidemic of drugs and increasing crime, we must also address the crisis of Missing and Murdered Indigenous Persons. In Montana, Native Americans make up about 7 percent of our population, but they account for about 26 percent of missing persons. Between 2017 and 2019, nearly 80 percent of those reported missing were teenagers younger than 18 years of age. Native American women face a murder rate 10 times higher than the national average, and 84 percent experience some form

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of violence in their lifetime.

Time is of the essence, and we must act urgently to curb this tragic trend. It's critical that we bring all voices to the table, and that all voices are heard.

I ask the legislature to send to my desk a bill to extend the Missing and Murdered Indigenous Persons Task Force. I want to thank Representative Sharon Stewart Peregoy, of Crow Agency, and Senator Jason Small, of Busby, for their efforts on this legislation.

And since we're talking about saving lives, we must protect the lives of our most vulnerable: unborn children. I firmly believe all life is precious and must be protected.

I urge the legislature to send me the Montana Pain Capable Unborn Child Protection Act which protects unborn babies by prohibiting abortion when they can feel pain. I also urge the legislature to send me the Born-Alive Infant Protection Act which requires doctors to perform life-saving care on a baby who's born as a result of a botched abortion.

These are necessary, compassionate measures where there should be common ground among us, and I will sign them into law.

As we work to lead the Montana comeback, we must keep hardworking families at the front of our minds. Every day, they decide how to live within their means.

State government should live within its means, providing essential services and letting Montanans keep more of what they earn. Just because the state brings in more revenue doesn't mean we have to spend it.

I made a commitment to change how Helena does business, and our budget does that. Our budget is fiscally conservative. It is balanced. It is sound. It holds the line on new general fund spending, increasing an average of less than one percent per year.

Our budget decreases general fund spending by \$100 million compared to the previous administration's proposed budget. Our budget preserves the "rainy day" fund by eliminating a \$25 million transfer from the previous administration's proposal. Our budget has a strong ending fund balance of over \$300 million, \$50 million more than the budget the previous administration offered.

Our budget does all these things without cuts to essential services.

But it's not just dollars and cents. It's about service. What kind of customer experience

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is state government providing to Montanans?

In the last three weeks, I have started visiting our state agencies. It's been a great opportunity for me to meet some of the folks who serve our state. These visits have reaffirmed to me that we have many hardworking state employees, who do their best every day to serve Montanans.

For too long, though, they haven't been led well.

After one visit to an agency, an employee, who's worked there for nearly three decades, told me I'm the first governor he's seen in the building. He works just across the street from the governor's office, but he's never seen the state's chief executive in the agency's building. I was as shocked to learn about his experience as he was to see me.

If this is how business is done in Helena, it's time to change how Helena does business.

From decades in the private sector, I firmly believe that leaders set the tone and culture of an organization. Tonight, I make these commitments to you, as the chief executive of our state. I will be available, accessible, and accountable. I will provide our state agencies with a clear mission, we will measure our progress, and we will celebrate our shared success together. I will emphasize providing exceptional customer experiences to all Montanans.

After all, you pay our salaries, and we work for you.

I expect our cabinet officials and agency heads to make the same commitments.

I'm proud of the outstanding team we've assembled. We looked for change agents with the best qualifications and leadership experience needed to change the way Helena does business and lead Montana's comeback, and we got them.

The members of our cabinet come with diverse backgrounds and experiences. All, however, are united in our shared commitment to make our state agencies more responsive to the people, and more responsible with taxpayer dollars. That is the charge I have given them, and I am confident they will get the job done.

I have charged Mike Foster at the Department of Agriculture to find ways to add value to our commodities here in Montana and preserve the Montana brand throughout our supply chain. That way, our ag producers can capture more of the value they create.

I have charged Hank Worsech at FWP to build stronger, better bridges among landowners, sportsmen, and outfitters.

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I have charged Amanda Kaster at DNRC to bring more federal lands into active forest management to prevent catastrophic wildfires, have healthier forests, improve wildlife habitat, and bring back some of our good-paying Montana timber jobs.

Our agenda is ambitious, but we owe it to you to be bold, as we lead the Montana comeback.

Like you, I want our kids to enjoy a better life. Like you, I want to leave our state better than I found it. And while we have our differences on policy, that ideal is what motivates everyone who serves here.

That's why our agenda is ambitious. Because four years from now, I see a place where more Montanans are realizing the American dream – working hard, earning a good living, and raising a family. I see a place where our kids and grandkids stay in Montana because there are better opportunities here. I see a place where our communities are safer and thriving. I see a place where we have come through the other side of this global pandemic stronger.

If there's anything this year has taught us, it's that Montanans can handle anything. We met the test.

The state of our state is strong, but it's more than strong. The state of our state is resilient.

And we are ready for our Montana comeback.

Like Montanans at home tonight, we will go forth from here, ready to face what tomorrow brings. We will overcome whatever confronts us together, because the Montana way is to help each other. And because we are resilient.

Thank you. God bless you. God bless America. And God bless the great state of Montana.

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Senate adjourned at 7:54 p.m.

MARILYN MILLER
Secretary of the Senate

MARK BLASDEL
President of the Senate