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**ECONOMIC AFFAIRS INTERIM COMMITTEE**  
**67th Montana Legislature**

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**SENATE MEMBERS**

Jason Ellsworth  
Nate McConnell  
Frank Smith  
Gordon Vance

**HOUSE MEMBERS**

Derek Harvey  
Joshua Kassmier  
Mark Noland  
Vince Ricci  
Sharon Stewart-Peregoy  
Katie Sullivan

**COMMITTEE STAFF**

Patricia Murdo - Research Analyst  
Jameson Walker - Attorney  
Fong Hom - Secretary

**MINUTES LOG**  
**ZOOM Conference Meeting**

April 30, 2020  
Remote Room 102, Capitol Building  
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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**ROLL CALL**

**Members Present Remotely:**

Rep. Sharon Stewart Peregoy, Chair  
Rep. Vince Ricci, Vice Chair  
Sen. Jason Ellsworth  
Rep. Derek Harvey  
Rep. Mark Noland  
Sen. Frank Smith  
Rep. Katie Sullivan  
Sen. Gordon Vance

**Members Excused:**

Rep. Joshua Kassmier  
Sen. Nate McConnell

**Staff Present Remotely:**

Patricia Murdo, Research Analyst  
Jameson Walker, Attorney  
Fong Hom, Secretary

## **AGENDA (Attachment 1)**

### **COMMITTEE ACTION**

At its April 30 teleconference call meeting the Economic Affairs Interim Committee took the following actions and heard reports on the following information:

- voted to send letters to the U.S. Department of Agriculture requesting:
  - flexibility for regulations on Montana's custom butchers who could help address processing of meat and poultry while COVID-19 disrupts usual supply chains;
  - speedier access to \$16 billion in agricultural aid made available under the Coronavirus Aid, Relief, and Economic Security Act;
- voted to request a temporary delay in a Board of Chiropractor rule regarding dry needling;
- heard an update on the Board of Horseracing and information about the potential for historical horseracing to bring additional money to help the horse breeding and racing industries;
- heard from the local director of the Small Business Administration regarding grants and loans for COVID-19 related shutdowns. Brent Donnelly addressed both Paycheck Protection Program loans and Economic Injury Disaster Loans and grants.
- heard from the acting Commissioner of Labor and Industry, Brenda Nordlund, who provided updates on the \$22 million paid out in Montana for unemployment since March 15 to slightly more than 7,000 claimants.
- heard about COVID-19 impacts on the finance, business, medical, livestock, and nonprofit industries; and
- heard about other rules and activities of state agencies monitored by the committee.

### **CALL TO ORDER/ROLL CALL - Presiding Officer Sharon Stewart Peregoy**

- 10:00:00 Rep. Sharon Stewart Peregoy called the meeting to order at 10:00 a.m. The committee secretary called roll. Rep. Kassmier and Sen. McConnell were excused. Rep. Kassmier left his proxy with Rep. Ricci.
- 10:02:04 Rep. Stewart Peregoy gave opening remarks.

### **UPDATE FROM MONTANA DISTRICT DIRECTOR, SMALL BUSINESS ADMINISTRATION**

- 10:02:49 Brent Donnelly, Montana District Director, U.S. Small Business Administration, gave an update on the Paycheck Protection Program, the Economic Injury Disaster Loan Program, and the Advance Express Bridge Loan and Debt Relief program. **(Exhibit 1)**

### **Committee Questions**

- 10:13:56 Sen. Ellsworth asked Mr. Donnelly about a \$15,000 limit under the Economic Injury Disaster Loan Program.
- 10:17:56 Rep. Stewart Peregoy asked if there would be any restrictions or penalties to those businesses who had applied for the PPP loans and then reopened their business. She asked Mr. Donnelly to keep the committee updated on further changes related to the Paycheck Protection Program.
- 10:22:51 Rep. Noland asked for more information on the guidelines related to spending the money received through the federal programs.

10:24:19 Rep. Stewart Peregoy asked Mr. Donnelly to send information regarding Small Business Administration programs to staff to be distributed to the committee.

### **EMERGING ISSUES: IMPACTS OF COVID-19 ON SELECTED TOPICS**

#### **Unemployment Updates - Brenda Nordlund, Acting Commissioner, Department of Labor and Industry**

10:25:51 Ms. Nordlund provided an update on the activities of the Unemployment Division.

#### **Committee Questions**

10:29:13 Rep. Noland asked Ms. Nordlund to differentiate between normal unemployment and the additional \$600 a week per claim available in federal funds. Rep. Noland asked about getting help from the division on how to fill out the unemployment forms.

10:33:50 Sen. Ellsworth commented on the frustration of people trying to contact someone in the division for information on getting unemployment compensation. He asked if there was a way to fast-track that process.

#### **Financial Updates**

#### **Commissioner of Banking and Financial Institutions - Melanie Hall, and Jack Evans, BFI**

10:38:29 Commissioner Hall provided an update on the activities of banking and financial institutions.

#### **Committee Questions**

10:46:41 Rep. Sullivan asked about the amount of mortgage forbearance in Montana.

10:47:26 Rep. Noland asked about smaller banks being bought out by larger banks and if any of the smaller banks were in financial difficulties.

#### **Montana Independent Bankers Association - Jim Brown**

10:53:01 Mr. Brown provided an update on the activities of the Montana Independent Bankers Association.

#### **Montana Bankers Association - Cary Hegreberg**

10:58:26 Mr. Hegreberg provided an update on the activities of the Montana Bankers Association.

#### **Montana Credit Union Network - Tracie Kenyon**

11:03:27 Ms. Kenyon gave a presentation on what Montana credit unions have been doing during the COVID-19 pandemic.

#### **Committee Questions**

11:07:56 Rep. Ricci asked Commissioner Hall to comment on the Paycheck Protection Program and the processing fees that the banks are entitled to.

**Livestock and Dairy Industry Updates**  
**Department of Livestock - Mike Honeycutt, Director**

11:12:08 Director Honeycutt reported on how the COVID-19 pandemic has impacted the livestock and dairy industry.

**Committee Questions**

11:23:36 Rep. Stewart Peregoy expressed her concerns about food shortages not only on the state level but also at the national level because of dumping of milk and euthanizing of animals.

11:26:04 Rep. Noland asked what the state needs to prepare for if there is a food shortage.

11:28:44 Rep. Sullivan asked what the committee can do on this issue.

11:31:10 Rep. Stewart Peregoy discussed drafting a letter on behalf of the Montana Department of Livestock to the U.S. Department of Agriculture expressing the Department of Livestock's concerns and support for waivers.

**Motion**

11:31:59 Rep. Sullivan moved that the Economic Affairs Interim Committee draft a letter expressing concerns for Montana's producers in the agriculture industry and encouraging the U.S. Department of Agriculture to distribute agricultural funds allotted in the CARES Act to Montana.

**Vote**

11:32:45 The motion passed unanimously on a roll call vote with Rep. Kassmier voting yes by proxy.

11:35:45 Rep. Stewart Peregoy provided instructions regarding the letter to be drafted by staff.

11:36:19 Rep. Ricci asked Director Honeycutt about whether any of the \$1.2B earmarked for Montana in the CARES Act is intended for agriculture.

**REQUIRED REPORTS**

**Board of Horseracing Report on Historical Horseracing**

11:37:50 Tom Tucker, Executive Secretary, Montana Board of Horseracing, gave a brief overview of the Board of Horseracing ([Exhibit 2](#)) and a report on historical horseracing gaming options in Montana. He asked for recommendations from the committee. ([Exhibit 3](#)).

**Committee Questions**

11:44:10 Rep. Ricci asked about the financial situation for racetracks. He also asked for a copy of Mr. Tucker's report.

11:47:15 Rep. Noland asked if Mr. Tucker had a sense of what the people around the state want with regard to live horseracing. Rep. Noland followed up with a comment that it is the committee's responsibility to find out what the interest is for live horseracing.

- 11:51:43 Sen. Ellsworth asked Mr. Tucker about the use of historical horse racing machines.
- 11:53:13 Rep. Stewart Peregoy asked about a strategic plan from the Board of Horseracing. Rep. Stewart Peregoy said that a strategic plan from the Board of Horseracing could be put on a future agenda for discussion and possible legislation.

### **Business Surveys/Update of Other Agencies Monitored by the EAIC**

- 11:56:12 Ms. Murdo presented an update on agencies monitored by the committee ([Exhibit 4](#)). Ms. Murdo also gave a presentation on various business surveys regarding the economic damage and prospects of businesses due to the impacts of the COVID-19 pandemic ([Exhibit 5](#)).

### **REVIEW OF EMERGENCY RULES AND REGULAR RULES**

#### **Rule Review for April - Jameson Walker, Staff Attorney**

- 12:00:26 Mr. Walker presented the Administrative Rule Review dated April 23, 2020. ([Exhibit 6](#)) He referred the committee to the Department of Labor and Industry's proposed MAR Notice Number 24-126-37, New Rule I Dry Needling for chiropractors.

#### **Update on Emergency Rules**

- 12:03:26 Mr. Walker provided an update on Emergency Rules and discussed the emergency rule from the Board of Milk Control. ([Exhibit 7](#))

#### **Committee Questions**

- 12:04:42 Rep. Ricci asked about the New Rule I on Dry Needling and suggested that the rule be discussed at the next EAIC meeting.
- 12:07:57 Mr. Walker explained the process of objecting to a proposed rule.
- 12:08:27 Rep. Ricci said that based on Mr. Walker's explanation, he does not want to make an objection to this rule.

### **PUBLIC COMMENT**

- 12:09:20 Bridger Mahlum, Montana Chamber of Commerce
- 12:13:03 Angela Nunn, Administrator, Gambling Control Division, Department of Justice
- 12:13:52 Jean Branscum, Montana Medical Association
- 12:19:57 Ronda Wiggers, Montana Coin Machine Operators Association

### **REVIEW OTHER ISSUES RAISED BY COMMITTEE/FUTURE MEETING OPTIONS/OTHER ACTION**

- 12:23:10 Ms. Murdo discussed the June 30 - July 1 meetings and possibly meeting in person or doing a hybrid of an in-person and remote meeting.
- 12:24:11 Rep. Stewart Peregoy discussed tentatively meeting June 30-July 1 remotely or in-person. Rep. Stewart Peregoy requested that any reports

for future meetings be sent as an attachment via email, along with the agenda, to committee members.

12:26:12 Rep. Noland discussed informally objecting to the Department of Labor and Industry's New Rule I Dry Needling.

12:27:16 Sen. Ellsworth concurred with Rep. Noland's concerns regarding the New Rule I Dry Needling.

**Motion/Vote**

12:28:28 Rep. Noland moved to informally object to the Department of Labor and Industry's MAR 24-126-37 New Rule I Dry Needling.

12:29:08 The motion passed unanimously by voice vote from the members participating.

**ADJOURNMENT**

12:30:14 Rep. Stewart Peregoy adjourned the meeting at 12:30 p.m.