



PO BOX 201706  
Helena, MT 59620-1706  
(406) 444-3064  
FAX (406) 444-3036

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

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**SENATE MEMBERS**

Jason Ellsworth  
Nate McConnell  
Frank Smith  
Gordon Vance

**HOUSE MEMBERS**

Sharon Stewart Peregoy (Chair)  
Derek Harvey  
Joshua Kassmier  
Mark Noland  
Vince Ricci (Vice Chair)  
Katie Sullivan

**COMMITTEE STAFF**

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

**MINUTES LOG**  
**HYBRID AND ZOOM MEETING**

July 1, 2020  
Room 152, Capitol Building  
Helena, Montana

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**ROLL CALL**

**Members Present:**

Rep. Sharon Stewart Peregoy, Chair  
Rep. Vince Ricci, Vice Chair  
Sen. Jason Ellsworth  
Rep. Derek Harvey  
Rep. Joshua Kassmier  
Rep. Mark Noland  
Sen. Frank Smith  
Rep. Katie Sullivan  
Sen. Gordon Vance  
Sen. Nate McConnell (*participated later in the meeting*)

**Members Excused:**

Sen. Nate McConnell (excused from part of meeting)

**Staff Present:**

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

## **AGENDA (Attachment 1)**

### **RECONVENE**

08:00:00 Rep. Sharon Stewart Peregoy reconvened the meeting at 8:00 a.m. The secretary called roll. Sen. Nate McConnell was excused and gave his proxy to Rep. Katie Sullivan, but he later participated in part of the meeting.

### **REQUIRED REPORTS**

#### **Board of Horseracing Historical Video Game Report and Options Overview**

08:05:38 Tom Tucker, Executive Director, Board of Horseracing, gave an overview of the Board of Horseracing (**Exhibit 1**) and a Historical Review of Horse Racing in Montana (**Exhibit 2**). He asked that the Economic Affairs Committee work on a bill allowing historical horseracing.

### **Public Comment**

08:12:04 Angela Nunn, Administrator, Gambling Control Division, Department of Justice

08:15:43 John Iverson, Montana Tavern Association

08:21:54 Neil Peterson, Gaming Industry Association of Montana

08:30:52 Mark Baker, Exacta Systems

08:34:42 Ronda Wiggers, Montana Coin Machine Operators Association

### **Committee Questions and Discussion**

08:40:20 Sen. Ellsworth asked Mr. Tucker if he is envisioning facilities with 80 to 100 machines.

08:41:38 Sen. Ellsworth asked Ms. Nunn if gaming machines are profitable and contribute money to the state.

08:45:25 Rep. Noland asked Mr. Baker if he could address what Ms. Wiggers mentioned about needing a different structure regarding progressive gaming machines.

08:47:10 Rep. Noland asked Ms. Wiggers to clarify her previous statement about machines needing to be progressive.

08:49:24 Rep. Ricci asked Mr. Peterson about the new sports betting (through Montana Lottery) that has been approved.

08:50:28 Sen. Smith asked Mr. Baker where the machines are being manufactured. Sen. Smith asked about progressive machines being able to generate an immediate payout particularly at a small site that might not carry enough money to make a progressive payout. He also asked who would hold the payout.

08:56:40 Sen. Vance said that if the committee is going to do anything, the committee needs something to look at.

08:57:54 Rep. Harvey commented on giving the industry more time to come together with some proposals by September.

### **Motion**

08:59:09 Rep. Stewart Peregoy moved to explore the development of possible legislation to move historical horseracing forward.

### **Discussion on the Motion**

09:01:00 Sen. Ellsworth said he would like to see everyone coming to the table for further discussions.

09:01:41 Rep. Noland agreed with Sen. Ellsworth.

09:02:44 Ms. Murdo asked for clarification of the motion.

### **Vote**

09:03:09 The motion passed on a roll call vote, 9-1 with Senators Ellsworth, Smith, Vance, and Representatives Harvey, Kassmier, Noland, Sullivan, and Stewart Peregoy voting yes, and Sen. McConnell voting yes by proxy. Representative Ricci voted no.

### **Update on Co-Located Lab Study**

09:05:59 Sen. Vance said that the committee is at a standstill due to lack of interest from Montana State University in helping the committee move forward.

### **MEMBER ISSUES - ALCOHOL LAW REVISIONS**

#### **Review of Alcohol Sales and Revenue Estimates**

09:06:36 Becky Schlauch, Alcoholic Beverage Control Division, gave a presentation on the Beer, Wine, and Hard Cider Tax Collections. She also discussed the liquor cases shipped and liquor gross sales. [\(Exhibit 3\)](#)

### **Committee Questions**

09:08:58 Rep. Noland asked Ms. Schlauch for a projection of alcohol sales by the end of the year.

### **Legislative Options and Past Bill Review**

09:11:14 Mr. Walker gave a presentation on Past Bills [\(Exhibit 4\)](#) and Options for Revising Alcohol Laws [\(Exhibit 5\)](#).

### **Public Comment**

None

### **Committee Questions/Discussion**

09:14:09 Ms. Murdo referred the committee to a public comment on proposed alcohol law revisions from Matthew LaRubbio, owner of Western Cider, Missoula. [\(Exhibit 6\)](#)

- 09:17:14 Rep. Ricci asked Mr. Iverson to share with the committee any proposed legislation from the Montana Tavern Association.  
Mr. Iverson discussed proposed legislation. **(Exhibit 7)**
- 09:26:34 Sen. Ellsworth asked Mr. Iverson if there has been downward pressure on prices of alcohol licenses.
- 09:28:07 Ms. Murdo noted public comment from Michael Billingsley. **(Exhibit 8)**
- 09:29:01 Rep. Noland said that he would like to be on the record as saying that he will instruct the committee to discourage bills from moving forward and that he doesn't want growth.
- 09:31:15 Rep. Harvey asked if it would be appropriate for this committee to have a placeholder for a light reform bill from the Coalition for discussion at the September meeting.
- 09:31:58 Rep. Stewart Peregoy said that Rep. Noland had just made some comments and asked Rep. Noland if he was willing to do a placeholder. Committee members discussed the option.

### **Motion**

- 09:32:27 Rep. Harvey moved that staff draft a placeholder for the light reform that came before the Committee and present it for discussion at the September meeting.
- 09:33:20 Sen. Ellsworth asked what the placeholder option encompassed.

### **Vote**

- 09:33:59 The motion passed on a roll call vote, 6-4, with Sen. Smith, Rep. Harvey, Rep. Kassmier, Rep. Sullivan, Rep. Stewart Peregoy voting yes, and Sen. McConnell voting yes by proxy. Sen. Ellsworth, Sen. Vance, Rep. Noland, and Rep. Ricci voted no.  
*Sen. McConnell joined the meeting at 9:34 a.m.*

**BREAK** (reconvened at 9:59)

## **MEMBER ISSUES: WORKERS' COMPENSATION PRESUMPTIVE DISEASE FOR FIREFIGHTERS**

### **Panel Discussion on Potential Access, Impacts Montana State Fund**

- 09:59:54 Kevin Braun, Chief Counsel, Montana State Fund, provided updates on how the Montana State Fund board of directors has addressed presumptive disease coverage: Senate Bill 160 Rate Actions **(Exhibit 9)**,

### **Montana Municipal Interlocal Authority**

- 10:06:47 Alan Hulse, CEO, Montana Municipal Interlocal Authority, discussed the MMIA's approach to the implementation of Senate Bill 160.

### **Painted Rocks Fire District, Darby, Montana**

10:12:11 Alan Tresemer, representing independent firefighters, Darby, Montana  
([Exhibit 10](#))

### **Public Comment**

10:15:03 Dave Maslowski, self ([Exhibit 11](#))

### **Committee Questions**

10:18:38 Sen. Ellsworth asked Mr. Tresemer about the statement in his written testimony, "Do not require any volunteer agency to buy coverage because most can't afford it and don't want it."

10:20:06 Rep. Ricci asked Mr. Hulse if he could explain how the rates for firefighters compare to other high-risk occupations. He also asked about Idaho's rates.

10:25:34 Rep. Harvey commented on rates decreasing in other areas and urged the committee to continue working on this issue.

10:29:07 Sen. McConnell thanked the staff, MMIA and State Fund for their work on this issue. He asked Mr. Hulse if he has had the opportunity to gather any data that the committee could look at. He also commented about the presumptive disease bill requirement for the annual health exam,

10:32:56 Sen. McConnell said the point of the screenings was to keep the premium rates as low as possible and to keep the firefighters healthy. The secondary purpose was to catch any disease early and treat it because that would cost less. He asked, from the insurers perspective, if the screening had an impact on the rates.

10:34:19 Sen. McConnell asked Mr. Hulse if he anticipated any of the MMIA members leaving the program when new premiums are to be paid in September.

10:35:07 Ms. Murdo asked if the committee members wanted a report on the member issue on presumptive diseases for firefighters.

10:35:55 Rep. Stewart Peregoy said, without objection from the committee, Ms. Murdo would do a report on both the presumptive disease and the broadband member issues.

### **Review of SJ 24 Recommendations**

10:36:59 Ms. Murdo gave a presentation on the SJ 24 Study. ([Exhibit 12](#))

### **Committee Discussion**

10:47:35 Sen. Ellsworth discussed page 28 of the Legislative Audit Division's Performance Audit Report, 18P-06 "Short-Term Lodging and Rental Vehicle Taxes: Keeping Pace with an Evolving Marketplace." ([Exhibit 13](#))

10:50:02 Ms. Murdo discussed the language that the Department of Revenue has proposed.

10:50:41 Sen. Ellsworth said that he would recommend that Ms. Murdo reach out to the Department of Revenue to see what they will be doing and report back to the committee.

### **Motion/Vote**

10:51:36 Sen. Ellsworth moved for a preliminary bill draft for discussion at the September meeting to determine if the committee is interested in implementing some of the audit recommendations related to short-term rentals as part of the SJ 24 study.

10:51:49 The motion passed unanimously on a voice vote.

### **Review of SJ 18 Recommendations**

10:52:12 Ms. Murdo discussed the recommendations from the SJ 18 report.

10:57:54 Sen. Ellsworth voiced concerns with some of the department recommendations because, for example, a person with a felony conviction might apply for an occupational license past the recommended look-back period yet still pose a concern to a licensing board. He suggested surveying committee members to get their input on SJ 18 recommendations.

10:59:02 Ms. Murdo said she would include that.

### **Public Comment**

None

### **Review of COVID-19 Liability Issues**

11:02:16 Mr. Walker discussed his memo regarding business waivers relating to COVID-19. ([Exhibit 14](#))

### **Committee Discussion**

11:08:02 Rep. Stewart Peregoy requested additional information for the committee.

11:08:18 Rep. Noland recommended that this committee draft a letter to the governor requesting the governor to send a response allowing business owners to require customers to sign liability waivers.

11:09:31 Sen. Vance agreed with Rep. Noland.

11:09:59 Rep. Stewart Peregoy said that, with no objections from the committee, she would direct staff to draft a letter to the governor asking him to assure the business sector about liability protections in terms of carrying out their business.

11:10:41 Ms. Murdo discussed the Chamber of Commerce's survey related to this issue and suggested that the Chamber of Commerce should be cc'd on this letter. She said that the survey is posted on the Economic Affairs Committee's website.

### **Committee review of the Broadband letter**

- 11:11:07 Ms. Murdo distributed the letter regarding the broadband issue. Mr. Walker read the letter to the committee. **(Exhibit 15)**
- 11:14:12 Sen. Ellsworth discussed changing the sentence, "we would additionally...." to read "we also encourage you to explore how any funds provided through the federal response to the COVID-19 pandemic might be utilized by the private providers to address these unserved areas for the benefit of the people of Montana." He would also like to get rid of the language "with the providers."
- 11:15:31 Mr. Walker read the edited letter.
- 11:16:13 Ms. Murdo discussed adding the language, "thank you for your consideration of our request."
- 11:16:27 Rep. Stewart Peregoy said that, if there is no objection, she will sign the letter and send it to the governor.
- 11:16:50 Rep. Stewart Peregoy and Sen. Ellsworth discussed the formal objection letter on the Department of Public Health and Human Services proposed vaping rule and giving Sen. Ellsworth a few days to review before sending it.
- 11:18:56 There was a discussion regarding the timeframe for sending the letter to the governor regarding the business liability waivers.

### **Directions to staff/last meeting date**

- 11:20:14 Rep. Stewart Peregoy discussed the September 10 meeting date and the format of the meeting. Ms. Murdo gave a brief overview of the topics to be discussed at the September meeting.
- 11:24:40 Ms. Murdo asked if the committee wanted the Department of Public Health and Human Services to comment on the vaping issue and whether she should invite a department representative to the September meeting.
- 11:29:37 There was a discussion on the format of the meeting, whether it will be a hybrid meeting or a Zoom meeting.

### **ADJOURNMENT**

- 11:32:11 Rep. Stewart Peregoy adjourned the meeting at 11:32 a.m.