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ECONOMIC AFFAIRS INTERIM COMMITTEE
67th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
Nate McConnell
Frank Smith
Gordon Vance

HOUSE MEMBERS

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

COMMITTEE STAFF

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

MINUTES LOG
ZOOM CONFERENCE MEETING

September 10, 2020
Remote Room 137, Capitol Building

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:

Rep. Sharon Stewart Peregoy, Chair
Rep. Vince Ricci, Vice Chair
Rep. Derek Harvey
Rep. Joshua Kassmier
Rep. Mark Noland
Sen. Frank Smith
Rep. Katie Sullivan
Sen. Gordon Vance
Sen. Jason Ellsworth (*joined the meeting at 11:17 a.m.*)

Members Excused:

Sen. Nate McConnell

Staff Present:

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

Committee Actions

The Economic Affairs Interim Committee took the following actions at its Sept. 10, 2020, meeting:

- Adopted as committee bills:
 - PD0010, an act generally revising alcohol licensing laws. This contains a change to allow one spouse to have a retail on-premises license if the other spouse has a manufacturing license. The bill also allows a “hockey wall” separation at breweries between the retail and the manufacturing parts of a microbrewery. Rep. Kassmier agreed to carry the bill.
 - PD0003, an act revising the lodging facility use tax and accommodations tax. This proposes to change the words owner/operator in the lodging facility use tax to "seller" as a way of collecting from short-term rentals now obligated to collect the accommodations tax but not the lodging facility use tax. Sen. Ellsworth agreed to carry the bill.
- Passed through for preintroduction drafting bill requests from:
 - the State Auditor's Office (10 bills);
 - the Department of Agriculture (5 bills);
 - the Department of Commerce (3 bills);
 - the Department of Labor and Industry (2 bills);
 - the Department of Livestock (6 bills); and
 - the Alcoholic Beverage Control Division in the Department of Revenue (4 bills).
- Heard updates from impacts of COVID-19 as the pandemic relates to unemployment and to grants from the state under the Coronavirus Aid, Relief, and Economic Security Act.
- Heard or received required reports from the Department of Commerce, the Department of Labor and Industry, the Department of Agriculture, and the Montana Historic Preservation and Development Commission.
- Provided recommendations and adopted reports for:
 - the SJ 18 Study of Professional and Occupational Licensing of those with Criminal Convictions; and
 - the SJ 24 Study of the Lodging Facility Use Tax.
- Decided not to sponsor a proposed historical horseracing bill draft.
- Agreed not to renew objections to:
 - a proposed dry needling rule for chiropractors, in part after viewing a memorandum of understanding between associations representing chiropractors and acupuncturists; and
 - rules proposed by the State Auditor's Office, which had agreed to withdraw a contentious portion of the rules related to securities and insurance crossover activities.
- Heard updates on rules of agencies monitored by the committee.
- Received summary reports of member issues related to broadband, alcohol issues, and presumptive coverage for workers' compensation for certain firefighter diseases.
- Heard summaries of legislative surveys and proposed legislation orientation schedules.

AGENDA (Attachment 1)

CALL TO ORDER/ROLL CALL

08:00:00 Rep. Sharon Stewart Peregoy called the meeting to order at 8:00 a.m. The secretary called the roll. Sen. Ellsworth and Sen. McConnell were excused.

AGENCY MONITORING AND AGENCY LEGISLATION

Overall Agency Monitoring/Review of Legislative Council Guidelines

08:02:23 Pat Murdo, Committee Researcher, gave a presentation on Agency Monitoring ([Exhibit 1](#)) and reviewed the Legislative Council's Guidelines for preintroduction of agency bills. ([Exhibit 2](#)).

DEPARTMENT OF REVENUE/ALCOHOL BEVERAGE CONTROL DIVISION

Update on Alcoholic Beverage Control Division court cases

08:06:47 Dan Whyte, Chief Legal Counsel, Department of Revenue, gave an update on court cases involving the Alcohol Beverage Control Division, including one with a \$5 million (plus a still-to-be-determined interest) impact.

Committee Questions/Discussion

08:12:47 Rep. Stewart Peregoy asked Mr. Whyte if the issue with the interest will be settled before the 2021 session.

08:14:31 Rep. Noland asked Mr. White about the lawsuit.

08:19:59 Rep. Ricci asked Mr. Whyte about the interest in relation to the settlement and if that interest continues to accrue.

Presentation of Bill Drafts

08:21:01 Becky Schlauch, Alcoholic Beverage Control Division Administrator, Department of Revenue, gave an update on the activities of the Alcoholic Beverage Control Division. She discussed the Alcoholic Beverage Control Division's proposed legislation. ([Exhibit 3](#))

Public Comment

None.

Committee Questions/Discussion

08:27:01 Rep. Ricci asked if the proposal to create an On-Premises Consumption Beer and Wine License applies to breweries.

08:28:00 Rep. Noland asked Ms. Schlauch about warehouse space.

Report from the Alcohol Coalition

08:29:27 Darryl James, Coordinator for the Alcohol Coalition, reviewed the activities of the Alcohol Coalition.

Review of PD 0006: Spousal Option; and PD 0010: Hockey Wall Combo

08:40:27 Jameson Walker, Staff Attorney, discussed PD 0006 ([Exhibit 4](#)) and PD 0010 ([Exhibit 5](#)).

08:45:36 Rep. Harvey noted that consensus for the proposal had developed. He described a concern he had earlier about not all manufacturers having the same risks and said he feels the draft provides a workable approach. He urged the committee to support PD 0010.

Public Comment

08:47:20 Matt Leow, Executive Director, Montana Brewers Association, commented on PD 0010 and urged support.

08:51:53 Mr. James clarified the hockey wall requirement, as related to breweries, not distilleries.

Committee Questions/Discussion

08:53:11 Rep. Noland thanked Mr. James and the Alcohol Coalition for their efforts in working with the committee.

Motion on PD 0010: Allowing a brewery to share a location with a retail license

08:56:36 Rep. Harvey moved to approve PD 0010 as a committee bill.

Vote

08:56:36 The motion passed, 8-1, on a roll call vote with Sen. Smith, Rep. Kassmier, Rep. Noland, Rep. Ricci, Rep. Sullivan, Rep. Stewart Peregoy, and Rep. Harvey voting aye, and Sen. Vance voting no. Sen. McConnell voted aye by proxy. Sen. Ellsworth was not present to vote. Rep. Kassmier offered to sponsor PD 0010.

Motion on the Alcoholic Beverage Control Division's proposed legislation

08:58:59 Rep. Sullivan moved to approve the Alcoholic Beverage Control Division's proposed legislation for drafting purposes.

Vote

08:58:59 The motion passed unanimously on a roll call vote, with Sen. McConnell voting aye by proxy, and Sen. Ellsworth not present to vote.

Member Issues: Alcohol Laws

09:03:01 Ms. Murdo gave a presentation on the Member Issues for Alcohol Laws. ([Exhibit 6](#))

AGENCY LEGISLATION

Department of Livestock

09:06:52 Mike Honeycutt, Executive Officer, presented the Department of Livestock's proposed legislation. ([Exhibit 7](#))

Public Comment

None.

Committee Questions/Discussion

09:23:48 Sen. Smith asked if the state would have to have a cooperative agreement on predator control with the reservations.

09:25:46 Rep. Stewart Peregoy asked about the waiver for custom meat processors to be able to process local poultry, beef, and pork.

Motion on the Department of Livestock's proposed legislation

09:29:07 Sen. Smith moved to approve the Department of Livestock's proposed legislation for drafting purposes.

Vote

09:29:07 The motion passed unanimously on a roll call vote, with Sen. McConnell voting aye by proxy, and Sen. Ellsworth not present to vote.

Department of Agriculture

09:30:49 Ben Thomas, Director, discussed the Department of Agriculture's proposed legislation. [\(Exhibit 8\)](#)

Public Comment

None.

Committee Questions/Discussion

09:36:25 Rep. Noland asked Mr. Thomas about the differences between marijuana and hemp and changes in the Hemp Law.

09:39:32 Rep. Harvey asked Mr. Thomas about textile hemp and other hemp products.

Motion on Department of Agriculture's proposed legislation

09:41:11 Sen. Vance moved to approve the Department of Agriculture's proposed legislation for drafting purposes.

Vote

09:41:11 The motion passed on a roll call vote, 9-0, with Sen. McConnell voting aye by proxy, and Sen. Ellsworth not present to vote.

BREAK

Department of Labor and Industry

09:48:45 Judy Bovington, Chief Legal Counsel, discussed the Department of Labor and Industry's proposed bills [\(Exhibit 9\)](#) and Board proposals [\(Exhibit 9a\)](#).

Public Comment

None.

Committee Questions/Discussion

10:08:55 Rep. Noland gave his reasons for not supporting the Department of Labor and Industry's proposed legislation.

10:12:29 Ms. Murdo said the committee could segregate certain bills and have a separate vote on those.

10:12:47 Sen. Vance said he wants the committee to understand that the committee is just hearing what bills the different agencies are bringing forward.

- 10:13:46 Ms. Bovington provided more information on the three bills that were of concern to Rep. Noland.
- 10:19:03 Sen. Smith asked about the bill to amend 37-1-309, MCA, to make service effective upon mailing electronically and by regular mail. He asked about getting signatures for service by mail.

Motion on the Department of Labor and Industry's proposed legislation

- 10:22:56 Rep. Harvey moved that the Department of Labor and Industry's proposed legislation proceed forward for bill drafting purposes.

Vote

- 10:22:56 The motion passed on a roll call vote, 5-4, with aye votes from Sen. Smith, Rep. Stewart Peregoy, Rep. Harvey, and Rep. Sullivan, and Sen. McConnell voting aye by proxy. Voting no were Sen. Vance, Rep. Kassmier, Rep. Noland, and Rep. Ricci. Sen. Ellsworth was not present to vote.

REQUIRED AGENCY REPORTS

- 10:26:00 Ms. Murdo gave opening remarks on required agency reports.

Department of Agriculture Report on Pesticide Training

- 10:26:24 Ben Thomas, Director, discussed a report required by House Bill 221 (2019) on pesticide training, including the availability of online testing and the goal to expand availability that will have no impact on in-person services.
- 10:27:29 Ian Foley, Administrator for the Agricultural Science Division ([Exhibit 10](#))

Public Comment

None.

Department of Labor and Industry Report on Apprenticeship Program

- 10:35:27 Ms. Murdo said that the Report on the Apprenticeship Program is not yet available.

Department of Labor and Industry's Unemployment Insurance Domestic Violence Report

- 10:35:27 Ms. Murdo said that this report was made available yesterday and is online. ([Exhibit 11](#))

Department of Commerce Updates on the Veteran Home Loan Program and the Wood Products Revolving Fund

- 10:37:17 Ms. Murdo referred the committee to information for the Montana Veterans' Home Loan Program ([Exhibit 12](#)), the Wood Products Revolving Loan Fund ([Exhibit 13](#)), the Montana Preservation and Development Commission ([Exhibit 14](#)), and the statutes covering the Department of Commerce's socioeconomic impact review of federal land management proposals ([Exhibit 15](#)).

Department of Labor and Industry Update on Active Supervision for Engineers and Land Surveyors

10:37:53 Ms. Murdo gave a presentation on the department's active supervision requirements as related to the Board of Professional Engineers and Professional Land Surveyors. **(Exhibit 16)**

Department of Livestock Loss Board 2020 Biennial Report

10:38:20 Ms. Murdo noted that the report of the Livestock Loss Board was available online. **(Exhibit 17)**

Report from Lab Committee

10:39:22 Ms. Murdo discussed the memo "Findings under House Bill 586-Co-located Laboratory Space". **(Exhibit 18)**

Sen. Vance discussed the report from the Department of Administration regarding a study of the state's diagnostic labs and future options.

Public Comment

None.

Committee Questions/Discussion

10:42:41 Rep. Noland commented on Sen. Vance's frustration and concerns.

10:43:45 Sen. Vance provided information on the Wool Growers Association's facility.

10:44:32 Rep. Ricci asked Sen. Vance whether the report reflected a stalemate with no path forward.

10:45:22 Rep. Stewart Peregoy asked Sen. Vance if MSU-Bozeman had decided not to weigh in at all. She commented that, for the record, it is good to clarify that efforts were made to rectify the situation.

IMPACTS FROM COVID-19

Update on Unemployment and Changes in Federal Laws

10:47:55 Brenda Nordlund, Acting Commissioner, Department of Labor and Industry, reported that the Annual Labor Day Report is available on the Department of Labor and Industry's website. She provided an update on the activities of the Unemployment Division.

Update on CARES Act Funding

Department of Commerce

11:00:04 Tara Rice, Director, Montana Department of Commerce, provided an update on the state grants being made from the \$1.25 billion provided to Montana under the CARES Act (the Coronavirus Aid, Relief and Economic Security Act). She referred the committee to updates on the Commerce website <http://covidrelief.mt.gov>.

Committee Questions/Discussion

- 11:04:03 Rep. Noland asked how much of the \$1.25 billion actually went to the people who have been affected. He asked if there is another way to get the money more quickly to people or businesses that need the relief assistance.
- 11:15:22 Rep. Ricci asked if the Department of Commerce is tracking how many businesses have had to close permanently because of the COVID crisis.
Sen. Ellsworth joined the meeting at 11:17 a.m.
- 11:17:06 Rep. Harvey asked about any backlog regarding applications that the Department is or isn't approving and if there is a high rejection or denial rate.

Department of Agriculture

- 11:20:16 Ben Thomas, Director, gave a presentation on the COVID-19 relief grants that the Department of Agriculture is overseeing for agriculture and meat processors. **(Exhibit 19)**
<https://leg.mt.gov/content/Committees/Interim/2019-2020/Economic-Affairs/Meetings/Sept-2020/AG-GrantsMaps9-10-20.pdf>

Committee Questions/Discussion

- 11:27:13 Rep. Stewart Peregoy asked about the maps that Mr. Thomas had discussed.

Public Comment

None.

AGENCY LEGISLATION

Department of Commerce

- 11:30:04 Garrett Norcott, Chief Legal Counsel, Department of Commerce, presented the Department of Commerce's proposed legislation and noted the department would not be moving forward changes to one of the bills, the one related to the schools grant program. **(Exhibit 20)**

Public Comment

None.

Committee Questions/Discussion

- 11:40:24 Rep. Ricci asked Mr. Norcott to explain in relation to the pay transparency proposal how workers can self-enforce against potential pay discrimination.

Motion on Department of Commerce's proposed legislation

- 11:42:24 Rep. Sullivan moved to approve the Department of Commerce's proposed legislation, excluding the legislation revising the School Facility and Technology Account, which was pulled by the Department.

Vote

11:42:24 The motion passed, 8-2, on a roll call vote, with Sen. Ellsworth, Sen. Smith, Sen. Vance, Rep. Harvey, Rep. Kassmier, Rep. Stewart Peregoy, and Rep. Sullivan voting yes, and Sen. McConnell voting aye by proxy. Rep. Noland and Rep. Ricci voted no.

GENERAL PUBLIC COMMENT

None.

LUNCH (reconvened at 1:00 p.m.)

State Auditor's Office

13:00:55 Bob Biskupiak, Deputy Insurance Commissioner, discussed the proposed insurance legislation from the State Auditor's Office. **(Exhibit 21)**

13:10:01 Lynne Egan, Deputy Securities Commissioner, discussed proposed legislation from the office related to securities. **(Exhibit 21)**

Public Comment

None.

Committee Questions/Discussion

13:14:42 Rep. Sullivan asked Mr. Biskupiak about the expanded practice of telemedicine.

13:16:36 Rep. Noland asked Ms. Egan about the securities restitution fund.

Motion

13:18:29 Rep. Noland moved to approve the State Auditor's proposed legislation for drafting purposes.

Vote

13:18:29 The motion passed unanimously on a roll call vote, with Sen. McConnell voting aye by proxy.

ECONOMIC AFFAIRS STATUTORY DUTIES ON RULE REVIEW

State Auditor's Rule regarding Insurance and Securities Overlap

13:21:16 Ms. Egan discussed a proposed rule regarding the definition of an investment advisor to which the Economic Affairs Committee had objected at the previous meeting. Ms. Egan said the State Auditor's Office said it would withdraw the change objected to in 6.1.102. **(Exhibit 22)**

13:22:37 Jameson Walker, Legal Staff, commented that if the committee does not continue its objection, the objection will be withdrawn.

13:23:37 Rep. Stewart Peregoy asked if the committee is okay with ending the objection.

13:23:55 Sen. Ellsworth said the committee had concerns about the part of the rule for which legislative authority was not clear and that is the part of the rule that the Securities Division had pulled.

Department of Labor and Industry regarding dental hygienist limited access permit guidance and the Board of Chiropractors rule on dry needling

13:26:56 Ms. Murdo reported on behalf of Ms. Bovington that the Board of Dentistry has not met since the Economic Affairs Committee's last meeting and there is no further action on the Department's guidance regarding limited access permits for dental hygienists.

13:28:03 Todd Younkin gave a presentation on the dry needling rule proposed by the Board of Chiropractors. He discussed a Memorandum of Understanding (MOU) between the Montana Chiropractic Association and the Acupuncture Association. ([Exhibit 23](#))

Committee Questions/Discussion

13:32:07 Ms. Murdo explained the Memorandum of Understanding (MOU).

13:34:23 Sen. Ellsworth commented on the MOU, which he said showed good faith.

13:35:44 Sen. Vance asked Mr. Younkin about his statement that the MOU carries no weight from a legal standpoint.

Public Comment

13:39:15 Marc Nynas, Montana State Board of Chiropractors

13:44:27 Jennifer Holloman, Licensed Acupuncturist and Massage Therapist, President of the Montana Association of Acupuncture and Oriental Medicine ([Exhibit 24](#))

13:47:58 Sen. Tom Jacobson commented on the MOU and encouraged the committee to formally object to the rule.

Committee Questions/Discussion

13:51:39 Rep. Harvey provided his reasons for allowing the Board of Chiropractors to move forward with the rule and the MOU.

13:54:25 Mike Welker, President, Montana Chiropractic Association, commented on the dry needling rule.

13:59:23 Rep. Sullivan said that she agreed with Rep. Harvey in his assessment of the situation.

14:01:29 Sen. Ellsworth discussed Sen. Jacobson's concerns.

14:03:00 Rep. Noland concurred with Rep. Harvey, Rep. Sullivan, and Sen. Ellsworth.

14:04:39 Sen. Smith and Rep. Ricci said they supported the MOU.

14:06:05 Rep. Stewart Peregoy said the committee would take no action on this issue.

14:07:30 Ms. Murdo noted to the committee that there are several letters, one from Sen. Gillespie, that are in support of the chiropractors and are on the Economic Affairs Interim Committee's webpage.

Department of Public Health and Human Services Vaping Rule

14:08:18 Jameson Walker, Legal Staff, discussed the Children, Families, Health, and Human Services Committee's polling over the Department of Public Health and Human Service's proposed rules concerning flavored electronic smoking devices (MAR Notice No. 37-923) and the letter from the Department to the EAIC regarding the EAIC's objection. [\(Exhibit 25\)](#)

Public Comment

None.

Committee Questions/Discussion

14:10:29 Sen. Ellsworth thanked the members of the EAIC for its objection to the vaping rule.

Rule Review for July-August 2020

14:12:09 Mr. Walker presented the Administrative Rule Report. [\(Exhibit 26\)](#)

Public Comment

None.

Committee Questions/Discussion

14:15:35 Sen. Ellsworth asked about making a motion on the Department of Labor and Industry's proposed list of bills.

14:16:46 Rep. Stewart Peregoy asked about Sen. Ellsworth's motion. Sen. Ellsworth said he was not present due to personal circumstances for the vote on the Department of Labor and Industry bills and did not provide his proxy voting.

Motion to reconsider

14:19:25 Sen. Ellsworth moved to reconsider the motion related to the Department of Labor and Industry's 2021 proposed legislation.

Discussion on Sen. Ellsworth's motion

14:19:40 Ms. Murdo clarified that the action taken by the committee was to move the Department of Labor and Industry's proposed legislation forward for drafting purposes. Rep. Stewart Peregoy said that the Department has the ability to bring forward the legislation through an individual legislator even if the committee might not approve the early drafting of the proposed legislation.

Vote

14:19:25 The motion passed on a roll call vote, 7-3, with Senators Smith, Vance, and Ellsworth, and Representatives Kassmier, Noland, Ricci, and Stewart

Peregoy voting yes. Representatives Harvey and Sullivan voted no, and Sen. McConnell voted no by proxy.

14:21:45 Rep. Stewart Peregoy asked Sen. Ellsworth if he wanted to segregate any proposed legislation. Sen. Ellsworth did not want to segregate any legislation.

14:24:44 Sen. Vance asked why this issue didn't come up this morning when the committee had voted on these bills. Sen. Ellsworth said he was unable to be present or give his proxy in a timely manner and that is the reason why he is asking for this opportunity to weigh in.

14:25:35 Ms. Murdo explained that the committee could either vote on all the board bills or segregate out bills they don't like.

Motion to segregate board bills from the department bills

14:27:37 Rep. Sullivan moved to approve the Department of Labor's proposed bills for preintroduction purposes.

Vote

14:27:37 The motion failed, 5-5, on a roll call vote, with Senators Ellsworth and Vance and Representatives Kassmier, Noland, and Ricci voting no. Sen. Smith and Representatives Harvey, Sullivan, and Stewart Peregoy voted yes, and Sen. McConnell voted yes by proxy.

Further Discussion

14:29:49 There was a discussion about segregating bills out. Ms. Murdo asked if the committee was against all of the bills moving forward or if there are some that the committee would be fine with. Rep. Noland said he wanted to vote on all of them and not segregate any of them.

14:32:16 Rep. Stewart Peregoy explained what actions the committee had taken regarding the board bills.

BREAK (reconvened at 2:38 p.m.)

Motion on segregating the board bills

14:39:01 Rep. Sullivan moved to segregate out and reconsider proposed legislation for the Board of Psychology, the Board of Physical Therapy, the Board of Behavioral Health, the Board of Barbers and Cosmetologists, and the Board of Pharmacy.

Vote

14:39:01 The motion failed, 6-4, on a roll call vote with Senators Ellsworth, Smith, and Vance, and Representatives Kassmier, Noland, and Ricci voting no. Representatives Harvey, Stewart Peregoy, and Sullivan voted yes, and Sen. McConnell voted yes by proxy.

Discussion on the Department of Labor and Industry bills

- 14:45:01 Sen. Ellsworth appreciated that the committee allowed him to revisit the previous actions of the committee regarding the board bills.
- 14:54:07 The committee discussed the bills that Rep. Noland had concerns about.

Motion to segregate

- 14:55:00 Rep. Harvey moved to segregate out two of the Department of Labor and Industry's proposed bills, the employee grievance procedure and the Organ Donor Awareness Fund, for pre-introduction purposes.

Vote

- 14:54:07 The motion passed 8-2, on a roll call vote with Sen. Ellsworth, Rep. Kassmier, Rep. Ricci, Rep. Stewart Peregoy, Rep. Sullivan, Sen. Smith, and Rep. Harvey voting yes, and Sen. McConnell voting aye by proxy. Rep. Noland and Sen. Vance voted no.

Motion on approving Department of Labor and Industry's remaining bills

- 15:07:21 Rep. Sullivan moved to approve the remaining Department of Labor and Industry bills for pre-introduction purposes.

Vote

- 15:07:21 The motion failed, 5-5, with Senators Ellsworth and Vance, and Representatives Kassmier, Noland, and Ricci voting no. Sen. Smith and Representatives Harvey, Stewart Peregoy, and Sullivan voted yes, and Sen. McConnell voted yes by proxy.

SJ 18: STUDY OF LICENSING FOR THOSE WITH CRIMINAL CONVICTIONS

Review of Final Report

- 15:11:05 Ms. Murdo discussed the SJ 18 final report ([Exhibit 27](#)) and requested that the Committee review and determine the Findings/Recommendations of the SJ 18 Study ([Exhibit 28](#)).

SJ 24: STUDY OF THE LODGING FACILITY USE TAX

Review of Final Report

- 15:54:18 Ms. Murdo discussed the SJ 24 final report ([Exhibit 29](#)) and the Findings/Recommendations of the SJ 24 Study ([Exhibit 30](#)).

Public Comment

- 16:23:35 Stuart Doggett, Montana Lodging and Hospitality Association
- 16:26:04 Lee Baerlocher, Montana Department of Revenue ([Exhibit 31](#))
- 16:29:03 Colleen White, Department of Labor and Industry
- 16:30:26 *Sen. Vance left the meeting at 4:30 p.m.*

Motion on final reports

16:34:02 Sen. Ellsworth moved to accept the final reports of the SJ 18 Study and the SJ 24 Study, with the understanding that there will be input for areas in the SJ 18 Study that were discussed, and to have a separate motion regarding the Sellers Bill, PD 0003, in the SJ 24 Study.

Vote

16:34:02 The motion passed unanimously on a roll call vote, with Sen. McConnell and Sen. Vance voting yes by proxy.

Review of Placeholder Bill Drafts, PD003, and Revenue

16:37:37 Ms. Murdo reviewed PD 0003, revising the lodging facility use tax and the accommodations tax. [\(Exhibit 32\)](#)

Public Comment

None.

Committee Questions/Discussion

16:45:17 Rep. Noland asked whether people who rent out their homes are penalized if they don't fill out the forms and pay the tax in a timely manner.

16:47:36 Mr. Baerlocher responded to Rep. Noland's question about filling out the tax forms.

16:48:14 Rep. Noland asked for the statute where he can review the law.

16:49:47 Rep. Stewart Peregoy asked for clarification on PD 0003.

Motion on PD 0003

16:54:02 Rep. Harvey moved to approve PD 0003 as a committee bill.

Vote

16:54:02 The motion passed unanimously on a roll call vote, with Sen. McConnell and Sen. Vance voting aye by proxy.

FOLLOWUPS ON PRESUMPTIVE DISEASE AND BROADBAND Information from Nearby States on Presumptive Disease Lost Costs

16:55:02 Ms. Murdo discussed the information from Idaho regarding the workers' compensation experiences for presumptive disease for firefighters.

Review Member Issues Summary for Presumptive Disease

16:56:02 Ms. Murdo [\(Exhibit 33\)](#)

Review of Member Issues Summary for Broadband

16:58:35 Ms. Murdo [\(Exhibit 34\)](#)

ECONOMIC AFFAIRS COMMITTEE LEGISLATION

Board of Horseracing

17:00:12 Mr. Walker discussed PD 0011, incorporating historical horseracing machines into the video gaming machine control law. [\(Exhibit 35\)](#)

Public Comment

17:08:21 Tom Tucker, Executive Secretary, Montana Board of Horseracing

17:10:06 Dan Fuchs, President of the Montana Racehorse Owners and Breeders Coalition

17:12:13 Mark Baker, Exacta Systems

17:14:00 John Iverson, Montana Taverns Association

17:15:42 Ronda Wiggers, Montana Coin Machine Operators Association

Committee Questions/Discussion

17:16:42 Sen. Smith asked who would be responsible for the \$800 payout. Mr. Walker responded to Sen. Smith's questions and also deferred to Mr. Tucker or Mr. Baker for further explanation.

17:19:10 Mark Baker responded.

17:20:50 Sen. Ellsworth said that he has been encouraging stakeholders' discussions. He said a lot of the objections have been resolved.

17:25:16 Rep. Noland asked Mr. Tucker how much money goes into reestablishing ground horseracing.

17:27:33 Rep. Noland redirected his question to Mr. Walker.

17:29:05 Rep. Noland asked Mr. Tucker if pooling all racing bets would give historical horseracing games an unfair advantage over other gaming.

17:31:36 Rep. Noland said that he doesn't see any assurances that building gaming machines will be done in Montana. Mr. Baker responded.

17:33:57 Sen. Ellsworth commented that the effort is to provide another option for gaming.

17:35:14 Rep. Harvey said that he is a strong supporter, but he thinks that this bill is not ready to go. He suggested working with the Gaming Advisory Council.

Motion

17:37:31 Sen. Ellsworth moved to approve PD 0011 as a committee bill.

Vote

17:37:31 The motion failed on a roll call vote, 5-5, with Rep. Stewart Peregoy, Sen. Ellsworth, and Rep. Kassmier voting yes, and Sen. Vance and Sen. McConnell voting aye by proxy. Sen. Smith, Rep. Harvey, Rep. Noland, Rep. Ricci, and Rep. Sullivan voted no.

OTHER COMMITTEE AND LEGISLATIVE BUSINESS

Legislative Orientation Information

17:40:32 Sonja Nowakowski, Research Director for the Legislative Services Division, gave a presentation regarding the upcoming 2021 legislative session.

Direction to Staff/Evaluation Forms

17:53:02 Sen. Ellsworth agreed to be the sponsor of the PD 0003, the committee bill revising the lodging facility use tax entities to sellers from owner/operators.

17:55:32 Rep. Stewart Peregoy asked Ms. Murdo to communicate with the departments for further input into the final reports of the SJ 18 and SJ 24 studies.

ADJOURNMENT

17:57:15 Rep. Stewart Peregoy adjourned the meeting at 5:57 p.m.

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