

**April 1st, 2019 MSCPA Legislative Call Agenda**

Link to LAWS list of MSCPA bills:





[http://laws.leg.mt.gov/legprd/law\\_utilities.CallBillSearchResults?P\\_ENTY\\_ID\\_SEQ2=19155&P\\_PFLT\\_APPL\\_SEQ=3&P\\_SESS=20191](http://laws.leg.mt.gov/legprd/law_utilities.CallBillSearchResults?P_ENTY_ID_SEQ2=19155&P_PFLT_APPL_SEQ=3&P_SESS=20191)

*Please note the LAWS webpage may show a cancellation notice for a hearing, disregard, as this is an error the site is experiencing.*

Call in information:

Join Zoom Meeting: <https://zoom.us/j/111796372>

Phone: 1 720 707 2699 Meeting ID: 111 796 372

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|  | Support |
|  | Monitor |
|  | Oppose  |
|  | Ignore  |

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**Newly Introduced**

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| Bill Number            | LC Number | Primary Sponsor            | Status   | Status Date | Short Title   |
|------------------------|-----------|----------------------------|--|-------------|---|
| <a href="#">HB 709</a> | LC2465    | Jim Hamilton (D) HD 61     | (H) Tabled in Committee<br>* -- (H) Taxation           | 03/28/2019  | Generally revise first-time homebuyer savings account                 |
| <a href="#">HB 723</a> | LC3297    | Dave Fern (D) HD 5         | (H) Committee Report--<br>Bill Passed                  | 03/27/2019  | Provide for review of income tax credits                              |
| <a href="#">HB 733</a> | LC2328    | Greg Hertz (R) HD 12       | (H) Committee Report--<br>Bill Passed as Amended       | 03/27/2019  | Revise temporary exemption for certain tribal property                |
| <a href="#">HB 737</a> | LC2114    | Tom Woods (D) HD 62        | (H) Tabled in Committee<br>* -- (H) Taxation           | 03/27/2019  | Tax profits of regulated utilities that exceed certain rate of return |
| <a href="#">HB 740</a> | LC2219    | Christopher Pope (D) HD 65 | (H) Tabled in Committee<br>* -- (H) Taxation           | 03/28/2019  | Provide for local option sales tax                                    |
| <a href="#">HB 742</a> | LC0737    | Tom Woods (D) HD 62        | (H) Tabled in Committee<br>* -- (H) Taxation           | 03/28/2019  | Revise individual income tax and reduce school property taxes         |
| <a href="#">HB 761</a> | LC3214    | Bill Mercer (R) HD 46      | (H) Tabled in Committee<br>* -- (H) Business and Labor | 03/27/2019  | Generally Revise Occupational and Licensing Boards                    |
| <a href="#">HB 770</a> | LC3032    | Thomas Winter (D) HD 96    | (H) Tabled in Committee<br>* -- (H) Taxation           | 03/28/2019  | Provide for the legalization of recreational marijuana                |
| <a href="#">HB 775</a> | LC3253    | Shane A Morigeau (D) HD 95 | (H) Tabled in Committee<br>* -- (H) Taxation           | 03/27/2019  | Expanding empowerment zone tax credit incentives                      |

|                        |        |                           |                                       |            |                                 |
|------------------------|--------|---------------------------|---------------------------------------|------------|---------------------------------|
| <a href="#">SB 360</a> | LC0013 | Tom Jacobson<br>(D) SD 11 | (S) Committee Report--<br>Bill Passed | 03/28/2019 | Revise sales tax on rental cars |
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### Reports from last week's hearings

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#### **[HB 707](#) - Revise capital gains tax credit (Kim Abbott)**

Balanced hearing, proponents including DOR like it due to additional revenue generated. Opponents (Montana Taxpayers Association and Chamber) framed it as anti-business and investment in the state. Questions were very political focusing on impact of lower funding to state programs.

#### **[SB302](#) – Generally revise laws related to local government budgeting and accounting (John Esp)**

Good hearing explaining how the bill gives residents the option to raise issues when local governments do not file reports or to address issues brought up in their audits.

#### **[HB673](#) - Constitutional amendment to prohibit or limit tax increases on appeal (Daniel Zolnikov)**

Argument is the power companies appeal their taxes then get charged more. Then they pass this on to their customers. DOR opposed bringing up separation of powers as a potential issue with this bill. Questions focused on the infrequency that this issue takes place.

#### **[SB 347](#) - Revise occupational licensing laws for those with criminal convictions (Roger Webb)**

Good hearing many proponents and no opponents. Only concern with this bill is if line 26 on page 2 were to be removed. This line allows the board to deny licensure to applicants who have an offense that directly relates to accounting based on the “(d) the facts and circumstances surrounding the conviction;”

#### **[SB 342](#) - Referendum to revise taxation of social security income (Davis Howard)**

Opposition and questions focused on having this go to the voters and then limiting the legislature’s ability to adjust in the future. The idea that social security benefits are double taxed and the cost of the bill were also discussed.

#### **[HB405](#) - Create catch and keep program for rural economic development (Joel G Krautter)**

We spoke as proponents in the hearing. Discussion focused on the account being used to fund the program. The committee may add limits to ensure the fund does not drop below a legislated requirement.

#### **[HB677](#) – Require corporations and LLCs to disclose beneficial owners (Jessica Karjala)**

Human trafficking bill trying to identify the owners of massage parlors. Bill would keep the information confidential. All existing businesses would need to report ownership by 2021 and update when any changes take place. Governor’s office also testified to the use to identify foreign money in campaigns. Biggest issue with the bill is how beneficial owner is defined.

#### **[HB697](#) – Revise individual income tax laws (Jim Hamilton)**

Good hearing, we opposed along with others who had similar concerns on unintended consequences and a few people defending specific credits. DOR supported but admitted they didn’t have time to fully review the bill.

#### **[HB706](#) - Revise individual income tax credits (Thomas Winter)**

Intent is to keep students in Montana after graduation, students leave because the pay in Montana is not sufficient and debt is too high. The change to capital gains tax is being used to fund the tax credits.

#### **[HB 723](#) – Provide for review of income tax credits (Dave Fern)**

Interesting hearing, the opponents and questions focused on credits going away rather than simply being considered for review.

**[HB702](#) – Establish angel investor/venture capital and business income tax credits (Joel Krautter)**

Bill would allow an investor in small businesses operating in specific industries to claim a tax credit. No testimony and the questions focused on if specific examples would qualify for the credit.

**[HB709](#) - Generally revise first-time homebuyer savings account - Jim Hamilton**

Good hearing focused on adjusting an existing credit to meet inflation and encourage more people to use the credit.

**[HB742](#) – Revise individual income tax and reduce school property taxes (Tom Wood)**

Sponsor admitted he had very little hope that this bill will pass. Shifts the tax back to high earners then give the benefit to those on social security and to fund part of schools so that portion of property taxes can be reduced. Debate focused on this being another idea that should be considered in the interim.

**[HB770](#) – Provide for the legalization of recreational marijuana (Thomas Winter)**

Bill was presented as an option for the legislature to address this issue before a voter led effort passes.

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**This week's hearings**

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**Monday**

**Tuesday**

Senate Taxation – Room 405, 8am

[HB507](#) – Revise property taxation and classification of qualified data centers (Edward Buttrey)

House Taxation – Room 152, 9am

[SB215](#) – Revising the legislature's revenue estimating process (Roger Webb)

[HJ35](#) – Interim study of state and local tax policy (Alan Redfield)

**Wednesday**

House Taxation – Room 152, 9am

[SB241](#) – Allow increased resort tax for infrastructure (Jeffrey Welborn)

[SB318](#) – Provide for pre-approval of property tax abatement for new or expanding industry (Roger Webb)

**Thursday**

**Friday**

**Saturday**

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**Tax Bills**

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| Bill Number                 | LC Number | Primary Sponsor              | Status   | Status Date | Short Title   |
|-----------------------------|-----------|------------------------------|--|-------------|---|
| <a href="#">HB 72</a><br>●  | LC0172    | Marilyn Marler (D) HD 90     | Chapter Number Assigned                        | 02/28/2019  | Clarify penalty and interest laws   |
| <a href="#">HB 88</a><br>●  | LC0090    | Kim Abbott (D) HD 83         | Chapter Number Assigned                        | 02/28/2019  | Revise 529 ABLE account laws  |
| <a href="#">HB 130</a><br>● | LC1376    | John Fuller (R) HD 8         | (H) Scheduled for 2nd Reading                  | 03/28/2019  | Revise income tax law to exempt military pensions                             |
| <a href="#">HB 144</a><br>● | LC1390    | Alan Redfield (R) HD 59      | (H) Scheduled for 3rd Reading                  | 03/28/2019  | Eliminate certain tax credits   |
| <a href="#">HB 148</a><br>● | LC1176    | Forrest Mandeville (R) HD 57 | (S) Tabled in Committee -- (S) Taxation        | 02/21/2019  | Require 2/3 of legislature to enact a new tax or fee or a tax or fee increase |
| <a href="#">HB 193</a><br>● | LC0178    | Mary Ann Dunwell (D) HD 84   | (H) Tabled in Committee* -- (H) Taxation       | 02/08/2019  | Establish a carbon tax and distribute revenue                                 |
| <a href="#">HB 216</a><br>● | LC1196    | Kimberly Dudik (D) HD 94     | (H) Tabled in Committee* -- (H) Taxation       | 02/01/2019  | Revise tax laws related to student loan reimbursements by employers           |
| <a href="#">HB 226</a><br>● | LC0618    | Brad Tschida (R) HD 97       | (S) Tabled in Committee -- (S) Taxation        | 03/12/2019  | Exempt certain shooting ranges from property taxation                         |
| <a href="#">HB 269</a><br>● | LC1874    | Derek Skees (R) HD 11        | (H) 2nd Reading Not Passed*                    | 02/14/2019  | Constitutional amendment for taxpayer protection act to limit tax types       |
| <a href="#">HB 300</a><br>● | LC0137    | Kerry White (R) HD 64        | (H) Tabled in Committee* -- (H) Taxation       | 03/25/2019  | Generally revise taxes and the distribution of revenue through sales tax      |
| <a href="#">HB 320</a><br>● | LC2405    | Bill Mercer (R) HD 46        | (H) Transmitted to Governor                    | 03/26/2019  | Generally revise laws related to tax-advantaged savings plans                 |
| <a href="#">HB 377</a><br>● | LC1643    | Matt Regier (R) HD 4         | (H) Tabled in Committee* -- (H) Taxation       | 02/15/2019  | Revoke property tax exemption for payment of excessive compensation           |
| <a href="#">HB 404</a><br>● | LC3127    | Joshua Kassmier (R) HD 27    | (H) Tabled in Committee* -- (H) Appropriations | 03/22/2019  | Revise the itemized deduction for medical expenses                            |
| <a href="#">HB 458</a><br>● | LC1476    | Connie Keogh (D) HD 91       | (H) Tabled in Committee* -- (H) Taxation       | 03/22/2019  | Revise tax laws related to opportunity zones                                  |
| <a href="#">HB 646</a><br>● | LC2133    | Andrea Olsen (D) HD 100      | (H) Tabled in Committee* -- (H) Taxation       | 03/26/2019  | Provide tax credit for purchase of a gun safe                                 |

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| <a href="#">HB 651</a><br>● | LC0179 | Mary Ann Dunwell (D) HD 84 | (H) Tabled in Committee* -- (H) Taxation                      | 03/27/2019                        | Revise property tax on intangible personal property                      |
| <a href="#">HB 673</a><br>● | LC1568 | Daniel Zolnikov (R) HD 45  | (H) Committee Report--Bill Passed - (H) Taxation              | 03/26/2019                        | Constitutional amendment to prohibit or limit tax increases on appeal    |
| <a href="#">HB 697</a><br>● | LC1456 | Jim Hamilton (D) HD 61     | (H) Tabled in Committee* -- (H) Taxation                      | 03/27/2019                        | Revise individual income tax laws  |
| <a href="#">HB 702</a><br>● | LC1458 | Joel G Krautter (R) HD 35  | (H) Hearing -- (H) Taxation                                   | 03/28/2019;<br>8:00 AM,<br>Rm 152 | Establish angel investor/venture capital and business income tax credits |
| <a href="#">HB 705</a><br>● | LC2820 | Thomas Winter (D) HD 96    | (H) Bill Withdrawn per House Rule H30-50(3)(b)*               | 03/26/2019                        | Establish state corporate tax disclosure laws                            |
| <a href="#">HB 706</a><br>● | LC2811 | Thomas Winter (D) HD 96    | (H) Tabled in Committee* -- (H) Taxation                      | 03/27/2019                        | Revise individual income tax credits                                     |
| <a href="#">HB 707</a><br>● | LC0118 | Kim Abbott (D) HD 83       | (H) Tabled in Committee* -- (H) Taxation                      | 03/26/2019                        | Revise capital gains tax credit  |
| <a href="#">HB 723</a><br>● | LC3297 | Dave Fern (D) HD 5         | (H) Committee Report--Bill Passed - (H) Taxation              | 03/27/2019                        | Provide for review of income tax credits                                 |
| <a href="#">HJ 35</a><br>●  | LC3298 | Alan Redfield (R) HD 59    | (H) Hearing -- (H) Taxation                                   | 04/02/2019;<br>9:00 AM,<br>Rm 152 | Interim study of state and local tax policy                              |
| <a href="#">SB 111</a><br>● | LC1310 | Mark Blasdel (R) SD 4      | (H) Hearing -- (H) Taxation                                   | 03/14/2019;<br>9:00 AM,<br>Rm 152 | Extend termination date of qualified endowment tax credit                |
| <a href="#">SB 141</a><br>● | LC1514 | Dick Barrett (D) SD 45     | (S) Tabled in Committee* -- (S) Taxation                      | 02/12/2019                        | Repeal water's-edge election for corporate income tax                    |
| <a href="#">SB 142</a><br>● | LC1513 | Dick Barrett (D) SD 45     | (S) 2nd Reading Indefinitely Postponed*                       | 02/22/2019                        | Revise tax haven list for corporate income tax purposes                  |
| <a href="#">SB 145</a><br>● | LC1989 | Brian Hoven (R) SD 13      | (S) Tabled in Committee* -- (S) Taxation                      | 01/30/2019                        | Revise income tax laws related to married taxpayers                      |
| <a href="#">SB 152</a><br>● | LC2898 | Dick Barrett (D) SD 45     | (H) Hearing -- (H) Taxation                                   | 03/21/2019;<br>8:00 AM,<br>Rm 152 | Repeal sunset on 6-mill university levy                                  |
| <a href="#">SB 189</a><br>● | LC0520 | Dick Barrett (D) SD 45     | (S) Tabled in Committee* -- (S) Energy and Telecommunications | 03/23/2019                        | Establish a carbon tax and distribute revenue                            |
| <a href="#">SB 207</a><br>● | LC2347 | Tom Jacobson (D) SD 11     | (S) Transmitted to Governor                                   | 03/26/2019                        | Provide taxpayer election to contribute to                               |

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|-----------------------------|--------|-----------------------------|--|-----------------------------------|---|
|                             |        |                             |  |                                   | ABLE and education savings accounts                           |
| <a href="#">SB 208</a><br>● | LC1216 | Tom Jacobson (D) SD 11      | (S) Tabled in Committee* -- (S) Taxation | 02/15/2019                        | Provide tax credit for student loan payments                  |
| <a href="#">SB 217</a><br>● | LC1580 | David Howard (R) SD 29      | (S) Returned from Enrolling              | 03/25/2019                        | Revise taxation of security income                            |
| <a href="#">SB 237</a><br>● | LC0546 | Albert Olszewski (R) SD 6   | (S) Tabled in Committee* -- (S) Taxation | 02/26/2019                        | Provide a tax credit for individual health insurance premiums |
| <a href="#">SB 266</a><br>● | LC2038 | Mark Blasdel (R) SD 4       | (S) Hearing -- (S) Finance and Claims    | 03/29/2019;<br>9:00 AM,<br>Rm 317 | Revise taxation to promote new business and economic activity |
| <a href="#">SB 337</a><br>● | LC1155 | Jeffrey W Welborn (R) SD 36 | (S) 2nd Reading Passed                   | 03/28/2019                        | Revise income tax credit for alternative energy generation    |
| <a href="#">SB 342</a><br>● | LC3005 | David Howard (R) SD 29      | (S) Tabled in Committee* -- (S) Taxation | 03/27/2019                        | Referendum to revise taxation of social security income       |

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### License Bills

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| Bill Number                 | LC Number | Primary Sponsor          | Status  | Status Date | Short Title   |
|-----------------------------|-----------|--------------------------|---|-------------|---|
| <a href="#">HB 105</a><br>● | LC0280    | Katie Sullivan (D) HD 89 | Chapter Number Assigned                             | 03/20/2019  | Revise process for out-of-state licensure for professional licensing boards |
| <a href="#">SB 75</a><br>●  | LC0310    | Gene Vuckovich (D) SD 39 | Chapter Number Assigned                             | 03/07/2019  | Revise laws related to the Board of Public Accountants                      |
| <a href="#">HB 581</a><br>● | LC0613    | Casey Knudsen (R) HD 33  | (S) Returned to House                               | 03/27/2019  | Requiring timely licensure by professional, occupational boards             |
| <a href="#">SB 347</a><br>● | LC3070    | Roger Webb (R) SD 23     | (S) Tabled in Committee* -- (S) Judiciary           | 03/27/2019  | Revise occupational licensing laws for those with criminal convictions      |
| <a href="#">SJ 18</a><br>●  | LC2482    | Diane Sands (D) SD 49    | (S) Committee Report-- Bill Passed -- (S) Judiciary | 03/22/2019  | Interim study of occupational licensing barriers for criminal conviction    |

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### Other Bills

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| Bill Number | LC Number | Primary Sponsor | Status | Status Date | Short Title |
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|-----------------------------|--------|--|--|------------|---|
| <a href="#">HB 108</a><br>● | LC0262 | Gordon Pierson<br>(D) HD 78                    | Chapter Number<br>Assigned   | 02/28/2019 | Clarify reporting requirements for<br>escrow businesses                   |
| <a href="#">HB 240</a><br>● | LC1459 | Jim Hamilton<br>(D) HD 61                      | (H) Tabled in<br>Committee* -- (H)<br>Taxation   | 02/08/2019 | Revise reporting requirements for<br>third-party settlement organizations |
| <a href="#">HB 405</a><br>● | LC1034 | Joel G Krautter<br>(R) HD 35                   | (H) Committee<br>Report--Bill Passed<br>as Amended -- (H)<br>Appropriations                      | 03/28/2019 | Create catch and keep program for<br>rural economic development           |
| <a href="#">HB 584</a><br>● | LC3041 | Shane A<br>Morigeau (D)<br>HD 95               | (S) Committee<br>Report--Bill<br>Concurred -- (S)<br>Business, Labor,<br>and Economic<br>Affairs | 03/28/2019 | Generally revise laws relating to<br>cryptocurrency                       |
| <a href="#">HB 630</a><br>● | LC3042 | Shane A<br>Morigeau (D)<br>HD 95               | (H) Scheduled for<br>3rd Reading   | 03/28/2019 | Revise laws related to cryptocurrency<br><br><a href="#">IRS guidance</a> |
| <a href="#">HB 677</a><br>● | LC2686 | Jessica Karjala<br>(D) HD 48                   | (H) Tabled in<br>Committee* -- (H)<br>Business and<br>Labor                                      | 03/27/2019 | Require corporations and LLCs to<br>disclose beneficial owners            |
| <a href="#">SB 2</a><br>●   | LC0125 | Margaret<br>(Margie)<br>MacDonald (D)<br>SD 26 | Chapter Number<br>Assigned   | 03/20/2019 | Allow government accounting<br>standards to include DOA framework         |
| <a href="#">SB 19</a><br>●  | LC0129 | Roger Webb (R)<br>SD 23                        | (S) Missed<br>Deadline for<br>General Bill<br>Transmittal*                                       | 03/02/2019 | Revise laws related to local<br>government budgeting and accounting       |