



TREASURE STATE RESOURCES ASSOCIATION OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS

February, 2021

Montana Governor Gianforte: The State of Our State is Resilient

Governor Gianforte delivered his first State of the State address to a joint session of the Montana Legislature on Thursday, January 28, 2021. The following excerpts highlight his plans for the state's economy and business sector:

Making Montana More Competitive: *Our high tax 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, 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** (now 6.9%) and that's what I've proposed in my budget (6.75%) No only will the majority of Montana income taxpayers see relief, but also Montana will become more competitive...we don't pay for it by cutting services. We pay for it by modernizing our corporate tax structure to reward businesses that create Montana jobs and make investments in Montana.*

Note: Senator Greg Hertz (SB 159) and Representative Casey Knudsen will take the lead on the "Personal Income Tax Relief Act.

Helping Small Business Thrive: *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 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.*

Note: Senator Brian Hoven(LC 1158) and Representative Josh Kassmier will carry the “BIG Jobs act, or Business Investment Grows Jobs Act”.

Changing 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.”

Governor Gianforte Launches Red Tape Task Force

On his second day in office, Governor Greg Gianforte signed his first executive order establishing the Red Tape Relief Task Force.

Purpose

According to the Executive Order, the Council will establish a plan to implement a comprehensive review of the regulations issued by each state agency, including identification of:

- Excessive, outdated, and unnecessary regulations;
- Regulations that are especially burdensome on Montana’s farmers, ranchers, and business owners;
- Regulations that disproportionately impact small businesses;
- Appropriate quantitative and qualitative metrics to measure implementation of regulatory reform within each agency.

In developing a plan for comprehensive regulatory reform, the Council shall seek input from members of the Montana Senate and House of Representatives, Montana citizens and business owners, Montana associations whose members are impacted by regulatory reform, advisory groups interested in regulatory reform, and other appropriate stakeholders as determined by the Council.

The Governor referenced the work of the Council in his first State of the State address, noting its work would be part of his effort to make Montana more competitive.

Composition

The Council members shall be appointed by and serve at the pleasure of the Governor. Council members shall include, but not be limited to, persons from the following categories:

- The Lieutenant Governor of the State of Montana, who shall serve as the presiding officer of the Council; and
- an employee (the Rules Review Representative) from each State agency authorized to issue regulations.

The Department of Administration shall provide administrative support for the Council.

The Red Tape Relief Task Force will present a report and proposed plan of regulatory review to the Governor by August 1, 2021.

The full text of Executive Order No. 1-2021 may be found [HERE](#).

TSRA has contacted Lt. Gov. Juras to offer our assistance in this effort.

TSRA Legislative Activity Update

HB 86 (Rep. Mary Ann Dunwell, D-Helena) Rep. Dunwell is carrying HB 86 on behalf of the Local Government Interim Committee. The bill authorizes the creation of regional fire protection service authorities and allows for fees to be assessed for their operation. Owners of forest lands, including TSRA member companies, already pay the DNRC assessment for fire preparedness and regional fire district fees for services provided by local fire departments. Formation of Regional Fire Protection Service Authorities could result in a cost increase for owners of those forest lands. The Montana Wood Products Association and individual forest land owners, as well as TSRA, opposed the bill as written and asked for an amendment that would provide a mechanism to assure their costs would not increase if an “authority” were created.

The bill was heard on January 21, 2021 in the House Local Government Committee and is currently awaiting executive action. An amendment is anticipated to be offered that would address the opponents’ concerns.

TSRA Position: Oppose as Introduced

HB 150 (Rep. Mary Ann Dunwell, D-Helena) Similar to a measure introduced in 2019, the bill would have established carbon equivalent emission reduction targets and enacted a carbon tax on large sources. Montana would be the second state to enact a carbon tax. The bill was widely opposed by industry representatives and business groups.

The measure was heard in the House Taxation Committee on January 21, 2021 and tabled the following day.

TSRA Position: Oppose

HB 173 (Rep. Denley Loge, R-St. Regis) This act establishes a fire hazard reduction fund and requires the deposit of revenue from forfeited fire hazard reduction performance bonds into a state special revenue fund for authorization, management, and completion of fire hazard reduction activities. The Department of Natural Resources has been using forfeited bond funds for reclamation of abandoned projects for decades, but discovered legislative authority for that activity did not exist. This bill gives the Department the authority for that expenditure.

The bill was heard on January 25, 2021 in the House Natural Resources Committee and is awaiting executive action.

TSRA Position: Support

SB 38 (Sen. Terry Gauthier, R-Helena) The bill cleans up the language in the “Snowmobile Trail Pass” bill passed by the 2019 Legislature. The measure also allows private clubs and organizations to use the summer recreation trail grant program in the Department of Fish, Wildlife and Parks to provide motorized safety and ethics education as well as for other authorized uses.

The bill was heard on January 21, 2021 in the Senate Highways and Transportation Committee and has since passed the full Senate.

TSRA Position: Support

SB 147 (Sen. Jason Small, R-Busby) This measure adds to language under the section of statute that addresses what activities qualify for working capital loans from the permanent coal tax trust fund to an owner of a coal-fired generating unit. The change would authorize costs related to decommissioning and remediation of a coal-fired generation unit or affected property to meet applicable legal obligations.

The bill was heard on January 28, 2021 in the Senate Energy Committee and is awaiting executive action.

TSRA Position: Support

SR 4 (Sen. Jeff Welborn, R-Dillon) Confirm Governor's appointee for Director, Department of Environmental Quality. Confirm appointment of the Director of the Department of

Environmental Quality. Mr. Christopher Dorrington, Helena, MT to serve a term at the pleasure of the Governor.

Mr. Dorrington has worked in the Department of Environmental Quality for the last four and a half years and was the Administrator of the Air, Minerals, and Energy Division. In that role he concentrated on service to the public and regulated industries as well as operated on tight fiscal policy.

This resolution was heard and passed out of the Senate Natural Resources Committee on January 26, 2021. The resolution was adopted by the Senate on January 28, 2021.

TSRA Position: Support

MT DEQ Clean Air Act Advisory Committee Update

Happy New Year! We hope your 2021 is off to a good start. The Air Quality Bureau at Montana DEQ has been busy, and we thought it was time to give you an update.

In December 2020, the Board of Environmental Review adopted a fee structure for our new registration program. Facilities eligible for this registration program include sand and gravel, asphalt, and concrete plants. We believe that registration programs are a great way for us to streamline our processes and increase our efficiency. We look forward to working on more registration programs in the future.

We are currently in the process of collecting emission inventories and have received about half of them. Facilities have until February 15, 2021, to submit their inventories to the DEQ. If you have any questions about getting these turned in, please speak to your DEQ contact or call the main line at 406-444-3490.

Regional Haze

Since our last update, the Regional Haze team has drafted a large portion of Montana's Regional Haze State Implementation Plan (RH SIP), due to EPA in July 2021.

One substantial consideration in drafting our long-term strategy is the very significant emissions reductions that have occurred in the past few years, notably due to the shutdowns of the J.E. Corette coal-fired power plant and Colstrip's Units #1 and #2. Emission trend analyses indicate that the combined emission reductions from these three emitting units provides nearly 14,000 tons of reductions in combined SO₂ and NO_x emissions from large stationary sources in Montana. In turn, projected levels of ammonium sulfates and nitrates, the visibility-impairing pollutants that Montana focused on in this second round of regional haze planning, are expected to decline.

The impact of these emission decreases will be seen in the future case modeling runs. Our team is putting together a video presentation that describes the results of the regional modeling work. In this presentation, we'll show the effects MT's long-term strategy will have on improving visibility at our Class I areas for this 10-yr period.

We'll be sure to send an email to CAAAC when this presentation is posted. In the meantime, please reach out to me if you'd like to know more about our RH SIP work.

Rhonda Payne, repayne@mt.gov

For more information about air quality issues contact: Liz Ulrich at eulrich2@mt.gov

Participation in the 2021 Session

So far in the 2021 Session the hybrid model for participation has worked reasonably well with most members of the public and many lobbyists exercising that option for offering testimony. Each committee meeting is staffed with an individual solely devoted to assisting the Chair with identifying and managing testimony. Practices vary with some Chairs electing to take "Zoom" comments first, rather than those from individuals on site or vice versa. A number of legislators also continue to participate remotely, including engaging in floor session debate and voting.

There are no restrictions on in-person involvement, however the number of seats in hearing rooms are limited to maintain social distancing. The public is also subject to any Lewis and Clark County health directives regarding crowd size. The halls in the Capitol are fairly quiet, without the usual large gathering of individuals outside committee rooms or the House and Senate floors.

To offer testimony remotely those interested in testifying must **register by noon** the day before the hearing. Written testimony can be uploaded at that time and will be shared with committee member, especially important for those participating remotely. Once signed up, you'll receive a link to testify during the bill hearing. This is available for any bill that is scheduled for hearing.

For more information, go to the Montana Legislature's Homepage leg.mt.gov and for links to:

- more information on remote participation
- the form to request to testify or upload your documents
- the web messaging form
- Bill Search, Legislator Search, Session Information, and Revenue and Budget Information
- where to click to Watch/Listen to all meetings.

TIPS FOR CONTACTING LEGISLATORS

Not everyone wants to testify via Zoom. There are still several options for getting information to your legislator via email, a phone message, or a letter.

Regular office hours for the Legislative Information Desk during the session are 7:30 a.m. to 5 p.m. weekdays and 8 a.m. to adjournment on Saturdays. Callers may leave messages for legislators or acquire general legislative information by calling the Information Desk at (406) 444-4800. Callers may leave messages for up to 5 individual legislators or 1 legislative committee per call.

A well-written letter is one of the best ways to let your legislator know your thoughts and opinions about a particular issue. Here are some tips for getting your message across effectively:

- **Be brief.** Legislators have many demands on their time. They appreciate letters that are short and to the point.
- **Put the message in your own words.** Form letters and petitions don't have the same impact as personal, informed opinions and many times are disregarded. Personal letters carry a great amount of weight.
- **Address your letter to a specific legislator or legislators.** Depending on your message, you may want to write to the sponsor of a bill, certain members of a committee, or your own legislators. Don't address your letter to the entire Legislature.
- **Identify bills** by their number, title, and sponsor.
- **Explain your position** on the bill and ask for the legislator's support or opposition.
- **Give any sources of information** that you use to make your point.
- **Include your name, address, and a little about who you are** (for example, where you work or what school you attend).

Address letters to:

Senator XXXX
Montana Senate
PO Box 200500
Helena, MT 59620-0500

or

Rep. XXXX
Montana House of Representatives
PO Box 200400
Helena, MT 59620-0400

Email:

You can also email your legislator or a legislative committee during session by using the Montana Legislature's online message form. <https://leg.mt.gov/web-messaging/>

Standing Committee Members for 2021 Legislative Session

The 2021 House and Senate Standing Committees lists are online at: <https://leg.mt.gov/committees/session-committees/>

Members and other information are subject to change. Check the website for the most up-to-date lists.

Legislative Bill Draft Requests:

If you'd like to see what bills have been drafted and introduced, or what might be waiting in the wings, that information can be found on the legislative site. Many bill titles are "placeholders" for yet to be determined legislation but the list of introduced bills has grown to over 500. Those interested in reviewing the list can click on the following link: [List All Introduced and Unintroduced Bills](#)

The "Bill Look-Up" site also has information about upcoming hearings both the House and Senate.

TSRA Weekly Legislative Meetings - Thursdays at 7:00 am.

TSRA holds weekly legislative meetings throughout the session on Thursday mornings at 7:00 am. If you haven't already signed up, contact Peggy Trenk at: <mailto:ptrenk@tsria.net> to get on the list to receive the Zoom link and weekly agenda.

Weekly meetings allow us to look at upcoming hearings and determine what action TSRA will take on various bills, as well as discuss broader issues that arise during the session.

Updated Legislative Schedule**Important Dates during the Legislative Session:**

February 17	Last day for committees to request general bills & resolutions
February 20	Last day to introduce general bills
February 27	Last day to request appropriation bills. Transmittal of general bills to other chamber

TRANSMITTAL BREAK MARCH 4 - 7

March 15	Last day to request study resolutions
March 22	Last day to introduce appropriation, revenue, referendums.
April 15	Last day to introduce study resolutions

Upcoming Events/Dates:

June 16-17,2021	TSRA Annual Meeting DoubleTree Hotel, Billings, MT
August 30 – September 1, 2021	Montana Petroleum Association DoubleTree Hotel, Billings, T

If you don't want to receive the TSRA Newsletter, please let me know. If you want to share with others in your company or organization, please do so. The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.