

## The 2019 Legislature is Over...Now What?

The 66<sup>th</sup> Montana Legislative Session adjourned in late April and the next regular legislative session will start in January 2021. This 20 month period between the end of the last session and the start of the next one is called the interim.

Here's how it works: House and Senate leaders appoint legislators to serve on interim committees. The legislature assigns topics for the interim committees to study and discuss in greater depth than the hectic 90 day legislative session allows. They may also study other issues that emerge during the interim. In addition to carrying out studies, the interim committees may propose bills to be introduced in the next legislative session.

There are 13 interim committees that cover a broad range of policy topics. Each of these interim committees is developing a work plan based on the funding and staff time it has been allocated. Here's what's going on so far of interest to Montana REALTORS®.

### **Economic Affairs Interim Committee**

EAIC has been assigned one study of interest, SJ 18. This study is intended to review barriers to occupational licensing for those with criminal convictions. Though the committee has not yet finalized its work plan, it was revealed that across all the thirty-odd state licensing programs, only two applicants with criminal histories were denied licenses in 2018. Regardless of how SJ 18 is prioritized, MAR will work to ensure that real estate licensing rules protect consumers.

### **Local Government Interim Committee**

LGIC intends to study the impacts of aging septic systems to surface and ground waters and what mitigation might be available or desirable. MAR will be very actively involved in this study and any related policy discussions to protect property owners from regulatory overreach by the state.

In addition, the committee plans to study property taxes, particularly state law that prohibits local governments from raising property tax levies by more than half of the rate of inflation. While we understand concerns about revenues not keeping up with the cost of services, MAR has opposed efforts to remove or increase this limit due to the heavy burden property taxes already place on Montanans.

### **Revenue Interim Committee**

RIC is taking on what will probably be the most resource intensive study of the interim, HJ 35. This study is an in-depth evaluation of Montana's tax system. Our state's economy and demographics have changed significantly over the years. The study is driven by concerns that our tax structure is out of alignment, including an overreliance on property taxes. The intention is for the study to develop policy recommendations that enable our tax system to better fit Montana's current economy, stabilize revenue, promote economic prosperity, reflect principles of sound tax policy, ensure fairness, and allow Montana to compete with other states. Whether the study leads to RIC proposing legislation or ends up being more of an educational activity remains to be seen.

### **Water Policy Interim Committee**

WPIC plans to focus most of its resources on studying the future of the Water Court. Once the Montana water rights adjudication process is completed, it is unclear what role, if any, the court would play going forward. The committee is also likely to discuss issues with the adjudication process.

Based on the discussions at the first WPIC meeting, there seems to be very little interest among the committee members in taking up exempt wells or the water rights change process.

### **Legislative Finance Committee**

Though LFC is not technically one of the 13 interim committees, it will be working on a study of interest to Montana REALTORS® in the interim. The HB 633 study is intended to provide recommendations for how to help fund the digital services provided by the state library after its appropriation from the general fund was cut back by the legislature in 2017. These digital services include Cadastral. The study will contemplate new funding sources from both public and private entities. MAR will be closely engaged with this study to ensure that the real estate industry is treated fairly.