

The 68th Montana Legislative Session drew to a close on the evening of May 2, 2023. It was historic on several fronts, not in the least because of the sheer number of bills introduced, the most since the 1973 session when the legislature was tasked with implementing the new state constitution passed the year before.

The session was a great success for Montana REALTORS® (MAR) as the association worked with legislators and Governor Gianforte to advance important legislation benefitting our members and property owners. In addition, MAR defeated bills that infringed upon private property rights or were otherwise detrimental to the real estate industry. All session long, we were effective in bringing the REALTOR® voice to the halls of the Capitol on issues that matter to our members.

Consumer Protection

MAR passed **HB 296**, a bill that requires sellers of residential property to provide buyers with a written property disclosure statement. This better protects consumers and finally puts an end to real estate brokers being the only participants with a statutory obligation to disclose a residential property's known adverse material facts. We also passed **HB 615**, which allows higher deductible errors and omissions insurance policies for brokerages with the ability to pay. We will provide more on implementation in the coming weeks.

Homeownership

Increasing homeownership opportunities was a major priority. MAR passed several bills to address regulatory barriers to housing production at the state and local levels. **HB 211** speeds up the local subdivision review process, and **SB 131** and **SB 331** set review timelines and ban conditions of approval for subdivision exemptions like boundary relocations and townhomes. Additionally, MAR passed **HB 364**, which requires Montana DEQ to allow subdivision applications to be reviewed by private engineers when the department has a high number of applications. MAR also worked to pass **SB 528**, requiring local governments to adopt rules allowing the construction of accessory dwelling units. Perhaps most importantly, MAR worked with local governments and other development interests to pass **SB 382**, the most significant land use legislation passed in the last fifty years. It replaces our antiquated and anti-growth state land use statutes with a more streamlined and predictable permitting process for the high-growth areas of our state. The legislature made some historic investments to incentivize housing development and promote homeownership. MAR worked with a coalition to pass **HB 819**, a bill that appropriates \$50 million for mortgage buydowns and another roughly \$100 million for infrastructure for workforce housing development. The bill also contains authority for \$50 million in loans from the coal tax trust fund for low- and moderate-income housing development. Between these investments and substantial regulatory reform efforts, REALTORS® can be proud of the work we did to create more homeownership opportunities for Montanans.

Private Property Rights

While MAR defeated a number of bad bills that would have violated private property rights, the association was also able to help pass some bills to strengthen private property rights

in Montana. We supported **SB 105**, which prohibits rent control of private property in Montana, and we stood off misguided attempts to sneak amendments into bills that would have ended the statewide prohibition on inclusionary zoning. We also helped pass **HB 241**, prohibiting state and local governments from requiring houses to be constructed with solar panels and electric vehicle charging stations, and **SB 208**, which prohibits local governments from banning gas stoves and appliances as some cities around the country have attempted.

Bad Bills

One of MAR's foremost responsibilities is protecting our industry and private property owners, and there were plenty of bad bills introduced that MAR took a leading role in successfully opposing. Perhaps most alarming was **SB 243**, which had we not killed it, would have prohibited multiple listing services from limiting participation to REALTOR® members. We successfully defeated several bills to bring California Proposition 13 style property taxation to Montana, (**HB 476, HB 970, SB 542**) and killed several bills that increased taxes on real property (**HB 481 and HB 912**) and short-term rentals (**HB 943, SB 517**). MAR defeated several bills that attacked enforcement of covenants on real property and would have caused chaos and litigation (**HB 683, SB 376, SB 479**). One of the most egregious, **SB 376**, would have voided covenants every five years unless a majority of owners agreed to reapprove them. Sweeping attacks against the tax increment financing economic development tool were also defeated (**SB 523 and HB 925**) as was a bill that would have made using drones for real estate listing photography criminal trespass under common circumstances (**SB 333**). MAR also worked with landlords and property owners to kill two unfair and impractical bills that trampled upon the rights of mobile home park owners to sell and operate their properties as they see fit (**HB 428 and HB 429**).

Missed Opportunities

While many bills were passed benefiting the real estate industry and property owners, there were a few missed opportunities. Despite the growing outcry over the residential property tax burden, the legislature and Governor again failed to pass broad, long-term property tax relief for homeowners. Instead, owners of a primary residence may claim a \$500 property tax rebate from the state in 2023 and another in 2024 (**HB 222**), and market value and income caps were increased for the Property Tax Assistance Program for lower income taxpayers (**HB 189**). Consequently, property tax reform will once again be a topic of conversation during the state ballot initiative season. The legislature and Governor also failed to pass legislation to codify in statute Montana DNRC's guidance for so-called exempt wells, leaving the use of small, individual groundwater wells for development extremely vulnerable to legal challenges from anti-housing groups. MAR will continue to work with our allies to push forward on these issues.

Thank you!

The Montana Association of REALTORS® thanks our 150 citizen legislators and the Gianforte Administration for their service to Montana. Legislators spend months apart from

their families and devote countless hours tending to the business of their constituents. Though we may not always agree, they are each deserving of our sincerest gratitude. In addition, we owe a special thanks to MAR Government Affairs Committee Chair Hattie Graham and Vice Chair John Rausch, the rest of the committee members, our lobbying team, MAR leadership, and local associations for their outstanding work leading up to and during the legislative session. These folks all put in a tremendous amount of work on behalf of our industry.

Just as importantly, we thank you, our members. Your support allows us to be effective advocates for our industry in Helena. Whether it is contributing to RPAC, serving as a Key Contact for legislators, or participating as a member of the MAR Government Affairs Committee, there are many opportunities for Montana REALTORS® to get involved. We hope you will continue to lend your voices to our advocacy.

While we accomplished much together this session, there is still much left to be done. The interim is upon us, and MAR will continue to promote the interests of our members and protect private property rights as we prepare for the 69th Montana Legislative Session in 2025.