

The Interim Wrap-Up

After the legislative session adjourned in the spring of 2019, interim committees began their work of studying policy issues and working on bills to be considered by the Montana Legislature in 2021. Though the COVID-19 pandemic led to many of their meetings taking place over Zoom, the work of the interim committees is now largely complete. MAR was an active and effective participant, protecting the real estate industry and property owners from some bad pieces of legislation while helping to advance some beneficial proposals.

The **Local Government Interim Committee** studied how to streamline state approval of new septic system technologies and advanced a modest bill along those lines that MAR supported. In addition, LGIC agreed to hear concerns about aging septic systems in the Whitefish area. MAR vigorously opposed a proposal to draft legislation to require inspections and potentially replacement of septic systems before real property could be sold. We were successful in defeating it. MAR supported and helped refine a request to Montana DNRC to provide more funding for septic system maintenance and replacement. The committee also advanced a bill to give authority for another \$15 million from the Coal Tax Trust Fund to be put towards loans for low- and moderate-income housing development and preservation.

The **Revenue Interim Committee** carried out an in-depth study of Montana's tax system. The study led to several bill drafts that dealt with the property tax. One would have increased the property tax rate on second homes by forty percent. Another would have raised the cap on increases to some property taxes levied by local governments. Still another would have created a circuit breaker program that would have given some lower income residential property taxpayers and renters a tax break at other, yet-to-be-determined taxpayers' expense. MAR worked against each of these bills and all failed to pass except for the property tax circuit breaker. We expect that its price tag of tens of millions of dollars will be its demise in 2021. RIC also directed its staff to write a bill that would have created a statewide sales tax and authorized local option sales taxing authority. It found little enough support that the sponsor did not move for it to be voted on.

The **Economic Affairs Interim Committee** studied barriers to professional licensing for those with criminal convictions. MAR worked with other trade groups to ensure that EAIC members understood that Montana's licensing programs need to continue to protect consumers from bad actors. No legislation was advanced on this topic, though MAR is reviewing a related rulemaking proposal initiated by the Montana Department of Labor and Industry. Before COVID-19 became a limiting factor, the committee asked the alcohol industry stakeholders to come together to significantly address issues with licensing. That didn't happen, but a few very modest pieces of legislation were advanced.

The **Water Policy Interim Committee** reviewed the water rights ownership update process and the use of geocodes due to concerns about untimely and inaccurate information. MAR participated in a working group that developed a bill to address these concerns. MAR will continue to bring REALTOR® expertise to the conversation when needed and will support policies that ensure the state water rights database is accurate and that geocodes remain in use. The committee did not take up exempt wells or water right permitting processes.

The **Legislative Finance Committee** reviewed proposals to replace lost revenue for the digital services the State Library provides including Cadastral. The library suggested tacking an additional fee on to real estate license renewals. MAR worked against this proposal because it singled out a few industries to pay for a service available to every member of the public. In the end the committee chose a different approach, moving forward legislation to slightly increase the document recording fee that is already in place to help fund Cadastral.

Unlike the standing committees during the legislative session, interim committees contain an equal number of Republican and Democrat legislators. Consequently, the interim committees tend to produce few bills containing significant policy changes. In the future, we may see rule changes designed to make the legislative branch more effective in the interim, such as giving leadership the ability to break tie votes.

With Fall upon us and the interim nearing its end, MAR continues its preparations for the upcoming legislative session. MAR is excited for the work ahead and we are honored to be the voice of REALTORS® in our state capitol.

Next week, MAR will provide a preview of some of the issues we may see debated in the 2021 Montana legislative session.