



2021 MONTANA LEGISLATURE Postsession Report

*Prepared for
Association of Montana Retired Public Employees*

The 2021 Legislative session concluded its work late in the afternoon on April 29th. The Legislators used 80 of 90 available legislative days to complete all of the State's legislative business for the 2021-2022 biennium.

Republicans consolidated control of Montana's government in the 2020 general election --- Republicans controlled the Senate 31-19, controlled the House 67-33, and those large legislative majorities were able to send bills to the first Republican Governor in Montana since the 2000 election.

During the past sixteen years, the Republican majority legislature passed Republican priority legislation only to have the vast majority of those bills vetoed by Democratic Governors. In 2021, Republican legislative priorities were passed and then approved by the Governor and allowed to become law. The large Republican majority and the Governor's office also altered how well the individual parties worked with their fellow party members. While the past decade has seen significant infighting in the Republican party, the 2021 legislative session had significantly less intra-party squabbles. Instead, the primary disagreements were inter-party with Democrats and Republicans staying relatively united within their own caucuses.

With such large majorities and control of the Governor's office, Republicans passed and approved a vast array of Republican priorities some of which included the following:

Voting and Campaign Laws – the Legislature passed laws ending same day voter registration, increasing the limits on campaign contributions, and altering how elections must be conducted.

Local Governments and Public Health – the Legislature passed several bills adjusting public health and a local government's ability to enact and enforce public health measures.

Judiciary – The Governor and Republican legislators considered and passed several bills altering the judiciary. This included a bill allowing for direct Governor appointment of vacant judicial positions instead of a judicial nominating commission, a bill providing for the election of state supreme court justices by district, and new campaign finance restrictions specific to attorneys practicing before judges they supported in a campaign. The bill providing for the direct appointment of judges by the Governor has already been signed into law and is the subject of ongoing litigation.

Firearms – the Legislature passed bills expanding the ability of citizens to carry firearms across the state of Montana, including expanding the places where concealed weapons are allowed to be carried.

COVID – the Legislature passed bills providing immunity for private parties including businesses as well as state and local government in regards to potential lawsuits arising out of the COVID-19 pandemic.

Taxes – The Legislature passed legislation reducing the top income tax rate from 6.9% on the top bracket to 6.5% for all income over \$41,000, simplified Montana’s income tax structure by repealing multiple tax credits and deductions to get the tax system more in line with a federal return, and further expanded the business equipment tax exemption from the first \$100,000 to \$300,000.

Workforce Development/Employment – The Legislature modernized the wrongful discharge statutes, took additional action to support career technical training, and implemented a tax credit for job training.

Marijuana – The Legislature passed a massive recreational marijuana bill in the wake of the voter approved Initiative No. 190 during the 2020 general election. This recreational marijuana bill contains a licensing and regulatory framework, certain protections for employers and workers’ compensation insurers, and some dedicated uses for the tax revenue to be generated by recreational marijuana sales.

The Budget and ARPA – The American Rescue Plan Act passed by Congress in early 2021 included an additional \$2 billion allocated to the Montana Legislature for spending on specific types of topics. The Montana Legislature passed HB 632 to spend this money on various infrastructure projects, vaccination, and pandemic relief. HB 632 also set up a committee composed of legislators and members of the executive to allocate the remaining money made available through ARPA during the interim by way of a competitive application process.

The approved state budget for the biennium was an approximately 2% increase over the previous biennium and included most of what the Governor’s proposed budget contained.

Red Tape Review – The Governor’s office is expected to begin a comprehensive regulatory review to identify unnecessary or burdensome regulations and rules and then propose changes to improve efficiency and the effectiveness of regulatory programs with the ultimate goal of improving Montana’s business environment.

Bill Number	Primary Sponsor	Status	Status Date	Short Title	Position	Bill Description
HB 44	Geraldine Custer (R) HD 39	(H) Missed Deadline for General Bill Transmittal*	3/2/2021	Revise funding for GWPORS	Monitor	An act revising funding provisions of the game wardens' and peace officers' retirement system; providing for an additional employer contribution; providing that the additional contribution be reviewed and will terminate automatically when certain conditions are met
HB 59	Jim Hamilton (D) HD 61	(H) Missed Deadline for General Bill Transmittal*	3/2/2021	Revise funding provisions in PERS	Monitor	An act generally revising the funding provisions of the public employee retirement system; increasing employer contributions; eliminating outdated plan choice rate provisions; eliminating certain automatic triggers for termination of contributions; eliminating the remainder of an annual fiscal year increase in a portion of the employer contribution
HB 72	Frank Garner (R) HD 7	(H) Sent to Enrolling	4/27/2021	Revise funding for highway patrol retirement system HPORS	Monitor	An act revising funding of the highway patrol officers' retirement system; providing for a state supplemental contribution contributions from a state special revenue account; providing for transfers from certain state lottery revenue; providing a statutory appropriation
HB 81	Jim Hamilton (D) HD 61	Chapter Number Assigned	4/12/2021	Generally revise laws on administration of MPERA retirement systems	Monitor	An act generally revising laws related to the administration of the public employee retirement systems administered by the public employees' retirement board; revising provisions related to alternate payee rights under family law orders, required benefit distributions under federal law, and military service purchase eligibility; clarifying when guaranteed annual benefit adjustments may commence;

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HB 88	Marta Bertoglio (R) HD 75	Chapter Number Assigned	4/12/2021	Generally revise laws on administration of TRS	Monitor	An act generally revising administrative provisions of the teachers' retirement system; clarifying the definition of earned compensation; clarifying employer reporting requirements; revising mandatory distribution provisions to conform with federal law; correcting the referenced time period for reporting compensation earned by a disabled member
HB 162	Paul Fielder (R) HD 13	(H) Missed Deadline for Revenue Bill Transmittal*	4/8/2021	Eliminate state tax on social security income	Monitor	An act exempting social security benefits from the individual income tax; phasing in the exemption
HB 251	Caleb Hinkle (R) HD 68	(H) Missed Deadline for General Bill Transmittal*	3/2/2021	Implement right-to-work	Monitor	An act creating the worker freedom act; providing an employee with freedom of choice on whether to join a labor organization; requiring written authorization of participation; requiring posted notice; describing violations; providing penalties; repealing the right of nonassociation for public employees for certain reasons
HB 323	Terry Moore (R) HD 54	(H) Missed Deadline for General Bill Transmittal*	3/2/2021	Generally revise pension laws	Monitor	An act generally revising laws related to the funding of the public employee retirement systems; revising contributions in the public employees' retirement system and the teachers' retirement system to provide for an actuarially determined employer contribution; revising the employer contribution to the defined contribution plan of the public employees' retirement system

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HB 547	Jim Hamilton (D) HD 61	(H) Missed Deadline for Appropriation Bill Transmittal*	4/8/2021	Require legislative fiscal division to contract for actuarial services	Monitor	An act requiring the legislative fiscal division to contract for actuarial services to assist the legislature in carrying out its duties regarding the public employee retirement systems; specifying the purpose and scope of the services; requiring the retirement boards and board of investments to provide information; specifying the roles of the legislative finance committee and the state administration and veterans' affairs interim committee; requiring consultation with the legislative auditor
HB 683	Bill Mercer (R) HD 46	(S) Tabled in Committee -- (S) Select Committee on Marijuana Law	4/12/2021	Distribute recreational marijuana revenue to unfunded pension liability	Monitor	An act revising the distribution of recreational marijuana revenue for public pension payments and administrative costs; providing for specific distributions to various pension trust funds; providing a statutory appropriation
HJ 8	Frank Garner (R) HD 7	(H) Filed with Secretary of State	4/22/2021	Provide for a study of pension laws	Support	Requesting an interim study of Montana's public employee retirement systems and the development of recommendations for a long-term strategic approach to funding the retirement systems recognizing the concerns of all stakeholders, including the citizens of Montana.
SB 175	Douglas (Doug) Kary (R) SD 22	Chapter Number Assigned	4/27/2021	Generally revise contributions to the judges' retirement system	Monitor	An act temporarily suspending employer contributions to the judges' retirement system; permanently revising the employer contribution rate to reduce the system's funding surplus; establishing a contingency for the reduction

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SB 387	Brian Hoven (R) SD 13	(S) Missed Deadline for Revenue Bill Transmittal*	4/8/2021	Generally revise teachers' retirement system	Oppose	An act generally revising teacher retirement system policy; establishing a tier three for new hires in the teachers' retirement system; requiring the teachers' retirement board to establish annually an interest credit rate; providing death and disability benefits for tier three members; requiring a member to elect a contribution rate at the time of hire;
SB 389	Brian Hoven (R) SD 13	(S) Missed Deadline for Revenue Bill Transmittal*	4/8/2021	Generally revise public employees' retirement system	Oppose	An act generally revising public employees' retirement system policy; establishing a tier three for new hires in the public employees' retirement system; requiring the public employees' retirement board to establish annually an interest credit rate; providing death and disability benefits for tier three members; requiring a member to elect a contribution rate at the time of hire;
SB 399	Greg Hertz (R) SD 6	(S) Sent to Enrolling	4/27/2021	Generally revise and simplify income taxes	Monitor Closely	An act generally revising taxation of income, including the corporate income tax; requiring the taxation of individuals, partnerships, and subchapter s. corporations, including trusts and estates, to relate the state individual income tax to federal taxable income; providing adjustments to federal taxable income to include certain income;
SR 16	Douglas (Doug) Kary (R) SD 22	(S) Filed with Secretary of State	2/12/2021	Confirm Governor's appointee to the Public Employee Retirement Systems Board	Monitor	A resolution of the senate of the state of Montana concurring in, confirming, and consenting to the appointment to the public employees' retirement board made by the governor and submitted by written communication dates January 14, 2021, to the senate.

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SR 23	Douglas (Doug) Kary (R) SD 22	(S) Adverse Committee Report Adopted* -- (S) State Administration	2/23/2021	Confirm Governor's appointees to Public Employees Retirement System Board	Monitor	A resolution of the senate of the state of Montana concurring in, confirming, and consenting to the appointments to the public employees' retirement board made by the governor and submitted by written communication dated January 14, 2021, to the senate.
SR 86	Douglas (Doug) Kary (R) SD 22	(S) Returned from Enrolling	4/27/2021	Confirm Governor's appointees to Public Employee Retirement System Board	Monitor	A resolution of the senate of the state of Montana concurring in, confirming, and consenting to the appointments to the public employees' retirement board made by the governor and submitted by written communication dated January 14, 2021, to the senate.