

Montana's 66<sup>th</sup> Legislative Session concluded on Thursday April 25, 2019. Attached is AMPRE's final legislative report.

While the Legislature addressed a wide variety of issues, this session's notable issues included taxes, the state budget, Medicaid expansion, infrastructure funding, environmental regulation, the future of Colstrip, funding for pre-kindergarten education, and the price of health care and prescription drugs. While the 2019 Legislative Session has adjourned, several hundred bills are only now being delivered to Governor Bullock to either become law or be vetoed. As a result, the final disposition of these bills will not be known for a week or two.

As anticipated, the largest political discussion centered on whether to continue Medicaid Expansion. In the end, the Legislature passed House Bill 658 to continue the expansion of Medicaid in Montana. In addition, the Legislature considered various measures to attempt to address the cost of prescription drugs including a variety of bills aimed at pharmaceutical transparency and pharmacy benefit manager operations.

House Bill 652, an \$80 million bonding bill for infrastructure projects, passed the legislature with the required 2/3 vote of each body. This is the first general infrastructure bonding bill to be approved by the legislature in nearly a decade. The legislature passed an infrastructure bonding bill in 2013 which was ultimately vetoed by Governor Bullock.

The Legislature also passed HB 553 known as the IDEA Act. HB 553 set up criteria and standards to guide which future infrastructure projects will be funded through bonding and also set up a formula based upon the state budget to determine the amount of bonding.

Between House Bills 5, 6, 8, 11, and 652 approximately \$358,000,000 was approved in grants, loans, and spending authority for infrastructure projects and capital projects.

Two bills were considered, unsuccessfully, to secure the viability of the Colstrip power plant and provide additional base power by allowing NorthWestern Energy to acquire additional ownership interest in the power plant from a willing seller. There were other Colstrip related bills that passed which if they become law will facilitate low interest loans, provide the operator flexibility, and options for different fuel sources.

The Legislature approved two tax increases: House Bill 661 which increased the tax on aviation fuel for commercial, freight, and general aviation; and Senate Bill 338 which increased the tax on lodging accommodations from 3% to 4% to fund the construction of a new State Historical Society museum in Helena as well to provide grant funds to other museums across the State. The Legislature also passed Senate Bill 266 which provides a tax credit to businesses increasing employment. HB 723 was passed by the legislature requiring review by an interim committee of all tax credits currently provided for in code. HB 636 passed which provides for certain amounts of protested taxes to be backfilled by the state to local governments in the event the final assessed amount is less than 75% of the original assessment.

Legislative Interim Committees have been appointed and a variety of issues will be studied by the legislature during the interim. In the coming days, interim studies will be prioritized by the legislators and assigned to the appropriate committee.

It has been our pleasure working with you throughout this session. If you have any questions, feel free to contact any member of our team.

Sincerely,

Browning, Kaleczyc, Berry & Hoven, P.C.