



With the closure of the 68th Legislative Session the first week of May 2023 and spending some time catching up on work needed in the office, there is now time to put final thoughts and summation to the historic session we saw this year.

I am told that this session saw more bills than any year other than 1973, which was the session following the year the new State Constitution Passed. While this is in no way a bragging right, it does paint a picture of the work that went into this session on all sides. Were it not for leadership, key partnerships, coalitions, and solid relationships with lawmakers, it could easily have been a session that got away from us.

The Montana Building Industry Association (MBIA) started this session with a strong legislative agenda and policy statements. With a primary focus on staying out of the weeds and on the playing field. This meant a dedicated focus on flagging, watching, and filtering through over 4643 bill drafts and then following those introduced through the process. Total there were 1698 bills introduced, and of those MBIA recognized 84 of those to be priority bills.

There were some incredible wins, some losses, and some missed opportunities. Here are some final takeaways on some of the bills that are now law:

Water – The LT Governor was clear – Whisky is for drinking and Water is for Fighting. We heard her make this declaration on numerous occasions and we believe this is her approach to water law. To walk into a negotiation assuming it will be a fight will always end up in a fight, or the other party simply walks away.

Water Wins – We were part of the working group and the support behind **HB 114** introduced by our own Sue Vinton (HD 56), which streamlines the water permitting process. We also saw a win with **SB 327** introduced by Carl Glimm (SD 2), which allows for a well at any location within setbacks. **HB 435** carried by John Fitzpatrick (HD 77) was another win with water as it established that the construction of a water supply system on an exempt water right was proof of beneficial use and therefore would prompt the issuance of a certificate.

Water Losses – We had a major loss with **HB 642** Exempt Well Bill which had an intent to codify current DNRC processes and which was carried by Casey Knudsen (HD 33). This bill was hijacked by the opposition in committee and was converted to a study bill. It ultimately failed to make transmittal. We hope to put in some work this interim to finally see a shift in the groupthink mindset that continues to plague this issue with misinformation and deception.

Housing & Development – We wish there was as catchy of a phrase as we experienced with water, but housing is proving to be just as tumultuous. Well intentioned people were caught up in deceptive California laws cloaked in affordability. We spent a lot of time on the defense as you will see, but we did have some incredible success playing that field.

Housing Development Wins – We came in with heavy support on **HB 211** Introduced by Larry Brewster (HD 44) which will speed up the local subdivision review process. **SB 130** and **SB 131** both introduced by Forrest Mandeville (SD 29) allow for the county to consolidate their land use boards and set streamlined review timelines. We also feel that **HB 364** introduced by Casey Knudsen (HD 33) was a win for housing as it required DEQ to allow for third party review when they are behind on subdivision application review.



Perhaps the biggest win for Housing was **SB 382** a League of Cities & Towns bill carried by Forrest Mandeville (SD 29), which we view as the most significant land use reform legislation passed in several decades. This puts the land use statute into a more predictable and streamlined process and sets the public participation where it belongs in zoning, and places subdivision review in an administrative position, where it should be. We were happy to be part of this working group.

Another win for housing would be **HB 819** introduced by Paul Green (HD 41). This bill takes \$50 million for mortgage buydowns and pulls in some additional funding to the tune of \$100 million for infrastructure relating to workforce housing development. The bill also absorbed some other bills along the way to include coal tax trust funding for low-income housing developments. We were happy to support these key wins for housing.

Some other housing and development wins are **SB 105** Steve Fitzpatrick (SD 10) which prohibits rent control of private property. Both **SB 152** and **SB 170** introduced by Forrest Mandeville (SD 29) were aimed at speeding up the minor subdivision process, and we consider these good bills.

Housing Development Concerns – **HB 465** carried by Jonathan Karlen (HD 96) was one bill that we attempted to get amended and missed the boat due to the rush. We have committed to working with the League of Cities and Towns on this bill as it was viewed as a way for cities (Missoula) to pull building permit fees into other projects. **SB 142** carried by Keith Regier (SD 3) is a concern for us as it provides state oversight on local impact fee laws. We felt this was an overreach into local government and we opposed this bill.

Attainable Housing – This was the year for the word “affordable” to be passed around like gold. We chose to remain focused on the word Attainable because we believe that simply dumping funding into the lower brackets of housing will not resolve the housing shortage landscape. There were several bills that we supported and opposed that tied to this goal. Overall, ADU’s and Covenant laws came in hard and fast under the cloak of affordability and solutions. We were very cautious in how we played on this field.

Attainable Housing Wins – **HB 246** Scot Kerns (HD 23) which simply allowed that counties and cities may create zoning districts that allow for tiny dwelling units. We supported this bill over some other ADU/Tiny Home bills that passed with great concern because it simply allowed for the zoning of them in a controlled and public participatory process without the dangers you will see below.

Attainable Housing Concerns – **SB 323** introduced by Jeremy Trebas (SD 13) requires certain cities to allow duplex housing in zoning. The bill states that in a city of a population of 5k residents Duplex housing must be allowed as a permitted use on a lot where single family is a permitted use. We feel that this removes or restricts planned development and is a way to force the hand of developers. **SB 528** introduced by Greg Hertz (SD 6) is another bill we opposed and saw pass despite our efforts. This bill states that a municipality shall adopt regulations that allow a minimum of one accessory dwelling unit by right on a lot or parcel that contains a single-family dwelling. This bill also restricted the ability for local government to set sideboards on parking, aesthetics, and materials, assess fees and impact fees, or require improvements to streets, cannot set maximum heights or minimum setbacks or minimum lot sizes. This potentially interrupts planned developments and HOA governance and operation and will, in our opinion, serve to overcrowd and decrease land and property value.



Business

HB 212 Josh Kassmier (HD 27) – Increase Business Tax Exemption – we supported this bill.

Independent Contracting Concerns – **HB 490** carried by Steve Gist (HD 25) We were successful in heavily amending this bill due to our fierce opposition. The product as it stands is better than it could have been, but we still feel that the singling out of construction contractors within the IC licensing world here in Montana was a dangerous precedent and we will be working during the interim to find solutions. Another success through concern was **SB 22** carried by Shane Morigeau (SD 48) which we were also successful in amending. This is a good example of a legislator who had a personal issue, brought forward law without understanding the ramifications of their law and ended up having to flip their stance and make heavy changes to the bill. We were successful in getting this bill amended to something tolerable, but we will still be focusing on ICEC items during the interim.

State Fund – This year was another year where we found ourselves coming to the side of State Fund to clear up misunderstandings and blatant lunacy. Two bills were carried out with the goal of defunding State Fund and creating a new State Insurance Fund or Policy. Nelly Nicol (HD 53) would be behind both, but Carl Glimm carried one on her behalf. We opposed both **HB 896** (Nicol) and **SB 556** (Glimm) and will continue to work alongside State Fund to keep ahead of these efforts.

Thank you –

As you can see, there were a lot of bills passed, some good, some bad – but overall, we feel this was a very successful session.

We want to thank our 150 elected legislators for their efforts to bring forth the best that Montana has to offer as we endeavor to make Montana the best place to call home. We also want to thank the Gianforte Administration for their dedication to our State, our citizens, and our businesses in Big Sky Country.

A Special thank you to Adrienne Cotton for her efforts to bring us up to speed and for her support during the session. Thank you to the members of our dedicated Government affairs committee and its chair, Eugen Graf, for your support and confidence as I navigated my first legislative session – one to remember.

Thank you to the local EO's for keeping me in line and informed on local issues.

Thank you to the coalition of lobbyists who also provided invaluable support and guidance this session; Sam Sill, Ronda Wiggers, Kelly Lynch, and so many more.

With the help of everyone, the MBIA left this session in a stronger position than they started! It took a team and we had an amazing one!