



MEMBER bulletin



Legislative Update

March 1, 2017

Mid-Session Report from Helena

By Brad Griffin

We are halfway through with the 65th Legislature so it's time to let you know what I have been doing to represent your business interests in Helena. First, a little bit about the legislative process. This session there were over 2,600 bill draft requests submitted by legislators, with just under 1,000 that actually turned into bills. Of those, only about 400 will actually make it through the process to become law. By design, there is a high mortality rate. I have 85 bills on my list, all issues that will impact our members. There are 10 bills that tinker with our alcohol laws. A couple of those would have destroyed the current regulatory system known as the Quota System. It is estimated that there is nearly \$1 billion invested in the Quota System, so doing anything to destroy it would be very harmful to hundreds of license holders and their bankers. More on these bills later in this newsletter.

LEGISLATIVE RECEPTION

On February 6th, your association hosted a Legislative Reception at the Great Northern Best Western and we had a terrific turnout of legislators, 12 members from all four of our associations and lobbyists from allied associations. John Roemer, Chairman of the Retail Board, welcomed everyone and spoke about the importance of the retail and restaurant industries to Montana's economy. He also spoke about ProStart and the fact that we were hosting the state competition the next day at the same hotel. Thank you to our sponsors: Platinum: Tri-County Implement and Farm Equipment Sales. Gold: CVS Pharmacy. Silver: Big Sky Kubota, Walgreen's, and Zerbe Brothers. Bronze: LP Anderson Point S Tire, Torgerson's LLC, Roemer's Point S Tire, and Montana Tire.

LOBBY DAY

The next morning, we kicked off Lobby Day with a brief update on the association finances and other news. Following that, the Speaker of the House, Austin Knudsen and the President of the Senate, Scott Sales, gave us their perspective on what they expect from the Session. Attorney general Tim Fox and Superintendent of Public Schools, Elsie Arntzen also gave us a brief update on the activities of their offices. We then headed up to the Capitol for lunch in the Governor's Reception room. Governor Bullock joined us and everyone introduced themselves and where they were from.



Following that, we went up to the Senate and house balconies and observed both chambers in action for about an hour. We ended our day with an appointment in the Secretary of State's office with Cory Stapleton. His staffer, Will Selph, took the pictures. All in all, it was a jam-packed day with all of the top elected officials in Montana!



2017 Mid-Session Legislative Update



We are running two bills this session, one for our equipment dealers and one for our restaurant and retail food members.

MEDA Bill

SB169 - Revise Law Relating to Agricultural and Construction Equipment Dealers.

This bill simply gives equipment manufacturers the first right of refusal when it comes time for the dealer to sell his/her business. We ran a similar bill last session but pulled it, agreeing to work with manufacturers in the interim to draft a bill that works for both sides. This bill the resulting legislation. It has passed the Senate, 50-0. It will be heard in the House Business Committee on March 9.

MTRA and MRA Bill

SB254 - Provide Fees in Statute for Licensure as Retail Food Establishment.

This bill puts the inspection fee back in the state law, instead of in rule-making. All retail food establishments currently pay \$115 per year for health inspection by the county. This bill keeps the fee at \$115 and puts it in law, where it is harder to raise the fee.

RETAIL ISSUES

HB133 - Generally Revise Sentencing Laws.

I identified this as The.Worst.Bill.Ever. because it decriminalizes shoplifting, deceptive practices, bad checks and other property crimes by doing away with the possibility of jail on the first offense. Problem is, when the possibility of jail is eliminated, there is no record of their first offense, therefore, there can't be a 2nd, 3rd or 4th offense. The legislators from the Sentencing Commission are working with us to try and fix the bill. It has passed the House and much work remains to be done in the Senate.

HB169, Raise Minimum Wage to \$10.10.

We lead the charge to kill this bad idea, joining with other business groups. It was tabled.

ALCOHOL BILLS for MTRA and MRA

HB412, Municipalities to Get Alternative Quotas.

This was one of the quota busters that we helped to kill, joining with the Montana Tavern Association and the Gaming Industry Association. It would have allowed cities to sell their own licenses and undermine the quota system. The bill was tabled.

HB428, Revise Beer Lottery System.

We supported this bill with our partners because it takes the speculators out of the beer lottery system. This bill has passed the house Business Committee and awaits a vote on the House floor.

HB430, Creates Exception to Liquor Quota System for Residential Senior Facilities.

This bill would allow a residential facility for seniors to buy a license for \$2000 that allows it sell alcoholic beverages to its residents. We opposed it. It has passed the Business Committee and awaits a vote by the House.

HB474, Allows an Additional Consumptive Hour by Micro-Distilleries.

This bill allows distilleries to sell the last of two 1 ounce samples at 8PM and allow the customer to drink it until 9PM. It has passed House. We will oppose it in the Senate.

HB535, Revise Laws on Siting of Bars and Taverns.

This is a bill to solve one problem that cropped up in Bozeman. It could be better solved by the local authorities. We opposed it. It was tabled.

HB541, Increases Brewery Production from 10,000 barrels to 60,000 barrels.

This bill allows brewers to increase their production beyond 10,000 barrels and still keep the tap room open. We are opposed to this idea unless it is part of a package that addresses some of our concerns, something the Alcohol Beverage Coalition tried to accomplish last interim. It has passed the House.

HB549, Create BID/TIF Districts Beer and Wine License.

This is the 2nd quota buster bill and we opposed it. It would allow BID and TIF districts to sell their own licenses for \$5,000, thereby destroying the value of existing licenses. It was tabled. SB191, Double the Wine Tax. This bill was killed in the Senate Taxation Committee.

HB518, Establish the Montana Biometric Information Privacy Act.

This bill would have banned the collection, storage and use of biometric data like facial recognition, voice recognition, palm or finger print without the express permission of the person. This bill had huge security implications and would have stopped the possible beneficial uses of such technology. We opposed it and it was tabled.

PHARMACY BILLS

HB195, Revise Laws Related to Pharmacies and Prescription Drugs.

This bill requires pharmacies to post another sign at the counter advising the customer that they may substitute out a generic drug. The bill solves a problem that it creates but it has passed the House. I will be working with others to modify or kill this bill.

HB276, Revise Reimbursement for Pharmacies.

Small pharmacies ran this bill that allows them to refuse service if the reference based pricing is less than their acquisition costs. This is battle between PBM's and pharmacies and I am conflicted out, so I did not work this bill.

HB293, Revise Requirements Related to Release of Patient Immunization Information.

I supported this bill because immunization is the foundation for public health. It was tabled nonetheless.

HB326, Require Reporting of Pricing Factors for Certain Prescription Drugs.

This was a bill aimed at PHARMA, the manufacturers, so I did not take a position. It was tabled.

Local Option Bills

LC1136 and SB331 are basically the same bill. LC1136 will become the House version. They are nearly identical and allow up to a 4% sales tax on “luxuries” like restaurants, bars, hotels and selected retail goods. It will not tax Amazon. This gives Amazon a 4% head start against Montana’s brick and mortar retailers.

Why would the Montana Legislature pass a bill that harms our retailers to the benefit of a company that does not pay any taxes in Montana and employs zero of our citizens?

I will oppose both bills.

<http://leg.mt.gov/bills/2017/billpdf/LC1136.pdf>

<http://leg.mt.gov/bills/2017/billpdf/SB0331.pdf>

Soda Pop Tax

LC2140 has not been released yet but I am told it will seek to impose a tax on soda pop, both fountain and bottled, to pay for state parks.

Broad Based Tax On Alcohol

SB328 - This bill will increase taxes on all forms of alcohol; liquor, beer and wine. We will oppose.

Tobacco Taxes

There are two bills that have not been released yet, but I hear that one bill will seek to raise taxes by \$1.50 per pack and another increases taxes by 50 cents per pack. They would also raise taxes on chewing tobacco and other forms of tobacco. We will oppose these also.

SB206 - Eliminate Daylight Savings Time.

This bill has passed the Senate 34-16 with support from across the spectrum. There is also some confusion about what it would do. Without DST, the sun would come up at roughly 4:30AM and it would set an hour earlier. We were neutral in the Senate. I am surveying the Board to learn if we should oppose it or stay neutral in the House.

RENEWING RESTAURANT MEMBERS - January & February 2017

406 Kitchen & Taproom	Billings	Summit Beverage	Missoula
Bruno’s	Billings	The Corner Bar	Baker
Island Liquor Store	Helena	Top That Eatery	Forsyth
On Broadway	Helena	Western Empire Emporium	Billings
Showthyme Restaurant	Bigfork	Xanterra	Yellowstone Nat’l Park
Southern Empire Emporium	Billings		

RETAIL Board Meeting to be held May 4th at Chico Hot Springs

MTRAEF / MT ProStart Update

The Montana Restaurant Association Education Foundation, with help from the Montana Restaurant Association, the National Restaurant Association Education Foundation, and keynote sponsors (see list at right), recently held the Montana High School ProStart State Championship in Culinary Arts and Restaurant Management. We're proud to announce Drummond High as the new Culinary Champions, and Bozeman High as the new Restaurant Management Champions. Those two teams will be sponsored by the MTRA Education Foundation as they head to Nationals in Charleston, SC, from April 28th through the 30th.



SPONSORS
406 Bistro of Deer Lodge
Bert & Ernie's of Helena
Best Western Great Northern
Buck's T-4 Lodge
Carbon County Steakhouse
Food Services of America
MacKenzie River Pizza
Silver Star Steak
Sysco
Wendy's

**Thank you to the judges, timers
and the many volunteers
who helped make the day!**

Culinary Arts



- 1st Place: Drummond Trojans**
- 2nd Place Belgrade Panthers
- 3rd Place Bozeman Hawks

Restaurant Management



- 1st Place: Bozeman Hawks**
- 2nd Place: Hot Springs Heat
- 3rd Place Cascade Badgers

As we head into the summer, our attention turns towards our partnership with Google Global Foods. They'll be coming to Big Sky again this year for the Vine and Dine Festival. We will be pairing a few of Montana's finest students with the chefs for individual one on one time and tutoring.

**Interested students can apply via our website at mtprostart.com
or from our Facebook page at [MTPProStart](https://www.facebook.com/MTPProStart).**