

Montana's Credit Unions

Montana's 66th Legislative Session Summary



**MONTANA'S
CREDIT UNIONS**
Educate. Advocate. Collaborate.

During the 2019 Legislative Session, Montana's Credit Unions worked hard to advocate on behalf of the credit unions in Montana. We tracked and analyzed bills, consulted with credit unions, testified before committees, and lobbied lawmakers. We identified 73 bills as potentially impacting credit unions and monitored them throughout the session. Of those, we flagged 26 that were especially critical to our industry, and we actively lobbied them and closely watched them as they worked through the legislative process. The following recap summarizes those 26 bills and our work on them.

2019 Session by the Numbers:



Supported

[HB 162](#)

Revise state banking laws related to disclosure with federal entities

Sponsor: Tom Welch (R) HD 72

Passed

effective 10/1/19

This bill allows the Montana Division of Banking and Financial Institutions to furnish Reports of Examination to the Federal Home Loan Bank and Federal Reserve Bank for CUs they are lending to.

[HB 370](#)

Generally revise notary laws

Sponsor: Becky Beard (R) HD 80

Passed

effective 10/1/19

*Provisions of this bill recognize the non-physical presence should be used on par with physical presence and make revisions to electronic records, remote notarization, and the use of electronic notarization systems and communication technology. In addition, existing notaries and new applicants will be required to complete 4 hours of education and pass an exam administered by the MT Secretary of State. Further, the bonding requirements in Section 9, amending Section 1-5-619 (4)(d) MCA are increased from \$10,000 to \$25,000. **Training to be provided by MT Secretary of State's office. Visit www.sosmt.gov/notary for more information.***

[HB 624](#)

Generally revise motor vehicle laws

Sponsor: Terry Moore (R) HD 54

Passed

effective 7/1/19

General revision to motor vehicle law changing the requirement restricting notarization of vehicle titles to private party transactions.

[HB 731](#)

Revise credit union laws regarding oversight of top officers

Sponsor: Mark Noland (R) HD 10

Passed

effective 7/1/19

*Language was added to the Montana CU Act revising credit union laws. The bill sets forth penalties on any credit union director, executive, agent or employee found to be negligent, dishonest, or in violation of any of the provisions outlined in this bill. MCU will provide CUs and CU Boards information regarding implications of HB 731. **Training to be provided by Montana's Credit Unions.***

- HB 95** **Generally revise laws relating to protection of vulnerable adults** **Failed**
Sponsor: Jim Keane (D) HD 73
Revisions to laws related to the protection of vulnerable adults. Requiring employees of financial institutions to report to law enforcement and DPHHS when suspected financial abuse or exploitation. Failure of this bill resulted in the introduction of SB 311.
- SB 125** **Establish the Montana reinsurance association and program** **Passed**
Sponsor: Steve Fitzpatrick (R) SD 10
Original language would have resulted in a 2% assessment on the credit disability premium in the state which would have impacted Credit Life and Disability protection on loan products. MCU opposed original bill draft and worked with MT Division of Insurance resulting in an amendment that exempted credit disability from the 2% assessment.
effective upon passing
- SB 225** **Generally revise probate laws** **Passed**
Sponsor: Steve Fitzpatrick (R) SD 10
General revisions to the Montana Uniform Probate Code resulting in amendments to provisions of the estate, trust and fiduciary relationship laws. Changes include increases in dollar amounts that has priority over claims, including creditor claims and liability of nonprobate transferees for creditor claims. MCU worked with the sponsor to remove language regarding Multiple Party Account forms that would have impacted CUs.
effective 10/1/19
- SB 311** **Creating laws relating to financial institutions and elder exploitation** **Passed**
Sponsor: Steve Fitzpatrick (R) SD 10
*The bill created laws relating to financial institutions and elder exploitation. Provisions allow CUs to report suspected financial exploitation to law enforcement and DPHHS, delay transactions under certain circumstances, and provide immunity for CUs. MCU will be working with CUs to provide training as a result of bill. **Training to be provided by Montana's Credit Unions.***
effective 10/1/19
- SB 245** **Establish commercial property assessed clean energy program** **Failed**
Sponsor: Mary McNally (D) SD 24
The bill would have supported the establishment of a Commercial Property Assessed Clean Energy (C-PACE) Program. We worked with the sponsor and working group to address some of our concerns regarding subordination of lender's lien to the PACE assessment. An agreed upon amendment required that a contract is invalid unless the holder of a mortgage trust deed or loan service executes a notarized subordination agreement three months prior to the application and the person who executed the subordination agreement is authorized to do so.

Opposed

- HB 107** **Revise mortgage laws on disclosures, surety bonds, and other requirements** **Passed**
Sponsor: Shane A Morigeau (D) HD 95
The bill provides additional financial requirements for mortgage lenders and servicers in addition to basic modernization. The language ensures that unless a licensee is in good financial standing, the licensee should not operate as a mortgage lender or a mortgage servicer. MCU worked with the sponsor to resolve an issue relevant to mortgage servicers owned by depository institutions (ex. CUMONT) and successfully introduced an amendment to exempt CUMONT from the law.
effective 10/1/19
- HB 358** **Establish a Montana homeowners bill of rights** **Failed**
Sponsor: Robert Farris-Olsen (D) HD 79
The bill provided recourse for owners of residential property in threat of default or foreclosure and procedures for contacting owners in threat of default. The bill is a movement occurring in other states. Our concerns included more judicial foreclosures, further delay in non-judicial foreclosure process and overall increased litigation and litigation costs.

Monitored

- [HB 16](#) **Establish affordable housing loan program** **Passed**
effective 7/1/19
Sponsor: Dave Fern (D) HD 5
Provides funding for low-income and moderate-income housing loans with money from the permanent coal severance tax trust fund.
- [HB 208](#) **Establishing family medical leave insurance** **Failed**
Sponsor: Moffie Funk (D) HD 82
Create a Montana Family and Medical Leave Insurance Act and create an enterprise fund with contributions from non-exempt employers and employees.
- [HB 345](#) **Provide a stepped increase in minimum wage to a living wage** **Failed**
Sponsor: Mary Ann Dunwell (D) HD 84
The bill would have implemented a stepped increase in the minimum wage to a living wage for all non-agricultural employees, limiting the cost-of-living increases until the minimum wage reaches \$15/hour for certain businesses.
- [HB 445](#) **Revise medical marijuana laws to provide cardholder protections** **Failed**
Sponsor: Mary Ann Dunwell (D) HD 84
Proposed revisions to the MT Medical Marijuana Act would have included restrictions on certain employer actions.
- [HB 584](#) **Generally revise laws relating to cryptocurrency** **Passed**
effective 7/1/19
Sponsor: Shane A Morigeau (D) HD 95
General revisions to existing law amending exempt transactions from certain securities law and allowing certain digital transactions.
- [HB 622](#) **Eliminate pre-established loan products** **Failed**
Sponsor: Robert Farris-Olsen (D) HD 79
Proposed to prohibit unsolicited loan checks, the collection of unsolicited loans, and reporting to credit agencies regarding unsolicited loans.
- [HB 645](#) **Establish the Montana Biometric Information Privacy Act** **Failed**
Sponsor: Katie Sullivan (D) HD 89
Act would prohibit a private entity from collecting, storing, and using a person's biometric identifier without the person's consent.
- [HB 679](#) **Clarify workweek for overtime-eligible employees** **Failed**
Sponsor: Jessica Karjala (D) HD 48
Specifies workweek terms for employees eligible for overtime.
- [HB 768](#) **Statewide retirement savings account program for private-sector employees** **Failed**
Sponsor: Thomas Winter (D) HD 96
Intent was to assist Montanans working in the private sector to save for retirement by establishing the Montana Saves Program. Employers who do not offer an employer-sponsored qualified retirement plan would facilitate the enrollment of their employees in the statewide program.

- SB 54** **Revise laws governing multiple employer welfare arrangements** **Passed - Vetoed**
Sponsor: Fred Thomas (R) SD 44
Language in this bill raises concerns with increased reporting requirements and regulatory creep that would have impacted the MCU's Group Benefit Trust.
- SB 168** **Restrict certain initial employment applications regarding criminal history** **Failed**
Sponsor: Brian Hoven (R) SD 13
Act revising the initial employment application to restrict use of conviction or criminal history unless required.
- SB 202** **Generally revise guardianship and conservatorship laws** **Failed**
Sponsor: Roger Webb (R) SD 23
The bill proposed substantial updates to Montana's statues concerning guardinships and conservatorships.
- SB 219** **Increase time for filing contractor, subcontractor liens** **Failed**
Sponsor: Mike Cuffe (R) SD 1
Increase the notification period for contractors and subcontractors to file a construction lien.
- SB 253** **Revise the tax lien and tax deed process for residential property** **Passed**
Sponsor: Cary Smith (R) SD 27 *effective upon passing*
The bill requires the assignee to apply to the county treasurer for a tax deed. Upon application for a tax deed, the tax deed will be auctioned to the highest bidder provided the required opening bid at the auction includes half the assessed value of the property. The true property owner and lienholders of a tax deed auctioned property can request funds in excess of the difference between the sale price and the opening bid.
- SB 276** **Revise laws related to condos and townhouses** **Passed**
Sponsor: Roger Webb (R) SD 23 *effective 10/1/19*
The bill allows the conversion of condominium to townhouse if certain requirements are met. If the condo is affected by a lien, the unit owner shall obtain the lienholder's written consent to the conversion. If lienholder does not provide written consent to the conversion, the unit owner has procedures which would give lienholder 120 days to object.