

HB212: Business Equipment Tax Exemption

What: Increase the business equipment tax exemption from \$300,000 to \$1 million

Why: All kinds of businesses rely on expensive, specialized equipment for their operations. Under current statute, the first \$300,000 of market value of business equipment is exempt from taxation. This change would increase that exemption to \$1 million, meaning an additional 1700 Montana businesses would be exempt from paying taxes on their equipment.

SB93: Ballot Initiative Modernization

What:

- Strengthen transparency and reporting requirements for ballot initiatives.
- Ballot initiative filing fee.
- Streamline agency review timelines.
- Prohibit electronic signatures.

Why: These changes maintain trust in ballot initiatives by ensuring legitimacy of proposed ballot initiatives, improving transparency in the process, and mandating financial reporting compliance.

LC1197: Product Liability Reform

What:

- Allows comparative fault defense when other parties contributed to the injury.
- Strengthens product misuse defense.
- Creates defenses for compliance with government safety regulations.
- Creates 10-year statute of repose.
- Creates innocent-seller defense for retailers that sold the product unchanged from the manufacturer.

Why: Common sense reforms to current product liability law protect manufacturers and Montana businesses.

LC0932: Litigation Financing Consumer Protection

What:

- Requires third-party litigation financiers (TPLF) to register.
- Limits interest rates TPLFs can charge plaintiffs.
- Caps the share of recovery TPLFs can take from plaintiffs.
- Requires TPLFs to disclose involvement to all parties.
- Creates TPLF liability for court-ordered costs or penalties against the plaintiff.

Why: TPLF is a shadowy, \$39 billion industry of hedge funds, wealthy individuals, and sovereign wealth funds investing in lawsuits in exchange for a share of any potential recovery. Without transparency, we can't know the full extent of the problem or even when a third party is financing a case. These reforms protect consumers from predatory practices by TPLFs and improve transparency in our court system.

2023 LEGISLATIVE PRIORITIES

LC0931: Set Standards for Time-Limited Demands

What:

- Requires that time-limited settlement demand letters reasonably describe the claim, include relevant records, and allow 60 days for acceptance.
- Requires claimants provide reasonable records and information insurers need for timely, reasonable claims settlement.

Why: Trial lawyers frequently abuse time-limited settlement demand letters and withhold information necessary for insurance companies to settle claims fairly and expeditiously.

SB165: Insurance Claims Cooperation

What:

- Requires claimants to cooperate with insurers investigating/adjusting claims.
- Replaces common-law bad faith claims with statutory rights

Why: Expedite reasonable claims adjustment and limit abusive practices by trial lawyers.

LC4327: Captive Insurance Reform

What: Exempt captive insurers and self-insured from MCA 33-18-242.

Why: Under current statute, a captive insurer or self-insured company can be subject to a bad faith claim merely for defending itself in a case. This amendment will remove unnecessary and counterproductive bad faith rules for captive insurers and self-insureds and will make Montana a more attractive captive-insured domicile.

LC2578: Loser Pays in Environmental Litigation

What: If a third party sues or intervenes regarding an agency decision on a license or permit and is unsuccessful, the third party must pay attorney's fees and costs for the state and for the business that applied for or held the permit or license.

Why: This reform levels the playing field in environmental litigation and reduces the number of frivolous lawsuits. If the third party loses the case, it must cover the fees and costs that the agency and permit/license holder incurred.

LC2573: Incentivize Fair Settlement Offers

What: Increase the fair offer-of-settlement threshold from \$50,000 to \$3 million

Why: This would incentivize parties in more cases to settle at reasonable amounts instead of pursuing a trial and further clogging our court system. With this change, if a party does not settle, but then the final judgement is lower than/less favorable than the original settlement offer, the rejecting party must pay the offering party's costs and legal fees.

2023 LEGISLATIVE PRIORITIES

This rule currently applies to contract and real property claims below \$50,000. The new rule would raise that threshold to \$3 million.

Service of Process Time Limit

What: Reduce the time for service of process (the amount of time to serve a case after the case has been filed) down from three years to two years.

Why: With a three-year service of process timeline on top of the three-year statute of limitations, this allows a long period of time after an event before the defendant must be served. Shortening this time frame will make the process fairer for defendants. Businesses can better provide evidence for their defense soon after it happens, rather than three years after the claim was filed.

Clarify Real Property Statute of Limitations

What: Clarifies the statute of limitations for damage to real property to make clear that it does not reset with a new owner.

Why: This change clarifies that the statute of limitations starts when damage occurs and is known, regardless of whether the property changes ownership. This ensures that a damaged piece of real property cannot be sold simply to bring up a lawsuit if the statute of limitations has expired.