

## Economic Development-Related Legislation\* - 2003 Regular Session

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\*Includes changes in resource development laws, business financial incentives, tax laws.

<b>Bill # -- Sponsor</b>	<b>Summary Effective Date(s) Latest activity</b>	<b>Codes Affected</b>
<p>HB 76 -- McKenney</p>	<p>Establishes up to 12 certified regional development corporations, which are eligible for \$425,000/yr from statutorily appropriated interest income on \$140 million in coal severance taxes. Describes treasure communities. Sets criteria for distribution of economic development funds. Removes a portion of funds from Dept. of Commerce appropriation. Deletes reference to microbusiness advisory council and creates economic development advisory council.</p> <p>Immediate (April 16, 2003) and July 1, 2003, effective dates.</p> <hr style="width: 20%; margin-left: 0;"/> <p>-First meeting held Aug. 8, 2003. -Rules hearing on Sept. 18, 2003. Comments included a question of whether county commissioners can endorse more than one certified regional development corporation if a county has two separate CRDCs that don't overlap. -Proposed timeline is for selection of CRDCs in Jan. 2004.</p>	<p>15-35-108 17-6-403 90-1-116 90-8-201</p>
<p>HB 373 A. Olson</p>	<p>Revises the Montana Strip and Underground Mine Reclamation Laws, with clarifications of policy regarding successful reclamation. Adds to definitions. Reduces the time for the Department of Environmental Quality to approve or disapprove minor revisions. Describes what must be included for determination of probable hydrologic consequences. Modifies requirements for permit applications, area mining, planting vegetation after a disturbed area is graded. Provides standards for successful revegetation. Clarifies ownership of vegetation after release of the bond. Allows alternate land uses under certain criteria and makes replacement of facilities elective. Removes requirement for DEQ approval for disturbing seeded area. Allows permit applicants to revise plans to incorporate legislation.</p> <p>Effective date: January 1, 2004</p>	<p>82-4-202 82-4-203 82-4-221 82-4-222 82-4-231 82-4-232 82-4-233 82-4-234 82-4-235 82-4-236</p>

<p>HB 443 Lange</p>	<p>Revises the Montana Major Facility Siting Act. Changes Certificate of Environmental Compatibility and Public Need to Certificate of Compliance. Clarifies legislative policy to balance rights of citizens. Modifies the information required for applications and eliminates a requirement that a copy of the application be sent to other local, state, and federal governmental entities. Modifies public notice requirements. Limits department review to 9 months or less. Revises the filing fee scale. Reduces certain time requirements for reviews. Qualifies the use of Montana Environmental Policy Act documents, including among the criteria for judging a facility's significance the economic importance and benefits of a facility. Revises the approval criteria for certain facilities. Changes the certification requirement from one granted by the board of environmental review to an air quality permit approved by the department.</p> <p>Effective date: April 3, 2003.</p>	<p>7-1-111 69-3-1205 75-20-102 75-20-104 75-20-201 75-20-211 75-20-213 75-20-215 75-20-216 75-20-223 75-20-231 75-20-232 75-20-301 75-20-303 85-2-124 85-2-607 85-15-107 90-6-207</p>
<p>HB 509 A. Olson</p>	<p>Allows an energy buying cooperative to organize only for serving as a supplier or promoter of alternative energy and conservation programs. Clarifies legislative policy for small Montana consumers regarding default supplies. Defines electricity supply costs. Revises the transition period to July 1, 2027. Establishes an electricity cost recovery mechanism, including commission review. Allows commission to require a default supplier to offer multiple service options. Outlines supply requirements, options, and limits for certain utilities. Extends universal system benefits to Dec. 31, 2005. Requires a default supplier to offer customers products composed of certified environmentally preferred resources. Provides for reimbursement and authorizes fines if an electricity supplier fails to provide electricity and related services to customers. Modifies commission authority and requires the commission to monitor and report on status of competition among suppliers. Specifies information to be included in billing. Eliminates default supplier licensing requirements. Eliminates a transition advisory committee and tax revenue analysis requirements.</p> <p>Effective July 1, 2003.</p>	<p>Amends: 5-5-202 5-5-223 35-19-104 69-8-102 69-8-103 69-8-104 69-8-201 69-8-203 69-8-204 69-8-208 69-8-210 69-8-211 69-8-301 69-8-402 69-8-403 69-8-408 69-8-409 69-8-503</p> <p>Repeals: 35-19-103 69-8-416 69-8-417 69-8-501 69-8-502</p>

<p>HB 564 Lindeen</p>	<p>Provides funding for workforce training grants through Board of Investment loans to employers expanding operations in Montana, provided the employers have at least 50% of sales to firms outside of Montana or to Montana firms with 50% of sales outside Montana and provided the employers add value to a product, process or service. Establishes a grant review committee attached to the Office of Economic Development. Outlines grant eligibility guidelines, including requirements for a 1/3 match. Sets requirements for contracts. Provides for a new jobs credit based on income tax receipts, to be calculated by Department of Revenue for use by Office of Economic Development to repay BOI loans. Sets limit of \$10 million in loans. Program ends 6/30/2007.</p> <p>Effective: May 5, 2003</p> <hr/> <p>-First meeting of Grant Review Committee 9/26/03. -Adopted proposed rules. -Rules hearing set for Nov. 12.</p>	
<p>SB 101 Mahlum</p>	<p>Allows Montana Heritage Preservation and Development Commission to sell portions of Bovey Assets and provides guidelines; sets up review committee and requires majority vote to approve sale; allows Commission to use volunteers and provides for volunteers' expenses and workers' compensation coverage; provides for a federal special revenue fund and a statutory appropriation. Transfers Bovey Assets to the State from the Montana Historical Society.</p> <p>Effective: April 30, 2003</p>	<p>22-3-1003 22-3-1004</p>
<p>SB115 Mahlum</p>	<p>Extends through June 30, 2010, the statutory appropriation from the coal tax trust fund that is used for economic development programs, including the cooperative development center, the growth through agriculture program, small business development center, small business innovative research program, certified regional economic development programs, the manufacturing extension center, export trade enhancement programs and research/commercialization projects.</p> <p>Effective: July 1, 2005. Ends 6-30-2010</p>	<p>15-35-108 17-7-502</p>

<p>SB 131 Barkus</p>	<p>Creates an intermediary relending program within the Board of Investments, limiting total to \$5 million and each loan to certain types of local economic development organizations to \$500,000. Loans are to be used as match for federal programs, including Rural Development Loan Programs. BOI may buy portions of mature loans from economic development organizations with revolving loan programs. Sets limits on interest and repayment terms.</p> <p>Effective: July 1, 2003</p> <hr/> <p>BOI has committed to an intermediary loan in Butte to match \$750,000 federal money.</p>	<p>17-6-302</p>
<p>SB 315 Schmidt</p>	<p>Provides for the Governor's Office of Economic Development to conduct a feasibility study assessing: a) the impacts of rail freight competition or the lack of it; b) benchmarks observable through a comparison of regional freight rates; c) benefits of rail freight competition on economic development in Montana; d) potential for improving rail freight competition through investment and an analysis of related proposals; and e) analysis of state and private owned infrastructure associated with rail lines.</p> <p>Effective: April 15, 2003</p> <p>Funding on tap. Steering committee being formed.</p>	
<p>SB 326 McGee</p>	<p>Revises laws related to growth policies and planning boards. Requires governing board to appoint staff of planning board. Provides growth policy to be optional and to cover parts of areas. Provides for growth policies to meet standard requirements by 10-1-2006. Revises procedures for adopting, revising or repealing growth policies. Eliminates requirement for subdivisions to be in compliance with growth policy goals within year of growth policy's adoption.</p> <p>Effective: May 9, 2003</p>	<p>76-1-103 76-1-106 76-1-306 76-1-601 76-1-603 76-1-604 76-1-605 76-2-201 76-2-310 76-3-210 76-3-504 76-3-505 76-4-122 76-4-127</p>

<p>SB 407 Depratu</p>	<p>Called "The Montana Economic Development Tax Act.." Provides for a 3% tax on accommodations and campground use. Provides for a 4% tax on the base rental charge of rental vehicles. Describes application of sales and use taxes, liability for payment, and collection. Sets requirements for a nontaxable transaction certificate and seller's permit. Provides exemptions. Provides for 5% quarterly vendor allowance, up to \$1,000 a quarter. Outlines department responsibilities. Sets 5 year limit on refund or credit for overpayment of taxes. Allows a tax credit of 1% of a taxpayer's net capital gains for tax years 2005 and 2006, increasing to 2% after 2006, but not exceeding a taxpayer's income tax liability. Reduces individual income tax rates. Provides for distribution of the limited sales and use tax revenues. Clarifies the definition of "Consumer Price Index" relating to individual income tax statutes. Amends individual income tax provisions, including exemptions limiting allowable federal income tax deductions to \$5,000 for single filers or \$10,000 for married taxpayers filing jointly. Revising the minimum standard deduction to \$1,580 to a maximum of \$3,560, with adjustments allowed and a requirement to file an income tax return for adjusted gross incomes of \$3,560 for a single filer or \$7,120 for a married couple filing jointly, with an increase to \$1,900 for each additional personal exemption. Allows a credit against individual income taxes for a resident's share of taxes paid to another state or country by a partnership of which the resident is a partner. Increases the cigarette tax from 18 cents to 70 cents on a pack of cigarettes. Revises distribution of the cigarette tax and adjusts cigarette insignia discounts. Sets \$2 million limit on amount in state special revenue fund for state veterans' nursing homes. Increases the tax on tobacco products from 12.5% to 25%. Provides a tax on each ounce of moist snuff. Adjusts the wholesaler's discount downward to 2.5% for tobacco products.</p> <p>Effective dates: May 1, 2003 for cigarette and tobacco sales. June 1, 2003 for accommodation and campground charges. July 1, 2003 for rental vehicle taxes. Income tax changes start with tax years after December 31, 2004. Tax credit for payment of taxes as partner in out-of-state or foreign partnership is retroactive to tax years after December 31, 2002.</p>	<p>13-37-218 15-30-101 15-30-103 15-30-112 15-30-121 15-30-122 15-30-124 15-30-142 16-11-111 16-11-114 16-11-119 16-11-201 16-11-202 16-11-206</p>
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<p>SB 409 Stapleton</p>	<p>Authorizes the Department of Natural Resources and Conservation to conduct inventories and assessments on the (Otter Creek) lands received by the State under the Crown Butte agreement with the U.S. government and says that leases may be awarded prior to completion of inventories; revises laws related to state lands, in particular eliminating requirement for duplicate environmental reviews; authorizes DNRC to handle planning and consultation with private landowners on leases related to the state lands received in the Crown Butte agreement. References cooperation with Northern Cheyenne Tribe. Preface indicates need for development of energy resources, which is link to economic development.</p> <p>Effective: April 14, 2003</p>	<p>77-1-121 77-3-301</p>
<p>SB 487 Pease</p>	<p>Revises laws related to wind energy taxation and economic development. Eliminates as of July 1, 2005 a tax credit limitation for wind energy development. Increases to \$100 million the maximum amount of outstanding economic development bonds that the Board of Investments may issue. Increases the allowable amount of money (to \$50 million) that the Board of Investments may use for financing a major project.</p> <p>Effective: May 9, 2003 for sections 2, 3, and 5. July 1, 2005 for sections 1 and 4.</p>	<p>Amends: 15-32-404 17-5-1506 17-5-1527</p> <p>Repeals: 15-32-403</p>
<p>SJR 17 Tester</p>	<p>Requests a study of workers' compensation laws with the goal of simplifying statutes and making the administration and understanding of statutes more understandable.</p> <p>Assigned to Economic Affairs Committee May 22, 2003.</p>	