

## HOUSE BILL NO. 388

INTRODUCED BY M. CUFFE

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A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING LOANS FROM MONEY REPAID TO THE DISTRESSED WOOD PRODUCTS INDUSTRY REVOLVING LOAN ACCOUNT TO INDIVIDUALS OR SMALL BUSINESSES RELATED TO WOOD PROCESSING; AND AMENDING SECTION 90-1-501, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 90-1-501, MCA, is amended to read:

**"90-1-501. Revolving loan program for distressed wood products industry -- finding.** (1) Due to the current, well-documented decline in the wood products industry in Montana, the legislature finds that there is a need to assist the Montana wood products industry as a whole through a revolving loan program.

(2) There is a special revenue account called the distressed wood products industry revolving loan account to the credit of the department of commerce.

(3) (a) The distressed wood products industry revolving loan account consists of money deposited into the account from an appropriation in Chapter 489, Laws of 2009, and money from any other source. Any interest earned by the account must be deposited into the account and used to sustain the program.

(b) Loan repayments and any interest generated from loan repayments ~~may~~ must be used as revolving loans for the wood products industry ~~or for primary sector businesses statewide and are not subject to the provisions of this section~~ and are subject to the provisions of subsections (5) through (7).

(4) In any biennium, up to 36% of the funds in the distressed wood products industry revolving loan account, not to exceed \$2.7 million, may be used as matching funds to secure additional federal money. ~~Except as provided in subsection (3)(b), federal~~ Federal funds must be deposited in a federal special revenue account and used for loans in accordance with this part. State matching funds must be deposited in a special revenue account called the distressed wood products matching fund.

(5) (a) Funds from the distressed wood products industry revolving loan account may be loaned to:

(i) individuals, including private contractors related to the wood products industry; or

(ii) businesses defined as small businesses pursuant to the regulations promulgated by the United States small business administration pursuant to 13 CFR 121, et seq.

