



AN ACT LIMITING LOANS FROM MONEY REPAYED 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.

(b) Loans made pursuant to this subsection (5) must be made to individuals or small businesses that are part of the critical, primary wood-processing infrastructure and have suffered economic hardships.

(6) Loans must be used to sustain and grow the wood products industry in Montana. Loans may be used for:

- (a) the purchase or lease of land or equipment;
- (b) updating infrastructure, including retrofitting of infrastructure to facilitate new uses;
- (c) working capital;
- (d) debt service;
- (e) matching funds for grants or other loans that comply with the intent of this section; or
- (f) any other use the department determines would sustain and grow the wood products industry.

(7) (a) A loan may not exceed \$2 million, and the loan must be repaid within 15 years.

(b) A loan recipient may apply for another loan pursuant to this section 2 years or more after the date the previous loan was approved."

- END -

I hereby certify that the within bill,  
HB 0388, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2013.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2013.

HOUSE BILL NO. 388

INTRODUCED BY M. CUFFE

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