

SENATE BILL NO. 30

INTRODUCED BY E. BUTTREY

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE BIG SKY ECONOMIC DEVELOPMENT PROGRAM TO INCLUDE EMPLOYEE BENEFITS AND ALTERNATE APPLICABLE WAGE REQUIREMENTS; DEFINING AND CLARIFYING TERMS; AMENDING SECTION SECTIONS 90-1-201 AND 90-1-204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

SECTION 1. SECTION 90-1-201, MCA, IS AMENDED TO READ:

"90-1-201. Big sky economic development program -- definitions. (1) (a) There is a big sky economic development program that consists of:

- (i) the big sky economic development fund established in 17-5-703; and
- (ii) the economic development special revenue account provided for in 90-1-205.

(b) Interest and income from the big sky economic development fund may be used to administer the big sky economic development program and to provide financial assistance for qualified economic development purposes under this part.

(2) As used in this part, the following definitions apply:

- (a) "Certified regional development corporation" has the meaning provided in 90-1-116.
- (b) "Department" means the department of commerce provided for in 2-15-1801.
- (c) "Economic development organization" means:

(i) (A) a private, nonprofit corporation, as provided in Title 35, chapter 2, that is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(3) or 501(c)(6);

(B) an entity certified by the department under 90-1-116; or

(C) an entity established by a local government; or

(ii) an entity actively engaged in economic development and business assistance work in a region of the state.

(d) "Employee benefits" means health, welfare, and pension contributions that meet the requirements

1 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001, et seq.

2 ~~(d)~~(e) "High-poverty county" means a county in this state in which 14% or more of people of all ages are
3 in poverty as determined by the U.S. bureau of the census estimates for the most current year available.

4 ~~(e)~~(f) "Local government" means a county, consolidated government, city, town, or district or local public
5 entity with the authority to spend or receive public funds.

6 ~~(f)~~(g) "Tribal government" means any one of the seven federally recognized tribal governments of
7 Montana and the Little Shell band of Chippewa Indians."

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9 **Section 2.** Section 90-1-204, MCA, is amended to read:

10 **"90-1-204. Priorities for funding -- rulemaking.** (1) ~~The~~ Under the big sky economic development
11 program provided for in 90-1-201, the department must receive proposals for grants and loans from local
12 governments and tribal governments. A local government shall work with an economic development organization
13 on a proposal. The department shall work with the local government and the economic development organization
14 or with an applicant tribal government in preparing cost estimates for a proposed project. In reviewing proposals,
15 the department may consult with other state agencies with expertise pertinent to the proposal.

16 (2) (a) The department shall adopt rules necessary to implement the big sky economic development
17 program. In adopting rules, the department shall look to the rules adopted for the treasure state endowment
18 program and other similar state programs. To the extent feasible, the department shall make the rules compatible
19 with those other programs. To the extent feasible, the department shall employ an approach pertaining to the use
20 of funds so that, except as provided in subsection (2)(b), the needs of rural areas are balanced with the needs
21 of the state's urban centers.

22 (b) For high-poverty counties, the department shall employ an approach pertaining to the use of funds
23 that is intended to lower poverty levels in the county to a percentage at which the county no longer is defined as
24 a high-poverty county.

25 (c) The rules must provide for the types of uses of funds available under the big sky economic
26 development program. The types of uses of funds by:

27 (i) local governments and tribal governments include but are not limited to:

28 (A) a reduction in the interest rate of a commercial loan for the expansion of a basic sector company;

29 (B) a grant or low-interest loan for relocation expenses for a basic sector company; and

30 (C) rental assistance or lease buy-downs for a relocation or expansion project for a basic sector

1 company;

2 (ii) a certified regional development corporation or a tribal government include:

3 (A) support for business improvement districts and central business district redevelopment;

4 (B) industrial development;

5 (C) feasibility studies;

6 (D) creation and maintenance of baseline community profiles; and

7 (E) matching funds for federal funds, including but not limited to brownfields funds and natural resource
8 damage funds.

9 (d) (i) The rules must provide for distribution methods for financial assistance available to local
10 governments and tribal governments. The rules must provide for distribution based upon the number of jobs
11 expected to be created because of the funding.

12 (ii) Funding may not exceed \$5,000 for each expected job, except that funding for a project in a
13 high-poverty county may not exceed \$7,500 for each expected job.

14 (iii) The rules must require equal matching funds for a grant or loan, except that the rules for a grant or
15 a loan in a high-poverty county may allow a 50% to 100% match requirement for the high-poverty county.

16 (e) The rules may provide for greater incentives for a high-poverty county.

17 (f) The rules must provide for the full or partial repayment of a grant if the new jobs or some of the new
18 jobs for which a grant is given are not created.

19 (g) A grant or loan under the big sky economic development program may be made only for a new job
20 that has an average weekly wage that meets or exceeds the lesser of 170% of Montana's current minimum wage
21 or the current average weekly wage of the county in which the employees are to be principally employed. For
22 purposes of this subsection (2)(g) and subject to subsection (2)(h), the department may consider the value of
23 employee benefits in determining whether the wage requirements have been met.

24 (h) Nothing in subsection (2)(g) exempts an employer from minimum wage requirements."

25
26 **NEW SECTION. Section 3. Notification to tribal governments.** The secretary of state shall send a
27 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
28 Chippewa tribe.

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30 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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