Schweitzer/Bohlinger "New Day" Economic Development Roadmap

"New Day" Economic Development Roadmap

- Business Assistance
- Infrastructure Incentives
- Small Business Incentives
- Marketing & Recruitment
- Targeted Industry Incentives
- Indian Economic Development
- Workforce Training Incentives
- Economic Development Capital
- Economic Development Capacity Building

Business Assistance

- Marketing Assistance Program (Part of $400,000 per year in Made in Montana Appropriation to Department of Commerce – HB 2)
- NxLevel Training Program Expansion (Part of $400,000 per year in Made in Montana Appropriation to Department of Com
- State Main Street Program – (HB 481 & $125,
  to Department of Commerce)

Economic Affairs Committee Meeting
June 24, 2005

Exhibit #5

Infrastructure Incentives

- Aerospace Infrastructure Bonding Improvements – (HB 493)
- Technology Tax Increment Districts – (SB 167)
- Rail Service Competition Council – (HB 769)
- Rail Branch Line Revolving Loan Fund – (HB 757)

Small Business Incentives

- Increase Threshold Exemption for Business Equipment Tax to $20,000, exempting 13,000+ small businesses from business equipment taxes (44% of those now paying) – (SB 48, which also eliminates the trigger that would have lead to an $80 million per year tax shift to homeowners and commercial businesses)
- State Main Street Program – (HB 481 & $125,000 per year appropriations in HB 2 to Department of Commerce)
- Made in Montana Program – (SB 329 & $400,000 per year appropriations in HB 2 to Department of Commerce)
- Tax Credit and Purchasing Pools for Health Care Insurance for Companies with Fewer than 10 employees – (HB 667)

Marketing & Recruitment

- Marketing Montana Program in Governor's Office of Economic Opportunity Appropriation (Share of $300,000 per year GOEO Appropriation – HB 2)
- Business Recruitment Program in Governor's Office of Economic Opportunity Appropriation (Share of $300,000 per year GOEO Appropriation – HB 2)
- Land Information Act (SB 98, creates information vehicle for recruitment information)

Targeted Industry Incentives

- Big Sky on the Big Screen Film Industry Tax Credit – (HB 584 with tax credits -- 12% on Montana labor and 8% on various Montana expenses related to film-making here)
- Ethanol Incentives – (SB 293 -- 15% gas tax reduction for distributors; 20 cents per gallon incentive for up to 10 million gallons for Montana ethanol production using Montana products; mandated market once 40 million gallons are produced in Montana; Board of Investments Value-added loan program adapted for ethanol facilities)
- Wind Energy Incentives – (SB 415 – a market of sorts is created by the requirement that a percentage of energy portfolio must by wind and other alternative energy sources)
- Bio-diesel Incentives – (HB 776 -- sale & production tax credits)
- Aerospace Infrastructure Bonding Improvements – (HB 493)
- Technology Tax Increment Districts – (SB 167 – focuses on technology companies)

Indian Economic Development

- State-Tribal Economic Development Commission, Extend for 4 more years and fund with $120,000 carryover – HB 18)
- Indian Country Economic Development Program ($500,000 per year to Department of Commerce – HB 2)
- Appointed first "non-acting" Coordinator of Indian Affairs in 3 years (Position previously left vacant for 3 years) and significantly increase salary to begin to be comparable to other cabinet members
- Hired Indian Economic Development Specialist as part of staff in Governor's Office of Economic Opportunity

Workforce Training Incentives

- Allocate $5 million to "Job-Related" New Worker Training – (HB 271, supplemental appropriation & HB 2 appropriations to Department of Commerce)
- Integrate "Job-Related" New Worker Training into Department of Commerce to coordinate with other economic development efforts – (HB 270)

Economic Development Capital

- Big Sky Economic Development Trust Fund – (nearly $3 million this biennium – to grow for 20 years before being capped -- HB 249)
- Board of Investments Venture Capital Approach (no legislation required)
- Fund of Funds Venture Capital Bill – (SB 133)
- Preserving Urban Renewal and TIFID Revolving Loan Funds – (SB 345)
- Angel Network Coordination – (SJR 3)
- Aerospace Bonding Improvements – (HB 493)
- Rail Branch Line Revolving Loan Fund – (HB 757)
- Technology Tax Increment Districts – (SB 167)

Economic Development Capacity Building

- Big Sky Economic Development Trust Fund Big Sky Economic Development Trust Fund – (Nearly $750,000 this biennium for capacity building – to grow for 20 years before being capped -- HB 249)
- State Main Street Program – (HB 481 & $125,000 per year appropriations in HB 2 to Department of Commerce)

Proposals That Did Not Pass

- Secondary Purchase by BOI at Lower Rates (SB 15)
- New & Expanding Industry Property Tax Incentives (SB 19)
- Exempting Local Economic Mill Levies from Spending Cap (HB 680)