

HOUSE BILL NO. 672
INTRODUCED BY J. WINDY BOY

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ECONOMIC DEVELOPMENT PROVISIONS TO DIRECT INTEGRATION OF ECONOMIC DEVELOPMENT AND INVESTMENTS ACTIVITIES WITH STATE PROGRAMS THAT PROVIDE PUBLIC ASSISTANCE AND WORK OPPORTUNITIES TO THE JOBLESS AND WORKING POOR IN ORDER TO ALLOW THOSE INDIVIDUALS TO BECOME MORE SELF-SUFFICIENT; RETAINING PROVISIONS REGARDING ECONOMIC DEVELOPMENT ACTIVITIES AND TRIBAL RELATIONS; AMENDING SECTIONS 2-15-218, 5-5-223, 5-5-225, 7-14-1104, 17-5-1502, 17-6-305, 17-6-309, 90-1-105, 90-1-112, 90-1-113, AND 90-1-114, MCA, SECTION 19, CHAPTER 512, LAWS OF 1999, AND SECTION 5, CHAPTER 69, LAWS OF 2001; AND PROVIDING A TERMINATION DATE."

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

Section 1. Section 2-15-218, MCA, is amended to read:

"2-15-218. Office of economic development -- structure. (1) There is an office of economic development within the office of the governor.

(2) The head of the office is the chief business development officer, who must be appointed by the governor.

(3) The office of economic development is composed of the following policy and program specialties:

- (a) business retention and recruitment;
- (b) workforce development;
- (c) technology development;
- (d) infrastructure improvement; ~~and~~
- (e) permitting and regulatory processes; and

(f) integration of state economic development program efforts with those of state programs that provide public assistance or work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.

(4) The office may employ or contract with policy specialists to implement the programs listed in subsection (3) and the functions referred to in 2-15-219.

(5) The office may accept grants, loans, and other gifts from sources other than the state for the purpose

of administering the provisions of 2-15-219, 90-1-112 through 90-1-114, and this section."

Section 2. Section 5-5-223, MCA, is amended to read:

"5-5-223. Economic affairs interim committee. (1) The economic affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the following executive branch agencies and the entities attached to agencies for administrative purposes:

- ~~(1)~~(a) department of agriculture;
- ~~(2)~~(b) department of commerce;
- ~~(3)~~(c) department of labor and industry;
- ~~(4)~~(d) department of livestock;
- ~~(5)~~(e) department of public service regulation;
- ~~(6)~~(f) office of the state auditor and insurance commissioner; and
- ~~(7)~~(g) office of economic development.

(2) The economic affairs interim committee, in conjunction with the children, families, health, and human services interim committee, shall monitor the integration of state economic development program efforts with those of state programs that provide public assistance and work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state."

Section 3. Section 5-5-225, MCA, is amended to read:

"5-5-225. Children, families, health, and human services interim committee. (1) The children, families, health, and human services interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of public health and human services and the entities attached to the department for administrative purposes.

(2) The children, families, health, and human services interim committee, in conjunction with the economic affairs interim committee, shall monitor the integration of state economic development program efforts with those of state programs that provide public assistance and work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state."

Section 4. Section 7-14-1104, MCA, is amended to read:

"7-14-1104. Purpose -- public and governmental functions. (1) The purposes of a port authority are to:

(a) promote, stimulate, develop, and advance the general welfare, commerce, economic development, and prosperity of its jurisdiction and of the state and its citizens;

(b) endeavor to increase the volume of commerce within the jurisdiction of the port authority and the state through planning, advertising, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, and protection of transportation, storage, or other facilities that promote the safe, efficient, and economical handling of commerce;

(c) cooperate and act in conjunction with other organizations, public or private, in the development of commerce, industry, manufacturing, services, natural resources, agriculture, livestock, recreation, tourism, health care, and other economic activity in the state;

(d) support the creation, expansion, modernization, retention, and relocation of new and existing businesses and industry in the state and otherwise stimulate, assist in, and support the growth of all kinds of economic activity that will tend to promote commerce and business development, maintain the economic stability and prosperity of its jurisdiction and of the state, and thus integrate state economic development program efforts with those of state programs that provide public assistance and work opportunities to persons who are jobless or to the working poor in order to provide maximum opportunities for self-sufficiency, employment, and improvement in the standard of living of citizens of the state.

(2) The acquisition of any land or interest in land pursuant to this part, the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, and protection of port authority facilities, and the exercise of any powers granted to port authorities and other public agencies to be severally or jointly exercised are public and governmental functions, exercised for a public purpose, and matters of public necessity. All land and other property and privileges acquired and used by or on behalf of any authority or other public agency, as provided in this part, must be used for public and governmental purposes and as a matter of public necessity. A port authority may pledge, lease, sell, or mortgage all or any part of its facilities to secure bonds under this part as provided in 7-14-1133."

Section 5. Section 17-5-1502, MCA, is amended to read:

"17-5-1502. Legislative declaration. (1) It is the policy of the state of Montana, in the interest of promoting the health, safety, and general welfare of all the people of the state, to increase job opportunities and to retain existing jobs by making available, through the board of investments, funds for industrial, commercial,

manufacturing, natural resource, agricultural, livestock, recreational, tourist, and health care development.

(2) The legislature finds that:

(a) a vigorous, diversified, and growing economy is the basic source of job opportunities;

(b) protection against unemployment and its economic burdens and the spread of economic stagnation can best be provided by promoting, attracting, stimulating, and revitalizing a diversified economy with contributions from industry, manufacturing, commerce, natural resource development, agriculture, livestock, recreation, tourism, and health care facilities; ~~and~~

(c) the state of Montana has a responsibility to help create a favorable climate for new and improved job opportunities and a stable, growing, and healthy economy for its citizens by encouraging the development of business; and

(d) integration of state economic development program efforts with those of state programs that provide public assistance and work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state is an important element of economic development."

Section 6. Section 17-6-305, MCA, is amended to read:

"17-6-305. Investment of up to twenty-five percent of coal tax trust fund in Montana economy -- report by board. (1) Subject to the provisions of 17-6-201(1), the board shall endeavor to invest up to 25% of the permanent coal tax trust fund established in 17-6-203(6) in the Montana economy, with special emphasis on investments in new or expanding locally owned enterprises and enterprises that expand work opportunities for the jobless and the working poor in order to promote self-sufficiency. Investments made pursuant to this section do not include investments made pursuant to 17-6-309(2). For purposes of calculating the 25% of the permanent coal tax trust fund, the board shall include all funds listed in 17-5-703(1). The portion of the permanent coal tax trust fund contained in portfolios formerly administered by the Montana board of science and technology development is included in the 25% of the trust fund allocated to the board for in-state investment under this section.

(2) In determining the probable income to be derived from investment of this revenue, the long-term benefit to the Montana economy must be considered.

(3) The legislature may provide additional procedures to implement this section.

(4) The board shall include a report on the investments made under this section as a part of the information required by 17-7-111."

Section 7. Section 17-6-309, MCA, is amended to read:

"17-6-309. Investment preferences. (1) Subject to the provisions of subsection (2), in deciding which of several investments of equal or comparable security and return are to be made when sufficient funds are not available to fund all possible investments, the board shall give preference to the business investments that:

(a) assist employee-owned enterprises in providing new jobs or in preserving existing jobs for Montana residents or in otherwise contributing to the long-term benefit of the Montana economy, including raising the per capita income of Montana jobholders;

(b) are for locally owned enterprises that are either expanding or establishing new operations;

(c) provide jobs that will be substantially filled by current Montana residents as opposed to providing jobs that will be filled by nonresidents coming into the state to fill ~~such~~ the jobs;

(d) maintain and improve a clean and healthful environment, with emphasis on energy efficiency;

(e) encourage or benefit the processing, refining, marketing, and innovative use and promotion of Montana's agricultural products; ~~or~~

(f) benefit small- and medium-sized businesses as defined in rules adopted by the board; or

(g) integrate state economic development program efforts with those of state programs that provide public assistance and work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.

(2) The board may make a loan to enhance economic development and create jobs in the basic sector of the economy, as defined by the board by rule, if the loan will result in the creation of a business estimated to employ at least 15 people in Montana on a permanent, full-time basis or result in the expansion of a business estimated to employ at least an additional 15 people in Montana on a permanent, full-time basis or raise salaries, wages, and business incomes of existing employees and employers."

Section 8. Section 90-1-105, MCA, is amended to read:

"90-1-105. Functions of department of commerce -- economic development. The department of commerce shall:

(1) provide coordinating services to aid state and local groups and Indian tribal governments in the promotion of new economic enterprises and conduct publicity and promotional activities in connection with new economic enterprises;

(2) collect and disseminate information regarding the advantages of developing agricultural, recreational, commercial, and industrial enterprises within this state;

(3) serve as the state's official liaison between persons interested in locating new economic enterprises in Montana and state and local groups and Indian tribal governments seeking new enterprises;

(4) aid communities and Indian tribal governments interested in obtaining new business or expanding existing business;

(5) study and promote means of expanding markets for Montana products;

(6) encourage and coordinate public and private agencies or bodies in publicizing the facilities and attractions of the state;

(7) explore the use of cooperative agreements, as provided in Title 18, chapter 11, part 1, for the promotion and enhancement of economic opportunities on the state's Indian reservations; and

(8) assist [the state-tribal economic development commission established in 90-1-131] in:

(a) identifying federal government and private sector funding sources for economic development on Indian reservations in Montana; and

(b) fostering and providing assistance to prepare, develop, and implement cooperative agreements, in accordance with Title 18, chapter 11, part 1, with each of the tribal governments in Montana.

(9) integrate state economic development program efforts with those of state programs that provide public assistance and work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state. (~~Subsection (8) terminates June 30, 2005--sec. 5, Ch. 69, L. 2001.~~)"

Section 9. Section 90-1-112, MCA, is amended to read:

"90-1-112. Policy -- purpose. (1) It is the policy of this state to:

(a) strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability;

(b) cooperate with business enterprises, local governments, other public organizations, and the federal government and use all practical means and measures, including financial and technical assistance, to:

(i) establish an economic climate in which the state's natural resources and agricultural operations remain constant contributors to the state's economic welfare;

(ii) articulate a coherent economic development vision for the future; and

(iii) take a proactive role to ensure that Montana has the flexibility and resources to be an effective competitor in the changing global marketplace; and

(c) integrate state economic development program efforts with those of state programs that provide

public assistance or work opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.

(2) The purpose of 2-15-218, 2-15-219, and 90-1-112 through 90-1-114 is to provide a vision and a direction through the development of strategies and initiatives to ensure that the state's role in expanding the economy takes place in an orderly and effective manner."

Section 10. Section 90-1-113, MCA, is amended to read:

"90-1-113. Cooperation of state agencies. State agencies that have work opportunity and economic development responsibilities shall cooperate with the office of economic development and provide information, technical expertise, and other assistance when requested by the office of economic development."

Section 11. Section 90-1-114, MCA, is amended to read:

"90-1-114. Rulemaking authority. (1) The office of economic development shall adopt rules to implement the provisions of 2-15-218, 2-15-219, 90-1-112, 90-1-113, and this section. The rules must include but are not limited to:

- (a) criteria for providing assistance to communities; ~~and~~
- (b) coordinating economic development efforts among other state agencies, Montana tribal governments, private enterprise, federal agencies, and local governments; and
- (c) promoting integration of state economic development program efforts with those of state programs that provide public assistance and employment opportunities to persons who are jobless or to the working poor in order to promote self-sufficiency and especially to persons living in rural, tribal, and underserved areas of the state.

(2) The office may adopt rules necessary to administer the duties and responsibilities of the office."

Section 12. Section 19, Chapter 512, Laws of 1999, is amended to read:

"Section 19. Termination. ~~[This act] terminates [Sections 1 through 7 and 14] terminate June 30, 2004~~
2005."

Section 13. Section 5, Chapter 69, Laws of 2001, is amended to read:

"Section 5. Section 19, Chapter 512, Laws of 1999, is amended to read:

"Section 19. Termination. ~~[This act] terminates [Sections 1 through 7 and 14] terminate June 30, 2004~~

2005.""

NEW SECTION. **Section 14. Termination.** The bracketed language in 90-1-105(8) terminates June 30, 2005.

NEW SECTION. **Section 15. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell band of Chippewa.

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