

HOUSE BILL NO. 286
INTRODUCED BY S. AUGARE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INCENTIVES UNDER THE BIG SKY ECONOMIC DEVELOPMENT PROGRAM TO ASSIST HIGH-POVERTY COUNTIES IN WORKFORCE TRAINING AND OTHER ECONOMIC DEVELOPMENT OPPORTUNITIES; AMENDING SECTIONS 90-1-201, 90-1-202, AND 90-1-204, MCA; AND PROVIDING AN 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) "High-poverty county" means a county in this state in which 20% or more of people of all ages are in poverty as determined by the U.S. census bureau's small area income and poverty estimates for the most current year available.

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

Section 2. Section 90-1-202, MCA, is amended to read:

"90-1-202. Purpose. The legislature finds and declares that economic development is a public purpose. The purpose of the big sky economic development program is to assist in economic development for Montana that will:

- (1) create good-paying jobs for Montana residents;
- (2) promote long-term, stable economic growth in Montana;
- (3) encourage local economic development organizations;
- (4) create partnerships between the state, local governments, and local economic development organizations that are interested in pursuing these same economic development goals;
- (5) retain or expand existing businesses; ~~and~~
- (6) provide a better life for future generations through greater economic growth and prosperity in Montana; and
- (7) encourage workforce development, including workforce training and job creation, in high-poverty counties by providing targeted assistance."

Section 3. Section 90-1-204, MCA, is amended to read:

"90-1-204. Priorities for funding -- rulemaking. (1) The department must receive proposals for grants and loans from local governments. A local government shall work with an economic development organization on a proposal. The department shall work with the local government and the economic development organization in preparing cost estimates for a proposed project. In reviewing proposals, the department may consult with other state agencies with expertise pertinent to the proposal.

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

(b) For high-poverty counties, the department shall employ an approach pertaining to the use of funds

that is intended to lower poverty levels in the county to a percentage at which the county no longer is defined as a high-poverty county.

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

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

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

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

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

(ii) a certified regional development corporation include:

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

(B) industrial development;

(C) feasibility studies;

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

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

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

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

(iii) The rules must require equal matching funds for a grant or loan, except that the rules for a grant or a loan in a high-poverty county may allow a more advantageous match requirement for the high-poverty county.

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

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

~~(e)(g)~~ A grant or loan may be made only for a new job that has an average weekly wage that meets or exceeds the current average weekly wage of the county in which the employees are to be principally employed."

NEW SECTION. Section 4. 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.

NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2007.

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