

HOUSE BILL NO. 451  
INTRODUCED BY J. FRENCH

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A SMALL TOWN RENEWAL PROGRAM IN THE DEPARTMENT OF COMMERCE; PROVIDING REQUIREMENTS FOR APPLICANTS; PROVIDING CRITERIA FOR AWARDING GRANTS; PROVIDING RULEMAKING AUTHORITY; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, many of Montana's towns with a population of less than 2,500 have sound buildings that are currently unused and could provide excellent space for various community purposes after appropriate renovation and rehabilitation; and

WHEREAS, creating a program to encourage the use and reuse of sound buildings in need of renovation and rehabilitation in Montana's small towns with state appropriated funds will generate an equal amount of leveraged funds from the federal government, foundations and endowments, and the private sector; and

WHEREAS, it is anticipated that these other leveraged funds will add an additional \$1 million each year into Montana's small towns with populations of less than 2,500.

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

**NEW SECTION. Section 1. Small town renewal program -- requirements for applicants.** (1) There is a small town renewal program in the department of commerce.

(2) The purpose of the program is to encourage the adaptive reuse of sound buildings for other worthwhile community purposes in small towns with a population of less than 2,500, to revitalize local business districts, and to encourage private sector reinvestment.

(3) The department shall develop an application process for local governments to apply for grants to acquire, lease, or rehabilitate buildings for public purposes or to apply on behalf of private nonprofit entities for purposes that would benefit the public. Public purposes or purposes that would benefit the public include but are not limited to city halls, law enforcement centers, community centers, senior centers, mental health or medical clinics, tourism information centers, or museums.

(4) Applications may be submitted by cities, towns, counties, or tribal governments on behalf of unincorporated communities with a population of less than 2,500.

(5) (a) Applicants must provide \$1 in matching funds, either in cash or in-kind services, for each \$4 of program funds requested.

(b) The applicant local government or nonprofit entity shall commit to assume maintenance responsibility for the structure for a minimum 10-year period.

(c) Applicants may be allowed to arrange a long-term lease on a building or purchase the building.

(d) Buildings that are rehabilitated are subject to any state building codes and any special requirements related to the presence of asbestos or lead-based paint.

**NEW SECTION. Section 2. Competitive grants -- criteria -- rulemaking authority.** (1) The maximum grant award allowed is \$60,000, requiring \$15,000 in local matching funds.

(2) Funds must be awarded on a competitive basis. Applications must be judged on the following criteria, including but not limited to:

(a) the applicant's need for financial assistance;

(b) the extent to which the building use would benefit public health or safety;

(c) the soundness of the structure and the capacity for cost-effective rehabilitation as demonstrated in documentation as required by the department by rule;

(d) the potential for the project to encourage additional activity in the neighborhood or business district;  
and

(e) related efforts by the applicant to improve the physical appearance of the neighborhood or business district in which the building is located, including street plantings, street furniture, signage, sidewalk construction, or street lighting under the community transportation enhancement program.

(3) The department shall adopt the criteria to be used to award the grants by administrative rule.

**NEW SECTION. Section 3. 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 Chippewa tribe.

**NEW SECTION. Section 4. Codification instruction.** [Sections 1 and 2] are intended to be codified as an integral part of Title 90, chapter 1, part 1, and the provisions of Title 90, chapter 1, part 1, apply to [sections 1 and 2].

NEW SECTION. **Section 5. Appropriation.** There is appropriated the following amounts from the general fund to the department of commerce for the purposes of the small town renewal program provided in [sections 1 and 2]:

FY 2008	\$966,775
FY 2009	\$963,266

NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2007.

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