

SENATE BILL NO. 15

INTRODUCED BY C. BOLAND

BY REQUEST OF THE LOCAL GOVERNMENT INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING FOR INFRASTRUCTURE COSTS FOR AFFORDABLE HOUSING PROJECTS; PROVIDING THAT BIG SKY ECONOMIC DEVELOPMENT PROGRAM FUNDS MAY BE USED FOR INFRASTRUCTURE COSTS OF AFFORDABLE HOUSING PROJECTS; PROVIDING THAT TREASURE STATE ENDOWMENT PROGRAM FUNDS MAY BE USED FOR INFRASTRUCTURE COSTS OF AFFORDABLE HOUSING PROJECTS; EXPANDING RULEMAKING AUTHORITY; AMENDING SECTIONS 90-1-204 AND 90-6-701, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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

"90-1-204. Priorities for funding -- rulemaking. (1) Under the big sky economic development program provided for in 90-1-201, the department must receive proposals for grants and loans from local governments and tribal 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 or with an applicant tribal government 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.

(c) The rules must provide for the types of uses of funds available under the big sky economic

1 development program. The types of uses of funds by:

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

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

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

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

7 (D) infrastructure costs of housing for low-income or moderate-income households as those terms are
8 defined in 90-6-132;

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

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

11 (B) industrial development;

12 (C) feasibility studies;

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

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

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

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

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

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

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

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

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

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3 **Section 2.** Section 90-6-701, MCA, is amended to read:

4 **"90-6-701. Treasure state endowment program created -- definitions.** (1) (a) There is a treasure
5 state endowment program that consists of:

6 (i) the treasure state endowment fund established in 17-5-703;

7 (ii) the infrastructure portion of the coal severance tax bond program provided for in 17-5-701(2).

8 (b) The treasure state endowment program may borrow from the board of investments to provide
9 additional financial assistance for local government infrastructure projects under this part, provided that no part
10 of the loan may be made from retirement funds.

11 (2) Interest from the treasure state endowment fund and from proceeds of the sale of bonds under
12 17-5-701(2) may be used to provide financial assistance for local government infrastructure projects under this
13 part, to provide funding to the department of commerce for the administrative costs of the treasure state
14 endowment program, and to repay loans from the board of investments.

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

16 (a) "Infrastructure projects" means:

17 (i) drinking water systems;

18 (ii) wastewater treatment;

19 (iii) sanitary sewer or storm sewer systems;

20 (iv) solid waste disposal and separation systems, including site acquisition, preparation, or monitoring;

21 or

22 (v) bridges; or

23 (vi) infrastructure costs of housing for low-income or moderate-income households as those terms are
24 defined in 90-6-132.

25 (b) "Local government" means an incorporated city or town, a county, a consolidated local government,
26 a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in
27 75-6-304.

28 (c) "Treasure state endowment fund" means the coal severance tax infrastructure endowment fund
29 established in 17-5-703(1)(b).

30 (d) "Treasure state endowment program" means the local government infrastructure investment program

1 established in subsection (1).

2 (e) "Tribal government" means a federally recognized Indian tribe within the state of Montana."

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4 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2019.

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