

**Amendment - 1st Reading/2nd House-blue - Requested by: Steve Fitzpatrick - (S) Business, Labor, and Economic Affairs**

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0819.002.004

1 HOUSE BILL NO. 819

2 INTRODUCED BY P. GREEN, F. SMITH, J. READ, E. MCCLAFFERTY, M. CAFERRO, S. STEWART

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9

10 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE MONTANA COMMUNITY

11 REINVESTMENT PLAN; PROVIDING FOR DONATIONS TO THE MONTANA COMMUNITY REINVESTMENT

12 PLAN THAT PROVIDES FUNDING FOR ATTAINABLE WORKFORCE HOUSING; PROVIDING FOR A TAX

13 CREDIT FOR DONATIONS TO THE PROGRAM; PROVIDING FOR DISTRIBUTION OF THE FUNDS TO

14 COMMUNITY REINVESTMENT ORGANIZATIONS; PROVIDING FOR COMMUNITY REINVESTMENT

15 ORGANIZATION REQUIREMENTS; PROVIDING FOR STATE WORKFORCE HOUSING INCENTIVE

16 REVOLVING ACCOUNTS; CREATING THE MONTANA HOUSING INFRASTRUCTURE REVOLVING

17 ACCOUNT IN THE STATE SPECIAL REVENUE FUND TYPE; PROVIDING FOR DUTIES FOR THE BOARD

18 OF INVESTMENTS; PROVIDING ELIGIBILITY REQUIREMENTS FOR THE USE OF FUNDS; PROVIDING

19 FOR DEED RESTRICTIONS; PROVIDING FOR PLANNING GRANTS FROM THE DEPARTMENT OF

20 COMMERCE; AUTHORIZING ADDITIONAL FUNDING FOR LOW-INCOME AND MODERATE-INCOME

21 HOUSING LOANS FROM THE PERMANENT COAL TAX TRUST FUND; AMENDING TERMS OF LOANS;

22 PROVIDING ADDITIONAL FUNDING FOR STATE WORKFORCE HOUSING; REQUIRING COMMUNITY

23 REINVESTMENT ORGANIZATIONS TO PROCURE MATCHING FUNDS; PROVIDING FOR A MONTANA

24 COMMUNITY REINVESTMENT COMMISSION; PROVIDING DEFINITIONS; PROVIDING RULEMAKING

25 AUTHORITY; PROVIDING FOR A TRANSFER TRANSFERS OF FUNDS; PROVIDING A AN STATUTORY

26 APPROPRIATION APPROPRIATIONS; AMENDING SECTIONS AMENDING SECTIONS 17-6-308 AND 90-6-

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1 137, MCA: 15-30-2303 AND 17-7-502, MCA; AND PROVIDING A ~~DELAYED~~ AN IMMEDIATE EFFECTIVE  
2 DATE.”

3  
4 WHEREAS, the availability of attainable workforce housing is critical to the well-being of individuals,  
5 communities, businesses, and organizations of all sizes, and the economy at large; and

6 WHEREAS, access to attainable workforce housing provides greater opportunities to realize the  
7 American dream, allows for more robust job creation, promotes a stronger economy, and is essential to  
8 ensuring our residents and future generations are able to live, work, and raise their families in the state; and

9 WHEREAS, driven by a shortage of housing supply, the state faces a crisis of attainable workforce  
10 housing that poses substantial challenges to hardworking Montanans, employers, communities, and the state's  
11 economic health; and

12 WHEREAS, between 2010 and 2020, the state's population growth of 9.6% outpaced the state's  
13 housing unit growth of 6.6%, and a substantial factor contributing to tight housing supply has been  
14 underbuilding of entry-level homes, which are in high demand but low supply; and

15 WHEREAS, it is in the public interest of our state, our communities, and our people to find solutions to  
16 the tight supply of attainable workforce housing; and

17 WHEREAS, the health and stability of the state is directly dependent on the health and stability of local  
18 economic regions that are struggling due to an inadequate workforce, which is creating concerns for negative,  
19 long-term consequences; and

20 WHEREAS, a diverse, capable workforce is essential to retain the economic vitality and prosperity of  
21 the state within the global marketplace; and

22 WHEREAS, the Montana Community Reinvestment Plan Act may generate ~~2,500~~ 500 attainable  
23 workforce housing dwellings allowing qualified individuals to achieve homeownership.

24

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

26

27 NEW SECTION. Section 1. Short title. [Sections 1 through ~~40~~ 8] may be cited as the "Montana

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1 Community Reinvestment Plan Act".

2

3 NEW SECTION. Section 2. Purpose. The legislature finds and declares the purpose of the Montana  
4 community reinvestment plan act is to begin to address housing needs and offer a regional, community-based  
5 solution to creating affordable, attainable workforce housing infrastructure in the state.

6

7 NEW SECTION. Section 3. Definitions. As used in [sections 1 through 40 8], the following  
8 definitions apply:

9 (1) "Attainable workforce housing" means housing of a cost that an eligible household would spend  
10 no more than 30% of gross monthly income for a mortgage payment, property taxes, and insurance.

11 (2) ~~"Commission" means the Montana community reinvestment commission established in [section~~  
12 ~~7].~~

13 (3)(2) "Community reinvestment organization" means the regional entity or entities established in  
14 [section 8 6].

15 (4) ~~"Contribution credit" means the tax credit available to taxpayers in exchange for a contribution~~  
16 ~~to the Montana community reinvestment contribution account provided for in [section 6 ].~~

17 (3) "COMMUNITY REINVESTMENT ORGANIZATION REVOLVING ACCOUNT" OR "CRO REVOLVING ACCOUNT"  
18 MEANS A RESTRICTED ACCOUNT ESTABLISHED BY EACH COMMUNITY REINVESTMENT ORGANIZATION.

19 (5)(4) "Department" means the department of revenue COMMERCE, unless specifically stated  
20 otherwise.

21 (6)(5) "Eligible household" means a household earning between 60% and 140% of median household  
22 income for the county in which the person resides or the state, whichever is less.

23 (7)(6) "Montana community reinvestment ~~contribution-PLAN~~ account" means the account in the state  
24 special revenue fund and any subaccounts established pursuant to [section 5].

25 (8) ~~"Procurement account" means a restricted account established by each community~~  
26 ~~reinvestment o rganization pursuant to [section 9].~~

27 (9)(7) "Program" means the Montana community reinvestment plan.

1  
2           **NEW SECTION. Section 4. Montana community reinvestment plan.** (1) There is a Montana  
3 community reinvestment plan that enables regional community reinvestment organizations to reduce the cost of  
4 housing to an affordable range for Montana's workforce. The program creates a deed-restricted housing  
5 inventory that becomes ~~a perpetual~~ attainable workforce housing infrastructure for employers, employees, and  
6 entire communities BY DISTRIBUTING MONEY TO COMMUNITY REINVESTMENT ORGANIZATIONS THAT INVEST THE FUNDS  
7 BY BUYING DOWN THE COSTS OF MORTGAGES FOR ELIGIBLE HOUSEHOLDS.

8           ~~(2) — The program is funded with taxpayer donations provided for in [section 6(3)] to the Montana~~  
9 ~~community reinvestment contribution account and matching funds required in [section 9(4)].~~

10  
11           **NEW SECTION. Section 5. Montana community reinvestment ~~contribution~~ PLAN account.** (1)

12 There is an account in the state special revenue fund established by 17-2-102 known as the Montana  
13 community reinvestment ~~contribution~~ PLAN account. The purpose of the account is to fund the establishment of  
14 affordable, attainable workforce housing infrastructure in the state.

15           ~~(2) — The account consists of contributions to the Montana community reinvestment plan pursuant to~~  
16 ~~[ section 4 ].~~

17           ~~(3)(2) (a) Money in the account must be used by the department for the purpose of administering the~~  
18 ~~provisions of [sections 1 through 10]. The department may use 1% of annual contributions for costs incurred by~~  
19 ~~the department in administering the program.~~

20           ~~(b) — (i) Except as provided in [section 9(6)], after subtracting administrative costs and subject to~~  
21 ~~subsection (3)(b)(ii), the department shall distribute by October 1 annually the money in the account to~~  
22 DISTRIBUTED BY THE DEPARTMENT TO community reinvestment organizations based on the percentage of the  
23 combined county gross domestic product within the regional boundaries of the organization to that of the state  
24 gross domestic product.

25           ~~(ii) — If the procurement account cash balance of a community reinvestment organization does not~~  
26 ~~meet the requirements of [section 9(4)], the money allocated to that community reinvestment organization must~~  
27 ~~be distributed proportionally to the remaining community reinvestment organizations participating in the~~

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1 program. The cash balances in the procurement accounts of the remaining community reinvestment  
2 organization s must meet the requirements of [section 9(4)].

3 (4) — Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for  
4 the purposes described in subsection (3). Money in the account is not subject to legislative fund transfers.

5

6 NEW SECTION. Section 6. — Montana community reinvestment contribution credit --

7 **eligibility -- rulemaking.** (1) A taxpayer is allowed a credit against the taxes that are otherwise due under Title

8 15, chapter 30 or chapter 31, for a contribution to the Montana community reinvestment plan provided for in

9 [section s 1 through 10 ]. The credit is equal to \$1 for every 95 cents contributed. The credit may not be

10 refunded if the taxpayer has a tax liability less than the amount of the credit. If the amount of credit exceeds the

11 taxpayer's tax liability for the current tax year, the excess may be carried back 1 tax year.

12 (2) — (a) If the credit allowed under this section is claimed by a small business corporation, a pass-

13 through entity, or a partnership, the credit must be attributed to shareholders, owners, or partners using the

14 same proportion as used to report the entity's income or loss.

15 (b) — A donation by an estate or trust qualifies for the contribution credit. Any credit not used by the

16 estate or trust may be attributed to each beneficiary of the estate or trust in the same proportion used to report

17 the beneficiary's income from the estate or trust for Montana income tax purposes.

18 (3) — The department shall issue contribution credits annually in exchange for certified taxpayer

19 contributions to the Montana community reinvestment contribution account. Credits must be issued during the

20 first quarter of each fiscal year and are subject to the total credit limit provided for in this subsection. The

21 department shall issue tax credit certifications as provided in this section and shall announce the availability of

22 the credits 30 days prior to their availability. Total credits issued annually may not exceed \$28,750,000.

23 (4) — Subject to the limit provided for in subsection (3), on receipt of a contribution the department

24 shall issue to the taxpayer certification of the amount certified for credit under this section.

25 (5) — The department shall deposit certified taxpayer contributions in the Montana community

26 reinvestment contribution account provided for in [section 5].

27

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1           ~~NEW SECTION. Section 7. — Montana community reinvestment commission.~~ (1) There is a  
2 Montana community reinvestment commission administratively attached to the department of revenue.

3           ~~(2) — The commission shall certify eligible community reinvestment organizations and provide~~  
4 ~~oversight of their compliance with the requirements provided for in [sections 8 and 9].~~

5           ~~(3) — The commission consists of five members appointed by the governor and selected from~~  
6 ~~applicants from around the state taking into account geographic and population diversity. Appointments must~~  
7 ~~be made without regard to political affiliation and must be made solely for the stewardship of state resources~~  
8 ~~and the implementation of the program. A person may not be appointed to the commission unless the person is~~  
9 ~~informed or interested and experienced in the subjects of economic development, human resources, housing,~~  
10 ~~finance, or development.~~

11           ~~(4) — The department shall appoint a nonvoting member to the commission to provide information~~  
12 ~~and guidance relative to issues under the department's purview.~~

13           ~~(5) — (a) Except as provided in subsection (5)(b), members are appointed to a term of 4 years and~~  
14 ~~may serve no more than two consecutive 4-year terms.~~

15           ~~(b) — The initial appointees must have staggered terms in order that two of the members serve an~~  
16 ~~initial 2-year term. An initial member serving a 2-year term may serve two additional full terms, for a total of 10~~  
17 ~~years.~~

18           ~~(6) — The commission shall make recommendations to the department regarding any oversight rules~~  
19 ~~necessary for the certification of community reinvestment organizations and for the use of foreclosure mitigation~~  
20 ~~set-aside funds provided for in [section 9(5)].~~

21  
22           ~~NEW SECTION. Section 6. Community reinvestment organizations.~~ (1) A community  
23 reinvestment organization meeting the requirements of [section 9 7] may be established no later than  
24 December 31, 2024.

25           ~~(2) There may be a maximum of 45~~ 16 community reinvestment organizations in the state.

26           ~~(3) The geographic boundaries of each community reinvestment organization must be the same as~~  
27 ~~SIMILAR TO~~ the boundaries determined by the department of commerce for certified regional development

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1 corporations provided for in 90-1-116, ~~in which an established certified regional development corporation exists.~~  
2 REGIONS NOT INCLUDED IN THE DESCRIBED BOUNDARIES MAY ESTABLISH COMMUNITY REINVESTMENT ORGANIZATIONS  
3 UP TO THE MAXIMUM NUMBER ALLOWED IN SUBSECTION (2). THE CERTIFIED REGIONAL DEVELOPMENT CORPORATION  
4 MAY CHOOSE TO CREATE AND MANAGE A REGION'S COMMUNITY REINVESTMENT ORGANIZATION BUT IS NOT REQUIRED TO  
5 SERVE AS THAT REGION'S COMMUNITY REINVESTMENT ORGANIZATION.

6 (4) Counties that are not within the boundaries of an existing certified regional development  
7 corporation region may participate in a neighboring community reinvestment organization or create a  
8 community reinvestment organization that includes one or more ~~other~~ counties not within an existing certified  
9 regional development corporation subject to the limit provided in subsection (2).

10 (5) Each county wishing to participate in the program shall make an affirmative decision to  
11 participate by joining a community reinvestment organization. Counties that do not join a community  
12 reinvestment organization are ineligible to participate in the program. A COUNTY MAY ONLY PARTICIPATE IN ONE  
13 COMMUNITY REINVESTMENT ORGANIZATION.

14 (6) ~~(a) To participate in the program and join an established community reinvestment organization,~~  
15 a A participating county ~~shall is encouraged to~~ enact local ordinances that provide for an expedited  
16 development and construction review process with priority for attainable workforce housing.

17 ~~(b) An incorporated city, consolidated city-county, or county governed by ordinances that do not~~  
18 ~~meet the criteria of subsection (6)(a) is not eligible for the program to be administered within the legal or~~  
19 ~~jurisdictional boundaries of the incorporated city, consolidated city-county, or county.~~

20 (7) To be certified by the ~~Montana community reinvestment commission provided for in [section 7]~~  
21 DEPARTMENT chief business development officer provided for in 2-15-219, a community reinvestment  
22 organization shall provide the information required by the ~~commission~~ DEPARTMENT chief business development  
23 officer AND [SECTION 7] by January 15, 2025.

24 (8) ~~A community reinvestment organization certified by the Montana community reinvestment~~  
25 ~~commission shall enter into an interagency agreement with the commission pursuant to [section 9(4)]. The~~  
26 ~~interagency agreement qualifies the community reinvestment organization to receive funding pursuant to [~~  
27 ~~section 5].~~

1

2 NEW SECTION. **Section 7. Community reinvestment organization requirements.** (1) A

3 community reinvestment organization shall meet the requirements of this section.

4 (2) A community reinvestment organization must be established as a federally recognized  
5 charitable organization under 26 U.S.C. 501(c)(3), ~~(c)(4)~~, or (c)(6).

6 (3) (a) Each community reinvestment organization shall create a ~~procurement~~ CRO REVOLVING  
7 account for the deposit and distribution of funds to participating counties within the community reinvestment  
8 organization's region.

9 (b) Community reinvestment organizations shall deposit into the CRO revolving account an equal  
10 amount of funds as those deposited from the Montana community reinvestment plan account prior to any plan  
11 dollars being used to buy down attainable workforce housing. Community reinvestment organization matching  
12 fund options include but are not limited to the use of the employer pool, local government investments, and the  
13 utilization of volume cap bonds.

14 (4) ~~Each community reinvestment organization shall procure matching funds. At the time of the~~  
15 ~~execution of the interagency agreement required by [section 8], the cash balance of a community reinvestment~~  
16 ~~organization's procurement account must be greater than or equal to 10 times the amount to be distributed~~  
17 ~~pursuant to [section 5 (3)].~~

18 ~~(5)(4)~~ (a) Money in a ~~procurement~~ CRO REVOLVING account must be used as follows:

19 (i) ~~99%~~ 95% OR MORE must be distributed to participating counties to be used to assist eligible  
20 households in purchasing attainable workforce housing as provided in this section; and

21 (ii) ~~4%-5% OR LESS~~ must be dedicated to STARTUP AND ADMINISTRATIVE COSTS OF THE COMMUNITY  
22 REINVESTMENT ORGANIZATION AND MAY BE USED TO CREATE a foreclosure mitigation set-aside fund ~~to be held~~  
23 ~~locally.~~

24 (b) Money in a ~~procurement~~ CRO REVOLVING account may not be used for preconstruction,  
25 development, or construction-related purposes.

26 (c) If a county elects not to participate in the program under [sections 1 through ~~40~~ 8], the money  
27 allocated to that county must be distributed proportionally to the remaining counties participating in the program



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1 within the same region as the nonparticipating county.

2 (6) An incorporated city, consolidated city-county, or county may ~~redirect state or federal funds to~~  
3 ~~the state to increase the limit on contribution credits provided for in [section 6]. Additional revenue generated~~  
4 ~~from the redirection of funds must be distributed to the community reinvestment organization procurement~~  
5 ~~account for the region containing the incorporated city, consolidated city-county, or county~~ CONTRIBUTE FUNDS  
6 TO ITS REGIONAL CRO REVOLVING ACCOUNT AS AN OPTIONAL LOCAL GOVERNMENT INVESTMENT.

7 (7) Money used from the ~~procurement~~ CRO REVOLVING account to assist an eligible household  
8 may not exceed 30% of the total purchase price.

9 (8) Housing purchased using money from the ~~procurement~~ CRO REVOLVING account must have a  
10 deed limitation restricting the future value of the home to be equal to the initial net consumer price at the time of  
11 purchase. The rate of appreciation on the deed-restricted home may not be greater than ~~0.5%~~ 1% a year.

12 (9) A COMMUNITY REINVESTMENT ORGANIZATION MUST COORDINATE LOCAL EMPLOYER PARTICIPATION IN  
13 A STATEWIDE EMPLOYER POOL.

14 (10) A COMMUNITY REINVESTMENT ORGANIZATION IS ENCOURAGED TO DEVELOP POLICIES TO SUPPORT  
15 HOMEOWNERS BUYING OUT THE DEED RESTRICTION SO THE REVOLVING ACCOUNT CAN BE UTILIZED TO BUY DOWN THE  
16 COST OF ADDITIONAL HOMES FOR OTHER ELIGIBLE HOUSEHOLDS.

17  
18 **NEW SECTION. Section 8. State workforce housing incentive to community reinvestment**  
19 **organizations.** (1) A community reinvestment organization established in [section 6] that contains communities  
20 in the county that have a population of 15,000 or less and are located within a 30-mile radius of a facility that  
21 houses at least 100 state inmates or behavioral health patients is eligible to apply for funds from the  
22 appropriation provided for in [section 20].

23 (2) The department shall allocate funds to applying and qualifying counties within community  
24 reinvestment organizations proportionally to the average number of state inmates or behavioral health patients  
25 in that facility in the fiscal year beginning July 1, 2021, and the number of employees in that county that work in  
26 the facilities that serve those inmates or patients.

27 (3) Each community reinvestment organization that receives state workforce housing incentive

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1 funds shall create a state workforce housing CRO revolving account for the deposit and distribution of funds to  
2 qualifying and participating counties within the community reinvestment organization's region.

3 (4) (a) Money in a state workforce housing CRO revolving account must be used as follows:

4 (i) 95% or more must be distributed to qualifying and participating counties to be used to assist  
5 eligible households in purchasing attainable workforce housing as provided in this section; and

6 (ii) 5% or less must be dedicated to startup and administrative costs of the community reinvestment  
7 organization and may be used to create a foreclosure mitigation set-aside fund to be held locally.

8 (b) Money in a state workforce housing CRO revolving account may not be used for  
9 preconstruction, development, or construction-related purposes.

10 (c) If a county elects not to participate in the program under [sections 1 through 9], the  
11 money allocated to that county must be distributed proportionally to the remaining counties qualifying and  
12 participating in the program within the same region as the nonparticipating county.

13 (5) An incorporated city, consolidated city-county, or county may contribute funds to its state  
14 workforce housing CRO revolving account as an optional local government investment or may receive matching  
15 funds from the workforce housing appropriation in [section 15].

16 (6) Money used from the state workforce housing CRO revolving account to assist an eligible  
17 household may not exceed 30% of the total purchase price.

18 (7) (a) Housing purchased using money from the state workforce housing CRO revolving account  
19 must have a deed limitation restricting the future value of the home to be equal to the initial net consumer price  
20 at the time of purchase. The rate of appreciation on the deed-restricted home may not be greater than 1% a  
21 year.

22 (b) Housing purchased using money from the state workforce housing CRO revolving account  
23 must have a deed limitation restriction to ensure that a resident of the housing is employed at a facility that, on  
24 an annual average, houses at least 100 state inmates or behavioral health patients and the facility is located in  
25 a county that has a population that does not exceed 15,000 inhabitants.

26 (8) A community reinvestment organization is encouraged to develop policies to  
27 support homeowners buying out the deed restriction so the revolving account can be utilized to buy down

1 the cost of additional homes for other eligible households.

2

3 **NEW SECTION. Section 9. USE OF STATE TRUST LANDS FOR ATTAINABLE HOUSING. WHERE STATE TRUST**

4 **LANDS ARE IN CLOSE PROXIMITY TO CITIES, TOWNS, OR COMMUNITIES:**

5 **(1) THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION SHALL UNDERTAKE AN EVALUATION**

6 **OF WHETHER THE LANDS COULD BE MADE AVAILABLE FOR USE AS LAND FOR POTENTIAL DEVELOPMENT OF ATTAINABLE**

7 **WORKFORCE HOUSING AS A PART OF THE MONTANA COMMUNITY REINVESTMENT PLAN; and**

8 **(2) each community reinvestment organization shall consider the use of state lands to support**

9 **critical public employee services, including attainable workforce housing as part of the Montana community**

10 **reinvestment plan.**

11

12 **NEW SECTION. Section 10. Rulemaking.** The department may adopt rules, prepare forms, and

13 maintain records that are necessary to implement and administer [sections 1 through 10 ].

14

15 **NEW SECTION. Section 11. Montana community reinvestment contribution credit allowed.**

16 There is a credit against tax liability under this chapter for a contribution to the Montana community

17 reinvestment plan provided for in [section 6].

18

19 **NEW SECTION. Section 12. Montana community reinvestment contribution credit allowed.**

20 There is a credit against tax liability under this chapter for a contribution to the Montana community

21 reinvestment plan provided for in [section 6].

22

23 **Section 13.** Section 15-30-2303, MCA, is amended to read:

24 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits

25 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10

26 years thereafter:

27 (a) — the credit for contractor's gross receipts provided for in 15-50-207; and

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- 1           ~~(b) — the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.~~
- 2           ~~(2) — The following tax credits must be reviewed during the biennium commencing July 1, 2021, and~~
- 3 ~~during each biennium commencing 10 years thereafter:~~
- 4           ~~(a) — the credit for donations to an educational improvement account provided for in 15-30-2334, 15-~~
- 5 ~~30-3110, and 15-31-158 ; and~~
- 6           ~~(b) — the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-~~
- 7 ~~30-3111, and 15-31-159.~~
- 8           ~~(3) — The following tax credits must be reviewed during the biennium commencing July 1, 2023, and~~
- 9 ~~during each biennium commencing 10 years thereafter:~~
- 10          ~~(a) — the credit for infrastructure use fees provided for in 17-6-316 ;~~
- 11          ~~(b) — the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-~~
- 12 ~~2329, 15-31-161, and 15-31-162 ; and~~
- 13          ~~(c) — the credit for property to recycle or manufacture using recycled material provided for in Title 15,~~
- 14 ~~chapter 32, part 6.~~
- 15          ~~(4) — The following tax credits must be reviewed during the biennium commencing July 1, 2025, and~~
- 16 ~~during each biennium commencing 10 years thereafter:~~
- 17          ~~(a) — the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151 ;~~
- 18          ~~(b) — the credit for unlocking state lands provided for in 15-30-2380 ;~~
- 19          ~~(c) — the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175 ; and~~
- 20          ~~(d) — the credit for trades education and training provided for in 15-30-2359 and 15-31-174.~~
- 21          ~~(5) — The following tax credits must be reviewed during the biennium commencing July 1, 2027, and~~
- 22 ~~during each biennium commencing 10 years thereafter:~~
- 23          ~~(a) — the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357~~
- 24 ~~and 15-31-173 ;~~
- 25          ~~(b) — the earned income tax credit provided for in 15-30-2318 ; and~~
- 26          ~~(c) — the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009 ;~~
- 27 ~~and~~

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1 ~~(d) — the Montana community reinvestment contribution credit provided for in [sections 11 and 12].~~

2 ~~(6) — The revenue interim committee shall review the tax credits scheduled for review and make~~  
3 ~~recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about~~  
4 ~~whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date~~  
5 ~~or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or~~  
6 ~~terminate.~~

7 ~~(7) — The revenue interim committee shall review the credits using the following criteria:~~

8 ~~(a) — whether the credit changes taxpayer decisions, including whether the credit rewards decisions~~  
9 ~~that may have been made regardless of the existence of the tax credit;~~

10 ~~(b) — to what extent the credit benefits some taxpayers at the expense of other taxpayers;~~

11 ~~(c) — whether the credit has out-of-state beneficiaries;~~

12 ~~(d) — the timing of costs and benefits of the credit and how long the credit is effective;~~

13 ~~(e) — any adverse impacts of the credit or its elimination and whether the benefits of continuance or~~  
14 ~~elimination outweigh adverse impacts; and~~

15 ~~(f) — the extent to which benefits of the credit affect the larger economy. (Subsection (4)(d)~~  
16 ~~terminates December 31, 2026 — sec. 7, Ch. 248, L. 2021; subsection (4)(c) terminates December 31, 2028 —~~  
17 ~~sec. 24(1), Ch. 550, L. 2021.)"~~

18

19 **Section 14.** Section 17-7-502, MCA, is amended to read:

20 **"17-7-502. — Statutory appropriations — definition — requisites for validity.** (1) A statutory  
21 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without  
22 the need for a biennial legislative appropriation or budget amendment.

23 (2) — Except as provided in subsection (4), to be effective, a statutory appropriation must comply with  
24 both of the following provisions:

25 (a) — The law containing the statutory authority must be listed in subsection (3).

26 (b) — The law or portion of the law making a statutory appropriation must specifically state that a  
27 statutory appropriation is made as provided in this section.

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1           (3) — The following laws are the only laws containing statutory appropriations: 2-17-105 ; 5-11-120 ;  
2 5- 11-407 ; 5-13-403 ; 5-13-404 ; 7-4-2502 ; 7-4-2924 ; 7-32-236 ; 10-1-108 ; 10-1-1202 ; 10-1-1303 ; 10-2-603  
3 ; 10-2- 807 ; 10-3-203 ; 10-3-310 ; 10-3-312 ; 10-3-314 ; 10-3-802 ; 10-3-1304 ; 10-4-304 ; 10-4-310 ; 15-1-121  
4 ; 15-1-218 ; 15-31-165 ; 15-31-1004 ; 15-31-1005 ; 15-35-108 ; 15-36-332 ; 15-37-117 ; 15-39-110 ; 15-65-121 ;  
5 15-70-101 ; 15- 70-130 ; 15-70-433 ; 16-11-119 ; 16-11-509 ; 17-3-106 ; 17-3-212 ; 17-3-222 ; 17-3-241 ; 17-6-  
6 101 ; 17-7-215 ; 18-11- 112 ; 19-3-319 ; 19-3-320 ; 19-6-404 ; 19-6-410 ; 19-9-702 ; 19-13-604 ; 19-17-301 ;  
7 19-18-512 ; 19-19-305 ; 19-19- 506 ; 19-20-604 ; 19-20-607 ; 19-21-203 ; 20-8-107 ; 20-9-534 ; 20-9-622 ; [ 20-  
8 15-328 ] ; 20-26-617 ; 20-26-1503 ; 22- 1-327 ; 22-3-116 ; 22-3-117 ; [ 22-3-1004 ] ; 23-4-105 ; 23-5-306 ; 23-5-  
9 409 ; 23-5-612 ; 23-7-301 ; 23-7-402 ; 30-10- 1004 ; 37-43-204 ; 37-50-209 ; 37-54-113 ; 39-71-503 ; 41-5-2011  
10 ; 42-2-105 ; 44-4-1101 ; 44-12-213 ; 44-13-102 ; 46-32-108 ; 50-1-115 ; 53-1-109 ; 53-6-148 ; 53-9-113 ; 53-24-  
11 108 ; 53-24-206 ; 60-5-530 ; 60-11-115 ; 61-3-321 ; 61- 3-415 ; 67-1-309 ; 69-3-870 ; 69-4-527 ; 75-1-1101 ;  
12 75-5-1108 ; 75-6-214 ; 75-11-313 ; 75-26-308 ; 76-13-150 ; 76- 13-151 ; 76-13-417 ; 76-17-103 ; 77-1-108 ; 77-  
13 2-362 ; 80-2-222 ; 80-4-416 ; 80-11-518 ; 80-11-1006 ; 81-1-112 ; 81- 1-113 ; 81-7-106 ; 81-7-123 ; 81-10-103 ;  
14 82-11-161 ; 85-2-526 ; 85-20-1504 ; 85-20-1505 ; [ 85-25-102 ] ; 87-1-603 ; 87-5-909 ; [section 5] ; 90-1-115 ;  
15 90-1-205 ; 90-1-504 ; 90-6-331 ; and 90-9-306.

16           (4) — There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined  
20 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have  
21 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the  
22 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement  
23 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410  
24 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental  
25 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on  
26 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117  
27 terminates June 30, 2025; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30,

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1 ~~2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025;~~  
2 ~~pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8,~~  
3 ~~Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec.~~  
4 ~~1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017,~~  
5 ~~the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-~~  
6 ~~209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates~~  
7 ~~June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June~~  
8 ~~30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; pursuant to~~  
9 ~~sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023; pursuant to secs. 1, 2, 3, Ch. 139,~~  
10 ~~L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion~~  
11 ~~of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004~~  
12 ~~terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30,~~  
13 ~~2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; and~~  
14 ~~pursuant to sec. 15, Ch. 574, L. 2021, the inclusion of 46-32-108 terminates June 30, 2023.) "~~  
15  
16

17 **NEW SECTION. Section 10. Montana housing infrastructure revolving loan fund account. (1)**

18 There is a Montana housing infrastructure revolving loan fund account within the state special revenue fund  
19 type established in 17-2-102 to the credit of the board of investments. Money deposited in the account  
20 established in this section must be invested by the board of investments as provided by law.

21 (2) The principal of the account may only be appropriated by a vote of two-thirds of the members  
22 of each house of the legislature.

23  
24 **NEW SECTION. Section 11. Purpose.** The purpose of the loans made and the bonds or other  
25 securities issued and purchased pursuant to [sections 10 through 14] are:

26 (1) to increase home ownership and provide more long-term rental opportunity;

27 (2) to increase housing supply and offer diverse housing types to meet the needs of population

1 growth; and

2 (3) to create partnerships between the state, local governments, private sector developers, and  
3 applicants for residential development to finance necessary infrastructure for housing.

4  
5 **NEW SECTION. Section 12. Terms.** The total amount of loans made to an entity for an infrastructure  
6 project pursuant to [section 14(1)] may not exceed:

7 (1) \$1 million; or

8 (2) 50% of the projected project cost.

9  
10 **NEW SECTION. Section 13. Eligibility -- priority.** (1) For the costs of an infrastructure project to be  
11 eligible to be paid by the proceeds of a loan or bonds or other securities of an eligible government unit as  
12 defined in 17-5-1604, the infrastructure project must provide for residential development at a minimum gross  
13 density of 10 units for each acre.

14 (2) Lending of at least \$7 million of available funds must be prioritized to counties that have a  
15 population of less than 15,000 inhabitants that are located within a 30-mile radius of a facility that, on an annual  
16 average, houses at least 100 state inmates or behavioral health patients, and the facility is located in a county  
17 that has a population that does not exceed 15,000 inhabitants.

18  
19 **NEW SECTION. Section 14. Financing by board of investments -- deed restrictions.** (1) The  
20 board of investments may make loans from the account established in [section 10] to an eligible government  
21 unit as defined in 17-5-1604 or an applicant for residential development to cover the costs of demolition or  
22 expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk infrastructure to  
23 serve new or rehabilitated residential development.

24 (2) The board of investments may purchase up to 50% of a bond or other security issued in  
25 accordance with state law by an eligible government unit as defined in 17-5-1604 to cover all or a portion of  
26 costs of expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk  
27 infrastructure to serve new or rehabilitated residential development at an interest rate to be determined by the



1 board of investments as an investment of the account established in [section 10].

2 (3) The board of investments shall:

3 (a) establish the terms and conditions of the loan, including the interest rate of the loan, with a  
4 term not to exceed 20 years;

5 (b) if an eligible government unit is the entity seeking a loan or issuing a bond or other security,  
6 require that the eligible government unit waive all impact fees for the developer or the amount of impact fees up  
7 to the amount of the loan or bond or other security, whichever amount is smaller;

8 (c) if an applicant for residential development is the entity seeking a loan, require that the applicant  
9 pay all impact fees due to the local government or the amount of impact fees up to the amount of the loan,  
10 whichever amount is smaller; and

11 (d) set policy requiring that housing built using infrastructure funded in part by a security pursuant  
12 to this section must contain a deed restriction to preserve long-term affordability of the housing that runs with  
13 the property for the term of the security.

14 (4) The board of investments shall include the amounts loaned and the status of all loans in the  
15 report required in 17-5-1650.

16  
17 **NEW SECTION. Section 15. Workforce housing appropriations -- eligible uses of funds. (1)**

18 There is appropriated \$12 million from the general fund to the board of investments for the biennium beginning  
19 July 1, 2023. The purpose of the funds is to advance the construction of workforce housing of employees who  
20 work at facilities that house state inmates or behavioral health patients.

21 (2) Funds must be distributed to those living in counties that have a population of less than 15,000  
22 inhabitants that are located within a 30-mile radius of a facility that, on an annual average, houses at least 100  
23 state inmates or behavioral health patients, and the facility is located in a county that has a population that does  
24 not exceed 15,000 inhabitants. The distribution must be made pro rata based on the annual average facility  
25 population for the fiscal year beginning July 1, 2021, and the number of workers residing in each eligible  
26 county.

27 (3) Eligible uses of the funds include:

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- 1 (a) buying down construction interest on employee housing;
- 2 (b) providing matching funds required pursuant to the state workforce housing community
- 3 reinvestment organization revolving loan fund;
- 4 (c) providing loans for up to 50% of the projected project cost of an eligible infrastructure project
- 5 pursuant to [section 13];
- 6 (d) providing funds to discount housing costs to employees who work in facilities that house, on an
- 7 annual average, at least 100 state inmates or behavioral health patients, and the facility is located in a county
- 8 that has a population that does not exceed 15,000 inhabitants; or
- 9 (e) acquiring through construction or purchase housing for employees of those facilities with the
- 10 intention of the housing to be privately owned within 10 years of purchase or construction unless private
- 11 ownership is considered a security risk by the department of public health and human services or the
- 12 department of corrections.

13  
14 **Section 16.** Section 17-6-308, MCA, is amended to read:

15 **"17-6-308. Authorized investments.** (1) Except as provided in subsections (2) through (8) of this  
16 section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested  
17 as authorized by rules adopted by the board.

18 (2) The board may make loans from the permanent coal tax trust fund to the capital reserve  
19 account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board  
20 may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans.  
21 Loans must be on terms and conditions determined by the board and must be repaid from revenue realized  
22 from the exercise of the board's powers under 17-5-1501 through 17-5-1518 and 17-5-1521 through 17-5-1529,  
23 subject to the prior pledge of the revenue to the bonds and notes.

24 (3) The board shall manage the seed capital and research and development loan portfolios  
25 created by the former Montana board of science and technology development. The board shall establish an  
26 appropriate repayment schedule for all outstanding research and development loans made to the university  
27 system. The board is the successor in interest to all agreements, contracts, loans, notes, or other instruments

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1 entered into by the Montana board of science and technology development as part of the seed capital and  
2 research and development loan portfolios, except agreements, contracts, loans, notes, or other instruments  
3 funded with coal tax permanent trust funds. The board shall administer the agreements, contracts, loans, notes,  
4 or other instruments funded with coal tax permanent trust funds. As loans made by the former Montana board  
5 of science and technology development are repaid, the board shall deposit the proceeds or loans made from  
6 the coal severance tax trust fund in the coal severance tax permanent fund until all investments are paid back  
7 with 7% interest.

8 (4) The board shall allow the Montana facility finance authority to administer \$15 million of the  
9 permanent coal tax trust fund for capital projects. Until the authority makes a loan pursuant to the provisions of  
10 Title 90, chapter 7, the funds under its administration must be invested by the board pursuant to the provisions  
11 of 17-6-201. As loans for capital projects made pursuant to this subsection are repaid, the principal and interest  
12 payments on the loans must be deposited in the coal severance tax permanent fund until all principal and  
13 interest have been repaid. The board and the authority shall calculate the amount of the interest charge.  
14 Individual loan amounts may not exceed 10% of the amount administered under this subsection.

15 (5) The board shall allow the board of housing to administer \$50 million of the permanent coal tax  
16 trust fund for the purposes of the Montana veterans' home loan mortgage program provided for in Title 90,  
17 chapter 6, part 6.

18 (6) The board shall allow the board of housing to administer ~~\$45~~ \$65 million of the permanent coal  
19 tax trust fund for the purpose of providing loans for the development and preservation of homes and apartments  
20 to assist low-income and moderate-income persons with meeting their basic housing needs pursuant to 90-6-  
21 137.

22 (7) (a) Subject to subsections (7)(b) and (7)(c), the board may make working capital loans from the  
23 permanent coal tax trust fund to an owner of a coal-fired generating unit.

24 (b) Loans may be provided in accordance with subsection (7)(a) to an owner to finance:

25 (i) the everyday operations and required maintenance of a coal-fired generating unit of which an  
26 owner has a shared interest;

27 (ii) the purchase of an additional interest in a coal-fired generating unit of which an owner has a

1 shared interest;

2 (iii) the purchase of coal to use at a coal-fired generating unit or improvements necessary to utilize

3 coal from a different source at a coal-fired generating unit. When considering loan requests made under this

4 subsection (7)(b)(iii), the board shall give preference to requests that allow for utilization of coal resources

5 located in Montana or allow for improvements to utilize coal resources located in Montana that are determined

6 to be economically feasible.

7 (iv) the purchase of electric transmission lines and associated facilities of a design capacity of 500

8 kilovolts or more primarily used to transmit electricity generated by a coal-fired resource;

9 (v) costs related to decommissioning and remediation of a coal-fired generating unit or affected

10 property to meet applicable legal obligations as defined in 75-8-103; or

11 (vi) any combination of subsections (7)(b)(i) through (7)(b)(v).

12 (c) The board may charge a working capital loan application fee of up to \$500.

13 (8) The board may make loans from the permanent coal tax trust fund to a city, town, county, or

14 consolidated city-county government impacted by the closure of a coal-fired generating unit to secure and

15 maintain existing infrastructure.

16 (9) The board shall adopt rules to allow a nonprofit corporation to apply for economic assistance.

17 The rules must recognize that different criteria may be needed for nonprofit corporations than for for-profit

18 corporations.

19 (10) All repayments of proceeds pursuant to subsection (3) of investments made from the coal

20 severance tax trust fund must be deposited in the coal severance tax permanent fund."

21

22 **Section 17.** Section 90-6-137, MCA, is amended to read:

23 **"90-6-137. Alternate funding source for housing loans -- use of coal tax trust fund money. (1)**

24 The board of investments shall allow the board of housing to administer ~~\$15-\$65~~ million of the coal tax trust

25 fund for the purpose of providing loans for the development and preservation of homes and apartments to

26 assist eligible low-income and moderate-income applicants. Until the board uses money in the coal tax trust

27 fund to loan to a qualified applicant pursuant to this part, the money under the administration of the board must

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1 remain invested by the board of investments.

2 (2) While a loan made from the coal tax trust fund pursuant to this section is repaid, the principal

3 payments on the loan must be deposited in the coal tax trust fund until all of the principal of the loan is repaid.

4 Interest received on a loan may be used by the board, in amounts determined by the board in accordance with

5 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program.

6 After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust

7 fund.

8 (3) (a) Money from the coal tax trust fund must be used for the purposes identified in 90-6-134(3)

9 and (4).

10 (b) Loans made pursuant to this section must meet the following requirements:

11 (i) Projects funded with the loans must be multifamily rental housing projects that provide low-

12 income and moderate-income housing.

13 (ii) The loan must be in the first lien position and may not exceed 95% of total development costs.

14 (iii) The minimum interest rate charged on a loan pursuant to this section is ~~0.5% less~~ 0.75% more

15 than the interest rate charged for a loan funded by the housing Montana fund provided for in 90-6-133, but no

16 less than 3%.

17 (iv) The board and the loan recipient shall each pay half of loan servicing fees.

18 (v) Projects funded with the loans must be subject to property taxes.

19 (4) Money from the coal tax trust fund may not be used to replace existing or available sources of

20 funding for eligible activities.

21 (5) Funds administered by the board from the coal tax trust fund may not be used to pay the

22 expenses of any other program or service administered by the board."

23

24 NEW SECTION. Section 18. TRANSFER OF FUNDS. (1) BY ~~JULY 1~~ August 15, 2023, THE STATE

25 TREASURER SHALL TRANSFER \$50 MILLION FROM THE GENERAL FUND TO THE MONTANA COMMUNITY REINVESTMENT

26 PLAN ACCOUNT PROVIDED FOR IN [SECTION 5].

27 (2) By August 15, 2023, the state treasurer shall transfer \$106 million from the general fund to the

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1 account established in [section 10].

2

3 NEW SECTION. Section 19. APPROPRIATION. (1) THERE IS APPROPRIATED ONE-TIME-ONLY \$50 MILLION  
4 FROM THE MONTANA COMMUNITY INVESTMENT PLAN ACCOUNT PROVIDED FOR IN [SECTION 5] TO THE DEPARTMENT OF  
5 COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023.

6 (2) THE APPROPRIATION MUST BE USED AS PROVIDED IN [SECTION 5].

7

8 NEW SECTION. Section 20. Appropriations. There is appropriated \$6 million from the general fund  
9 to the department of commerce for the biennium beginning July 1, 2023, for the purposes in [section 8].

10

11 NEW SECTION. Section 21. Notification to tribal governments. The secretary of state shall send a  
12 copy of [this act] to each federally recognized tribal government in Montana.

13

14 NEW SECTION. Section 22. Appropriation -- eligible uses. There is appropriated \$1 million from  
15 the general fund to the department of commerce for the biennium beginning July 1, 2023.

16 (2) Appropriated funds may only be used to:

17 (a) provide planning grants to local governments and tribal governments for planning and zoning  
18 reforms to increase housing supply; and

19 (b) cover administration costs of the grant program.

20

21 NEW SECTION. Section 23. Appropriation. There is appropriated \$106 million to the board of  
22 investments from the account established in [section 10] for the biennium beginning July 1, 2023, for the  
23 purposes of [section 14].

24

25 NEW SECTION. Section 24. Codification instruction. (1) [Sections 1 through 40 ~~8 9~~] are intended  
26 to be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 1 through 40 ~~8 9~~].

27 (2) ~~[Section 11] is intended to be codified as an integral part of Title 15, chapter 30, and the~~

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1 ~~provisions of Title 15, chapter 30, apply to [section 11].~~

2 ~~(3) — [Section 12] is intended to be codified as an integral part of Title 15, chapter 31, and the~~  
3 ~~provisions of Title 15, chapter 31, apply to [section 12].~~

4 (2) [Sections 10 through 14] are intended to be codified as an integral part of Title 17, chapter 6,  
5 and the provisions of Title 17, chapter 6, apply to [sections 10 through 14].

6  
7 ~~NEW SECTION. Section 16. Effective date. [This act] is effective January 1, 2024.~~

8  
9 COORDINATION SECTION. Section 25. Coordination instruction. If both House Bill No. 199 and  
10 [this act] are passed and approved, then the references in [this act] to "chief business development officer" in  
11 [section 6(7)] must be changed to "chief economic development officer".

12  
13 ~~NEW SECTION. Section 26. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.~~

14 ~~- END -~~