

**Amendment - 1st Reading/2nd House-blue - Requested by: John Esp - (S) Finance and Claims**

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0819.003.001

1 HOUSE BILL NO. 819

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

3 PEREGOY, L. JONES, R. LYNCH, D. LOGE, R. FITZGERALD, F. ANDERSON, C. KNUDSEN, S. VINTON, T.

4 WELCH, E. BOLDMAN, S. MORIGEAU, J. SMALL, J. GROSS, M. HOPKINS, J. ELLSWORTH, N. DURAM, J.

5 DOOLING, D. HARVEY, E. KERR-CARPENTER, K. BOGNER, J. KASSMIER, D. BEDEY, L. BREWSTER, K.

6 ZOLNIKOV, S. GIST, M. MALONE, E. STAFMAN, A. BUCKLEY, J. GILLETTE, K. WALSH, M. BERTOGLIO, S.

7 O'BRIEN, M. YAKAWICH, T. BROCKMAN, G. PARRY, E. MATTHEWS, G. NIKOLAKAKOS, P. TUSS, D.

8 BAUM, B. BARKER, J. LYNCH, L. SMITH, M. ROMANO, J. KARLEN, B. CARTER, Z. ZEPHYR, N. HASTINGS

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 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  
20 COMMUNITIES IN THE COUNTY THAT HAVE A POPULATION OF 15,000 OR LESS AND ARE LOCATED WITHIN A 30-MILE  
21 RADIUS OF A ~~state-owned~~ FACILITY THAT HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS IS  
22 ELIGIBLE TO APPLY FOR FUNDS FROM THE APPROPRIATION PROVIDED FOR IN [SECTION 20].

23 (2) THE DEPARTMENT SHALL ALLOCATE FUNDS TO APPLYING AND QUALIFYING COUNTIES WITHIN  
24 COMMUNITY REINVESTMENT ORGANIZATIONS PROPORTIONALLY TO THE AVERAGE NUMBER OF STATE INMATES OR  
25 BEHAVIORAL HEALTH PATIENTS IN THAT ~~state-owned~~ FACILITY IN THE FISCAL YEAR BEGINNING JULY 1, 2021, AND THE  
26 NUMBER OF EMPLOYEES IN THAT COUNTY THAT WORK IN THE FACILITIES THAT SERVE THOSE INMATES OR PATIENTS.

27 (3) EACH COMMUNITY REINVESTMENT ORGANIZATION THAT RECEIVES STATE WORKFORCE HOUSING

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1 INCENTIVE FUNDS SHALL CREATE A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT FOR THE DEPOSIT AND  
2 DISTRIBUTION OF FUNDS TO QUALIFYING AND PARTICIPATING COUNTIES WITHIN THE COMMUNITY  
3 REINVESTMENT ORGANIZATION'S REGION.

4 (4) (A) MONEY IN A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT MUST BE USED AS FOLLOWS:  
5 (i) 95% OR MORE MUST BE DISTRIBUTED TO QUALIFYING AND PARTICIPATING COUNTIES TO BE USED TO  
6 ASSIST ELIGIBLE HOUSEHOLDS IN PURCHASING ATTAINABLE WORKFORCE HOUSING AS PROVIDED IN THIS SECTION; AND  
7 (ii) 5% OR LESS MUST BE DEDICATED TO STARTUP AND ADMINISTRATIVE COSTS OF THE  
8 COMMUNITY REINVESTMENT ORGANIZATION AND MAY BE USED TO CREATE A FORECLOSURE MITIGATION SET-ASIDE  
9 FUND TO BE HELD LOCALLY.

10 (B) MONEY IN A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT MAY NOT BE USED FOR  
11 PRECONSTRUCTION, DEVELOPMENT, OR CONSTRUCTION-RELATED PURPOSES.

12 (C) IF A COUNTY ELECTS NOT TO PARTICIPATE IN THE PROGRAM UNDER [SECTIONS 1 THROUGH 9], THE  
13 MONEY ALLOCATED TO THAT COUNTY MUST BE DISTRIBUTED PROPORTIONALLY TO THE REMAINING COUNTIES QUALIFYING  
14 AND PARTICIPATING IN THE PROGRAM WITHIN THE SAME REGION AS THE NONPARTICIPATING COUNTY.

15 (5) AN INCORPORATED CITY, CONSOLIDATED CITY-COUNTY, OR COUNTY MAY CONTRIBUTE FUNDS TO ITS  
16 STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT AS AN OPTIONAL LOCAL GOVERNMENT INVESTMENT OR MAY  
17 RECEIVE MATCHING FUNDS FROM THE WORKFORCE HOUSING APPROPRIATION IN [SECTION 15].

18 (6) MONEY USED FROM THE STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT TO ASSIST AN  
19 ELIGIBLE HOUSEHOLD MAY NOT EXCEED 30% OF THE TOTAL PURCHASE PRICE.

20 (7) (A) HOUSING PURCHASED USING MONEY FROM THE STATE WORKFORCE HOUSING CRO  
21 REVOLVING ACCOUNT MUST HAVE A DEED LIMITATION RESTRICTING THE FUTURE VALUE OF THE HOME TO BE EQUAL TO  
22 THE INITIAL NET CONSUMER PRICE AT THE TIME OF PURCHASE. THE RATE OF APPRECIATION ON THE DEED-RESTRICTED  
23 HOME MAY NOT BE GREATER THAN 1% A YEAR.

24 (B) HOUSING PURCHASED USING MONEY FROM THE STATE WORKFORCE HOUSING CRO  
25 REVOLVING ACCOUNT MUST HAVE A DEED LIMITATION RESTRICTION TO ENSURE THAT A RESIDENT OF THE HOUSING IS  
26 EMPLOYED AT A **state-owned** FACILITY THAT, ON AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR  
27 BEHAVIORAL HEALTH PATIENTS AND THE **state-owned** FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT

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1 DOES NOT EXCEED 15,000 INHABITANTS.

2 (8) A COMMUNITY REINVESTMENT ORGANIZATION IS ENCOURAGED TO DEVELOP POLICIES TO

3 SUPPORT HOMEOWNERS BUYING OUT THE DEED RESTRICTION SO THE REVOLVING ACCOUNT CAN BE UTILIZED TO BUY

4 DOWN THE COST OF ADDITIONAL HOMES FOR OTHER ELIGIBLE HOUSEHOLDS.

5  
6 NEW SECTION. Section 9. USE OF STATE TRUST LANDS FOR ATTAINABLE HOUSING. WHERE STATE TRUST

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

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

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

10 WORKFORCE HOUSING AS A PART OF THE MONTANA COMMUNITY REINVESTMENT PLAN; AND

11 (2) EACH COMMUNITY REINVESTMENT ORGANIZATION SHALL CONSIDER THE USE OF STATE LANDS TO

12 SUPPORT CRITICAL PUBLIC EMPLOYEE SERVICES, INCLUDING ATTAINABLE WORKFORCE HOUSING AS PART OF THE

13 MONTANA COMMUNITY REINVESTMENT PLAN.

14

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

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

17

18 NEW SECTION. Section 11. ~~Montana community reinvestment contribution credit allowed.~~

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

20 reinvestment plan provided for in [section 6].

21

22 NEW SECTION. Section 12. ~~Montana community reinvestment contribution credit allowed.~~

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

24 reinvestment plan provided for in [section 6].

25

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

27 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits

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1 (1) TO INCREASE HOME OWNERSHIP AND PROVIDE MORE LONG-TERM RENTAL OPPORTUNITY;

2 (2) TO INCREASE HOUSING SUPPLY AND OFFER DIVERSE HOUSING TYPES TO MEET THE NEEDS OF

3 POPULATION GROWTH; AND

4 (3) TO CREATE PARTNERSHIPS BETWEEN THE STATE, LOCAL GOVERNMENTS, PRIVATE SECTOR

5 DEVELOPERS, AND APPLICANTS FOR RESIDENTIAL DEVELOPMENT TO FINANCE NECESSARY INFRASTRUCTURE FOR

6 HOUSING.

7

8 NEW SECTION. SECTION 12. TERMS. THE TOTAL AMOUNT OF LOANS MADE TO AN ENTITY FOR AN

9 INFRASTRUCTURE PROJECT PURSUANT TO [SECTION 14(1)] MAY NOT EXCEED:

10 (1) \$1 MILLION; OR

11 (2) 50% OF THE PROJECTED PROJECT COST.

12

13 NEW SECTION. SECTION 13. ELIGIBILITY -- PRIORITY. (1) FOR THE COSTS OF AN INFRASTRUCTURE

14 PROJECT TO BE ELIGIBLE TO BE PAID BY THE PROCEEDS OF A LOAN OR BONDS OR OTHER SECURITIES OF AN ELIGIBLE

15 GOVERNMENT UNIT AS DEFINED IN 17-5-1604, THE INFRASTRUCTURE PROJECT MUST PROVIDE FOR RESIDENTIAL

16 DEVELOPMENT AT A MINIMUM GROSS DENSITY OF 10 UNITS FOR EACH ACRE.

17 (2) LENDING OF AT LEAST \$7 MILLION OF AVAILABLE FUNDS MUST BE PRIORITIZED TO COUNTIES THAT HAVE

18 A POPULATION OF LESS THAN 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A **state-owned**

19 FACILITY THAT, ON AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND

20 THE **state-owned** FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000

21 INHABITANTS.

22

23 NEW SECTION. SECTION 14. FINANCING BY BOARD OF INVESTMENTS -- DEED RESTRICTIONS. (1) THE

24 BOARD OF INVESTMENTS MAY MAKE LOANS FROM THE ACCOUNT ESTABLISHED IN [SECTION 10] TO AN ELIGIBLE

25 GOVERNMENT UNIT AS DEFINED IN 17-5-1604 OR AN APPLICANT FOR RESIDENTIAL DEVELOPMENT TO COVER THE COSTS

26 OF DEMOLITION OR EXPANDING OR EXTENDING WATER, WASTEWATER, STORM WATER, STREET, ROAD, CURB, GUTTER,

27 AND SIDEWALK INFRASTRUCTURE TO SERVE NEW OR REHABILITATED RESIDENTIAL DEVELOPMENT.

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1           (2) THE BOARD OF INVESTMENTS MAY PURCHASE UP TO 50% OF A BOND OR OTHER SECURITY ISSUED IN  
2 ACCORDANCE WITH STATE LAW BY AN ELIGIBLE GOVERNMENT UNIT AS DEFINED IN 17-5-1604 TO COVER ALL OR A  
3 PORTION OF COSTS OF EXPANDING OR EXTENDING WATER, WASTEWATER, STORM WATER, STREET, ROAD, CURB,  
4 GUTTER, AND SIDEWALK INFRASTRUCTURE TO SERVE NEW OR REHABILITATED RESIDENTIAL DEVELOPMENT AT AN  
5 INTEREST RATE TO BE DETERMINED BY THE BOARD OF INVESTMENTS AS AN INVESTMENT OF THE ACCOUNT ESTABLISHED  
6 IN [SECTION 10].

7           (3) THE BOARD OF INVESTMENTS SHALL:

8           (A) ESTABLISH THE TERMS AND CONDITIONS OF THE LOAN, INCLUDING THE INTEREST RATE OF THE LOAN,  
9 WITH A TERM NOT TO EXCEED 20 YEARS;

10           (B) IF AN ELIGIBLE GOVERNMENT UNIT IS THE ENTITY SEEKING A LOAN OR ISSUING A BOND OR OTHER  
11 SECURITY, REQUIRE THAT THE ELIGIBLE GOVERNMENT UNIT WAIVE ALL IMPACT FEES FOR THE DEVELOPER OR THE  
12 AMOUNT OF IMPACT FEES UP TO THE AMOUNT OF THE LOAN OR BOND OR OTHER SECURITY, WHICHEVER AMOUNT IS  
13 SMALLER;

14           (C) IF AN APPLICANT FOR RESIDENTIAL DEVELOPMENT IS THE ENTITY SEEKING A LOAN, REQUIRE THAT THE  
15 APPLICANT PAY ALL IMPACT FEES DUE TO THE LOCAL GOVERNMENT OR THE AMOUNT OF IMPACT FEES UP TO THE AMOUNT  
16 OF THE LOAN, WHICHEVER AMOUNT IS SMALLER; AND

17           (D) SET POLICY REQUIRING THAT HOUSING BUILT USING INFRASTRUCTURE FUNDED IN PART BY A SECURITY  
18 PURSUANT TO THIS SECTION MUST CONTAIN A DEED RESTRICTION TO PRESERVE LONG-TERM AFFORDABILITY OF THE  
19 HOUSING THAT RUNS WITH THE PROPERTY FOR THE TERM OF THE SECURITY.

20           (4) THE BOARD OF INVESTMENTS SHALL INCLUDE THE AMOUNTS LOANED AND THE STATUS OF ALL LOANS IN  
21 THE REPORT REQUIRED IN 17-5-1650.

22  
23           NEW SECTION. SECTION 15. WORKFORCE HOUSING APPROPRIATIONS -- ELIGIBLE USES OF FUNDS. (1)

24 THERE IS APPROPRIATED \$12 MILLION FROM THE GENERAL FUND TO THE BOARD OF INVESTMENTS FOR THE BIENNIUM  
25 BEGINNING JULY 1, 2023. THE PURPOSE OF THE FUNDS IS TO ADVANCE THE CONSTRUCTION OF WORKFORCE HOUSING  
26 OF EMPLOYEES WHO WORK AT FACILITIES THAT HOUSE STATE INMATES OR BEHAVIORAL HEALTH PATIENTS.

27           (2) FUNDS MUST BE DISTRIBUTED TO THOSE LIVING IN COUNTIES THAT HAVE A POPULATION OF LESS THAN

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1 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A **state-owned** FACILITY THAT, ON AN ANNUAL  
2 AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND THE **state-owned** FACILITY IS  
3 LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000 INHABITANTS. THE DISTRIBUTION MUST  
4 BE MADE PRO RATA BASED ON THE ANNUAL AVERAGE **state-owned** FACILITY POPULATION FOR THE FISCAL YEAR  
5 BEGINNING JULY 1, 2021, AND THE NUMBER OF WORKERS RESIDING IN EACH ELIGIBLE COUNTY.

6 (3) ELIGIBLE USES OF THE FUNDS INCLUDE:

7 (A) BUYING DOWN CONSTRUCTION INTEREST ON EMPLOYEE HOUSING;

8 (B) PROVIDING MATCHING FUNDS REQUIRED PURSUANT TO THE STATE WORKFORCE HOUSING COMMUNITY  
9 REINVESTMENT ORGANIZATION REVOLVING LOAN FUND;

10 (C) PROVIDING LOANS FOR UP TO 50% OF THE PROJECTED PROJECT COST OF AN ELIGIBLE  
11 INFRASTRUCTURE PROJECT PURSUANT TO [SECTION 13];

12 (D) PROVIDING FUNDS TO DISCOUNT HOUSING COSTS TO EMPLOYEES WHO WORK IN FACILITIES THAT  
13 HOUSE, ON AN ANNUAL AVERAGE, AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND THE **state-**  
14 **owned** FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000 INHABITANTS; OR

15 (E) ACQUIRING THROUGH CONSTRUCTION OR PURCHASE HOUSING FOR EMPLOYEES OF THOSE FACILITIES  
16 WITH THE INTENTION OF THE HOUSING TO BE PRIVATELY OWNED WITHIN 10 YEARS OF PURCHASE OR CONSTRUCTION  
17 UNLESS PRIVATE OWNERSHIP IS CONSIDERED A SECURITY RISK BY THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN  
18 SERVICES OR THE DEPARTMENT OF CORRECTIONS.

19  
20 **SECTION 16. SECTION 17-6-308, MCA, IS AMENDED TO READ:**

21 **"17-6-308. Authorized investments.** (1) Except as provided in subsections (2) through (8) of this  
22 section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested  
23 as authorized by rules adopted by the board.

24 (2) The board may make loans from the permanent coal tax trust fund to the capital reserve  
25 account created pursuant to 17-5-1515 to establish balances or restore deficiencies in the account. The board  
26 may agree in connection with the issuance of bonds or notes secured by the account or fund to make the loans.  
27 Loans must be on terms and conditions determined by the board and must be repaid from revenue realized