

Amendment - 1st Reading/2nd House-blue - Requested by: Ellie Boldman - (S) Finance and Claims

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0819.003.002

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 DEPARTMENT OF COMMERCE~~; PROVIDING ELIGIBILITY REQUIREMENTS FOR THE

19 USE OF FUNDS; PROVIDING FOR DEED RESTRICTIONS; ~~ESTABLISHING REPORTING~~

20 ~~REQUIREMENTS~~; PROVIDING FOR PLANNING GRANTS FROM THE DEPARTMENT OF COMMERCE;

21 AUTHORIZING ADDITIONAL FUNDING FOR LOW-INCOME AND MODERATE-INCOME HOUSING LOANS

22 FROM THE PERMANENT COAL TAX TRUST FUND; AMENDING TERMS OF LOANS; PROVIDING

23 ADDITIONAL FUNDING FOR STATE WORKFORCE HOUSING; REQUIRING COMMUNITY REINVESTMENT

24 ORGANIZATIONS TO PROCURE MATCHING FUNDS; PROVIDING FOR A MONTANA COMMUNITY

25 REINVESTMENT COMMISSION; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY;

26 PROVIDING FOR A TRANSFER TRANSFERS OF FUNDS; PROVIDING A AN STATUTORY

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

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1 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on
2 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117
3 terminates June 30, 2025; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30,
4 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025;
5 pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8,
6 Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec.
7 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017,
8 the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-
9 209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates
10 June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June
11 30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; pursuant to
12 sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023; pursuant to secs. 1, 2, 3, Ch. 139,
13 L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion
14 of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004
15 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30,
16 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; and
17 pursuant to sec. 15, Ch. 574, L. 2021, the inclusion of 46-32-108 terminates June 30, 2023.) "

18
19 **NEW SECTION. SECTION 10. MONTANA HOUSING INFRASTRUCTURE REVOLVING LOAN FUND ACCOUNT. (1)**

20 THERE IS A MONTANA HOUSING INFRASTRUCTURE REVOLVING LOAN FUND ACCOUNT WITHIN THE STATE SPECIAL
21 REVENUE FUND TYPE ESTABLISHED IN 17-2-102 TO THE CREDIT OF THE ~~BOARD OF INVESTMENTS~~ department of
22 commerce. MONEY DEPOSITED IN THE ACCOUNT ESTABLISHED IN THIS SECTION MUST BE INVESTED BY THE BOARD OF
23 INVESTMENTS AS PROVIDED BY LAW.

24 (2) THE PRINCIPAL OF THE ACCOUNT MAY ONLY BE APPROPRIATED BY A VOTE OF TWO-THIRDS OF THE
25 MEMBERS OF EACH HOUSE OF THE LEGISLATURE.

26
27 **NEW SECTION. SECTION 11. PURPOSE. THE PURPOSE OF THE LOANS MADE AND THE BONDS OR OTHER**

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1 SECURITIES ISSUED AND PURCHASED PURSUANT TO [SECTIONS 10 THROUGH 14] ARE:

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

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

4 POPULATION GROWTH; AND

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

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

7 HOUSING.

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

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

11 (1) \$1 MILLION; OR

12 (2) 50% OF THE PROJECTED PROJECT COST.

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

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

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

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

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

19 A POPULATION OF LESS THAN 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A FACILITY THAT, ON

20 AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND THE FACILITY IS

21 LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000 INHABITANTS.

22

23 NEW SECTION. SECTION 14. FINANCING BY ~~BOARD OF INVESTMENTS DEPARTMENT OF COMMERCE~~ -- DEED

24 RESTRICTIONS. (1) THE ~~BOARD OF INVESTMENTS~~ department of commerce MAY MAKE LOANS FROM THE ACCOUNT

25 ESTABLISHED IN [SECTION 10] TO AN ELIGIBLE GOVERNMENT UNIT AS DEFINED IN 17-5-1604 OR AN APPLICANT FOR

26 RESIDENTIAL DEVELOPMENT TO COVER THE COSTS OF DEMOLITION OR EXPANDING OR EXTENDING WATER,

27 WASTEWATER, STORM WATER, STREET, ROAD, CURB, GUTTER, AND SIDEWALK INFRASTRUCTURE TO SERVE NEW OR

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1 REHABILITATED RESIDENTIAL DEVELOPMENT.

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

8 (3) THE ~~BOARD OF INVESTMENTS~~ department of commerce SHALL:

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

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

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

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

21 (4) THE ~~BOARD OF INVESTMENTS~~ department of commerce SHALL ~~INCLUDE THE~~report to the economic
22 affairs interim committee in accordance with 5-11-210 the AMOUNTS LOANED AND THE STATUS OF ALL LOANS ~~IN THE~~
23 REPORT REQUIRED IN 17-5-1650.

24
25 NEW SECTION. SECTION 15. WORKFORCE HOUSING APPROPRIATIONS -- ELIGIBLE USES OF FUNDS. (1)

26 THERE IS APPROPRIATED \$12 MILLION FROM THE GENERAL FUND TO THE ~~BOARD OF INVESTMENTS~~ department of
27 commerce FOR THE BIENNIUM BEGINNING JULY 1, 2023. THE PURPOSE OF THE FUNDS IS TO ADVANCE THE

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1 CONSTRUCTION OF WORKFORCE HOUSING OF EMPLOYEES WHO WORK AT FACILITIES THAT HOUSE STATE INMATES OR
2 BEHAVIORAL HEALTH PATIENTS.

3 (2) FUNDS MUST BE DISTRIBUTED TO THOSE LIVING IN COUNTIES THAT HAVE A POPULATION OF LESS THAN
4 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A FACILITY THAT, ON AN ANNUAL AVERAGE,
5 HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND THE FACILITY IS LOCATED IN A COUNTY
6 THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000 INHABITANTS. THE DISTRIBUTION MUST BE MADE PRO RATA
7 BASED ON THE ANNUAL AVERAGE FACILITY POPULATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2021, AND THE
8 NUMBER OF WORKERS RESIDING IN EACH ELIGIBLE COUNTY.

9 (3) ELIGIBLE USES OF THE FUNDS INCLUDE:

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

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

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

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

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

22
23 **SECTION 16. SECTION 17-6-308, MCA, IS AMENDED TO READ:**

24 **"17-6-308. Authorized investments.** (1) Except as provided in subsections (2) through (8) of this
25 section and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested
26 as authorized by rules adopted by the board.

27 (2) The board may make loans from the permanent coal tax trust fund to the capital reserve

