

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

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0819.003.003

1 HOUSE BILL NO. 819

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

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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 permanent coal tax trust fund to an owner of a coal-fired generating unit.

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

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

5 (ii) the purchase of an additional interest in a coal-fired generating unit of which an owner has a
6 shared interest;

7 (iii) the purchase of coal to use at a coal-fired generating unit or improvements necessary to utilize
8 coal from a different source at a coal-fired generating unit. When considering loan requests made under this
9 subsection (7)(b)(iii), the board shall give preference to requests that allow for utilization of coal resources
10 located in Montana or allow for improvements to utilize coal resources located in Montana that are determined
11 to be economically feasible.

12 (iv) the purchase of electric transmission lines and associated facilities of a design capacity of 500
13 kilovolts or more primarily used to transmit electricity generated by a coal-fired resource;

14 (v) costs related to decommissioning and remediation of a coal-fired generating unit or affected
15 property to meet applicable legal obligations as defined in 75-8-103; or

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

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

18 (8) The board may make loans from the permanent coal tax trust fund to a city, town, county, or
19 consolidated city-county government impacted by the closure of a coal-fired generating unit to secure and
20 maintain existing infrastructure.

21 (9) The board shall adopt rules to allow a nonprofit corporation to apply for economic assistance.
22 The rules must recognize that different criteria may be needed for nonprofit corporations than for for-profit
23 corporations.

24 (10) All repayments of proceeds pursuant to subsection (3) of investments made from the coal
25 severance tax trust fund must be deposited in the coal severance tax permanent fund."

26

27 **SECTION 17. SECTION 90-6-137, MCA, IS AMENDED TO READ:**

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

2 The board of investments shall allow the board of housing to administer ~~\$15-~~\$65 million of the coal tax trust
3 fund for the purpose of providing loans for the development and preservation of homes and apartments to
4 assist eligible low-income and moderate-income applicants. Until the board uses money in the coal tax trust
5 fund to loan to a qualified applicant pursuant to this part, the money under the administration of the board must
6 remain invested by the board of investments.

7 (2) While a loan made from the coal tax trust fund pursuant to this section is repaid, the principal
8 payments on the loan must be deposited in the coal tax trust fund until all of the principal of the loan is repaid.
9 Interest received on a loan may be used by the board, in amounts determined by the board in accordance with
10 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program.
11 After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust
12 fund.

13 (3) (a) Money from the coal tax trust fund must be used for the purposes identified in 90-6-134(3)
14 and (4).

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

16 (i) Projects funded with the loans must be multifamily rental housing projects that provide low-
17 income and moderate-income housing.

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

19 (iii) The minimum interest rate charged on a loan pursuant to this section is ~~0.5% less~~ 0.75% more
20 0.5% less than the interest rate charged for a loan funded by the housing Montana fund provided for in 90-6-
21 133, but no less than 3%.

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

23 (v) Projects funded with the loans must be subject to property taxes, except for those located on
24 tribal lands.

25 (4) Money from the coal tax trust fund may not be used to replace existing or available sources of
26 funding for eligible activities.

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

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

2 (6) A multifamily rental housing project eligible to receive a loan under this section may include the
3 development or preservation of a mobile home park as defined in 70-33-103."

4
5 NEW SECTION. Section 18. TRANSFER OF FUNDS. (1) BY JULY 1-AUGUST 15, 2023, THE STATE
6 TREASURER SHALL TRANSFER \$50 MILLION FROM THE GENERAL FUND TO THE MONTANA COMMUNITY REINVESTMENT
7 PLAN ACCOUNT PROVIDED FOR IN [SECTION 5].

8 (2) BY AUGUST 15, 2023, THE STATE TREASURER SHALL TRANSFER \$106 MILLION FROM THE GENERAL
9 FUND TO THE ACCOUNT ESTABLISHED IN [SECTION 10].

10
11 NEW SECTION. Section 19. APPROPRIATION. (1) THERE IS APPROPRIATED ONE-TIME-ONLY \$50 MILLION
12 FROM THE MONTANA COMMUNITY INVESTMENT PLAN ACCOUNT PROVIDED FOR IN [SECTION 5] TO THE DEPARTMENT OF
13 COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023.

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

15
16 NEW SECTION. SECTION 20. APPROPRIATIONS. THERE IS APPROPRIATED \$6 MILLION FROM THE GENERAL
17 FUND TO THE DEPARTMENT OF COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023, FOR THE PURPOSES IN
18 [SECTION 8].

19
20 NEW SECTION. SECTION 21. NOTIFICATION TO TRIBAL GOVERNMENTS. THE SECRETARY OF STATE SHALL
21 SEND A COPY OF [THIS ACT] TO EACH FEDERALLY RECOGNIZED TRIBAL GOVERNMENT IN MONTANA.

22
23 NEW SECTION. SECTION 22. APPROPRIATION -- ELIGIBLE USES. THERE IS APPROPRIATED \$1 MILLION
24 FROM THE GENERAL FUND TO THE DEPARTMENT OF COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023.

25 (2) APPROPRIATED FUNDS MAY ONLY BE USED TO:

26 (A) PROVIDE PLANNING GRANTS TO LOCAL GOVERNMENTS AND TRIBAL GOVERNMENTS FOR PLANNING AND
27 ZONING REFORMS TO INCREASE HOUSING SUPPLY; AND