

1 HOUSE BILL NO. 819

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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 AND THE GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT; PROVIDING

19 ELIGIBILITY REQUIREMENTS FOR THE USE OF FUNDS; PROVIDING FOR DEED RESTRICTIONS;

20 PROVIDING FOR PLANNING GRANTS FROM THE DEPARTMENT OF COMMERCE; AUTHORIZING

21 ADDITIONAL FUNDING FOR LOW-INCOME AND MODERATE-INCOME HOUSING LOANS FROM THE

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

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

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

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

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

~~(3)(2) "Community reinvestment organization" means the regional entity or entities established in [section 8 6] OR A CERTIFIED REGIONAL DEVELOPMENT CORPORATION, A CERTIFIED DEVELOPMENT CORPORATION, A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION, AN ECONOMIC DEVELOPMENT ASSOCIATION, OR A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.~~

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

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

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

~~(6)(5)(4) "Eligible household" means a household earning between 60% and 140% of median HOUSEHOLD income for the COUNTY IN WHICH THE PERSON RESIDES OR THE state, WHICHEVER IS LESS.~~

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

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

~~(9)(7)(6) "Program" means the Montana community reinvestment plan.~~

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

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

NEW SECTION. Section 5. Montana community reinvestment contribution PLAN account. (1)

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

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

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

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

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

1 organization s must meet the requirements of [section 9(4)].

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

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

6 **eligibility -- rulemaking.** (1) A taxpayer is allowed a credit against the taxes that are otherwise due under Title  
7 15, chapter 30 or chapter 31, for a contribution to the Montana community reinvestment plan provided for in  
8 [section s 1 through 10 ]. The credit is equal to \$1 for every 95 cents contributed. The credit may not be  
9 refunded if the taxpayer has a tax liability less than the amount of the credit. If the amount of credit exceeds the  
10 taxpayer's tax liability for the current tax year, the excess may be carried back 1 tax year.

11 (2) — (a) If the credit allowed under this section is claimed by a small business corporation, a pass-  
12 through entity, or a partnership, the credit must be attributed to shareholders, owners, or partners using the  
13 same proportion as used to report the entity's income or loss.

14 (b) — A donation by an estate or trust qualifies for the contribution credit. Any credit not used by the  
15 estate or trust may be attributed to each beneficiary of the estate or trust in the same proportion used to report  
16 the beneficiary's income from the estate or trust for Montana income tax purposes.

17 (3) — The department shall issue contribution credits annually in exchange for certified taxpayer  
18 contributions to the Montana community reinvestment contribution account. Credits must be issued during the  
19 first quarter of each fiscal year and are subject to the total credit limit provided for in this subsection. The  
20 department shall issue tax credit certifications as provided in this section and shall announce the availability of  
21 the credits 30 days prior to their availability. Total credits issued annually may not exceed \$28,750,000.

22 (4) — Subject to the limit provided for in subsection (3), on receipt of a contribution the department  
23 shall issue to the taxpayer certification of the amount certified for credit under this section.

24 (5) — The department shall deposit certified taxpayer contributions in the Montana community  
25 reinvestment contribution account provided for in [section 5].

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27 NEW SECTION. Section 7. — Montana community reinvestment commission. (1) There is a

28 Montana community reinvestment commission administratively attached to the department of revenue.

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

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

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

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

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

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

19  
20 **NEW SECTION. Section 6. Community reinvestment organizations.** (1) A community  
21 reinvestment organization meeting the requirements of [section 9 7] may be established no later than  
22 December 31, 2024.

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

24 (3) The geographic boundaries of each community reinvestment organization must be ~~the same as~~  
25 SIMILAR TO the boundaries determined by the department of commerce ~~of commerce~~ for certified regional  
26 development corporations provided for in 90-1-116, in which an established certified regional development  
27 corporation exists. REGIONS NOT INCLUDED IN THE DESCRIBED BOUNDARIES MAY ESTABLISH COMMUNITY  
28 REINVESTMENT ORGANIZATIONS UP TO THE MAXIMUM NUMBER ALLOWED IN SUBSECTION (2). THE CERTIFIED REGIONAL

1 DEVELOPMENT CORPORATION MAY CHOOSE TO CREATE AND MANAGE A REGION'S COMMUNITY REINVESTMENT

2 ORGANIZATION BUT IS NOT REQUIRED TO SERVE AS THAT REGION'S COMMUNITY REINVESTMENT ORGANIZATION.

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

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

11 (6) ~~(a) To participate in the program and join an established community reinvestment organization,~~  
12 a A PARTICIPATING county shall IS ENCOURAGED TO enact local ordinances that provide for an expedited  
13 development and construction review process with priority for attainable workforce housing.

14 ~~(b) — An incorporated city, consolidated city-county, or county governed by ordinances that do not~~  
15 ~~meet the criteria of subsection (6)(a) is not eligible for the p rogram to be administered within the legal or~~  
16 ~~jurisdictional boundaries of the incorporated city, consolidated city-county, or count y.~~

17 (7) To be certified by the ~~Montana community reinvestment commission provided for in [section 7]~~  
18 DEPARTMENT CHIEF BUSINESS DEVELOPMENT OFFICER PROVIDED FOR IN 2-15-219, a community reinvestment  
19 organization shall provide the information required by the ~~commission~~ DEPARTMENT-CHIEF BUSINESS  
20 DEVELOPMENT OFFICER AND [SECTION 7] by January 15, 2025.

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

25  
26 NEW SECTION. Section 7. Community reinvestment organization requirements. (1) A  
27 community reinvestment organization shall meet the requirements of this section.

28 (2) A community reinvestment organization must be established as a federally recognized

**Amendment - 1st Reading-white - Requested by: Free Conference Committee on HB 819**

- 2023

68th Legislature 2023

Drafter: Toni Henneman, 406-444-3593

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1 charitable organization under 26 U.S.C. 501(c)(3), ~~(C)(4)~~, or (c)(6).

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

5 (B) COMMUNITY REINVESTMENT ORGANIZATIONS SHALL DEPOSIT INTO THE CRO REVOLVING ACCOUNT AN  
6 EQUAL AMOUNT OF FUNDS AS THOSE DEPOSITED FROM THE MONTANA COMMUNITY REINVESTMENT PLAN ACCOUNT  
7 PRIOR TO ANY PLAN DOLLARS BEING USED TO BUY DOWN ATTAINABLE WORKFORCE HOUSING. COMMUNITY  
8 REINVESTMENT ORGANIZATION MATCHING FUND OPTIONS INCLUDE BUT ARE NOT LIMITED TO THE USE OF THE EMPLOYER  
9 POOL, LOCAL GOVERNMENT INVESTMENTS, AND THE UTILIZATION OF VOLUME CAP BONDS.

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

14 ~~(5)(4)~~ (a) Money in a ~~procurement~~ CRO REVOLVING account must be used as follows:

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

17 (ii) ~~1%~~ 5% OR LESS must be dedicated to STARTUP AND ADMINISTRATIVE COSTS OF THE COMMUNITY  
18 REINVESTMENT ORGANIZATION AND MAY BE USED TO CREATE a foreclosure mitigation set-aside fund ~~to be held~~  
19 ~~locally.~~

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

22 (c) If a county elects not to participate in the program under [sections 1 through ~~40~~ 8], the money  
23 allocated to that county must be distributed proportionally to the remaining counties participating in the program  
24 within the same region as the nonparticipating county.

25 (6) An incorporated city, consolidated city-county, or county may ~~redirect state or federal funds to~~  
26 ~~the state to increase the limit on contribution credits provided for in [section 6]. Additional revenue generated~~  
27 ~~from the redirection of funds must be distributed to the community reinvestment organization procurement~~  
28 ~~account for the region containing the incorporated city, consolidated city-county, or county~~ CONTRIBUTE FUNDS

1 TO ITS REGIONAL CRO REVOLVING ACCOUNT AS AN OPTIONAL LOCAL GOVERNMENT INVESTMENT.

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

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

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

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

14 **NEW SECTION. SECTION 8. STATE WORKFORCE HOUSING INCENTIVE TO COMMUNITY REINVESTMENT**  
15 **ORGANIZATIONS. (1) A COMMUNITY REINVESTMENT ORGANIZATION ESTABLISHED IN [SECTION 6] THAT CONTAINS**  
16 **COMMUNITIES IN THE COUNTY THAT HAVE A POPULATION OF 15,000 OR LESS AND ARE LOCATED WITHIN A 30-MILE**  
17 **RADIUS OF A STATE-OWNED FACILITY THAT HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS IS**  
18 **ELIGIBLE TO APPLY FOR FUNDS FROM THE APPROPRIATION PROVIDED FOR IN [SECTION 20].**

19 (2) (a) ~~THE DEPARTMENT~~ governor's office of economic development SHALL ALLOCATE FUNDS TO  
20 APPLYING AND QUALIFYING COUNTIES WITHIN COMMUNITY REINVESTMENT ORGANIZATIONS PROPORTIONALLY TO THE  
21 AVERAGE NUMBER OF STATE INMATES OR BEHAVIORAL HEALTH PATIENTS IN THAT STATE-OWNED FACILITY IN THE FISCAL  
22 YEAR BEGINNING JULY 1, 2021, AND THE NUMBER OF EMPLOYEES IN THAT COUNTY THAT WORK IN THE STATE-OWNED  
23 FACILITIES THAT SERVE THOSE INMATES OR PATIENTS.

24 (b) The department of commerce and the board of investments shall assist the governor's office of  
25 economic development in the distribution of funds pursuant to this section.

26 (3) EACH COMMUNITY REINVESTMENT ORGANIZATION THAT RECEIVES STATE WORKFORCE HOUSING  
27 INCENTIVE FUNDS SHALL CREATE A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT FOR THE DEPOSIT AND  
28 DISTRIBUTION OF FUNDS TO QUALIFYING AND PARTICIPATING COUNTIES WITHIN THE COMMUNITY



**Amendment - 1st Reading-white - Requested by: Free Conference Committee on HB 819**

- 2023

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Drafter: Toni Henneman, 406-444-3593

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1 REINVESTMENT ORGANIZATION'S REGION.

2 (4) (A) MONEY IN A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT MUST BE USED AS FOLLOWS:

3 (i) 95% OR MORE MUST BE DISTRIBUTED TO QUALIFYING AND PARTICIPATING COUNTIES TO BE USED TO  
4 ASSIST ELIGIBLE HOUSEHOLDS IN PURCHASING ATTAINABLE WORKFORCE HOUSING AS PROVIDED IN THIS SECTION; AND

5 (ii) 5% OR LESS MUST BE DEDICATED TO STARTUP AND ADMINISTRATIVE COSTS OF THE  
6 COMMUNITY REINVESTMENT ORGANIZATION AND MAY BE USED TO CREATE A FORECLOSURE MITIGATION SET-ASIDE  
7 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  
12 AND 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  
14 STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT AS AN OPTIONAL LOCAL GOVERNMENT INVESTMENT OR MAY  
15 RECEIVE MATCHING FUNDS FROM THE WORKFORCE HOUSING APPROPRIATION IN [SECTION 15].

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

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

22 (B) HOUSING PURCHASED USING MONEY FROM THE STATE WORKFORCE HOUSING CRO  
23 REVOLVING ACCOUNT MUST HAVE A DEED LIMITATION RESTRICTION TO ENSURE THAT A RESIDENT OF THE HOUSING IS  
24 EMPLOYED AT A STATE-OWNED FACILITY THAT, ON AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR  
25 BEHAVIORAL HEALTH PATIENTS AND THE STATE-OWNED FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT  
26 DOES NOT EXCEED 15,000 INHABITANTS.

27 (8) A COMMUNITY REINVESTMENT ORGANIZATION IS ENCOURAGED TO DEVELOP POLICIES TO  
28 SUPPORT HOMEOWNERS BUYING OUT THE DEED RESTRICTION SO THE REVOLVING ACCOUNT CAN BE UTILIZED TO BUY

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

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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

9 support critical public employee services, including attainable workforce housing as part of the

10 Montana Community 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~~

28 (b) ~~the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341.~~

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

2 (1) \$1 MILLION; OR

3 (2) 50% OF THE PROJECTED PROJECT COST.

4

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

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

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

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

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

10 A POPULATION OF LESS THAN 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A STATE-OWNED

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

12 THE STATE-OWNED FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000

13 INHABITANTS.

14

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

16 ~~BOARD OF INVESTMENTS~~ ~~GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT~~ board of investments MAY MAKE LOANS

17 FROM THE ACCOUNT ESTABLISHED IN [SECTION 10] TO AN ELIGIBLE GOVERNMENT UNIT AS DEFINED IN 17-5-1604 OR AN

18 APPLICANT FOR RESIDENTIAL DEVELOPMENT TO COVER THE COSTS OF DEMOLITION OR EXPANDING OR EXTENDING

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

20 OR REHABILITATED RESIDENTIAL DEVELOPMENT.

21 (2) THE BOARD OF INVESTMENTS MAY PURCHASE UP TO 50% OF A BOND OR OTHER SECURITY ISSUED IN

22 ACCORDANCE WITH STATE LAW BY AN ELIGIBLE GOVERNMENT UNIT AS DEFINED IN 17-5-1604 TO COVER ALL OR A

23 PORTION OF COSTS OF EXPANDING OR EXTENDING WATER, WASTEWATER, STORM WATER, STREET, ROAD, CURB,

24 GUTTER, AND SIDEWALK INFRASTRUCTURE TO SERVE NEW OR REHABILITATED RESIDENTIAL DEVELOPMENT AT AN

25 INTEREST RATE TO BE DETERMINED BY THE ~~BOARD OF INVESTMENTS~~ ~~GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT~~

26 ~~board of investments~~ board of investments AS AN INVESTMENT OF THE ACCOUNT ESTABLISHED IN [SECTION 10].

27 (3) THE ~~BOARD OF INVESTMENTS~~ ~~GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT~~ board of

28 ~~investments~~ investments SHALL:

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

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

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

10 (D) SET POLICY REQUIRING THAT HOUSING BUILT USING INFRASTRUCTURE FUNDED IN PART BY A SECURITY  
11 PURSUANT TO THIS SECTION MUST ~~CONTAIN A DEED RESTRICTION~~ provide for provisions TO PRESERVE LONG-TERM  
12 AFFORDABILITY OF THE HOUSING THAT RUNS WITH THE PROPERTY FOR THE TERM OF THE SECURITY.

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

15  
16 **NEW SECTION. SECTION 15. WORKFORCE HOUSING APPROPRIATIONS -- ELIGIBLE USES OF FUNDS. (1)**

17 THERE IS APPROPRIATED \$12 MILLION FROM THE GENERAL FUND TO THE ~~BOARD OF INVESTMENTS~~ ~~GOVERNOR'S OFFICE~~  
18 ~~OF ECONOMIC AFFAIRS~~ board of investments FOR THE BIENNIUM BEGINNING JULY 1, 2023. THE PURPOSE OF THE  
19 FUNDS IS TO ADVANCE THE CONSTRUCTION or purchase OF WORKFORCE HOUSING OF EMPLOYEES WHO WORK AT  
20 STATE-OWNED FACILITIES THAT HOUSE STATE INMATES OR BEHAVIORAL HEALTH PATIENTS.

21 (2) FUNDS MUST BE DISTRIBUTED TO assist THOSE who work and are LIVING IN COUNTIES THAT HAVE A  
22 POPULATION OF LESS THAN 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A STATE-OWNED  
23 FACILITY THAT, ON AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND  
24 THE STATE-OWNED FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000  
25 INHABITANTS. THE DISTRIBUTION MUST BE MADE PRO RATA BASED ON THE ANNUAL AVERAGE STATE-OWNED FACILITY  
26 POPULATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2021, AND THE NUMBER OF WORKERS RESIDING IN EACH  
27 ELIGIBLE COUNTY.

28 (3) ELIGIBLE USES OF THE FUNDS INCLUDE:

1 (A) BUYING DOWN CONSTRUCTION ~~INTEREST-COSTS~~ 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

5 INFRASTRUCTURE PROJECT PURSUANT TO [SECTION 13];

6 (D) PROVIDING FUNDS TO DISCOUNT HOUSING COSTS TO EMPLOYEES WHO WORK IN STATE-OWNED

7 FACILITIES THAT HOUSE, ON AN ANNUAL AVERAGE, AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS,

8 AND THE STATE-OWNED FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000

9 INHABITANTS; OR

10 (E) ACQUIRING THROUGH CONSTRUCTION OR PURCHASE HOUSING FOR EMPLOYEES OF THOSE STATE-

11 OWNED FACILITIES WITH THE INTENTION OF THE HOUSING TO BE PRIVATELY OWNED WITHIN 10 YEARS OF PURCHASE OR

12 CONSTRUCTION UNLESS PRIVATE OWNERSHIP IS CONSIDERED A SECURITY RISK BY THE DEPARTMENT OF PUBLIC HEALTH

13 AND HUMAN SERVICES OR THE DEPARTMENT OF CORRECTIONS.

14

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

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

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

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

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

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

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

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

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

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

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

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

20

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

22 **"90-6-137. Alternate funding source for housing loans -- use of coal tax trust fund money. (1)**

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

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

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1 payments on the loan must be deposited in the coal tax trust fund until all of the principal of the loan is repaid.  
2 Interest received on a loan may be used by the board, in amounts determined by the board in accordance with  
3 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program.  
4 After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust  
5 fund.

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

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

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

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

12 (iii) The minimum interest rate charged on a loan pursuant to this section is no less than 0.5%  
13 below the current coal trust fund investment performance, and all loans combined must at least average the  
14 current coal trust investment performance 0.5% less 0.75% more 0.5% LESS than the interest rate charged for a  
15 loan funded by the housing Montana fund provided for in 90-6-133, BUT NO LESS THAN 3%.

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

17 (v) Projects funded with the loans must be subject to property taxes, EXCEPT THOSE LOCATED ON  
18 TRIBAL LANDS.

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

25  
26 NEW SECTION. Section 18. TRANSFER OF FUNDS. (1) BY JULY 1-AUGUST 15, 2023, THE STATE  
27 TREASURER SHALL TRANSFER \$50 MILLION FROM THE GENERAL FUND TO THE MONTANA COMMUNITY REINVESTMENT  
28 PLAN ACCOUNT PROVIDED FOR IN [SECTION 5].

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

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

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

8  
9           NEW SECTION. SECTION 20. APPROPRIATIONS. THERE IS APPROPRIATED \$6 MILLION FROM THE GENERAL  
10 FUND TO THE ~~DEPARTMENT OF COMMERCE~~ governor's office of economic development FOR THE BIENNIUM BEGINNING  
11 JULY 1, 2023, FOR THE PURPOSES IN [SECTION 8].

12  
13           NEW SECTION. SECTION 21. NOTIFICATION TO TRIBAL GOVERNMENTS. THE SECRETARY OF STATE SHALL  
14 SEND A COPY OF [THIS ACT] TO EACH FEDERALLY RECOGNIZED TRIBAL GOVERNMENT IN MONTANA.

15  
16           NEW SECTION. SECTION 22. APPROPRIATION -- ELIGIBLE USES. THERE IS APPROPRIATED \$1 MILLION  
17 FROM THE GENERAL FUND TO THE DEPARTMENT OF COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023.

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

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

21           (B) COVER ADMINISTRATION COSTS OF THE GRANT PROGRAM.

22  
23           ~~NEW SECTION. SECTION 23. APPROPRIATION. THERE IS APPROPRIATED \$106 MILLION TO THE BOARD OF~~  
24 ~~INVESTMENTS FROM THE ACCOUNT ESTABLISHED IN [SECTION 10] FOR THE BIENNIUM BEGINNING JULY 1, 2023, FOR THE~~  
25 ~~PURPOSES OF [SECTION 14].~~

26  
27           NEW SECTION. Section 23. Codification instruction. (1) [Sections 1 through 40 & 9] are intended  
28 to be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 1 through 40 & 9].