

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

HOUSE BILL NO. 825

INTRODUCED BY M. HOPKINS, L. JONES, F. MANDEVILLE, L. BREWSTER, M. YAKAWICH

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE MONTANA HOME OWNERSHIP MEANS ECONOMIC SECURITY ACT; CREATING THE MONTANA HOUSING INFRASTRUCTURE PRINCIPAL ACCOUNT IN THE ENTERPRISE FUND TYPE; CREATING A STATE SPECIAL REVENUE ACCOUNT; PROVIDING FOR DUTIES FOR THE BOARD OF INVESTMENTS AND THE DEPARTMENT OF COMMERCE; PROVIDING ELIGIBILITY REQUIREMENTS FOR THE USE OF FUNDS; PROVIDING FOR DEED RESTRICTIONS SET BY THE BOARD OF INVESTMENTS; PROVIDING FOR PLANNING GRANTS AND LOANS; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING A STATUTORY APPROPRIATION; TRANSFERRING FUNDS FROM THE GENERAL FUND INTO A STATE SPECIAL REVENUE ACCOUNT; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Short title. [This act] may be cited as the "Home Ownership Means Economic Security Act".

NEW SECTION. Section 2. Montana housing infrastructure principal account. (1) There is a Montana housing infrastructure principal account within the enterprise fund type established in 17-2-102 to the credit of the board of investments. Money deposited in the account established in this section must be invested by the board of investments as provided by law.

(2) The state treasurer shall transfer monthly from this account to the account established in [section 3] the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account. Earnings not transferred to the account established in [section 3] must be retained in the principal account.

(3) The principal of the trust must forever remain inviolate unless appropriated by a vote of two-

1 (2) 50% of the projected project cost.

2

3 NEW SECTION. Section 7. Eligibility. For the costs of an infrastructure project to be eligible to be
4 paid by the proceeds of a loan or bonds or other securities of an eligible government unit as defined in 17-5-
5 1604, the infrastructure project must provide for residential development at a minimum gross density of 10 units
6 for each acre.

7

8 NEW SECTION. Section 8. Department duties -- rulemaking authority -- reporting. (1) The
9 department of commerce shall administer the planning grant program pursuant to [section 4(1)].

10 (2) The department of commerce shall adopt rules to administer the planning grant program that
11 address the following:

12 (a) reviewing the criteria and the application scoring system to prioritize applications based on
13 planning and zoning reforms;

14 (b) ensuring readiness to proceed with the development;

15 (c) ensuring a subdivision improvement agreement; and

16 (d) reviewing other factors relevant to promoting successful housing developments that meet the
17 density requirements of [section 7].

18 (3) The department of commerce shall, in accordance with 5-11-210, report annually by
19 September 1 to the legislative finance committee on the amounts granted and the status of all grants.

20 (4) The department of commerce may adopt rules to administer the planning grant program.

21

22 NEW SECTION. Section 9. Financing by board of investments -- deed restrictions. (1) The board
23 of investments may make loans from the account established in [section 2] to an eligible government unit as
24 defined in 17-5-1604 or an applicant for residential development to cover the costs of demolition or expanding
25 or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk infrastructure to serve new
26 or rehabilitated residential development.

27 (2) The board of investments may purchase up to 50% of a bond or other security issued in
28 accordance with state law by an eligible government unit as defined in 17-5-1604 to cover all or a portion of

Amendment - 1st Reading-white - (H) Appropriations

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0825.001.005

1 costs of expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk
2 infrastructure to serve new or rehabilitated residential development at an interest rate to be determined by the
3 board of investments as an investment of the account established in [section 2].

4 (3) The board of investments shall:

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

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

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

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

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

18

19 **Section 10.** 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.

28 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-