

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE MONTANA COMMUNITY  
5 REINVESTMENT PLAN; PROVIDING FOR DONATIONS TO THE MONTANA COMMUNITY REINVESTMENT  
6 PLAN THAT PROVIDES FUNDING FOR ATTAINABLE WORKFORCE HOUSING; PROVIDING FOR A TAX  
7 CREDIT FOR DONATIONS TO THE PROGRAM; PROVIDING FOR DISTRIBUTION OF THE FUNDS TO  
8 COMMUNITY REINVESTMENT ORGANIZATIONS; PROVIDING FOR COMMUNITY REINVESTMENT  
9 ORGANIZATION REQUIREMENTS; REQUIRING COMMUNITY REINVESTMENT ORGANIZATIONS TO  
10 PROCURE MATCHING FUNDS; PROVIDING FOR A MONTANA COMMUNITY REINVESTMENT  
11 COMMISSION; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING A  
12 STATUTORY APPROPRIATION; AMENDING SECTIONS 15-30-2303 AND 17-7-502, MCA; AND PROVIDING  
13 A DELAYED EFFECTIVE DATE."  
14

15 WHEREAS, the availability of attainable workforce housing is critical to the well-being of individuals,  
16 communities, businesses, and organizations of all sizes, and the economy at large; and

17 WHEREAS, access to attainable workforce housing provides greater opportunities to realize the  
18 American dream, allows for more robust job creation, promotes a stronger economy, and is essential to  
19 ensuring our residents and future generations are able to live, work, and raise their families in the state; and

20 WHEREAS, driven by a shortage of housing supply, the state faces a crisis of attainable workforce  
21 housing that poses substantial challenges to hardworking Montanans, employers, communities, and the state's  
22 economic health; and

23 WHEREAS, between 2010 and 2020, the state's population growth of 9.6% outpaced the state's  
24 housing unit growth of 6.6%, and a substantial factor contributing to tight housing supply has been  
25 underbuilding of entry-level homes, which are in high demand but low supply; and

26 WHEREAS, it is in the public interest of our state, our communities, and our people to find solutions to  
27 the tight supply of attainable workforce housing; and

28 WHEREAS, the health and stability of the state is directly dependent on the health and stability of local

1 economic regions that are struggling due to an inadequate workforce, which is creating concerns for negative,  
2 long-term consequences; and

3 WHEREAS, a diverse, capable workforce is essential to retain the economic vitality and prosperity of  
4 the state within the global marketplace; and

5 WHEREAS, the Montana Community Reinvestment Plan Act may generate 2,500 attainable workforce  
6 housing dwellings allowing qualified individuals to achieve homeownership.

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

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10 NEW SECTION. Section 1. Short title. [Sections 1 through 10] may be cited as the "Montana  
11 Community Reinvestment Plan Act".

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

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17 NEW SECTION. Section 3. Definitions. As used in [sections 1 through 10], the following definitions  
18 apply:

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

21 (2) "Commission" means the Montana community reinvestment commission established in [section  
22 7].

23 (3) "Community reinvestment organization" means the regional entity or entities established in  
24 [section 8].

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

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

28 (6) "Eligible household" means a household earning between 60% and 140% of median income for

1 the state.

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

4 (8) "Procurement account" means a restricted account established by each community  
5 reinvestment organization pursuant to [section 9].

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

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8 **NEW SECTION. Section 4. Montana community reinvestment plan.** (1) There is a Montana  
9 community reinvestment plan that enables regional community reinvestment organizations to reduce the cost of  
10 housing to an affordable range for Montana's workforce. The program creates a deed-restricted housing  
11 inventory that becomes a perpetual attainable workforce housing infrastructure for employers, employees, and  
12 entire communities.

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

15  
16 **NEW SECTION. Section 5. Montana community reinvestment contribution account.** (1) There is  
17 an account in the state special revenue fund established by 17-2-102 known as the Montana community  
18 reinvestment contribution account. The purpose of the account is to fund the establishment of affordable,  
19 attainable workforce housing infrastructure in the state.

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

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

25 (b) (i) Except as provided in [section 9(6)], after subtracting administrative costs and subject to  
26 subsection (3)(b)(ii), the department shall distribute by October 1 annually the money in the account to  
27 community reinvestment organizations based on the percentage of the combined county gross domestic  
28 product within the regional boundaries of the organization to that of the state gross domestic product.

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

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

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9           NEW SECTION. Section 6. Montana community reinvestment contribution credit allowed --  
10 **eligibility -- rulemaking.** (1) A taxpayer is allowed a credit against the taxes that are otherwise due under Title  
11 15, chapter 30 or chapter 31, for a contribution to the Montana community reinvestment plan provided for in  
12 [sections 1 through 10]. The credit is equal to \$1 for every 95 cents contributed. The credit may not be refunded  
13 if the taxpayer has a tax liability less than the amount of the credit. If the amount of credit exceeds the  
14 taxpayer's tax liability for the current tax year, the excess may be carried back 1 tax year.

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

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

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

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

28           (5)     The department shall deposit certified taxpayer contributions in the Montana community

1 reinvestment contribution account provided for in [section 5].

2

3 NEW SECTION. Section 7. Montana community reinvestment commission. (1) There is a  
4 Montana community reinvestment commission administratively attached to the department of revenue.

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

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

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

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

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

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

23

24 NEW SECTION. Section 8. Community reinvestment organizations. (1) A community  
25 reinvestment organization meeting the requirements of [section 9] may be established no later than December  
26 31, 2024.

27 (2) There may be a maximum of 15 community reinvestment organizations in the state.

28 (3) The geographic boundaries of each community reinvestment organization must be the same as

1 the boundaries determined by the department of commerce for certified regional development corporations  
2 provided for in 90-1-116, in which an established certified regional development corporation exists.

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.

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

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

16 (7) To be certified by the Montana community reinvestment commission provided for in [section 7],  
17 a community reinvestment organization shall provide the information required by the commission by January  
18 15, 2025.

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

23

24 **NEW SECTION. Section 9. Community reinvestment organization requirements.** (1) A  
25 community reinvestment organization shall meet the requirements of this section.

26 (2) A community reinvestment organization must be established as a federally recognized  
27 charitable organization under 26 U.S.C. 501(c)(3) or (c)(6).

28 (3) Each community reinvestment organization shall create a procurement account for the deposit

1 and distribution of funds to participating counties within the community reinvestment organization's region.

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

6 (5) (a) Money in a procurement account must be used as follows:

7 (i) 99% must be distributed to participating counties to be used to assist eligible households in  
8 purchasing attainable workforce housing as provided in this section; and

9 (ii) 1% must be dedicated to a foreclosure mitigation set-aside fund to be held locally.

10 (b) Money in a procurement account may not be used for preconstruction, development, or  
11 construction-related purposes.

12 (c) If a county elects not to participate in the program under [sections 1 through 10], the money  
13 allocated to that county must be distributed proportionally to the remaining counties participating in the program  
14 within the same region as the nonparticipating county.

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

19 (7) Money used from the procurement account to assist an eligible household may not exceed  
20 30% of the total purchase price.

21 (8) Housing purchased using money from the procurement account must have a deed limitation  
22 restricting the future value of the home to be equal to the initial net consumer price at the time of purchase. The  
23 rate of appreciation on the deed-restricted home may not be greater than 0.5% a year.

24

25 NEW SECTION. **Section 10. Rulemaking.** The department may adopt rules, prepare forms, and  
26 maintain records that are necessary to implement and administer [sections 1 through 10].

27

28 NEW SECTION. **Section 11. Montana community reinvestment contribution credit allowed.**

1 There is a credit against tax liability under this chapter for a contribution to the Montana community  
2 reinvestment plan provided for in [section 6].

3

4 NEW SECTION. **Section 12. Montana community reinvestment contribution credit allowed.**

5 There is a credit against tax liability under this chapter for a contribution to the Montana community  
6 reinvestment plan provided for in [section 6].

7

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

9 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits  
10 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10  
11 years thereafter:

12 (a) the credit for contractor's gross receipts provided for in 15-50-207; and

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

14 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and  
15 during each biennium commencing 10 years thereafter:

16 (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-  
17 30-3110, and 15-31-158; and

18 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-  
19 30-3111, and 15-31-159.

20 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and  
21 during each biennium commencing 10 years thereafter:

22 (a) the credit for infrastructure use fees provided for in 17-6-316;

23 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-  
24 2329, 15-31-161, and 15-31-162; and

25 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,  
26 chapter 32, part 6.

27 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and  
28 during each biennium commencing 10 years thereafter:



- 1 (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;
- 2 (b) the credit for unlocking state lands provided for in 15-30-2380;
- 3 (c) the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; and
- 4 (d) the credit for trades education and training provided for in 15-30-2359 and 15-31-174.
- 5 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and
- 6 during each biennium commencing 10 years thereafter:
- 7 (a) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357
- 8 and 15-31-173;
- 9 (b) the earned income tax credit provided for in 15-30-2318; ~~and~~
- 10 (c) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009;
- 11 and
- 12 (d) the Montana community reinvestment contribution credit provided for in [sections 11 and 12].
- 13 (6) The revenue interim committee shall review the tax credits scheduled for review and make
- 14 recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about
- 15 whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date
- 16 or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or
- 17 terminate.
- 18 (7) The revenue interim committee shall review the credits using the following criteria:
- 19 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions
- 20 that may have been made regardless of the existence of the tax credit;
- 21 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;
- 22 (c) whether the credit has out-of-state beneficiaries;
- 23 (d) the timing of costs and benefits of the credit and how long the credit is effective;
- 24 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or
- 25 elimination outweigh adverse impacts; and
- 26 (f) the extent to which benefits of the credit affect the larger economy. (Subsection (4)(d)
- 27 terminates December 31, 2026--sec. 7, Ch. 248, L. 2021; subsection (4)(c) terminates December 31, 2028--
- 28 sec. 24(1), Ch. 550, L. 2021.)"

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**Section 14.** Section 17-7-502, MCA, is amended to read:

**"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory

appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121; 15-1-218; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102; 46-32-108; 50-1-115; 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-2-526; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 87-5-909; [section 5]; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined

1 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have  
 2 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the  
 3 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement  
 4 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410  
 5 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental  
 6 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on  
 7 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117  
 8 terminates June 30, 2025; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates June 30,  
 9 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025;  
 10 pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to secs. 5, 8,  
 11 Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023; pursuant to sec.  
 12 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch. 374, L. 2017,  
 13 the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the inclusion of 37-50-  
 14 209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates  
 15 June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June  
 16 30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1, 2023; pursuant to  
 17 sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023; pursuant to secs. 1, 2, 3, Ch. 139,  
 18 L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion  
 19 of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004  
 20 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30,  
 21 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; and  
 22 pursuant to sec. 15, Ch. 574, L. 2021, the inclusion of 46-32-108 terminates June 30, 2023.)"

23

24 **NEW SECTION. Section 15. Codification instruction.** (1) [Sections 1 through 10] are intended to  
 25 be codified as an integral part of Title 90, and the provisions of Title 90 apply to [sections 1 through 10].

26 (2) [Section 11] is intended to be codified as an integral part of Title 15, chapter 30, and the  
 27 provisions of Title 15, chapter 30, apply to [section 11].

28 (3) [Section 12] is intended to be codified as an integral part of Title 15, chapter 31, and the

1 provisions of Title 15, chapter 31, apply to [section 12].

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3 NEW SECTION. **Section 16. Effective date.** [This act] is effective January 1, 2024.

4 - END -