

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

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0819.003.006

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 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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1 ~~137, MCA; 15-30-2303 AND 17-7-502, MCA;~~ AND PROVIDING A ~~DELAYED~~ AN IMMEDIATE EFFECTIVE
2 DATE.”

3
4 WHEREAS, the availability of attainable workforce housing is critical to the well-being of individuals,
5 communities, businesses, and organizations of all sizes, and the economy at large; and

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

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

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

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

17 WHEREAS, the health and stability of the state is directly dependent on the health and stability of local
18 economic regions that are struggling due to an inadequate workforce, which is creating concerns for negative,
19 long-term consequences; and

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

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

24

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

26

27 NEW SECTION. Section 1. Short title. [Sections 1 through ~~40~~ 8] may be cited as the "Montana

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1 Community Reinvestment Plan Act".

2

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

6

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

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

11 (2) ~~"Commission" means the Montana community reinvestment commission established in [section~~
12 ~~7].~~

13 (3)(2) "Community reinvestment organization" means the regional entity or entities established in
14 [section 8 6] or a certified regional development corporation, a certified development corporation, a community
15 housing development organization, an economic development association, or a community development
16 financial institution.

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

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

21 (5)(4) "Department" means the department of ~~revenue~~ COMMERCE, unless specifically stated
22 otherwise.

23 (6)(5) "Eligible household" means a household earning between 60% and 140% of median
24 HOUSEHOLD income for the COUNTY IN WHICH THE PERSON RESIDES OR THE state, WHICHEVER IS LESS.

25 (7)(6) "Montana community reinvestment ~~contribution~~ PLAN account" means the account in the state
26 special revenue fund and any subaccounts established pursuant to [section 5].

27 (8) ~~"Procurement account" means a restricted account established by each community~~

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1 ~~reinvestment organization pursuant to [section 9].~~

2 ~~(9)(7)~~ "Program" means the Montana community reinvestment plan.

3
4 NEW SECTION. Section 4. Montana community reinvestment plan. (1) There is a Montana
5 community reinvestment plan that enables regional community reinvestment organizations to reduce the cost of
6 housing to an affordable range for Montana's workforce. The program creates a deed-restricted housing
7 inventory that becomes a ~~perpetual~~ attainable workforce housing infrastructure for employers, employees, and
8 entire communities BY DISTRIBUTING MONEY TO COMMUNITY REINVESTMENT ORGANIZATIONS THAT INVEST THE FUNDS
9 BY BUYING DOWN THE COSTS OF MORTGAGES FOR ELIGIBLE HOUSEHOLDS.

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

12
13 NEW SECTION. Section 5. Montana community reinvestment ~~contribution~~ PLAN account. (1)

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

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

19 ~~(3)(2)~~ (a) Money in the account must be used by the department for the purpose of administering the
20 provisions of [sections 1 through 10]. ~~The department may use 1% of annual contributions for costs incurred by~~
21 ~~the department in administering the program.~~

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

27 (ii) — If the procurement account cash balance of a community reinvestment organization does not

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

4 (6) An incorporated city, consolidated city-county, or county may ~~redirect state or federal funds to~~
5 ~~the state to increase the limit on contribution credits provided for in [section 6]. Additional revenue generated~~
6 ~~from the redirection of funds must be distributed to the community reinvestment organization procurement~~
7 ~~account for the region containing the incorporated city, consolidated city-county, or county~~ CONTRIBUTE FUNDS
8 TO ITS REGIONAL CRO REVOLVING ACCOUNT AS AN OPTIONAL LOCAL GOVERNMENT INVESTMENT.

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

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

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

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

19
20 NEW SECTION. SECTION 8. STATE WORKFORCE HOUSING INCENTIVE TO COMMUNITY REINVESTMENT
21 ORGANIZATIONS. (1) A COMMUNITY REINVESTMENT ORGANIZATION ESTABLISHED IN [SECTION 6] THAT CONTAINS
22 COMMUNITIES IN THE COUNTY THAT HAVE A POPULATION OF 15,000 OR LESS AND ARE LOCATED WITHIN A 30-MILE
23 RADIUS OF A ~~state-owned~~ FACILITY THAT HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS IS
24 ELIGIBLE TO APPLY FOR FUNDS FROM THE APPROPRIATION PROVIDED FOR IN [SECTION 20].

25 (2) THE DEPARTMENT SHALL ALLOCATE FUNDS TO APPLYING AND QUALIFYING COUNTIES WITHIN
26 COMMUNITY REINVESTMENT ORGANIZATIONS PROPORTIONALLY TO THE AVERAGE NUMBER OF STATE INMATES OR
27 BEHAVIORAL HEALTH PATIENTS IN THAT ~~state-owned~~ FACILITY IN THE FISCAL YEAR BEGINNING JULY 1, 2021, AND THE

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1 NUMBER OF EMPLOYEES IN THAT COUNTY THAT WORK IN THE **state-owned** FACILITIES THAT SERVE THOSE INMATES OR
2 PATIENTS.

3 (3) EACH COMMUNITY REINVESTMENT ORGANIZATION THAT RECEIVES STATE WORKFORCE HOUSING
4 INCENTIVE FUNDS SHALL CREATE A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT FOR THE DEPOSIT AND
5 DISTRIBUTION OF FUNDS TO QUALIFYING AND PARTICIPATING COUNTIES WITHIN THE COMMUNITY
6 REINVESTMENT ORGANIZATION'S REGION.

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

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

10 (ii) 5% OR LESS MUST BE DEDICATED TO STARTUP AND ADMINISTRATIVE COSTS OF THE
11 COMMUNITY REINVESTMENT ORGANIZATION AND MAY BE USED TO CREATE A FORECLOSURE MITIGATION SET-ASIDE
12 FUND TO BE HELD LOCALLY.

13 (B) MONEY IN A STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT MAY NOT BE USED FOR
14 PRECONSTRUCTION, DEVELOPMENT, OR CONSTRUCTION-RELATED PURPOSES.

15 (C) IF A COUNTY ELECTS NOT TO PARTICIPATE IN THE PROGRAM UNDER [SECTIONS 1 THROUGH 9], THE
16 MONEY ALLOCATED TO THAT COUNTY MUST BE DISTRIBUTED PROPORTIONALLY TO THE REMAINING COUNTIES QUALIFYING
17 AND PARTICIPATING IN THE PROGRAM WITHIN THE SAME REGION AS THE NONPARTICIPATING COUNTY.

18 (5) AN INCORPORATED CITY, CONSOLIDATED CITY-COUNTY, OR COUNTY MAY CONTRIBUTE FUNDS TO ITS
19 STATE WORKFORCE HOUSING CRO REVOLVING ACCOUNT AS AN OPTIONAL LOCAL GOVERNMENT INVESTMENT OR MAY
20 RECEIVE MATCHING FUNDS FROM THE WORKFORCE HOUSING APPROPRIATION IN [SECTION 15].

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

23 (7) (A) HOUSING PURCHASED USING MONEY FROM THE STATE WORKFORCE HOUSING CRO
24 REVOLVING ACCOUNT MUST HAVE A DEED LIMITATION RESTRICTING THE FUTURE VALUE OF THE HOME TO BE EQUAL TO
25 THE INITIAL NET CONSUMER PRICE AT THE TIME OF PURCHASE. THE RATE OF APPRECIATION ON THE DEED-RESTRICTED
26 HOME MAY NOT BE GREATER THAN 1% A YEAR.

27 (B) HOUSING PURCHASED USING MONEY FROM THE STATE WORKFORCE HOUSING CRO

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1 REVOLVING ACCOUNT MUST HAVE A DEED LIMITATION RESTRICTION TO ENSURE THAT A RESIDENT OF THE HOUSING IS
2 EMPLOYED AT A ~~state-owned~~ FACILITY THAT, ON AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR
3 BEHAVIORAL HEALTH PATIENTS AND THE ~~state-owned~~ FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT
4 DOES NOT EXCEED 15,000 INHABITANTS.

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

8
9 NEW SECTION. Section 9. USE OF STATE TRUST LANDS FOR ATTAINABLE HOUSING. WHERE STATE TRUST
10 LANDS ARE IN CLOSE PROXIMITY TO CITIES, TOWNS, OR COMMUNITIES; :

11 (1) THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION SHALL UNDERTAKE AN EVALUATION
12 OF WHETHER THE LANDS COULD BE MADE AVAILABLE FOR USE AS LAND FOR POTENTIAL DEVELOPMENT OF ATTAINABLE
13 WORKFORCE HOUSING AS A PART OF THE MONTANA COMMUNITY REINVESTMENT PLAN; AND

14 (2) EACH COMMUNITY REINVESTMENT ORGANIZATION SHALL CONSIDER THE USE OF STATE LANDS TO
15 SUPPORT CRITICAL PUBLIC EMPLOYEE SERVICES, INCLUDING ATTAINABLE WORKFORCE HOUSING AS PART OF THE
16 MONTANA COMMUNITY REINVESTMENT PLAN.

17
18 NEW SECTION. Section 10. Rulemaking. The department may adopt rules, prepare forms, and
19 maintain records that are necessary to implement and administer [sections 1 through 10].

20
21 NEW SECTION. Section 11. — Montana community reinvestment contribution credit allowed.
22 There is a credit against tax liability under this chapter for a contribution to the Montana community
23 reinvestment plan provided for in [section 6].

24
25 NEW SECTION. Section 12. — Montana community reinvestment contribution credit allowed.
26 There is a credit against tax liability under this chapter for a contribution to the Montana community
27 reinvestment plan provided for in [section 6].

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1
2 NEW SECTION. SECTION 11. PURPOSE. THE PURPOSE OF THE LOANS MADE AND THE BONDS OR OTHER
3 SECURITIES ISSUED AND PURCHASED PURSUANT TO [SECTIONS 10 THROUGH 14] ARE:
4 (1) TO INCREASE HOME OWNERSHIP AND PROVIDE MORE LONG-TERM RENTAL OPPORTUNITY;
5 (2) TO INCREASE HOUSING SUPPLY AND OFFER DIVERSE HOUSING TYPES TO MEET THE NEEDS OF
6 POPULATION GROWTH; AND
7 (3) TO CREATE PARTNERSHIPS BETWEEN THE STATE, LOCAL GOVERNMENTS, PRIVATE SECTOR
8 DEVELOPERS, AND APPLICANTS FOR RESIDENTIAL DEVELOPMENT TO FINANCE NECESSARY INFRASTRUCTURE FOR
9 HOUSING.

10
11 NEW SECTION. SECTION 12. TERMS. THE TOTAL AMOUNT OF LOANS MADE TO AN ENTITY FOR AN
12 INFRASTRUCTURE PROJECT PURSUANT TO [SECTION 14(1)] MAY NOT EXCEED:
13 (1) \$1 MILLION; OR
14 (2) 50% OF THE PROJECTED PROJECT COST.

15
16 NEW SECTION. SECTION 13. ELIGIBILITY -- PRIORITY. (1) FOR THE COSTS OF AN INFRASTRUCTURE
17 PROJECT TO BE ELIGIBLE TO BE PAID BY THE PROCEEDS OF A LOAN OR BONDS OR OTHER SECURITIES OF AN ELIGIBLE
18 GOVERNMENT UNIT AS DEFINED IN 17-5-1604, THE INFRASTRUCTURE PROJECT MUST PROVIDE FOR RESIDENTIAL
19 DEVELOPMENT AT A MINIMUM GROSS DENSITY OF 10 UNITS FOR EACH ACRE.
20 (2) LENDING OF AT LEAST \$7 MILLION OF AVAILABLE FUNDS MUST BE PRIORITIZED TO COUNTIES THAT HAVE
21 A POPULATION OF LESS THAN 15,000 INHABITANTS THAT ARE LOCATED WITHIN A 30-MILE RADIUS OF A ~~state-owned~~
22 FACILITY THAT, ON AN ANNUAL AVERAGE, HOUSES AT LEAST 100 STATE INMATES OR BEHAVIORAL HEALTH PATIENTS, AND
23 THE ~~state-owned~~ FACILITY IS LOCATED IN A COUNTY THAT HAS A POPULATION THAT DOES NOT EXCEED 15,000
24 INHABITANTS.

25
26 NEW SECTION. SECTION 14. ~~FINANCING BY BOARD OF INVESTMENTS -- DEED RESTRICTIONS.~~ (1) THE
27 ~~BOARD OF INVESTMENTS- governor's office of economic development~~ MAY MAKE LOANS FROM THE ACCOUNT

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1 ESTABLISHED IN [SECTION 10] TO AN ELIGIBLE GOVERNMENT UNIT AS DEFINED IN 17-5-1604 OR AN APPLICANT FOR
2 RESIDENTIAL DEVELOPMENT TO COVER THE COSTS OF DEMOLITION OR EXPANDING OR EXTENDING WATER,
3 WASTEWATER, STORM WATER, STREET, ROAD, CURB, GUTTER, AND SIDEWALK INFRASTRUCTURE TO SERVE NEW OR
4 REHABILITATED RESIDENTIAL DEVELOPMENT.

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

11 (3) THE ~~BOARD OF INVESTMENTS~~ *governor's office of economic development* SHALL:

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

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

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

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

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

26
27 NEW SECTION. SECTION 15. WORKFORCE HOUSING APPROPRIATIONS -- ELIGIBLE USES OF FUNDS. (1)

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1 THERE IS APPROPRIATED \$12 MILLION FROM THE GENERAL FUND TO THE ~~BOARD OF INVESTMENTS- governor's office of~~
2 ~~economic affairs~~ FOR THE BIENNIUM BEGINNING JULY 1, 2023. THE PURPOSE OF THE FUNDS IS TO ADVANCE THE
3 CONSTRUCTION OF WORKFORCE HOUSING OF EMPLOYEES WHO WORK AT ~~state-owned~~ FACILITIES THAT HOUSE STATE
4 INMATES OR BEHAVIORAL HEALTH PATIENTS.

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

11 (3) ELIGIBLE USES OF THE FUNDS INCLUDE:

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

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

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

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

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

25
26 **SECTION 16.** SECTION 17-6-308, MCA, IS AMENDED TO READ:

27 "17-6-308. **Authorized investments.** (1) Except as provided in subsections (2) through (8) of this

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

4 (10) All repayments of proceeds pursuant to subsection (3) of investments made from the coal
5 severance tax trust fund must be deposited in the coal severance tax permanent fund."
6

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

8 **"90-6-137. Alternate funding source for housing loans -- use of coal tax trust fund money. (1)**

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

14 (2) While a loan made from the coal tax trust fund pursuant to this section is repaid, the principal
15 payments on the loan must be deposited in the coal tax trust fund until all of the principal of the loan is repaid.
16 Interest received on a loan may be used by the board, in amounts determined by the board in accordance with
17 90-6-136, to pay for the servicing of a loan and for reasonable costs of the board for administering the program.
18 After payment of associated expenses, interest received on the loan must be deposited into the coal tax trust
19 fund.

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

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

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

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

26 (iii) The minimum interest rate charged on a loan pursuant to this section is ~~0.5% less~~ 0.75% more
27 0.5% less than the interest rate charged for a loan funded by the housing Montana fund provided for in 90-6-

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

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0819.003.006

1 133, but no less than 3%.

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

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

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

7 (5) Funds administered by the board from the coal tax trust fund may not be used to pay the
8 expenses of any other program or service administered by the board.

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

11
12 NEW SECTION. Section 18. TRANSFER OF FUNDS. (1) BY JULY 1 AUGUST 15, 2023, THE STATE
13 TREASURER SHALL TRANSFER \$50 MILLION FROM THE GENERAL FUND TO THE MONTANA COMMUNITY REINVESTMENT
14 PLAN ACCOUNT PROVIDED FOR IN [SECTION 5].

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

17
18 NEW SECTION. Section 19. APPROPRIATION. (1) THERE IS APPROPRIATED ONE-TIME-ONLY \$50 MILLION
19 FROM THE MONTANA COMMUNITY INVESTMENT PLAN ACCOUNT PROVIDED FOR IN [SECTION 5] TO THE DEPARTMENT OF
20 COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023.

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

22
23 NEW SECTION. Section 20. APPROPRIATIONS. THERE IS APPROPRIATED \$6 MILLION FROM THE GENERAL
24 FUND TO THE DEPARTMENT OF COMMERCE FOR THE BIENNIUM BEGINNING JULY 1, 2023, FOR THE PURPOSES IN
25 [SECTION 8].

26
27 NEW SECTION. Section 21. NOTIFICATION TO TRIBAL GOVERNMENTS. THE SECRETARY OF STATE SHALL