

Amendment - 2nd Reading/2nd House-tan - Requested by: Daniel Zolnikov - (S) Committee of the Whole

- 2025

69th Legislature 2025

Drafter: Jaret Coles,

HB0505.002.001

HOUSE BILL NO. 505

INTRODUCED BY M. VINTON, D. ZOLNIKOV, J. KASSMIER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE MONTANA HOUSING INFRASTRUCTURE REVOLVING LOAN FUND MAY BE USED TO SECURE BONDS AND PROVIDE FINANCING FOR ELIGIBLE PROJECTS AND RETAINING ALL INTEREST AND INCOME IN THE ACCOUNTS; PROVIDING FOR ~~TRANSFERS~~ A TRANSFER OF FUNDS; ELIMINATING ELIGIBILITY PRIORITY; AMENDING SECTIONS 17-6-801, 17-6-804, AND 17-6-805, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 17-6-801, MCA, is amended to read:

"17-6-801. Montana housing infrastructure revolving loan fund account. (1) There is a Montana housing infrastructure revolving loan fund account within the state special revenue 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. All interest and income earned on the account must be retained in the account.

(2) The principal of the account may only be appropriated by a vote of two-thirds of the members of each house of the legislature."

Section 2. Section 17-6-804, MCA, is amended to read:

"17-6-804. Eligibility -- priority. (1) For the costs of an infrastructure project to be eligible to be paid by the proceeds of a loan or bonds or other securities of an eligible government unit as defined in 17-5-1604, the infrastructure project must provide for residential development at a minimum gross density of 10 units for each acre.

~~(2) Lending of at least \$7 million of available funds must be prioritized to counties that have a~~

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~~population of less than 15,000 inhabitants that are located within a 30-mile radius of a state-owned facility that, on an annual average, houses at least 100 state inmates or behavioral health patients, and the state-owned facility is located in a county that has a population that does not exceed 15,000 inhabitants~~

(2) General fund transfers in the account created in 17-6-801 pursuant to [section 4] may be used for eligible infrastructure projects for residential development at a minimum gross density of ~~four~~ three units for each acre."

Section 3. Section 17-6-805, MCA, is amended to read:

"17-6-805. Financing -- deed restrictions. (1) The board of investments may make loans from the account established in 17-6-801 to an eligible government unit as defined in 17-5-1604 or an applicant for residential development to cover the costs of demolition or expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk infrastructure to serve new or rehabilitated residential development.

(2) The board of investments may purchase up to 50% of a bond or other security issued in accordance with state law by an eligible government unit as defined in 17-5-1604 to cover all or a portion of costs of expanding or extending water, wastewater, storm water, street, road, curb, gutter, and sidewalk infrastructure to serve new or rehabilitated residential development at an interest rate to be determined by the board of investments as an investment of the account established in 17-6-801.

(3) The board of investments shall:

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

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

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