

HOUSE BILL NO. 428

INTRODUCED BY S. MORIGEAU

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A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING ELIGIBILITY REQUIREMENTS OF THE INFRASTRUCTURE LOAN PROGRAM AND THE INTERCAP LOAN PROGRAM TO INDIAN TRIBAL GOVERNMENTS; PROVIDING REQUIREMENTS TO LOAN AGREEMENTS WITH INDIAN TRIBAL GOVERNMENTS; CLARIFYING ELIGIBLE USE OF LOAN FUNDS FOR INDIAN TRIBAL GOVERNMENTS; AMENDING SECTIONS 17-5-1604 AND 17-6-316, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Loans with Indian tribal governments.** Loan agreements with Indian tribal governments that are authorized under this title must contain the provisions specified in 90-6-709.

NEW SECTION. **Section 2. Incurrence of certain general obligations related to Indian tribal governments.** An Indian tribal government may enter into a loan agreement under Title 17, chapters 5 and 6 for any public or governmental purpose as provided in 7-7-4104.

Section 3. Section 17-5-1604, MCA, is amended to read:

"17-5-1604. Definitions. As used in this part, the following definitions apply:

- (1) "Board" means the board of investments created in 2-15-1808.
- (2) "Department" means the department of commerce created in 2-15-1801.
- (3) "Eligible government unit" means:
 - (a) any municipal corporation or political subdivision of the state, including without limitation any city, town, county, school district, authority as defined in 75-6-304, or other special taxing district or assessment or service district authorized by law to borrow money;
 - (b) the state, any board, agency, or department of the state, or the board of regents of the Montana university system when authorized by law to borrow money; or
 - (c) ~~for the purposes of Title 90, chapter 4, part 12, only;~~ an Indian tribal government, in accordance with

1 [section 2].

2 (4) "Reserve fund" means the municipal finance consolidation act reserve fund created in 17-5-1630."

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4 **Section 4.** Section 17-6-316, MCA, is amended to read:

5 **"17-6-316. Economic development loan -- infrastructure tax credit.** (1) A loan made pursuant to
6 17-6-309(2) must be used to build infrastructure, as provided for in 7-15-4288(4), such as water systems, sewer
7 systems, water treatment facilities, sewage treatment facilities, and roads, that allows the location or creation of
8 a business in Montana. The loan must be made to a local government or an Indian tribal government that will
9 create the necessary infrastructure. The infrastructure may serve as collateral for the loan. The local government
10 or Indian tribal government receiving the loan may charge fees to the users of the infrastructure. A loan
11 repayment agreement must provide for repayment of the loan from the entity authorized to charge fees for the
12 use of the services of the infrastructure. Loans made pursuant to 17-6-309(2) qualify for the job credit interest
13 rate reductions under 17-6-318 if the interest rate reduction passes through to the business creating the jobs.

14 (2) A loan pursuant to 17-6-309(2) and this section may not be made until the board is satisfied that the
15 condition in 17-6-309(2) will be met. If the condition contained in 17-6-309(2) is not met, any credits received
16 pursuant to subsection (3) of this section must be returned to the state.

17 (3) A business that is created or expanded as the result of a loan made pursuant to 17-6-309(2) and
18 subsection (1) of this section is entitled to a credit against taxes due under Title 15, chapter 30 or 31, for the
19 portion of the fees attributable to the use of the infrastructure. The total amount of tax credit claimed may not
20 exceed the amount of the loan. The credit may be carried forward for 7 tax years or carried back for 3 tax years."

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22 NEW SECTION. **Section 5. Notification to tribal governments.** The secretary of state shall send a
23 copy of [this act] to each tribal government located on the seven Indian reservations and to the Little Shell
24 Chippewa tribe.

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26 NEW SECTION. **Section 6. Codification instruction.** [Sections 1 and 2] are intended to be codified
27 as an integral part of Title 17, and the provisions of Title 17 apply to [sections 1 and 2].

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29 NEW SECTION. **Section 7. Effective date.** [This act] is effective on passage and approval.

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