

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT

Call to Order: By REP. BOB BACHINI, CHAIRMAN, on March 6, 1991,
at 8:00 a.m.

ROLL CALL

Members Present:

Bob Bachini, Chairman (D)
Sheila Rice, Vice-Chair (D)
Joe Barnett (R)
Steve Benedict (R)
Brent Cromley (D)
Tim Dowell (D)
Alvin Ellis, Jr. (R)
Stella Jean Hansen (D)
H.S. "Sonny" Hanson (R)
Tom Kilpatrick (D)
Dick Knox (R)
Don Larson (D)
Scott McCulloch (D)
Bob Pavlovich (D)
John Scott (D)
Don Steppler (D)
Rolph Tunby (R)
Norm Wallin (R)

Staff Present: Paul Verdon, Legislative Council
Jo Lahti, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: SB 144, SB 148, HB 664, HB 827 were
heard. Executive Action on HB 477.

HEARING ON SENATE BILL 144

SEN. JOE MAZUREK, SD 23, Helena, sponsored SB 144 at the request of the City of Helena. It is an Act amending the Unit Ownership Act to require the filing of a Declaration of Unit Ownership with a city or town clerk if condominium property is located within a city or town; and amending Section 70-23-305, MCA. It would say in addition, a copy of the Declaration only would be delivered to the city. The problem that arose in Helena was that a subdivision east of the capital had an SID assessment against one multi-family dwelling lot. A developer put eight condominium units on that one lot. A Declaration of Unit Ownership was filed. The city

did not have notice that the condominiums had been created, so all SIDs continued to be filed against the owner's lot. The owner did not pay the taxes and eventually went into bankruptcy. This created a problem for not only the city, but for all condominium owners. If the Declaration of Unit Ownership had been filed, the City of Helena could have prorated the SID assessment against each of the units. This is a courtesy information copy to the city.

Proponents' Testimony:

David Hull, City Attorney for Helena, spoke in support of this bill. Currently, the State and the county receive notices but the city does not when a condominium is built so that the taxes can be split out. This bill would require the developer to file the Declaration so the city can make sure the correct parties are assessed the taxes. This is a housekeeping bill.

Opponents' Testimony: None

Questions from the Committee: None

Closing by the Sponsor: SEN. MAZUREK closed.

EXECUTIVE ACTION ON SENATE BILL 144

Motion/Vote: REP. PAVLOVICH moved SB 144 Be Concurred In. Motion carried unanimously. REP. SCOTT was absent. SEN. MAZUREK said REP. JAN BROWN would carry the Bill.

HEARING ON SENATE BILL 148

SEN. PAUL SVRCEK, SD 26, Thompson Falls, said SB 148 was requested by the Petroleum Marketers Association and the Motor Fuels Tax Division of the Department of Revenue. It is an Act providing for confidentiality of information from a gasoline distributor that is identifiable as pertaining to an individual; and amending Sections 15-70-205 and 15-70-209, MCA. It restricts the release of certain proprietary information that the gasoline distributors file monthly with their tax reports. This information includes the number of gallons sold, the number of gallons purchased at certain locations, the destination of products, etc.

They have had some difficulty with various competitors using this information to undercut prices. SB 148 treats this information similarly to the records on income tax confidentiality. This bill would not preclude the Legislature from obtaining this information if they wanted to do a study.

Proponents' Testimony:

Ronna Alexander, Director of Montana Petroleum Marketers

Association, said the copies of the records that are filed monthly with the state do list the total number of gallons and the destination of products, etc. Currently, anyone who calls the Division must be given any information requested. This bill would restrict that information from being given out.

Norris Nichols, Administrator, Motor Fuels Tax Division, Department of Revenue, said he supports the Bill.

Opponents' Testimony: None

Questions from the Committee:

REP. ELLIS asked if SEN. SVRCEK was aware of the bill that had been sponsored by REP. BRADLEY that mandated a 1% increase in wholesaler prices and a 6% increase in retail prices in the petroleum industry. SEN. SVRCEK said no. REP. ELLIS asked Ms. Alexander if that doesn't mean free travel of information if the Senate enacts that legislation. Ms. Alexander said HB 538 that passed out of Committee and passed the House is a below-cost selling bill. It is not an increase in prices. The 1% and 1-1/2% determines cost and it doesn't have anything to do with prices. REP. ELLIS asked how could someone's margins be determined if they don't know the price they received. Ms. Alexander said there is no problem between SB 148 and REP. BRADLEY's HB 538. Mr. Verdon explained HB 538 established the cost of doing business as 1% and 6%. SB 148 prevents a competitor from getting information from reports filed with the Division in the Department of Revenue.

Closing by the Sponsor:

SEN. SVRCEK asked for favorable consideration. REP. THOMAS will carry SB 148 in the House.

EXECUTIVE ACTION ON SENATE BILL 148

Motion/Vote: REP. SONNY HANSON moved SB 148 Be Concurred In. It was unanimously adopted with all members present. SB 148 and SB 144 are to be placed on the Consent Calendar.

HEARING ON HOUSE BILL 827

REP. HAL HARPER, HD 44, Helena, said HB 827 is a way to get a little bit of economic development going and to encourage those that are going. The amendments New Section, Section 1. Legislative Findings would be expanded. Section 1 is the meat of the bill which is an Act appropriating money to the Department of Commerce for the Certified Communities Program; and providing criteria for grants from the appropriation. An appropriation from the general fund to the DOC in the amount of \$530,000 is to be used for grants to assist communities in assessing local economic

development opportunities.

Section 3. Definitions and criteria for grants from appropriation would be strengthened. **EXHIBIT 1** Proposed amendments **EXHIBIT 2** were handed out by **REP. HARPER**.

Proponents' Testimony:

Evan Barrett, Director, Butte Local Development Corporation, supports this bill. HB 827 puts the State firmly behind economic development at the local level through coordination with the Department of Commerce. It would provide some funding assistance on a 3:1 match to help finance development efforts at the local level. Economic organizations have difficulty getting money from local people to create economic development projects. This would provide one more arm of funding.

Ron Klaphake, Missoula Economic Development Corporation, pointed out reasons for the state to be involved in the development of businesses at the local level. People at the local level in this state are working hard to prevent the exodus of business, trying to help businesses expand and trying to help businesses relocate to Montana. Funding these organizations is even more difficult. In the past five years more than half of their time was spent trying to raise money. At the local level there is an infrastructure as good as any in the country.

In their community they have been using almost all private money, in excess of \$100,000 per year. It has been difficult to raise money from the private sector. The beneficiaries of their work are those who find a job and the taxing jurisdictions. The whole state benefits not just the private sector at the local level. They are not asking to be given a grant; they want a portion at a 3:1 match. If all the communities in the state were eligible and applied, it would take about \$1 million at the local level. It is necessary to have local efforts to stimulate local economic developments. Those that are certified should do some business. It has to go through a very detailed process. He would like to have HB 827 passed and sent to the Appropriations Committee.

Scott Heck, Board Member of the Gallatin Development Corporation, owns a title company in Bozeman. He is representing Larry Johnson. The Laser Optic Company and Life Link would not have come to Bozeman without a local development company. These two companies employ 200 people. **Steve Strong,** a shoe manufacturer who employs 40 persons, would not be in Montana if it had not been for the help of an economic development company. The development companies in Montana are greatly under funded.

In Bozeman they raise about \$75,000 private dollars per year. The income committee talks to people on an individual basis and gets \$100-\$500 donations. The state needs to become involved in this process. If a block grant produces one job per loan of \$20,000, that is considered a success. In Bozeman they are producing a job

for less than \$1,000 per invested dollar. The State needs to be involved.

Jim Smithom, Montana Power Company, said they support HB 827 matching funds idea. The basis behind the bill is establishing a public-private partnership in the funding of economic development organizations on a local level. Currently, the funding comes from the private sector and has been stretched to the limit and is inadequate. This does not fund local developments properly. Local development organizations in Montana must compete against well-funded groups from other states for companies seeking new locations. This situation puts Montana at a great disadvantage in the competitive area of economic development. HB 827 would provide a basis for funding that should support the economic development efforts in Montana for many years.

REP. BENEDICT, HD 64, Hamilton, said small towns from the Bitterroot Valley have spent two years developing a certified community program. The Bitterroot Chamber of Commerce was instrumental in accomplishing this. This bill is really necessary for small areas. It is difficult to put an economic development effort together in a small area when there is not a lot of expertise nor people who are willing to spend their time, but it is very hard to do so without some money.

Pam Jackson, Executive Director of the Bitterroot Valley Chamber of Commerce, supports HB 827. This would enhance the goals and objectives and provide consistency and stability for their local economy. EXHIBIT 3

James Tutwiler, Montana Chamber of Commerce, supports the bill that will impact all of Montana. They have files of researched economic development plans that are just gathering dust. This is a working program and pertains to all of Montana. He urged support for HB 827.

Tony Preite, Bear Paw Economic Development District, Northern Montana, supports HB 827. Their District has been in existence for some time. It is exclusively funded locally with no direct state involvement. The organization receives services from among the Northern Plains Coalition, hospital, railroad, school districts, and many other businesses. They are trying to take care of things on their own. It does begin at the local level and until they are able to get some assistance from the State of Montana, they will have a rough time. All the chief executive officers support this program and want to continue to improve communications with the Montana DOC.

Kay Foster, Billings Chamber of Commerce, said it is difficult to provide on-going private funding at the local level. The Billings area and Yellowstone County have combined their efforts at the local level. She urged support for these matching funds.

Cal Cumin, Yellowstone County, said the Certified Cities program

has now several years of proven record of helping with economic development and of providing coordination with localities and State government. Lack of capital is one of the fundamental problems for small businesses and HB 827 addresses that lack of capital for small businesses which could provide the foundation for our economy.

Opponents' Testimony: None

Questions from the Committee:

REP. SONNY HANSON asked if the \$530,000 is in Governor Stephens' budget. REP. HARPER said no.

REP. BARNETT asked what constitutes a certified community organization. Also, what constitutes the area which that organization serves. REP. HARPER said members from the Department of Commerce could explain how a community becomes certified. Jerry L. Tavegia, Department of Commerce, Local Development Officer, said to be certified a community must make application and provide a resolution by the local governing body authorizing that organization. There are specific requirements that begin with a complete community profile, an inventory of all resources and include strategic planning. This normally would involve 500 hours of community effort. A community either meets the requirements or they don't. Mr. Tavegia said the area is indicated in the resolution that comes from the local governing body.

REP. Sheila RICE asked if HB 827 wouldn't cost more than \$.50 per capita in the State for the two years, with a population of 800,000 at \$.50 per capita, that would not be that much money. Mr. Tavegia said with the needs that have piled up the money would be spent.

REP. WALLIN asked how they arrived at the \$530,000 figure. Mr. Tavegia said the figure is based on the census. There is a floor of \$1,000 and a ceiling of \$25,000. If they generate \$3,000 they will get a matching \$1,000 grant. The math is based on floors and ceilings.

REP. ELLIS asked if a small town like Bridger would be unable to attract \$1,000. Mr. Tavegia advised if they are able to generate \$3,000 they would receive \$1,000. REP. ELLIS asked if he was a proponent or opponent. He asked how he would provide for the funding since it was not in the budget. Mr. Tavegia said he was not the official representative of the Department of Commerce. Bob Heffner, Business Development Division, Department of Commerce (DOC), said the Department has not taken an official stance as such. Clearly, the Department and the executive budget have not requested the funds that are requested to be appropriated in HB 827. The limits of the executive budget prohibit carrying out the programs for community development and achieving the objectives of the DOC. He endorses everything that

has been said about the importance of local economic development.

He agrees there are constraints under which local development organizations operate. He found the set of purposes rather broad. He would be more comfortable with the DOC administering the program if the use of the funds were more specifically defined and some goals or objectives were specified, and the use of the funds could be better monitored.

REP. TUNBY asked for more information about the Certified Communities Program. How long had it been in effect? What type of funding was used? Mr. Heffner said in 1981 the DOC began to set up communications with local economic development corporations. In 1983 the Montana Economic Development project indicated the DOC should become more active in sharing the cost of basic operations of local development organizations because of the size of the state and could at least play a minor role. In 1985 they began the work to provide certified communities with funds. To date there are 42 communities in a certified status. There are twelve in some process of certification. This is done strictly on a voluntary basis. The communities that have done this type of economic development have maintained the criteria asked by the State, but they need resources.

Closing by the Sponsor: REP. HARPER said as much support as possible should be given to the local organizations. This would allow the organizations to spend more time doing business and less time raising money.

EXECUTIVE ACTION ON HOUSE BILL 827

Motion: REP. PAVLOVICH moved HB 827 DO PASS. REP. PAVLOVICH also moved to adopt the amendments. EXHIBIT 1 Mr. Verdon said he could redo the amendments.

CHAIRMAN BACHINI said they would wait until tomorrow morning.

REP. ELLIS said Mr. Heffner had mentioned specification of goals, etc. Would he help with his proposed input to the bill?

REP. BACHINI asked Mr. Heffner to contact the sponsor with his concerns.

HEARING ON HOUSE BILL 664

REP. BACHINI stated HB 664 would have to be heard because it had been posted for this date and people were in attendance to testify. The sponsor had asked for HB 664 to be held because SB 242, which is comparable, was being pushed in the Senate.

REP. SOUTHWORTH, HD 86, Billings, said SB 242 is the same as HB 664. SB 242 is pending. HB 664 is an act to extend appropriations made by Chapter 634, Laws of 1989, and to appropriate money to match federal and private funds for construction, equipment, and

to provide start-up operating costs for medical research facility projects in Montana; and to authorize the Montana Science and Technology Development Board to administer the appropriation; to establish goals and criteria for the Board to use in making grants of appropriated funds; to provide the Board with rule-making authority; amending Sections 1 and 2, Chapter 634, Laws of 1989; and providing an effective date. It will go to Appropriations.

Proponents' Testimony:

David Toppin, Chief Academic Officer and Deputy Commissioner for the Montana University System, said HB 664 does not have a direct impact on the University system, but it indirectly provides research and consultation opportunities for the faculties. It increases medical research and provides for infrastructure for the State and ultimately employment opportunities for the students.

Kay Foster, Billings Chamber of Commerce, had testified in support of SB 242. She wanted to go on record as supporting HB 664 also.

Opponents' Testimony: None

Questions from the Committee:

REP. ELLIS asked about the change in the 4:1 match. Ms. Foster said two years ago the match was 4:1. They have been able to get a 2-1/2:1 match, specifically designated for the McLaughlin Institute in Great Falls. This would continue that same match.

REP. ELLIS asked for clarification. Was the 4:1 match available? Ms. Foster said it hadn't been in the past. HB 664 provides for private match as well as federal.

CHAIRMAN BACHINI asked if SB 242 and HB 664 are similar bills. Ms. Foster said REP. SOUTHWORTH's bill is much clearer and easier to read.

REP. BENEDICT asked if there was an appropriation made in the last session that hadn't been used. Is this a new appropriation?

REP. SOUTHWORTH said he wasn't certain. Ms. Foster said there was an appropriation made for a specific purpose. That appropriation remains but this bill adds one million dollars which would be available. Grants cannot be made for more than \$500,000 or less than \$200,000. This would provide \$2 million in addition to the older money. REP. CROMLEY asked about the fact that the Board may not award grants if a commitment of federal funds prior to the date of January 1, 1990, have not been received. Ms. Foster said that was to protect the McLaughlin money that was committed in 1989.

Closing by Sponsor:

REP. SOUTHWORTH said he will let the Committee know as soon as he can. He was sorry about the delay.

EXECUTIVE SESSION OF HOUSE BILL 477

Motion: REP. SHEILA RICE moved HB 477 DO PASS as amended. REP. RICE reminded the Committee that they had taken action on the amendments prior to transmittal break. On page 15 of the Bill, line 3, they included a legislative panel that would be advisory to the Microbusiness Development panel. On page 18, line 21, they added an appropriation for administration for microbusiness finance programs of \$64,600. If this Bill passes out of this Committee, it would be rereferred to Appropriations. When it gets to the floor it will require a 3/4 vote to pass the House floor because it involves Coal Tax Trust Fund money.

Discussion:

REP. LARSON asked about refinancing loans. REP. WALLIN said he understood this had not been addressed. REP. LARSON asked if the Department could ensure that money was not used to refinance a bad loan in the private sector. Mr. Heffner said they could ensure this as well as ensuring that the money would not be used to make a bad loan in the first place. Certain criteria are required to make a loan.

REP. WALLIN said the odds are against them if loans are used to refinance. Refinancing should be done through banks. He has a concern about that. Mr. Heffner said loans are not made for under \$10,000. When the clientele dealt with is considered, banks do not make commercial loans this small. There will be restrictions that will allow the loan committee to decide about whether to refinance because they have a loan history. REP. WALLIN said he thought there might be a great opportunity for private lenders to cash in on troublesome \$20,000 loans but he would support the bill. Mr. Heffner said page 11, Subsection 6, states funds may not be used for relending for investments, stocks, bonds securities or other property in Montana. He feels that would weed out bad from good business deals. He didn't think a local loan committee would renew a delinquent loan. The money would be owed to the DOC.

REP. ELLIS said microbusiness loans by their very nature are small. Banks don't make small loans because there isn't enough interest involved to determine the validity of the request. The community organization will only receive the money from the State one time. If they aren't repaid, the program would not exist. There is enough protection. REP. WALLIN said he sat on a bank board for about 15 years, and most bad loans are small loans.

Motion: REP. WALLIN moved an amendment on page 11, line 9, that the money was not intended to be used for refinancing loans from other lending institutions. He asked if that was objectionable. Mr. Heffner explained the intent of the bill is to do new

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financing to create new jobs. The likelihood that refinancing would happen was low. He asked if the amendment should state loans "may not be loaned to refinance a non-performing loan that is held by a financing institution." This should be inserted at the end of line 11, and would be (b).

Vote: Motion to amend passed unanimously.

EXECUTIVE ACTION ON HB 477 AS AMENDED

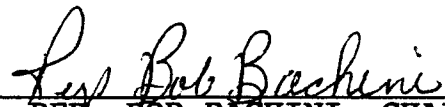
REP. BENEDICT asked about the appropriation of \$64,600. He asked if the appropriation was General Fund or Coal Tax Trust money.

REP. SHEILA RICE said it was General Fund money but it was for the administrative cost. Mr. Heffner said the \$64,600 was General Fund money to pay the administrative costs for one year. Once the program is in place for one year and loans have been made, the interest income will cover the administrative costs.

Vote: REP. WALLIN's motion HB 477 Do Pass as Amended, was adopted unanimously.

ADJOURNMENT

Adjournment: Committee adjourned 9:40 a.m.



REP. BOB BACHINI, CHAIRMAN



JO LAHTI, SECRETARY

BB/jl

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

DATE March 6, 1991

[illegible]

HOUSE STANDING COMMITTEE REPORT

March 6, 1991

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Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 144 (third reading copy - blue) be concurred in and be placed on consent calendar.

Signed: _____

Bob Bachini
Bob Bachini, Chairman

HOUSE STANDING COMMITTEE REPORT

March 6, 1991

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Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 148 (third reading copy - blue) be concurred in and be placed on consent calendar .

Signed: _____

Bob Bachini

Bob Bachini, Chairman

HOUSE STANDING COMMITTEE REPORT

March 6, 1991

Page 1 of 3

Mr. Speaker: We, the committee on Business and Economic Development report that House Bill 477 (first reading copy -- white) do pass as amended .

Signed: Bob Bachini
Bob Bachini, Chairman

And, that such amendments read:

1. Title, line 8.

Following: "COUNCIL;"

Insert: "CREATING A NONVOTING LEGISLATIVE CONSULTING PANEL;"

2. Title, line 9.

Following: "FUND;"

Insert: "PROVIDING AN APPROPRIATION FROM THE GENERAL FUND;"

3. Title, line 10.

Strike: "AN"

Strike: "DATE"

Insert: "DATES"

4. Page 2, line 6.

Strike: second "and"

5. Page 2, line 8.

Following: "clients"

Insert: "; and

(3) includes in the membership of its board of directors representation of minorities, women, and low-income persons"

6. Page 8, line 10.

Strike: "certified or"

7. Page 8, lines 11 and 13.

Strike: "certified"

Insert: "funded"

8. Page 8, line 19.

Following: "11]"

Insert: "and money received in repayment of the principal of development loans"

9. Page 9, lines 3 and 4.

Following: "income" on line 3

Strike: remainder of line 3 through "," on line 4

10. Page 11, line 12.

Following: "to"

Insert: ":

(i) refinance a nonperforming loan held by a financial institution; or

(ii)"

11. Page 12, line 1.

Following: "renewable"

Strike: "or"

Insert: ", be"

12. Page 12, line 23.

Following: "of"

Insert: "development"

13. Page 13, line 24.

Following: "organization"

Insert: "-- nonvoting legislative consulting panel"

Strike: "There"

Insert: "Subject to the provisions of subsection (5), there"

14. Page 14, lines 7, 9, and 10.

Strike: "four"

Insert: "three"

15. Page 14, line 12.

Following: "."

Insert: "At least two members must have expertise in administering revolving loan funds that primarily serve microbusinesses."

16. Page 15, line 3.

Following: line 2

Insert: "(5)(a) There is a legislative consulting panel of four members. The panel:

(i) shall meet with the council, participate in deliberations of the council, and advise the council in performance of its functions under subsection (7) but may not vote on any motion before the council; and

(ii) consists of:

(A) two representatives, including one from each party, appointed by the speaker of the house of representatives; and

(B) two senators, including one from each party, appointed by the committee on committees.

(b) The members:

(i) must be appointed on or before the 10th day of each regular session of the legislature and shall serve until the convening of the next regular session of the legislature. If a vacancy on the panel occurs during a legislative interim, that vacancy must be filled in the same manner as the original appointment.

(ii) are entitled to compensation in the same manner as members of the council, as provided in subsection (6).

Renumber: subsequent subsections

17. Page 18, line 22.

Following: line 21

Insert: "

NEW SECTION. Section 12. Appropriation. There is appropriated to the microbusiness finance program administrative account created in [section 5] from the general fund \$64,600 for the fiscal year ending June 30, 1992."

Renumber: subsequent sections

18. Page 19, line 4.

Strike: "date"

Insert: "dates"

Strike: "[This act] is"

Insert: "(1) [Sections 1 through 9], [section 13], and [this section] are effective on passage and approval."

19. Page 19, line 5.

Following: line 4

Insert: "(2) [Sections 10 through 12] are"

DRAFT*Exhibit #1***HOUSE BILL NO. 827**

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR THE CERTIFIED COMMUNITIES PROGRAM: AND PROVIDING CRITERIA FOR GRANTS FROM THE APPROPRIATION."

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

NEW SECTION. Section 1. Legislative Findings. Local economic development organizations provide the front-line, hands-on assistance for business retention, expansion, development and recruitment in Montana. Currently, local organizations are funded by business and by local government and are forced to spend an increasing amount of time simply raising money. In many states, financial assistance is provided by state government in recognition of the vital role played by local development organizations in basic industry job creation and diversification.

The Montana Department of Commerce has in place the Certified Communities program which works with local communities to help them assess their economic development potential, address local concerns and opportunities, and continually update community strategic plans. This program could be used to disseminate funds to local economic development organizations without additional program requirements or additional staffing.

NEW SECTION. Section 2. Appropriation for certified communities program. There is appropriated from the general fund to the department of commerce for the biennium ending June 30, 1993, \$530,000 to be used for grants under the certified communities program to assist communities in assessing local economic development opportunities, establishing and maintaining economic development organizations, conducting economic development programs, or revising or implementing community strategic plans.

NEW SECTION. Section 3. Definitions and criteria for grants from appropriation. To use the existing Montana Certified Communities program to provide assistance grants with the following requirements:

(a) "Certified Community Lead Organization" means an organization that has been formally endorsed by resolution of the local governing body to complete and maintain requirements for certification as established by the Montana Department of Commerce;

(b) "Department" means the Montana Department of Commerce;

(c) eligible applicants are only those Certified Community lead organizations that have completed original certification requirements and maintained program standards mandated by the Department .

(d) funds will be granted in the amount of 50 cents per capita per year for the population of the area served by the certifying organization, according to the population in the last completed federal census, however,

DRAFT Ex. 1
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HB 827

(i) no eligible organization may receive more than \$25,000 per year nor less than \$1,000 per year;

(ii) each eligible organization must provide a 3:1 match (3 dollars raised from public or private sources within the community for each 1 dollar from this grant);

(e) funds may be used for assessing local economic development opportunities, establishing and maintaining economic development organizations, conducting economic development programs, or revising or implementing community strategic plans;

(f) funds may not be used to provide loans to businesses or other entities.

- End -

Amendments to House Bill No. 827
First Reading Copy

Requested by Representative Harper
For the Committee on Business and Economic Development

Prepared by Paul Verdon
March 6, 1991

1. Title, line 6.
Strike: "AND"

2. Title, line 7.
Following: "APPROPRIATION"
Insert: "; AND DEFINING "CERTIFIED COMMUNITY LEAD ORGANIZATION"

3. Page 1, line 10.
Following: line 9
Insert: "WHEREAS, front-line, hands-on assistance for business retention, expansion, development, and recruitment in Montana is provided by local economic development organizations that are funded by private sources and by local governments and that are forced to spend much time in raising money; and
WHEREAS, many states, in recognition of the vital role of local economic development organizations in basic industry job creation and diversification, provide financial assistance; and
WHEREAS, the Montana Department of Commerce, through its certified communities program, assists communities to assess economic development potential, address local concerns and opportunities, and continually update community strategic plans; and
WHEREAS, the certified communities program is a vehicle through which funds can be disbursed to local economic development organizations without additional program requirements or additional staffing."

4. Page 1, line 12.
Following: "appropriation"
Insert: "-- definition"

5. Page 1, line 16.
Following: "creating"
Insert: "and maintaining"

6. Page 1, line 18.
Following: "creating"
Strike: "and updating"
Insert: ", revising, or implementing"

7. Page 1, line 20.
Following: "community"
Insert: "lead"

Ex. 2
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8. Page 1, line 21.
Following: "capita"
Insert: "a year"

9. Page 1, line 24.
Following: "\$1,000"
Insert: "a year"

10. Page 2, line 1.
Following: "community"
Insert: "lead"
Following: "organization"
Insert: "that has completed original certification requirements
and maintained program standards mandated by the department"

11. Page 2, line 4.
Following: line 3
Insert: " (4) Grants under [this act]:
 (a) may be used to assess local economic development
 opportunities, establish and maintain economic development
 organizations, or conduct economic development programs
 consistent with strategic plans that are adopted by the
 certified communities and that are filed with the certified
 communities program; and
 (b) may not be used to make loans.
 (5) As used in [this act], "certified community lead
 organization" means an entity that has been endorsed by
 resolution of a local governing body and that meets and
 maintains requirements for certification established by the
 department."

EXHIBIT 3
DATE 3/6/91
HB 827



105 E. Main Street • Hamilton, Montana 59840 • (406) 363-2400

TO: Legislature
FROM: Bitterroot Valley Chamber of Commerce
SUBJECT: House Bill 827
DATE: March 4, 1991

The Bitterroot Valley Chamber of Commerce supports House Bill 827 which will provide 1-3 funds to committees that are certified with the Department of Commerce.

These funds will enhance the goals and objectives of the certified communities 1 and 5 year plans. It will also allow us to better meet our objectives as one of our basic needs is funding sources. With Ravalli County's high unemployment rate we feel funds that can be generated for economic development will provide consistency and stability to the long range planning process for diversification of our local economy.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

BUSINESS & ECONOMIC DEVELOPMENT

COMMITTEE

BILL NO. SB 148

DATE March 6, 1991

SPONSOR(S)

SEN. SVRCEK

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<i>Rayna Alexander</i>	<i>mt. Petroleum Marketing</i>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Yonid Michael</i>	<i>Dept. of Rev.</i>			<input checked="" type="checkbox"/>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

BILL NO. HB 827

DATE MARCH 6, 1991 **SPONSOR(S)** REP. HARPER

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
JERRY L. TAVEGIA	LOCAL DEVELOPMENT OFFICER (DOW)		
CAL CUMMIN	YELLOWSTONE CO	✓	
Dixie Swenson	Gallatin Dev. Corp.	✓	
Penny Capps	Self	✓	
Joni Smithson	Montana Power Co	✓	
SCOTT HECK	GALATIEN DEV CORP.	✓	
Kay Foster	Billings Chamber	✓	
Ron Klephake	Mont. Econ Dev Corp	✓	
Tam Jackson	Bitterroot Chamber	✓	
Sharon Ellis	"	✓	
JANES TUTTLE	MT Chamber	✓	
Jim Davis	Montana Chamber	✓	

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