



Big Sky Economic Development Trust Fund

Purpose

The 2005 Legislature established the Big Sky Economic Development Trust Fund (BSEDTF) to fund qualified economic development projects. The trust is one of five sub-trust funds within the Coal Severance Tax Trust Fund. Money from the coal severance tax flows through the sub-trusts. Grants and loans are available to local governments for economic development projects for the purposes of:

- 1) Create good-paying jobs for Montana residents
- 2) Promote long-term, stable economic growth in Montana
- 3) Encourage local economic development organizations
- 4) Retaining or expanding existing businesses

The funds are allocated:

- o 75% to local and tribal governments for economic development job creation projects that result in net new eligible jobs
- o 25% to Certified Regional Development Corporations, tribal governments and other eligible economic development organizations for planning grants for economic development planning

Administrating Agency:

Department of Commerce

Approving Authority:

Final approval is provided by the Business Resource Division of the Department of Commerce

Statutory Reference:

Title 90, Chapter 1, Part 2, MCA, and 17-5-703, MCA

Eligible Applicants:

- o Local governments
- o Tribal governments
- o Certified Regional Development Corporations (Sweetgrass Development)
- o Local Economic Development Organizations

Statutory Evaluation Criteria Include:

- 1) Create good-paying jobs for Montana residents
- 2) Promote long-term, stable economic growth in Montana
- 3) Encourage local economic development organizations
- 4) Create partnerships between the state, local governments, tribal governments, and local economic development organizations that are interested in pursuing these same economic development goals
- 5) Retain or expand existing businesses
- 6) Provide a better life for future generations through greater economic growth and prosperity in Montana
- 7) Encourage workforce development, including workforce training and job creation, in high-poverty counties by providing targeted assistance

Types of Projects:

- o Business plans
- o Feasibility studies
- o Preliminary Architectural Reports
- o Preliminary Engineering Reports
- o Economic Impact Studies
- o Workforce Studies
- o Target Industry Analyses
- o Grant Administration (not to exceed 5% or \$500 whichever is greater)

Job creation grants can be used for the following:

- o Purchase of land, building, or equipment for the direct use of the assisted business
- o Lease rate reduction for lease of public or privately owned real property for the direct use of the assisted business
- o Relocation costs incurred in connection with moving the assisted business's physical assets to Montana
- o Employee training
- o Grant administration (not to exceed 5% of the total Big Sky)

Source of Funding:

Coal Severance Tax Revenue

The fund receives 12.5% of the total coal severance tax revenue after deposits in the coal tax bond fund. The distribution to the trust fund ends June 30, 2025.

Legislative Appropriations:

Funds for these grants are statutorily appropriated to the Department of Commerce. In FY 2012 statutory appropriations of \$4,145,637 are included for the Big Sky Economic Development Program, between \$114,000 and \$133,000 of the funds are use for administration each year, the remaining funding is available for approved grants.

Grant Limits:

Planning grants – Between \$10,000 and \$26,250 per application

Job creation grants - High-Poverty county eligible for \$7,500 per eligible job created (\$7,125 for business assistance, up to \$375 for grant administration) Teton County is considered high-poverty, Other counties \$5,000 per eligible job created (\$4,750 for business assistance, up to \$250 for administration)

Matching Fund Requirements:

At least \$1 for every \$2 in grant funding

Job creation grants – High poverty county \$1 for every \$2 in grant funding, Other counties \$1 for every \$1 in grant funding

Application Deadline:

Planning grants accepted throughout the year on a calendar basis with calendar deadlines of March 31st, June 30th, September 30th, and December 31st

Job creation grants – throughout the year until all available funds committed on approved projects

General Application Requirements:

To apply for a Big Sky Economic Development Trust Fund grant, an eligible applicant must complete the required grant application information and submit two hard copies and one electronic copy of the BSEDTF of the application to the Department of Commerce, 301 South Park Avenue, Helena, MT 59602.

For Further Information Contact:

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For more information: <http://www.bstf.mt.gov/default.mcp>

