



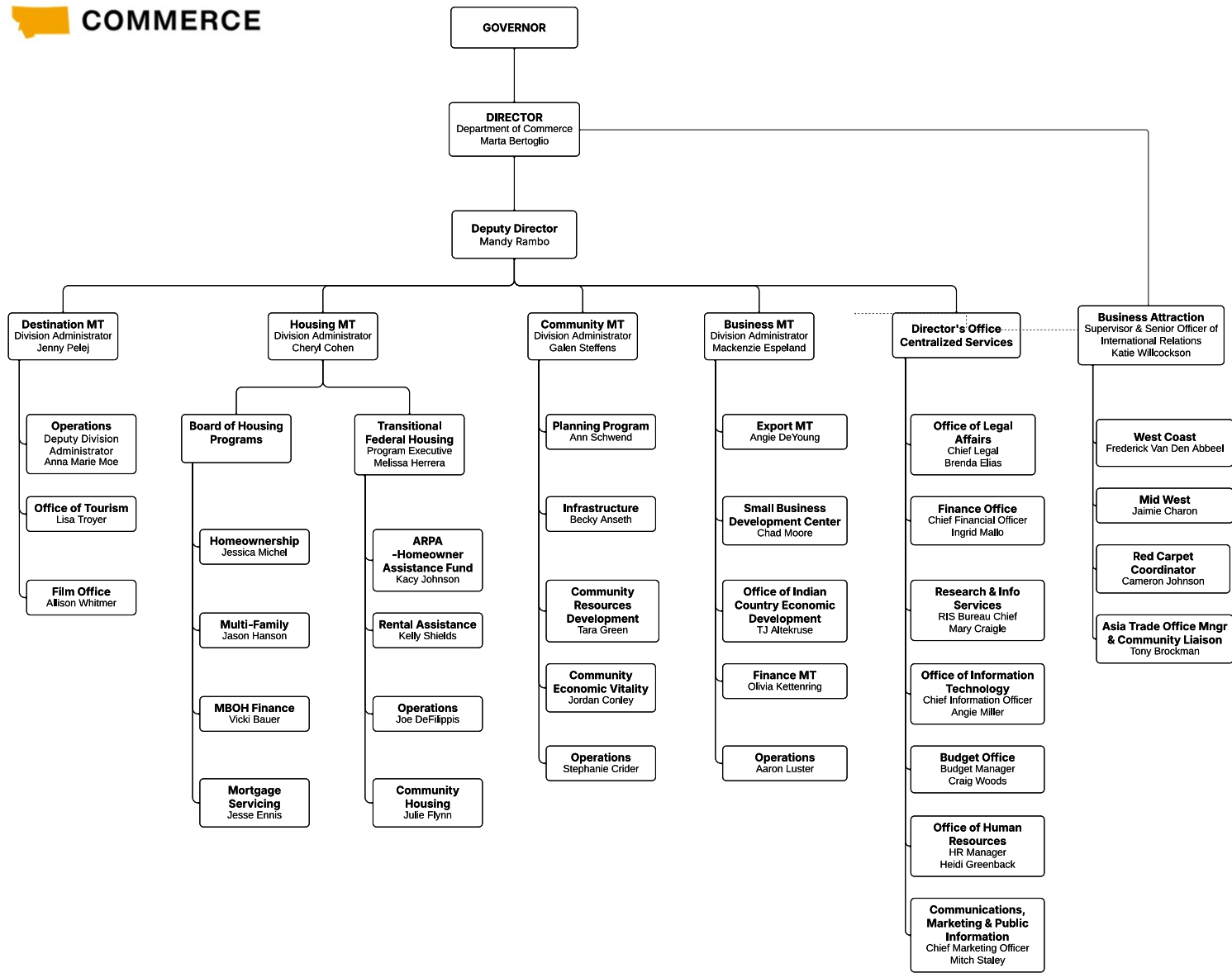
MONTANA
DEPARTMENT OF COMMERCE

Economic Affairs Interim Committee
Agency Update and Proposed Agency Legislation
July 2026

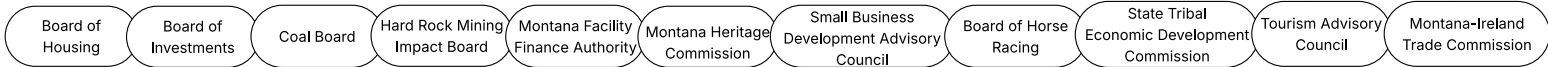


Agency Overview and Update





Boards Attached to the Montana Department of Commerce



Commerce Annual Plan Overview

Strategic Outcome No. 1: Continue to create more high-paying jobs.

- Provide technical assistance and training for entrepreneurs, existing Montana small businesses and local partners.
- Provide financial resources for economic development activities.
- Recruit businesses to relocate or expand to Montana.
- Provide access to low-cost capital for community projects through bond issuance.
- Leverage existing Montana companies in advertisements which promote the state for travel and as a hub for outdoor gear manufacturing.



Commerce Annual Plan Overview

Strategic Outcome No. 2: Bring the State of Montana's technology into the 21st century.

- Deploy new asset management software for enhanced monitoring of multifamily rental portfolio.
- Establish Master Servicer Data Transfer Workflow for Loan Purchases.
- Increase utilization of the Montana Grants and Loans Portal.
- Encourage, direct and support the adoption of Montana's consumer brand for the enterprise.
- Replace aged IT software through competitive procurement, ensuring compliance and security.



Commerce Annual Plan Overview

Strategic Outcome No. 3: Improve customer service, accountability and efficiencies.

- Montanans telling Montana's story — the people, places and stories used to promote Montana come from Montanans.
- Proactive outreach to stakeholders on Commerce programs, including a focus on high-needs and/or low-capacity communities.
- Update collateral for Commerce programs including printed materials, websites and more to ensure up-to-date information is available immediately for stakeholders.
- Improve stakeholder access to training by providing recorded online trainings for immediate access.
- Encourage staff growth and development through the Aspiring Leaders Program.



Commerce Annual Plan Overview

Strategic Outcome No. 4: Our programs assist all areas of the state.

- Increase outreach to and communication with a broader range of stakeholders.
- Identify, engage and provide technical assistance to underserved communities and/or communities with special populations or limited capacity.



Commerce Annual Plan Overview

Strategic Outcome No. 5: Reduce regulations in state government.

- Simplify processes and documentation requirements for applicants.
- Review Administrative Rules and update to provide ease of reading for stakeholders.
- Continue to look for policy changes to improve stakeholder experience.

Commerce's Annual Plan outlines 19 of our key initiatives planned in FY26.

Commerce annual plans and annual reports can all be found on our website:

commerce.mt.gov/about/legislative-information.



Continue to Create More High-paying Jobs

Strategic Outcome

Be the state leader in economic and business development by supporting business growth and the prosperity of Montana communities.

Retain, expand and attract businesses which provide positive economic impact for Montana communities.

Administer programs which are easy for stakeholders to access; provide amazing customer service and technical assistance/support.

Key Measures	Status
Support new job growth in Montana.	
Roll out Opportunities in Rural Economies Program Suite — Planning Grants, Capacity Building Grants and Loan Participation Program.	Completed
Support businesses, entrepreneurs, local economic development organizations and other stakeholder groups.	
Update Wood Products Revolving Loan Fund Guidelines.	Completed
Review program guidelines, applications and reporting requirements for ease of use.	Ongoing — As each program reopens, review will occur.
Increase leverage of private funds for loan programs.	
Roll out requirements for SSBCI recycled funds.	Completed



Continue to Create More High-paying Jobs

Strategic Outcome

Be the state leader in economic and business development by supporting business growth and the prosperity of Montana communities.

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Administer programs which are easy for stakeholders to access; provide amazing customer service and technical assistance/support.

Key Measures	Status
Support Montana outdoor gear and firearms and ammunition businesses through marketing.	
Planned creative marketing campaigns with Montana businesses showcased.	Ongoing — Completed with each campaign.
Assist with paid media articles on Montana businesses.	Completed
Support new business expansion in Montana.	
Complete 20 ribbon cuttings or groundbreaking events with new to Montana businesses or businesses expanding their Montana footprint.	Ongoing — Goal is five per quarter. Ten completed so far this FY.



Bring Technology Into the 21st Century

Strategic Outcome

Reduce manual and paper processes and replace with digital processes.

Improve customer satisfaction with programs through improved digital platforms and software.

Encourage utilization of the Montana Brand.

Key Measures	Status
Improve Housing MT Division processes.	
Digitize multifamily asset management processes.	Completed
Reduce mortgage loan cycle time through updated workflow.	Completed
Complete RFP to replaced aged software system.	RFP under evaluation
Increase utilization of Commerce-created software and branding.	
Increase number of agencies and programs utilizing Commerce created Grants and Loans portal.	Ongoing — Continuing to onboard new agencies.
Assist agencies to adopt the Montana Brand.	Ongoing



Improve Customer Service, Accountability and Efficiency

Strategic Outcome

Provide excellent customer service for all programs.

Be the preferred place to work for employees.

Improve efficiencies within programs by looking at new and innovative ways to complete our work.

Key Measures	Status
Seek resident input on consumer marketing brand.	
Resident voting on Welcome to Montana signs.	Completed
Increase online trainings available for Commerce programs.	
Complete online webinars and post the recorded links online for ease of training.	Ongoing — Will continue as each program opens.
Commerce Aspiring Leader Program	
Roll out training to leadership and selected participants.	Completed
Complete program requirements monthly.	Ongoing



Our Programs Assist All Areas of the State

Strategic Outcome

Ensure all areas of the state are aware of Commerce programs.

Identify, engage and provide technical assistance to underserved communities and/or communities with special populations or limited capacity.

Key Measures	Status
Create outreach plans and training plans for programs.	
Outreach for each division scheduled and trainings mapped out.	Ongoing — Will continue as each program opens.
Increase application numbers for Commerce programs.	
Increase application number year over year for each continuing program.	Ongoing — Will continue as each program opens.



Reduce Regulations in State Government

Strategic Outcome

Reduce red-tape for constituents.

Ensure ease of access to programs and ease of understanding of guidelines, administrative rules and more.

Key Measures	Status
Update Administrative Rules to reduce reading grade average for ARMs for ease of use and understanding.	
Complete review of ARMs reading grade levels and asses where to begin with changes.	Completed
Adjust ARMs to reduce reading grade level.	In progress — ongoing throughout the year
Support red-tape relief through further legislation in 2027.	
Review MCA for further changes to be made to reduce red-tape within Commerce programs.	In process — spring/summer 2026



Proposed Agency Legislation



Extend Sunset for Coal Trust Severance-Funded Economic Development Programs

Section 15-35-108, MCA, provides for the disposal of the coal severance tax permanent fund. These funds are used for eight different economic development programs. The funding expires June 30, 2027.

We worked with the Montana Department of Agriculture and our stakeholders to determine what would be a best extension for the sunseting timeframe.

Proposal

- Extend the funding through June 30, 2038.
- Extending for nine years aligns with federal funding, which our stakeholders receive in three-year cycles.
- This also ensures the funding does not end during a legislative year.



Revise the Microbusiness Development Act

Section 17-6-402, MCA, established the Microbusiness Loan Program and created program requirements, including reporting requirements.

In speaking with local economic development authorities who administer these loan programs, the reporting is cumbersome and disincentivizes organizations from utilizing the program.

Proposal

- Update the statute to remove overly burdensome requirements and streamline processes.
- Reporting requirements will instead be kept in Administrative Rule so that updates, when needed, can be addressed timelier than waiting for a legislative session.



Increase Montana Board of Housing Bonds Outstanding Limit

Section 90-6-111, MCA, sets the outstanding notes and bonds allowed by MBOH at \$1.5 billion.

In the MBOH 2025 Financial Statements, there were reported over \$1 billion in total bonds outstanding. In the same FY, the Board issued nearly \$205 million in new notes and bonds.

In order for the Board to meet its statutory requirement to increase the supply of affordable, attainable homes for Montanans, the cap needs to have room for future homebuyers.

Proposal

- Increase Montana Board of Housing outstanding notes and bonds limit from \$1.5 billion to \$2.5 billion.



Establish Rule-Making Authority for Resort Area and Community Designation

Section 7-6-1501, MCA, makes Commerce responsible for completing economic analyses to determine eligibility for resort areas and resort communities.

Based on increased interest in this process and staff time spent explaining it, having the process explained in rules would help to streamline efforts of communities who are interested in this designation.

Proposal

- Add rule making authority for the resort areas and resort community designation process.
- Rules will clarify how economic data is interpreted and how the data is used to determine eligibility.



Revise Montana Facility Finance Authority Bond Cap

Section 90-7-302, MCA, sets the bonds issued by MFFA at \$1.5 billion per biennium.

MFFA is currently working on \$1.2 billion in projects, all projecting to close inside the current biennium.

In order for MFFA to meet its statutory requirement to issue bonds, the cap needs to have room for future projects.

Proposal

- Change Montana Facility Finance Authority's bond cap from \$1.5 billion per biennium to \$1.5 billion per year.



C-PACE Program Updates

Section 90-4-1305, MCA, sets C-PACE Program requirements.

In working with stakeholders, it has been determined that additional cleanup of senior lender consent language and adding in the use of C-PACE for ADA improvements would help to increase utilization of the program.

Proposal

- Amend to clarify timing of senior lender consent to include filing of contemporaneous C-PACE senior lender liens.
- Add language to allow C-PACE to be utilized for ADA improvements to buildings and facilities.



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