

April 3, 2020

[Local Government]

[Email addresses]

Re: Response Required for Montana Coal Board Designated Unit Status

Greetings,

The Montana Department of Commerce is required by statute (MCA 90-6-207) to biennially designate each county, incorporated city and town, school district or other governmental unit impacted by coal development. This designation guides the use of funds and directs the Montana Coal Board to award at least 50% of appropriated funds to designated local government units, except as it pertains to MCA 90-6-205(4)(b). The 2021 Biennial Coal Impacted Local Governmental Units Designation Report has been provided to the Montana Coal Board for the purpose of awarding grants from available funds during the biennium.

Based on the findings of the aforementioned report, the Signal Peak and Spring Creek mines were expected to have increases in production. Per MCA 90-6-207(7), the local governments designated based on those triggering events are only guaranteed for 1 year of the biennium. Therefore, if a local government was only affected by one (or both) of those mine's events, then they have a one-year designation (state fiscal year 2020). If a local government was affected by one (or both) of those mine's coal-related development and were affected by another mine or facility's events, then they have an automatic biennial designation (state fiscal years 2020 and 2021).

You are receiving this letter because your governmental unit is affected by this statute and requires documentation to remain qualified as a designated unit after June 30, 2020. The Department of Commerce has determined that a designation may be extended beyond one year if the local government can show that there is not "sufficient tax revenue being contributed to the local governmental unit to meet the increased costs of providing the services necessitated by the development of the mine, railroad, or facility."

The included template will serve as the written explanation necessary and must be received by the Department of Commerce no later than May 31, 2020 by email or mail. If we have not received a response by May 31, 2020, your governmental unit's designation status will end June 30, 2020. Please contact staff if we can assist in facilitating the electronically signing of the letter via DocuSign. The Montana Coal Board may still grant money to your unit as a non-designated unit, which is limited to no more than 50% of the annual appropriation of Coal Board funds.

Please feel free to reach out to us with questions by contacting staff at 841-2770 or dccdd@mt.gov. Please visit the Coal Board website for the *Coal Impacted Local Governmental Units Designation Report* for the 2021 Biennium and current list of designated units: <https://comdev.mt.gov/Boards/Coal>.

Regards,



Jennifer Olson
Division Administrator
Community Development Division

