## HOUSE BILL NO. 498

## INTRODUCED BY STEPPLER, HOCKETT BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

	IN THE HOUSE
JANUARY 31, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
	FIRST READING.
MARCH 25, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
	PRINTING REPORT.
MARCH 27, 1991	SECOND READING, DO PASS.
MARCH 28, 1991	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 92; NOES, 6.
	TRANSMITTED TO SENATE.
	IN THE SENATE
MARCH 28, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
APRIL 10, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
APRIL 11, 1991	SECOND READING, CONCURRED IN.
APRIL 12, 1991	THIRD READING, CONCURRED IN. AYES, 48; NOES, 1.
	RETURNED TO HOUSE.
	IN THE HOUSE
APRIL 13, 1991	RECEIVED FROM SENATE.
	SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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3	BY REQUEST OF THE DEPARTMENT OF
4	NATURAL RESOURCES AND CONSERVATION
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6	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING USE OF
7	UNEXPENDED PROCEEDS FROM 1985 SERIES C RENEWABLE RESOURCE
8	DEVELOPMENT BONDS FOR WATER DEVELOPMENT LOANS TO PRIVATE
9	PERSONS; AUTHORIZING DEPOSIT OF LOAN PAYMENTS IN THE
10	RENEWABLE RESOURCE DEVELOPMENT DEBT SERVICE FUND; INCREASING
11	THE LOAN LIMIT ON RENEWABLE RESOURCE DEVELOPMENT LOANS;
12	AMENDING SECTION 90-2-108, MCA; AND PROVIDING EFFECTIVE
13	DATES."
14	
15	WHEREAS, Title 85, chapter 1, part 6, establishes the
16	state's water development program for the purpose of making
17	loans to private persons to finance water development
18	projects and authorizes the issuance of up to \$10 million of
19	general obligation bonds of the state to fund the loans; and
20	WHEREAS, Title 90, chapter 2, part 1, establishes the
21	renewable resource development program for the purpose of
22	making loans or grants to state and local government
23	agencies or entities to finance renewable resource projects
24	as approved by the Legislature; and
25	WHEREAS, the state issued renewable resource development

bonds, 1985 series c, in 1985 in the principal amount of \$1,100,000 and \$678,526 of the proceeds remain unexpended; and WHEREAS, subsequent to the enactment of Title 85, chapter 1, part 6, federal legislation has made it difficult to obtain tax-exempt interest rates on water development bonds issued to finance water development loans to private persons; and WHEREAS, it is the state's goal and objective under both the water development and renewable resource development programs to provide low-cost financing for water development and renewable resource development projects. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: NEW SECTION. Section 1. Authorization to use unexpended proceeds of renewable resource development bonds. The department of natural resources and conservation may use any unexpended proceeds of the state's \$1,100,000 general obligation renewable resource development bonds, 1985 series c, for the purpose of making loans to qualified private persons for water development projects approved by the legislature in accordance with the provisions of Title 85, 23 chapter 1, part 6. Any loan made from the proceeds of the renewable resource development bonds, 1985 series c, must

conform in all respects to the requirements of Title 85,

general de la companya del la companya de la companya del la companya de la compa

1 chapter 1, part 6.

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- 2 NEW SECTION. Section 2. Loan repayments. Payments
- 3 received on loans funded from the proceeds of the renewable
- 4 resource development bonds pursuant to [section 1] must be
- 5 deposited in the debt service fund established in 90-2-123.
- Section 3. Section 90-2-108, MCA, is amended to read:
- 7 "90-2-108. Terms of loans. (1) The board of natural
- 8 resources and conservation shall may not make no a renewable
- 9 resource development loan which that exceeds the lesser of
- 10 \$100,000 \$200,000 or 80% of the fair market value of the
- 11 security given therefor for it. In determining the fair
- 12 market value for the security given for any loan, the
- 13 department of natural resources and conservation shall
- 14 consider appraisals made by qualified appraisers and such
- 15 other factors it considers important.
- 16 (2) The period for repayment of loans pursuant to this
- 17 part may not exceed 30 years.
- 18 (3) The board shall from time to time establish by rule
- 19 the interest rate at which loans may be made under this
- 20 part, provided that in no case may the rate be greater than
- 21 one percentage point greater than the prevailing interest
- 22 rate on the renewable resource development bonds provided
- 23 for in this part.
- 24 (4) The board may adopt rules as required to govern the
- 25 terms and conditions for making loans, security instruments,

- 1 and agreements pursuant to this part."
- NEW SECTION. Section 4. Effective dates. (1) [Sections
- 3 1, 2, and this section) are effective on passage and
- 4 approval.
- (2) [Section 3] is effective July 1, 1991.

-End-

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## APPROVED BY COMMITTEE ON APPROPRIATIONS

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ı	HOUSE BILL NO. 498
2	INTRODUCED BY Stopped thek of
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6	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING USE OF
7	UNEXPENDED PROCEEDS FROM 1985 SERIES C RENEWABLE RESOURCE
8	DEVELOPMENT BONDS FOR WATER DEVELOPMENT LOANS TO PRIVATE
9	PERSONS; AUTHORIZING DEPOSIT OF LOAN PAYMENTS IN THE
10	RENEWABLE RESOURCE DEVELOPMENT DEBT SERVICE FUND; INCREASING
11	THE LOAN LIMIT ON RENEWABLE RESOURCE DEVELOPMENT LOANS;
12	AMENDING SECTION 90-2-108, MCA; AND PROVIDING EFFECTIVE
13	DATES."
14	
15	WHEREAS, Title 85, chapter 1, part 6, establishes the
16	state's water development program for the purpose of making
17	loans to private persons to finance water development
18	projects and authorizes the issuance of up to \$10 million of
19	general obligation bonds of the state to fund the loans; and
20	WHEREAS, Title 90, chapter 2, part 1, establishes the
21	renewable resource development program for the purpose of

making loans or grants to state and local government

agencies or entities to finance renewable resource projects

WHEREAS, the state issued renewable resource development

as approved by the Legislature; and

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1 bonds, 1985 series c, in 1985 in the principal amount of \$1,100,000 and \$678,526 of the proceeds remain unexpended; 2 3 and 4 WHEREAS, subsequent to the enactment of Title 85, 5 chapter 1, part 6, federal legislation has made it difficult to obtain tax-exempt interest rates on water development 7 bonds issued to finance water development loans to private persons; and 9 WHEREAS, it is the state's goal and objective under both 10 the water development and renewable resource development 11 programs to provide low-cost financing for water development 12 and renewable resource development projects. 13 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: NEW SECTION. Section 1. Authorization 15 to use unexpended proceeds of renewable resource development bonds. 16 17 The department of natural resources and conservation may use 18 any unexpended proceeds of the state's \$1,100,000 general 19 obligation renewable resource development bonds, 1985 series 20 c, for the purpose of making loans to qualified private 21 persons for water development projects approved by the 22 legislature in accordance with the provisions of Title 85, 23 chapter 1, part 6. Any loan made from the proceeds of the 24 renewable resource development bonds, 1985 series c, must

conform in all respects to the requirements of Title 85,

- 1 chapter 1, part 6.
- 2 NEW SECTION. Section 2. Loan repayments. Payments
- 3 received on loans funded from the proceeds of the renewable
- 4 resource development bonds pursuant to [section 1] must be
- 5 deposited in the debt service fund established in 90-2-123.
- **Section 3.** Section 90-2-108, MCA, is amended to read:
- 7 \*90-2-108. Terms of loans. (1) The board of natural
- 8 resources and conservation shall may not make no a renewable
- 9 resource development loan which that exceeds the lesser of
- 10 \$100,000 \$200,000 or 80% of the fair market value of the
- 11 security given therefor for it. In determining the fair
- 12 market value for the security given for any loan, the
- 13 department of natural resources and conservation shall
- 14 consider appraisals made by qualified appraisers and such
- 15 other factors it considers important.
- 16 (2) The period for repayment of loans pursuant to this
- 17 part may not exceed 30 years.
- 18 (3) The board shall from time to time establish by rule
- 19 the interest rate at which loans may be made under this
- 20 part, provided that in no case may the rate be greater than
- 21 one percentage point greater than the prevailing interest
- 22 rate on the renewable resource development bonds provided
- 23 for in this part.
- 24 (4) The board may adopt rules as required to govern the
- 25 terms and conditions for making loans, security instruments,

- 1 and agreements pursuant to this part."
- NEW SECTION. Section 4. Effective dates. (1) (Sections
- 1, 2, and this section) are effective on passage and
- 4 approval.
- (2) [Section 3] is effective July 1, 1991.

-End-

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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING USE OF UNEXPENDED PROCEEDS FROM 1985 SERIES C RENEWABLE RESOURCE DEVELOPMENT BONDS FOR WATER DEVELOPMENT LOANS TO PRIVATE PERSONS: AUTHORIZING DEPOSIT OF LOAN PAYMENTS IN THE RENEWABLE RESOURCE DEVELOPMENT DEBT SERVICE FUND; INCREASING THE LOAN LIMIT ON RENEWABLE RESOURCE DEVELOPMENT LOANS: AMENDING SECTION 90-2-108, MCA; AND PROVIDING EFFECTIVE DATES."

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WHEREAS, Title 85, chapter 1, part 6, establishes the state's water development program for the purpose of making loans to private persons to finance water development projects and authorizes the issuance of up to \$10 million of general obligation bonds of the state to fund the loans; and WHEREAS, Title 90, chapter 2, part 1, establishes the renewable resource development program for the purpose of making loans or grants to state and local government agencies or entities to finance renewable resource projects as approved by the Legislature; and

WHEREAS, the state issued renewable resource development

bonds. 1985 series c. in 1985 in the principal amount of 1 \$1,100,000 and \$678,526 of the proceeds remain unexpended; 2 3 and WHEREAS, subsequent to the enactment of Title 85, 4 5 chapter 1, part 6, federal legislation has made it difficult. to obtain tax-exempt interest rates on water development bonds issued to finance water development loans to private persons; and 9 WHEREAS, it is the state's goal and objective under both 10 the water development and renewable resource development 11 programs to provide low-cost financing for water development

and renewable resource development projects.

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NEW SECTION. Section 1. Authorization 15 to use 16 unexpended proceeds of renewable resource development bonds. 17 The department of natural resources and conservation may use

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

18 any unexpended proceeds of the state's \$1,100,000 general 19 obligation renewable resource development bonds, 1985 series

c, for the purpose of making loans to qualified private 21 persons for water development projects approved by the

23 chapter 1, part 6. Any loan made from the proceeds of the

legislature in accordance with the provisions of Title 85,

24 renewable resource development bonds, 1985 series c, must

25 conform in all respects to the requirements of Title 85,

- 1 chapter 1, part 6.
- NEW SECTION. Section 2. Loan repayments. Payments
- 3 received on loans funded from the proceeds of the renewable
- 4 resource development bonds pursuant to (section 1) must be
- 5 deposited in the debt service fund established in 90-2-123.
- 6 Section 3. Section 90-2-108, MCA, is amended to read:
- 7 "90-2-108. Terms of loans. (1) The board of natural
- 8 resources and conservation shall may not make no a renewable
- 9 resource development loan which that exceeds the lesser of
- 10 \$100,000 \$200,000 or 80% of the fair market value of the
- 11 security given therefor for it. In determining the fair
- 12 market value for the security given for any loan, the
  - 2 market value for the security given for any loan, the
- 13 department of natural resources and conservation shall
- 14 consider appraisals made by qualified appraisers and such
- 15 other factors it considers important.
- 16 (2) The period for repayment of loans pursuant to this
- 17 part may not exceed 30 years.
- 18 (3) The board shall from time to time establish by rule
- 19 the interest rate at which loans may be made under this
- 20 part, provided that in no case may the rate be greater than
- 21 one percentage point greater than the prevailing interest
- 22 rate on the renewable resource development bonds provided
- 23 for in this part.
- 24 (4) The board may adopt rules as required to govern the
- 25 terms and conditions for making loans, security instruments,

- 1 and agreements pursuant to this part."
- 2 NEW SECTION. Section 4. Effective dates. (1) {Sections
- 3 1, 2, and this section are effective on passage and
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- 5 (2) [Section 3] is effective July 1, 1991.

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9	PERSONS: AUTHORIZING DEPOSIT OF LOAN PAYMENTS IN THE
10	RENEWABLE RESOURCE DEVELOPMENT DEBT SERVICE FUND; INCREASING
11	THE LOAN LIMIT ON RENEWABLE RESOURCE DEVELOPMENT LOANS;
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	AMENDING SECTION 90-2-108, MCA; AND PROVIDING EFFECTIVE
13	DATES."
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15	WHEREAS, Title 85, chapter 1, part 6, establishes the
16	state's water development program for the purpose of making
17	loans to private persons to finance water development
18	projects and authorizes the issuance of up to \$10 million of
19	general obligation bonds of the state to fund the loans; and
20	WHEREAS, Title 90, chapter 2, part 1, establishes the
21	renewable resource development program for the purpose of
22	making loans or grants to state and local government
23	agencies or entities to finance renewable resource projects
24	as approved by the Legislature; and
25	WHEREAS, the state issued renewable resource development
2.3	MREMEMA, the state issued renewable resource development

HOUSE BILL NO. 498

1	bonds, 1985 series c, in 1985 in the principal amount of
2	\$1,100,000 and \$678,526 of the proceeds remain unexpended;
3	and
4	WHEREAS, subsequent to the enactment of Title 85,
5	chapter 1, part 6, federal legislation has made it difficult
6	to obtain tax-exempt interest rates on water development
7	bonds issued to finance water development loans to private
8	persons; and
9	WHEREAS, it is the state's goal and objective under both
10	the water development and renewable resource development
11	programs to provide low-cost financing for water development
12	and renewable resource development projects.
13	
14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15	NEW SECTION. Section 1. Authorization to use
16	unexpended proceeds of renewable resource development bonds.
17	The department of natural resources and conservation may use
18	any unexpended proceeds of the state's \$1,100,000 general
19	obligation renewable resource development bonds, 1985 series
20	c, for the purpose of making loans to qualified private

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persons for water development projects approved by the legislature in accordance with the provisions of Title 85,

chapter 1, part 6. Any loan made from the proceeds of the

renewable resource development bonds, 1985 series c, must conform in all respects to the requirements of Title 85,

- 1 chapter 1, part 6.
- NEW SECTION. Section 2. Loan repayments. Payments
- received on loans funded from the proceeds of the renewable
- resource development bonds pursuant to [section 1] must be
- deposited in the debt service fund established in 90-2-123. 5
- Section 3. Section 90-2-108, MCA, is amended to read: 6
- 7 \*90-2-108. Terms of loans. (1) The board of natural
- resources and conservation shall may not make no a renewable
- 9 resource development loan which that exceeds the lesser of
- 10 \$100,000 \$200,000 or 80% of the fair market value of the
- security given therefor for it. In determining the fair 11
- 12 market value for the security given for any loan, the
- department of natural resources and conservation shall 13
- 14
- consider appraisals made by qualified appraisers and such
  - other factors it considers important.
- 16 (2) The period for repayment of loans pursuant to this
- 17 part may not exceed 30 years.
- 18 (3) The board shall from time to time establish by rule
- 19 the interest rate at which loans may be made under this
- 20 part, provided that in no case may the rate be greater than
- 21 one percentage point greater than the prevailing interest
- 22 rate on the renewable resource development bonds provided
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- 24 (4) The board may adopt rules as required to govern the
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