

1 INTRODUCED BY H Quinn BILL NO. 156

2 REQUESTED BY
3 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS
5 89-3603 AND 89-3605 TO CLARIFY AND MODIFY ELIGIBILITY
6 REQUIREMENTS FOR LOANS UNDER THE RENEWABLE RESOURCE
7 DEVELOPMENT PROGRAM."

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

9 Section 1. Section 89-3603, R.C.M. 1947, is amended to
10 read as follows:

11 "89-3603. Renewable resource development loans. (1)
12 The board of natural resources and conservation is
13 authorized upon proper application and upon recommendation
14 of the department of natural resources and conservation to
15 make loans from the renewable resource development account
16 established by this act to farmers and ranchers of the state
17 of Montana who, without regard to their form of business
18 organization:

- 19 (a) are citizens of the United States and are citizens
20 and residents of the state of Montana;
- 21 (b) have sufficient farming or ranching training and
22 experience which, in the opinion of the department, is

1 sufficient to assure the likelihood of the success of the
2 proposed operations; and

3 (c) are or will become ~~owner-operators~~ owners or
4 operators of farms or ranches.

5 (2) The department shall solicit and consider in its
6 evaluation of proposed projects the views of interested and
7 affected departments, boards, agencies and other
8 subdivisions of state and federal government and of other
9 interested and affected persons.

10 (3) The board may make the renewable resource
11 development loans provided for by this section for any
12 worthwhile project for the conservation, management,
13 utilization, development, or preservation of the land,
14 water, fish, wildlife, recreational, and other renewable
15 resources in the state; and for the refinancing of existing
16 indebtedness incurred in the expansion or rehabilitation of
17 projects for those purposes.

18 (4) The board shall make no renewable resource
19 development loan which exceeds the lesser of one hundred
20 thousand dollars (\$100,000), or eighty percent (80%) of the
21 fair market value of the security given therefor. In
22 determining the fair market value for the security given for
23 any loan, the department shall consider appraisals made by
24 qualified appraisers and such other factors it considers
25 important.

1 (5) The period for repayment of loans pursuant to this
2 act may not exceed thirty (30) years.

3 (6) The board shall from time to time establish by
4 rule the interest rate at which loans may be made under this
5 act, provided that in no case may the rate be greater than
6 one (1) percentage point greater than the prevailing
7 interest rate on the renewable resource development bonds
8 provided for in this act.

9 (7) The state shall have a lien upon a project
10 constructed with money from the renewable resource
11 development account for the amount of the loan, together
12 with the interest thereon. This lien may attach to all
13 project facilities, equipment, easements, real property and
14 property of any kind of nature owned by the debtor,
15 including all water rights. The board shall file either a
16 financing statement or a real estate mortgage covering the
17 loan, its amount, terms and a description of the project
18 with the county recorder of each county in which the project
19 or any part thereof is located. The county recorder shall
20 record the lien in a book kept for the recording of liens
21 and it shall be indexed as other liens are required by law
22 to be indexed. The lien shall be valid until paid in full
23 or otherwise discharged. The lien shall be foreclosed in
24 accordance with applicable state law governing foreclosure
25 of mortgages and liens.

1 (8) The board may adopt rules as required to govern
2 the terms and conditions for making loans, security
3 instruments, and agreements pursuant to this act.

4 (9) No member, officer, attorney, or other employee of
5 the board or the department shall, directly or indirectly,
6 be the beneficiary of or receive any fee, commission, gift,
7 or other consideration for or in connection with any
8 transaction or business under this act other than such
9 salary, fee, or other compensation as he may receive as such
10 member, officer, attorney, or employee. Any person
11 violating any provision of this section shall, upon
12 conviction thereof be punished by a fine of not more than
13 two thousand dollars (\$2,000) or imprisonment for not more
14 than two (2) years or both.

15 (10) The department shall administer the loans made by
16 the board pursuant to this act, and may accept and utilize
17 voluntary and uncompensated services, and, with the consent
18 of the agency concerned, utilize the officers, employees,
19 equipment, and information of any agency of the federal
20 government, or of any agency of Montana government, or of
21 any political subdivision within Montana.*

22 Section 2. Section 89-3605, R.C.M. 1947, is amended to
23 read as follows:

24 *89-3605. State and local renewable resource
25 development loans. (1) The department of administration may

1 recommend to the governor that loans be made from the
 2 renewable resource development account established by this
 3 act to any department, agency, board, commission or other
 4 division of state government, or to any city, county, or
 5 other political subdivision or local government body of the
 6 state.

7 (2) The department shall solicit and consider in its
 8 evaluation of proposed projects the views of interested and
 9 affected departments, boards, agencies and other
 10 subdivisions of state and federal government and of other
 11 interested and affected persons.

12 (3) The governor shall submit those loan proposals
 13 having his approval to the legislature by the twentieth day
 14 of any legislative session. Those loan proposals approved
 15 by the legislature shall be administered by the department.

16 (4) ~~The provisions of section 89-3603, subsection (2)~~
 17 ~~and subsections (4) through (9) shall govern and apply to~~
 18 ~~the local renewable resource loans herein provided for~~
 19 Unless designated otherwise by the legislature, the
 20 following provisions shall govern and apply to the renewable
 21 resource loans provided for in this section:

22 (a) The interest rate at which a loan is made shall be
 23 the same as that established by the board of natural
 24 resources and conservation pursuant to 89-3603(6) at the
 25 time the loan is approved by the legislature.

1 (b) The period for repayment of the loan may not
 2 exceed 40 years.

3 (c) The state shall have a lien upon a project
 4 constructed with money from the renewable resource
 5 development account for the amount of the loan, together
 6 with the interest thereon. This lien may attach to all
 7 project facilities, equipment, easements, real property, and
 8 property of any kind of nature owned by the debtor,
 9 including all water rights. The department of administration
 10 shall file either a financing statement or a real estate
 11 mortgage covering the loan, its amount, terms, and a
 12 description of the project with the county recorder of each
 13 county in which the project or any part thereof is located.
 14 The county recorder shall record the lien in a book kept for
 15 the recording of liens and it shall be indexed as other
 16 liens are required by law to be indexed. The lien shall be
 17 valid until paid in full or otherwise discharged. The lien
 18 shall be foreclosed in accordance with the applicable state
 19 law governing foreclosure of mortgages and liens.

20 (d) The department of administration may adopt rules
 21 as required to govern the terms and conditions for making
 22 loans, security instruments, and agreements pursuant to this
 23 section.

24 (5) Both the loans provided for by this section and
 25 the grants provided for by section 89-3504 may be submitted

1 to the governor and approved by the legislature as may be
2 necessary to jointly finance any project."

3 Section 3. Effective date. This act is effective on
4 its passage and approval.

-End-

Approved by Committee
on Natural Resources

1 H BILL NO. 156
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3 REQUESTED BY
4 THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

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15 The board of natural resources and conservation is
16 authorized upon proper application and upon recommendation
17 of the department of natural resources and conservation to
18 make loans from the renewable resource development account
19 established by this act to farmers and ranchers of the state
20 of Montana who, without regard to their form of business
21 organization:

- 22 (a) are citizens of the United States and are citizens
- 23 and residents of the state of Montana;
- 24 (b) have sufficient farming or ranching training and
- 25 experience which, in the opinion of the department, is

1 sufficient to assure the likelihood of the success of the
2 proposed operations; and

3 (c) are or will become owner-operators ~~owners~~ or
4 operators of farms or ranches.

5 (2) The department shall solicit and consider in its
6 evaluation of proposed projects the views of interested and
7 affected departments, boards, agencies and other
8 subdivisions of state and federal government and of other
9 interested and affected persons.

10 (3) The board may make the renewable resource
11 development loans provided for by this section for any
12 worthwhile project for the conservation, management,
13 utilization, development, or preservation of the land,
14 water, fish, wildlife, recreational, and other renewable
15 resources in the state; and for the refinancing of existing
16 indebtedness incurred in the expansion or rehabilitation of
17 projects for those purposes.

18 (4) The board shall make no renewable resource
19 development loan which exceeds the lesser of one hundred
20 thousand dollars (\$100,000), or eighty percent (80%) of the
21 fair market value of the security given therefor. In
22 determining the fair market value for the security given for
23 any loan, the department shall consider appraisals made by
24 qualified appraisers and such other factors it considers
25 important.

1 (5) The period for repayment of loans pursuant to this
2 act may not exceed thirty (30) years.

3 (6) The board shall from time to time establish by
4 rule the interest rate at which loans may be made under this
5 act, provided that in no case may the rate be greater than
6 one (1) percentage point greater than the prevailing
7 interest rate on the renewable resource development bonds
8 provided for in this act.

9 (7) The state shall have a lien upon a project
10 constructed with money from the renewable resource
11 development account for the amount of the loan, together
12 with the interest thereon. This lien may attach to all
13 project facilities, equipment, easements, real property and
14 property of any kind of nature owned by the debtor,
15 including all water rights. The board shall file either a
16 financing statement or a real estate mortgage covering the
17 loan, its amount, terms and a description of the project
18 with the county recorder of each county in which the project
19 or any part thereof is located. The county recorder shall
20 record the lien in a book kept for the recording of liens
21 and it shall be indexed as other liens are required by law
22 to be indexed. The lien shall be valid until paid in full
23 or otherwise discharged. The lien shall be foreclosed in
24 accordance with applicable state law governing foreclosure
25 of mortgages and liens.

1 (8) The board may adopt rules as required to govern
2 the terms and conditions for making loans, security
3 instruments, and agreements pursuant to this act.

4 (9) No member, officer, attorney, or other employee of
5 the board or the department shall, directly or indirectly,
6 be the beneficiary of or receive any fee, commission, gift,
7 or other consideration for or in connection with any
8 transaction or business under this act other than such
9 salary, fee, or other compensation as he may receive as such
10 member, officer, attorney, or employee. Any person
11 violating any provision of this section shall, upon
12 conviction thereof be punished by a fine of not more than
13 two thousand dollars (\$2,000) or imprisonment for not more
14 than two (2) years or both.

15 (10) The department shall administer the loans made by
16 the board pursuant to this act, and may accept and utilize
17 voluntary and uncompensated services, and, with the consent
18 of the agency concerned, utilize the officers, employees,
19 equipment, and information of any agency of the federal
20 government, or of any agency of Montana government, or of
21 any political subdivision within Montana."

22 Section 2. Section 89-3605, R.C.M. 1947, is amended to
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24 "89-3605. State and local renewable resource
25 development loans. (1) The department of administration may

1 recommend to the governor that loans be made from the
2 renewable resource development account established by this
3 act to any department, agency, board, commission or other
4 division of state government, or to any city, county, or
5 other political subdivision or local government body of the
6 state.

7 (2) The department shall solicit and consider in its
8 evaluation of proposed projects the views of interested and
9 affected departments, boards, agencies and other
10 subdivisions of state and federal government and of other
11 interested and affected persons.

12 (3) The governor shall submit those loan proposals
13 having his approval to the legislature by the twentieth day
14 of any legislative session. Those loan proposals approved
15 by the legislature shall be administered by the department.

16 ~~(4) The provisions of section 89-3683, subsection (2)~~
17 ~~and subsections (4) through (9) shall govern and apply to~~
18 ~~the local renewable resource loans herein provided for~~
19 Unless designated otherwise by the legislature, the
20 following provisions shall govern and apply to the renewable
21 resource loans provided for in this section:

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23 the same as that established by the board of natural
24 resources and conservation pursuant to 89-3603(6) at the
25 time the loan is approved by the legislature.

1 ~~(b) The period for repayment of the loan may not~~
2 ~~exceed 40 years.~~

3 ~~(c) The state shall have a lien upon a project~~
4 ~~constructed with money from the renewable resource~~
5 ~~development account for the amount of the loan, together~~
6 ~~with the interest thereon. This lien may attach to all~~
7 ~~project facilities, equipment, easements, real property, and~~
8 ~~property of any kind of nature owned by the debtor,~~
9 ~~including all water rights. The department of administration~~
10 ~~shall file either a financing statement or a real estate~~
11 ~~mortgage covering the loan, its amount, terms, and a~~
12 ~~description of the project with the county recorder of each~~
13 ~~county in which the project or any part thereof is located.~~
14 ~~The county recorder shall record the lien in a book kept for~~
15 ~~the recording of liens and it shall be indexed as other~~
16 ~~liens are required by law to be indexed. The lien shall be~~
17 ~~valid until paid in full or otherwise discharged. The lien~~
18 ~~shall be foreclosed in accordance with the applicable state~~
19 ~~law governing foreclosure of mortgages and liens.~~

20 (d) The department of administration may adopt rules
21 as required to govern the terms and conditions for making
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23 section.

24 (5) Both the loans provided for by this section and
25 the grants provided for by section 89-3604 may be submitted

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25 experience which, in the opinion of the department, is

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19 or any part thereof is located. The county recorder shall
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21 and it shall be indexed as other liens are required by law
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23 or otherwise discharged. The lien shall be foreclosed in
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5 the board or the department shall, directly or indirectly,
6 be the beneficiary of or receive any fee, commission, gift,
7 or other consideration for or in connection with any
8 transaction or business under this act other than such
9 salary, fee, or other compensation as he may receive as such
10 member, officer, attorney, or employee. Any person
11 violating any provision of this section shall, upon
12 conviction thereof be punished by a fine of not more than
13 two thousand dollars (\$2,000) or imprisonment for not more
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 4 division of state government, or to any city, county, or
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12 (3) The governor shall submit those loan proposals
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16 (4) ~~The provisions of section 89-3603 and subsection (2)~~
 17 ~~and subsections (4) through (9) shall govern and apply to~~
 18 ~~the local renewable resource loans herein provided for.~~
 19 Unless designated otherwise by the legislature, the
 20 following provisions shall govern and apply to the renewable
 21 resource loans provided for in this section:

22 (a) The interest rate at which a loan is made shall be
 23 the same as that established by the board of natural
 24 resources and conservation pursuant to 89-3603(6) at the
 25 time the loan is approved by the legislature.

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 2 exceed 40 years.

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 18 shall be foreclosed in accordance with the applicable state
 19 law governing foreclosure of mortgages and liens.

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 21 as required to govern the terms and conditions for making
 22 loans, security instruments, and agreements pursuant to this
 23 section.

24 (5) Both the loans provided for by this section and
 25 the grants provided for by section 89-3604 may be submitted

1 to the governor and approved by the legislature as may be
2 necessary to jointly finance any project."

3 Section 3. Effective date. This act is effective on
4 its passage and approval.

-End-

April 6, 1977

STANDING COMMITTEE REPORT
Senate Committee on Taxation

That House Bill No. 156 be amended as follows:

1. Amend title, line 7.

Following: line 6

Strike: "89-3603 AND"

Insert: "84-1319, 89-3602,"

Following: "89-3605"

Insert: ", and 89-3607, R.C.M. 1947,"

2. Amend title, line 9.

Following: "PROGRAM"

Insert: "revising the funding of that program; repealing sections 89-3601, 89-3603, 89-3606, 89-3608, and 89-3609, and providing an effective date"

3. Amend page 1, section 1, lines 12 through line 21 on page 4.

Following: line 11

Strike: section 1 in its entirety

Insert: "Section 1. Section 89-3602, R.C.M. 1947, is amended to read as follows:

"89-3602. Definitions. Unless the context requires otherwise, in this act:

(1) Renewable resource development program" means such developments in the public interest of renewable natural resources of the state as shall from time to time be acquired, constructed, and financed from funds appropriated to the accounts referred to in this section, ~~and from the proceeds of bonds issued in anticipation of the receipt of these funds.~~ Renewable resource developments shall, whenever practicable, be multiple-use projects, and shall not significantly diminish the quality of existing public resources such as land, air, water, fish, wildlife and recreational opportunities.

(2) ~~"Renewable resource development bonds" mean all series of bonds authorized by law to be issued pursuant to section 89-3606 to finance any part of the renewable resource development program, or to refund any such bonds.~~

(3) (2) "Renewable resource development account," or ~~"clearance fund account,"~~ mean means a separate account which is or created within the ~~bond and insurance clearance~~ earmarked revenue fund established in section 79-410, and shall be segregated by the treasurer from all other money in that or any other fund in the state treasury and used only to pay costs of the renewable resource development program, upon order of the department of administration or the board of natural resources and conservation under authority and within limitations provided by law.

(4) ~~"Renewable resource development bond account," or "sinking fund account," mean a separate account which is created within the sinking fund established in section 79-410, and shall be segregated by the treasurer from all other money in that or any other fund in the treasury and used only as provided for herein.~~

(5) (3) "Treasurer" means the state treasurer."

4. Amend page 6, section 2, line 9.

Following: "department of"

Strike: "administration"

Insert: "natural resources and conservation"

5. Amend page 6, section 2, line 20.

Following: "department of"

Strike: "administration"

Insert: "natural resources and conservation"

6. Amend page 7, line 2.

Following: line 2

Insert: "Section 3. Section 89-3607, R.C.M. 1947, is amended t
read as follows:

89-3607. Sinking-fund-account Renewable resource development
account -- purposes. ~~(1)--The state may by enactment of the legis-
lature or the people levy, impose, assess, and pledge and appropriate
to the sinking fund account any tax, charge, fee, rental or other
income from any designated source; the state reserves the right
to modify from time to time the nature and amount of special taxes
and other revenues pledged and appropriated to the sinking fund
account; provided that the aggregate resources so pledged and
appropriated are determined by the legislature to be sufficient
for the prompt and full payment of the principal of and interest
and redemption premiums when due on all bonds payable from that
account; and provided that the pledge of the full faith and credit
and taxing powers of the state for the security of all such bonds
shall be and remain irrevocable until they are fully paid;~~

~~(2)--Money in the sinking fund account shall be used first to
pay interest, principal and redemption premiums when due and payable
with respect to renewable resource development bonds; second to
accumulate a reserve for the further security of such payments due
within twelve (12) months thereafter; and third to restore the reserve
to this amount after each payment;~~

~~(3)--After the reserve provided for in subsection (2) above is
in the sinking fund, money at any time received in the sinking fund
in excess of that amount shall be transferred by the treasurer to the
clearance fund account. If the balance at any time on hand in the
sinking fund is not sufficient for compliance with subsection (2),
and is not restored to the required amount within three (3) months
thereafter, from funds specifically pledged and appropriated to the
sinking fund account, the treasurer shall transfer thereto from the
general fund an amount sufficient to restore the required balance.~~

~~(4) The state pledges and appropriates and directs to be
credited to the sinking earmarked revenue fund for the renewable
resource development account as received two and one-half percent
(2 1/2%) of all money from time to time received from the collection
of the strip-coal coal mines license tax payable under the provisions of
section 84-1302, or the equivalent provision of any severance tax
enacted in lieu of such license tax, and remaining after allocation of
such tax to the trust fund established under section 5, article IX of
the Montana constitution and such additional amount thereof, if any~~

~~as may be required from time to time to provide sufficient funds for the purposes stated in subsection (2) above, provided that no more than two and one-half percent (2 1/2%) of such tax collections shall be deemed to be pledged for the purpose of section 89-3606, subsection (3),~~
which funds shall be available for appropriation for the purposes set forth in this chapter. Any funds deposited in the sinking fund or the bond and insurance clearance fund under authority of this chapter prior to the effective date of this amendatory act are transferred to the earmarked revenue fund, renewable resource development account."

Section 4. Section 84-1319, R.C.M. 1947 is amended to read as follows:

"84-1319. Disposal of license or severance taxes. License or severance taxes collected under the provisions of this chapter or such sections as may enact a severance tax on coal in 1975 are allocated as follows:

(1) To the county for such purposes as the governing body of that county may determine from which coal was mined for each calendar year prior to January 1, 1980, ~~three cents (3¢)~~ per ton or ~~four per cent (4%)~~ of the severance tax paid on the coal mined in that county, whichever is higher, and for each calendar year following December 31, 1979, ~~three cents (3¢)~~ per ton or ~~three and one-half per cent (3 1/2%)~~ of the severance tax paid on the coal mined in that county, whichever is higher.

(2) ~~Two and one-half per cent (2 1/2%)~~ of total collections per year until December 31, 1979 and thereafter ~~four per cent (4%)~~ of total collections per year to the earmarked revenue fund, to the credit of the alternative energy research development and demonstration account.

(3) ~~Twenty-seven and one-half per cent (27 1/2%)~~ of total collections per year, until July 1, 1979, and thereafter ~~thirty five per cent (35%)~~, to the earmarked revenue fund to the credit of the local impact and education trust fund account.

(4) For each of the ~~four (4)~~ fiscal years following the effective date of this act ~~ten per cent (10%)~~ of total collections per year to the earmarked revenue fund to the credit of the coal area highway improvement account.

(5) ~~Ten per cent (10%)~~ of total collections per year, to the earmarked revenue fund, for state equalization aid to public schools of the state.

(6) For the period ending December 31, 1979, ~~one per cent (1%)~~ of total collections per year to the earmarked revenue fund, to the credit of the county land planning account.

(7) ~~Two and one-half per cent (2 1/2%)~~ of total collections per year, to the sinking earmarked revenue fund, to the credit of the renewable resource development bond account.

(8) ~~Two and one-half per cent (2 1/2%)~~ of total collections per year through June 30, 1979, of which portion ~~one-half (1/2)~~ shall be allocated to the trust and legacy fund, for the purpose of parks acquisition. After June 30, 1979, ~~five per cent (5%)~~ of total collections per year shall be allocated to the trust and legacy fund, for the purpose of parks acquisition. Income from the fund established in this subsection may be appropriated

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for the acquisition of sites and areas described in section 62-304.

(9) To the earmarked revenue fund, such portions of the severance tax as may be authorized by laws enacted in 1975.

(10) All other revenue from license or severance taxes collected under the provisions of this chapter shall be deposited to the credit of the general fund of the state."

Section 5. Repealer. Sections 89-3601, 89-3603, 89-3606, 89-3608, and 89-3609, R.C.M. 1947, is repealed."

Renumber: subsequent section

HOUSE BILL NO. 156

INTRODUCED BY DRISCOLL

REQUESTED BY

THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTIONS 89-3603 AND 84-1319, 89-3602, 89-3605, AND 89-3607, R.C.M. 1947, TO CLARIFY AND MODIFY ELIGIBILITY REQUIREMENTS FOR LOANS UNDER THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM REVISING THE FUNDING OF THAT PROGRAM; REPEALING SECTIONS 89-3601, 89-3603, 89-3606, 89-3608, AND 89-3609, AND PROVIDING AN EFFECTIVE DATE."

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

Section 18 Section 89-3603, R.C.M. 1947 is amended to read as follows:

"89-3603 - Renewable resource development loans. (1) The board of natural resources and conservation is authorized upon proper application and upon recommendation of the department of natural resources and conservation to make loans from the renewable resource development account established by this act to farmers and ranchers of the state of Montana who, without regard to their form of business organization:

(a) are citizens of the United States and are citizens

and residents of the state of Montana;

(b) have sufficient farming or ranching training and experience which in the opinion of the department is sufficient to assure the likelihood of the success of the proposed operations; and

(c) are or will become owner-operators owners or operators of farms or ranches;

(2) The department shall solicit and consider in its evaluation of proposed projects the views of interested and affected departments, boards, agencies and other subdivisions of state and federal government and of other interested and affected persons;

(3) The board may make the renewable resource development loans provided for by this section for any worthwhile project for the conservation, management, utilization, development, or preservation of the land, water, fish, wildlife, recreational, and other renewable resources in the state; and for the refinancing of existing indebtedness incurred in the expansion or rehabilitation of projects for those purposes;

(4) The board shall make no renewable resource development loan which exceeds the lesser of one hundred thousand dollars (\$100,000) or eighty percent (80%) of the fair market value of the security given therefor in determining the fair market value for the security given for

1 any loans the department shall consider appraisals made by
 2 qualified appraisers and such other factors it considers
 3 important.

4 (5) The period for repayment of loans pursuant to this
 5 act may not exceed thirty (30) years.

6 (6) The board shall from time to time establish by
 7 rule the interest rate at which loans may be made under this
 8 act provided that in no case may the rate be greater than
 9 one (1) percentage point greater than the prevailing
 10 interest rate on the renewable resource development bonds
 11 provided for in this act.

12 (7) The state shall have a lien upon a project
 13 constructed with money from the renewable resource
 14 development account for the amount of the loan together
 15 with the interest thereon. This lien may attach to all
 16 project facilities, equipment, easements, real property and
 17 property of any kind of nature owned by the debtor
 18 including all water rights. The board shall file either a
 19 financing statement or a real estate mortgage covering the
 20 loan, its amount, terms and a description of the project
 21 with the county recorder of each county in which the project
 22 or any part thereof is located. The county recorder shall
 23 record the lien in a book kept for the recording of liens
 24 and it shall be indexed as other liens are required by law
 25 to be indexed. The lien shall be valid until paid in full.

1 or otherwise discharged. The lien shall be foreclosed in
 2 accordance with applicable state law governing foreclosure
 3 of mortgages and liens.

4 (8) The board may adopt rules as required to govern
 5 the terms and conditions for making loans, security
 6 instruments and agreements pursuant to this act.

7 (9) No member, officer, attorney or other employee of
 8 the board or the department shall directly or indirectly
 9 be the beneficiary of or receive any fee, commission, gift
 10 or other consideration for or in connection with any
 11 transaction or business under this act other than such
 12 salary, fee or other compensation as he may receive as such
 13 member, officer, attorney or employee. Any person
 14 violating any provision of this section shall upon
 15 conviction thereof be punished by a fine of not more than
 16 two thousand dollars (\$2,000) or imprisonment for not more
 17 than two (2) years or both.

18 (10) The department shall administer the loans made by
 19 the board pursuant to this act and may accept and utilize
 20 voluntary and uncompensated services and with the consent
 21 of the agency concerned utilize the officers, employees,
 22 equipment and information of any agency of the federal
 23 government or of any agency of Montana government or of
 24 any political subdivision within Montana.

25 SECTION 1, SECTION 189-3602, R.C.M. 1947, IS AMENDED TO

1 READ AS FOLLOWS:

2 "89-3602. Definitions. Unless the context requires
3 otherwise, in this act:

4 (1) "Renewable resource development program" means
5 such developments in the public interest of renewable
6 natural resources of the state as shall from time to time be
7 acquired, constructed, and financed from funds appropriated
8 to the accounts referred to in this section, ~~and from the~~
9 ~~proceeds of bonds issued in anticipation of the receipt of~~
10 ~~these funds.~~ Renewable resource developments shall, whenever
11 practicable, be multiple-use projects, and shall not
12 significantly diminish the quality of existing public
13 resources such as land, air, water, fish, wildlife and
14 recreational opportunities.

15 ~~(2) "Renewable resource development bonds" mean all~~
16 ~~series of bonds authorized by law to be issued pursuant to~~
17 ~~section 69-3606 to finance any part of the renewable~~
18 ~~resource development program or to refund any such bonds.~~

19 ~~(3) (2) "Renewable resource development account," or~~
20 ~~"clearance fund account" mean means~~ a separate account
21 which is created within the ~~bond and insurance clearance~~
22 earmarked revenue fund established in section 79-410, and
23 shall be segregated by the treasurer from all other money in
24 that or any other fund in the state treasury and used only
25 to pay costs of the renewable resource development program,

1 upon order of the department of administration or the board
2 of natural resources and conservation under authority and
3 within limitations provided by law.

4 ~~(4) "Renewable resource development bond account" or~~
5 ~~"sinking fund account" mean a separate account which is~~
6 ~~created within the sinking fund established in section~~
7 ~~79-410 and shall be segregated by the treasurer from all~~
8 ~~other money in that or any other fund in the treasury and~~
9 ~~used only as provided for herein.~~

10 ~~(5) (2) "Treasurer" means the state treasurer."~~

11 Section 2. Section 89-3605, R.C.M. 1947, is amended to
12 read as follows:

13 "89-3605. State and local renewable resource
14 development loans. (1) The department of administration may
15 recommend to the governor that loans be made from the
16 renewable resource development account established by this
17 act to any department, agency, board, commission or other
18 division of state government, or to any city, county, or
19 other political subdivision or local government body of the
20 state.

21 (2) The department shall solicit and consider in its
22 evaluation of proposed projects the views of interested and
23 affected departments, boards, agencies and other
24 subdivisions of state and federal government and of other
25 interested and affected persons.

1 (3) The governor shall submit those loan proposals
2 having his approval to the legislature by the twentieth day
3 of any legislative session. Those loan proposals approved
4 by the legislature shall be administered by the department.

5 ~~(4) The provisions of section 89-3603, subsection (2)~~
6 ~~and subsections (4) through (9) shall govern and apply to~~
7 ~~the local renewable resource loans herein provided for.~~
8 Unless designated otherwise by the legislature, the
9 following provisions shall govern and apply to the renewable
10 resource loans provided for in this section:

11 (a) The interest rate at which a loan is made shall be
12 the same as that established by the board of natural
13 resources and conservation pursuant to 89-3603(6) at the
14 time the loan is approved by the legislature.

15 (b) The period for repayment of the loan may not
16 exceed 40 years.

17 (c) The state shall have a lien upon a project
18 constructed with money from the renewable resource
19 development account for the amount of the loan, together
20 with the interest thereon. This lien may attach to all
21 project facilities, equipment, easements, real property, and
22 property of any kind of nature owned by the debtor,
23 including all water rights. The department of administration
24 NATURAL RESOURCES AND CONSERVATION shall file either a
25 financing statement or a real estate mortgage covering the

1 loan, its amount, terms, and a description of the project
2 with the county recorder of each county in which the project
3 or any part thereof is located. The county recorder shall
4 record the lien in a book kept for the recording of liens
5 and it shall be indexed as other liens are required by law
6 to be indexed. The lien shall be valid until paid in full
7 or otherwise discharged. The lien shall be foreclosed in
8 accordance with the applicable state law governing
9 foreclosure of mortgages and liens.

10 (d) The department of administration NATURAL RESOURCES
11 AND CONSERVATION may adopt rules as required to govern the
12 terms and conditions for making loans, security instruments,
13 and agreements pursuant to this section.

14 (5) Both the loans provided for by this section and
15 the grants provided for by section 89-3604 may be submitted
16 to the governor and approved by the legislature as may be
17 necessary to jointly finance any project."

18 SECTION 3. SECTION 89-3607, R.C.M. 1947, IS AMENDED TO
19 READ AS FOLLOWS:

20 "89-3607. Sinking fund account Renewable resource
21 development account -- purposes. (1) The state may by
22 enactment of the legislature or the people levy impose
23 assessy and pledge and appropriate to the sinking fund
24 account any tax, charge, fee, rental or other income from
25 any designated sources. The state reserves the right to

1 ~~modify from time to time the nature and amount of special~~
 2 ~~taxes and other revenues pledged and appropriated to the~~
 3 ~~sinking fund account, provided that the aggregate resources~~
 4 ~~so pledged and appropriated are determined by the~~
 5 ~~legislature to be sufficient for the prompt and full payment~~
 6 ~~of the principal of and interest and redemption premiums~~
 7 ~~when due on all bonds payable from that account, and~~
 8 ~~provided that the pledge of the full faith and credit and~~
 9 ~~taxing powers of the state for the security of all such~~
 10 ~~bonds shall be and remain irrevocable until they are fully~~
 11 ~~paid.~~

12 ~~{2} Money in the sinking fund account shall be used~~
 13 ~~first to pay interest, principal and redemption premiums~~
 14 ~~when due and payable with respect to renewable resource~~
 15 ~~development bonds; second to accumulate a reserve for the~~
 16 ~~further security of such payments to the amount required~~
 17 ~~each month to meet those payments due within twelve {12}~~
 18 ~~months thereafter; and third to restore the reserve to this~~
 19 ~~amount after each payment.~~

20 ~~{3} After the reserve provided for in subsection {2}~~
 21 ~~above is in the sinking fund, money at any time received in~~
 22 ~~the sinking fund in excess of that amount shall be~~
 23 ~~transferred by the treasurer to the clearance fund account,~~
 24 ~~if the balance at any time on hand in the sinking fund is~~
 25 ~~not sufficient for compliance with subsection {2}, and is~~

1 ~~not restored to the required amount within three {3} months~~
 2 ~~thereafter, from funds specifically pledged and appropriated~~
 3 ~~to the sinking fund account, the treasurer shall transfer~~
 4 ~~thereto from the general fund an amount sufficient to~~
 5 ~~restore the required balance.~~

6 {4} The state pledges and appropriates and directs to
 7 be credited to the sinking earmarked revenue fund for the
 8 renewable resource development account as received two and
 9 one-half percent {2 1/2%} of all money from time to time
 10 received from the collection of the strip coal mines license
 11 tax payable under the provisions of section 84-1302, or the
 12 equivalent provision of any severance tax enacted in lieu of
 13 such license tax, and remaining after allocation of such tax
 14 to the trust fund established under section 5, article IX of
 15 the Montana constitution and such additional amount thereof
 16 if any, as may be required from time to time to provide
 17 sufficient funds for the purposes stated in subsection {2}
 18 above, provided that no more than two and one-half percent
 19 {2 1/2%} of such tax collections shall be deemed to be
 20 pledged for the purpose of section 89-3606, subsection {3},
 21 which funds shall be available for appropriation for the
 22 purposes set forth in this chapter. Any funds deposited in
 23 the sinking fund or the bond and insurance clearance fund
 24 under authority of this chapter prior to the effective date
 25 of this amendatory act are transferred to the earmarked

1 revenue fund, renewable resource development account."

2 SECTION 4. SECTION 84-1319, R.C.M., 1947 IS AMENDED TO
 3 READ AS FOLLOWS:

4 "84-1319. Disposal of license or severance taxes.
 5 License or severance taxes collected under the provisions of
 6 this chapter or such sections as may enact a severance tax
 7 on coal in 1975 are allocated as follows:

8 (1) To the county for such purposes as the governing
 9 body of that county may determine from which coal was mined
 10 for each calendar year prior to January 1, 1980, ~~three cents~~
 11 ~~{3¢}~~ per ton or ~~four-per-cent-{4%}~~ of the severance tax paid
 12 on the coal mined in that county, whichever is higher, and
 13 for each calendar year following December 31, 1979, ~~three~~
 14 ~~cents--{3¢}~~ per ton or ~~three-and-one-half-per-cent-{3 1/2%}~~
 15 of the severance tax paid on the coal mined in that county,
 16 whichever is higher.

17 (2) ~~Two--and--one-half--per--cent--{2 1/2%}~~ of total
 18 collections per year until December 31, 1979 and thereafter
 19 ~~four--per--cent--{4%}~~ of total collections per year to the
 20 earmarked revenue fund, to the credit of the alternative
 21 energy research development and demonstration account.

22 (3) ~~Twenty-seven--and--one-half--per--cent--{27.5%}~~ of
 23 total collections per year, until July 1, 1979, and
 24 thereafter ~~thirty-five--per--cent--{35%}~~, to the earmarked
 25 revenue fund to the credit of the local impact and education

1 trust fund account.

2 (4) For each of the ~~four-{4}~~ fiscal years following
 3 the effective date of this act ~~ten-per-cent-{10%}~~ of total
 4 collections per year to the earmarked revenue fund to the
 5 credit of the coal area highway improvement account.

6 (5) ~~Ten--per--cent--{10%}~~ of total collections per year,
 7 to the earmarked revenue fund, for state equalization aid to
 8 public schools of the state.

9 (6) For the period ending December 31, 1979, ~~one--per~~
 10 ~~cent--{1%}~~ of total collections per year to the earmarked
 11 revenue fund, to the credit of the county land planning
 12 account.

13 (7) ~~Two--and--one-half--per--cent--{2 1/2%}~~ of total
 14 collections per year, to the ~~sinking~~ earmarked revenue fund,
 15 to the credit of the renewable resource development bond
 16 account.

17 (8) ~~Two--and--one-half--per--cent--{2 1/2%}~~ of total
 18 collections per year through June 30, 1979, of which portion
 19 ~~one-half--{1/2}~~ shall be allocated to the earmarked revenue
 20 fund, for the purpose of acquisition of sites and areas
 21 described in section 62-304, subject to legislative
 22 appropriations, and ~~one-half~~ {1/2} shall be allocated to the
 23 trust and legacy fund, for the purpose of parks acquisition.
 24 After June 30, 1979, ~~five-per-cent--{5%}~~ of total collections
 25 per year shall be allocated to the trust and legacy fund,

1 for the purpose of parks acquisition. Income from the fund
2 established in this subsection may be appropriated for the
3 acquisition of sites and areas described in section 62-304.

4 (9) To the earmarked revenue fund, such portions of
5 the severance tax as may be authorized by laws enacted in
6 1975.

7 (10) All other revenues from license or severance taxes
8 collected under the provisions of this chapter shall be
9 deposited to the credit of the general fund of the state.

10 ~~SECTION 5. REPEALER. SECTIONS 89-3601, 89-3603,~~
11 ~~89-3606, 89-3608, AND 89-3609, R.S.M. 1947, IS REPEALED.~~

12 Section 6. Effective date. This act is effective on
13 its passage and approval.

-End-