

1 House BILL NO. 432
2 INTRODUCED BY FACCA
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW COUNTIES TO
5 ISSUE REVENUE BONDS FOR PUBLIC PROJECTS NECESSITATED BY THE
6 DEVELOPMENT OR EXPANSION OF MAJOR INDUSTRIAL FACILITIES; TO
7 PROVIDE THAT THE BONDS WILL BE OBLIGATIONS OF THE MAJOR
8 INDUSTRIAL FACILITY AS DETERMINED BY THE GOVERNING BODY."
9

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

11 Section 1. Short title. This act may be cited as the
12 "Industrial Impact Bond Act of 1975".

13 Section 2 Definitions. As used in this act:

14 (1) "Public project" means any construction or
15 improvement, including, but not limited to, roads,
16 buildings, recreation facilities, and water and sewer
17 systems necessary for the public welfare;

18 (2) "Governing body" means the board or body in which
19 the general legislative powers of the county are vested;

20 (3) "Industrial facility" means any private company or
21 corporation whose development or expansion is deemed by the
22 governing body to require needed public projects.

23 Section 3. General powers of governing body.

24 (1) The governing body of any county may issue revenue
25 bonds for public projects necessitated by the development or

1 expansion of a major industrial facility in the county. The
2 governing body shall be the judge of what constitutes the
3 development or expansion of a major industrial facility and
4 of the public projects required.

5 (2) The revenue bonds issued may be issued in two (2)
6 or more series or issues where considered advisable, and
7 each such series or issue may contain different maturity
8 dates, interest rates, and other terms and conditions as are
9 necessary and are not in conflict with the provisions of
10 this act.

11 Section 4. Bonds obligation of industrial facility --
12 form and contents -- sale -- negotiability -- hearing prior
13 to issuance.

14 (1) All bonds issued by a county under this act shall
15 be the obligation of the new or expanded industrial facility
16 which led to the need for the public project for which the
17 bonds are issued as determined by the governing body. Bonds
18 and interest coupons issued under this act shall not
19 constitute nor give rise to a liability or charge against
20 the general credit or taxing powers of the county. Such
21 limitation, and the obligation of the industrial facility,
22 shall be plainly stated upon the face of each bond.

23 (2) The bonds, referred to in subsection (1) of this
24 section, may (a) be executed and delivered at any time and
25 from time to time, (b) be in such form and denominations,

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1 (c) be of such tenor, (d) be in registered or bearer form
 2 either as to principal or interest or both, (e) be payable
 3 in such installments and at such time or times not exceeding
 4 thirty (30) years from their date, (f) be payable at such
 5 place or places, (g) bear interest at such rate or rates,
 6 payable at such place or places, and evidenced in such
 7 manner, (h) be redeemable prior to maturity, with or without
 8 premium, and (i) contain such provisions not inconsistent
 9 herewith, as shall be considered for the best interest of
 10 the county and provided for in the proceedings of the
 11 governing body whereunder the bonds shall be authorized to
 12 be issued.

13 (3) Any bonds, issued under the authority of this act,
 14 may be sold at public or private sale in such manner and at
 15 such time or times as may be determined by the governing
 16 body to be most advantageous. The county may pay all
 17 expenses, premiums, and commissions which the governing body
 18 considers necessary or advantageous in connection with the
 19 authorization, sale, and issuance thereof from the proceeds
 20 of the sale of said bonds or from the revenues of the
 21 projects.

22 (4) All bonds and all interest coupons applicable
 23 thereto shall be construed to be negotiable instruments,
 24 despite the fact that they are payable solely from a
 25 specified source.

1 (5) Prior to the issuance of any bonds by any county,
 2 the governing body shall give notice and hold a public
 3 hearing on the proposed project. At least once a week for
 4 three (3) consecutive weeks prior to the date set for the
 5 hearing, the governing body shall publish in a newspaper of
 6 general circulation in the county a notice of the time and
 7 place of the hearing. The governing body shall not approve
 8 the bonds as provided in this act unless it appears, after
 9 the public hearing, that such approval is in the public
 10 interest of the county.

11 Section 5. Provisions for security of bondholders --
 12 taxing power. The principal of and interest on any bonds
 13 issued under this act shall be secured by a pledge of the
 14 revenues out of which such bonds shall be payable. Such
 15 revenues shall be acquired through taxes levied by the
 16 county on the taxable value of the property of the
 17 industrial facility which is obligated to pay interest on
 18 the bonds.

19 Section 6. Refunding of bonds. Any bonds issued under
 20 this act and at any time outstanding may at any time and
 21 from time to time be refunded by a county by the issuance of
 22 refunding bonds in such amount as the governing body
 23 considers necessary but not exceeding an amount sufficient
 24 to refund the principal of the bonds to be so refunded,
 25 together with any unpaid interest thereon and any premiums

1 and commissions necessary to be paid in connection
 2 therewith; provided, that an issue of refunding bonds may be
 3 combined with an issue of additional revenue bonds,
 4 considered as necessary by the governing body. Any such
 5 refunding may be effected whether the bonds to be refunded
 6 have then matured or shall thereafter mature, either by sale
 7 of the refunding bonds and the application of the proceeds
 8 thereof for the payment of the bonds to be refunded thereby,
 9 or by exchange of the refunding bonds for the bonds to be
 10 refunded thereby; provided, that the holders of any bonds to
 11 be so refunded shall not be compelled without their consent
 12 to surrender their bonds for payment or exchange prior to
 13 the date on which they are payable by maturity date, option
 14 to redeem, or otherwise, or, if they are called for
 15 redemption, prior to the date on which they are by their
 16 terms subject to redemption by option or otherwise. Any
 17 refunding bonds issued under the authority of this act shall
 18 be subject to the provisions contained in section [4 of this
 19 act].

20 Section 7. Tax credits. When the bonds of any public
 21 project issued under this act reach maturity, the governing
 22 body of the county shall provide tax credits to the
 23 industrial facility under whose obligation the bonds were
 24 issued. Such tax credits shall be amortized over a period
 25 not to exceed ten (10) years.

1 Section 8. Advice and information. The department of
 2 intergovernmental relations shall furnish advice and
 3 information in connection with a project when requested to
 4 do so by a county.

-End-

HB 432

March 17, 1975

SENATE COMMITTEE ON STATE ADMINISTRATION

AMENDMENTS TO HOUSE BILL NO. 532

That House Bill No. 532, third reading, be amended as follows:

1. Amend page 2, section 1, line 12.
Strike: "twenty-five cents (25¢)"
Insert: "twenty cents (20¢)"
2. Amend page 2, section 2, line 25.
Following: "~~12¢~~"
Strike: "twenty-five cents (25¢)"
Insert: "twenty cents (20¢)"