

CHAPTER NO. 672

HOUSE BILL NO. 761

INTRODUCED BY SCULLY, VINCENT, NORDTVEDT, SALES, ELLERD

IN THE HOUSE

February 12, 1979	Introduced and referred to Committee on Appropriations.
April 16, 1979	Committee recommend bill do pass as amended. Report adopted.
April 17, 1979	Printed and placed on members' desks.  Second reading, do pass. (90 - Aye; 1 - Nay)  Third reading, passed. Engrossed before transmittal. Transmitted to second house.

IN THE SENATE

April 18, 1979	Introduced and referred to Committee on Finance and Claims.
April 19, 1979	Committee recommend bill be concurred in. Report adopted.  On motion rules suspended. Bill referred to second reading for consideration this day.  Second reading, concurred in.  On motion rules suspended. Bill placed on Calendar for third reading this day.  Third reading, concurred in. (40 - Aye; 3 - Nay)

IN THE HOUSE

April 20, 1979

Returned from second house.  
Concurred in. Sent to  
enrolling.

Reported correctly enrolled.

1 *House* BILL NO. *761*  
 2 INTRODUCED BY *Sully, Vincent, Lundquist, Sales*  
 3 *Callard*

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING AND  
 5 CONSENTING TO THE ACQUISITION, CONSTRUCTION, EQUIPPING, AND  
 6 FINANCING BY THE BOARD OF REGENTS OF HIGHER EDUCATION OF  
 7 IMPROVEMENTS TO THE STUDENT UNION BUILDING AND TO CERTAIN  
 8 PHYSICAL EDUCATION, ATHLETIC, AND RECREATIONAL FACILITIES AT  
 9 MONTANA STATE UNIVERSITY; AUTHORIZING THE ISSUANCE AND SALE  
 10 OF LONG-RANGE BUILDING PROGRAM BONDS BY THE BOARD OF  
 11 EXAMINERS; AND APPROPRIATING THE PROCEEDS OF SUCH BONDS FOR  
 12 THIS PURPOSE."

13  
 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Construction project at Montana state  
 16 university. (1) Under the provisions of 20-25-302(1) and  
 17 18-2-102, the legislature authorizes and consents to a  
 18 capital construction program at Montana state university,  
 19 Bozeman, Montana, consisting of the acquisition,  
 20 construction, and equipping of improvements to:

- 21 (a) the student union building; and
- 22 (b) the physical education, athletic, and recreational
- 23 facilities.

24 (2) The legislature further consents to the financing  
 25 of these projects by the board of regents of higher

1 education from gifts, grants, fees, and earnings from the  
 2 issuance of bonds by the board of regents in accordance with  
 3 [sections 2 and 3] and 20-25-402.

4 Section 2. Bonds for construction project -- limits.  
 5 Upon request of the board of regents, the board of examiners  
 6 is authorized to issue and sell long-range building program  
 7 bonds upon the conditions and in the manner stated in Title  
 8 17, chapter 5, part 4:

9 (1) in a principal amount not to exceed \$5,000,000  
 10 for the purpose of financing the costs of the student union  
 11 building; and

12 (2) in a principal amount not to exceed \$2,500,000 for  
 13 the purpose of financing the costs of the physical  
 14 education, athletic, and recreational facilities.

15 Section 3. Sale and issuance of bonds -- requirements.  
 16 The sale and issuance of bonds pursuant to [section 2] shall  
 17 be subject to an undertaking by the board of regents to pay  
 18 the state treasurer for deposit in the sinking fund account  
 19 established pursuant to 17-5-405 amounts sufficient to pay  
 20 as due the principal of and interest on the bonds. The  
 21 undertaking by the board of regents may be in the form of a  
 22 revenue bond or bonds issued by the board of regents to the  
 23 board of examiners or it may be in the form of an agreement  
 24 between the board of regents and board of examiners. The  
 25 payments under any such bonds or agreement shall be from

1 such revenues, fees, and income as are lawfully available to  
 2 the board of regents to pay the costs of facilities to be  
 3 financed by the long-range building program bonds hereby  
 4 authorized or to pay debt service on obligations of the  
 5 board of regents incurred with respect to such facilities  
 6 and costs. With the approval of the board of examiners, any  
 7 undertaking and the payments thereunder may be subordinated  
 8 to other obligations of the board of regents upon such terms  
 9 as the board of examiners considers appropriate. The  
 10 undertaking of the board of regents shall be solely for the  
 11 benefit of and enforceable by the state and may not be  
 12 enforceable by the holders of the long-range building  
 13 program bonds. The bonds may be issued in one or more  
 14 series.

15 Section 4. Deposit and expenditure of bond proceeds.  
 16 The proceeds of the bonds authorized by [sections 1 and 2]  
 17 shall be deposited in the clearance fund account created by  
 18 17-5-401(2). The amount of such proceeds is appropriated  
 19 from the clearance fund account to the board of regents for  
 20 the purpose for which the bonds are authorized.

21 Section 5. Severability. If a part of this act is  
 22 invalid, all valid parts that are severable from the invalid  
 23 part remain in effect. If a part of this act is invalid in  
 24 one or more of its applications, the part remains in effect  
 25 in all valid applications that are severable from the

1 invalid applications.

-End-

STATE OF MONTANA

Request No. 363-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 1979, there is hereby submitted a Fiscal Note for House Bill 761 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

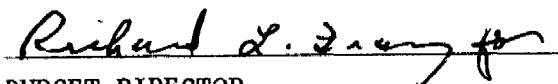
An act authorizing and consenting to the acquisition, construction, equipping, and financing by the Board of Regents of Higher Education of improvements to the student union building and to certain physical education, athletic, and recreational facilities at Montana State University; authorizing the issuance and sale of Long-range Building Program bonds by the Board of Examiners; and appropriating the proceeds of such bonds for this purpose.

ASSUMPTIONS:

Bond premiums will be paid from revenues generated by the facilities to be financed by the bonds.

FISCAL IMPACT:

Minimal.

  
BUDGET DIRECTOR  
Office of Budget and Program Planning  
Date: 4/20/79

Approved by Comm.  
on Appropriations

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9 MONTANA STATE UNIVERSITY AND TO THE PHYSICAL EDUCATION,  
10 ATHLETIC, AND RECREATIONAL FACILITIES AT EASTERN MONTANA  
11 COLLEGE; AUTHORIZING THE ISSUANCE AND SALE OF LONG-RANGE  
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13 APPROPRIATING THE PROCEEDS OF SUCH BONDS FOR THIS PURPOSE."  
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20 Montana state university, Bozeman, Montana, AND EASTERN  
21 MONTANA COLLEGE AT BILLINGS, MONTANA, consisting of the  
22 acquisition, construction, and equipping of improvements to:  
23 (a) the student union building ~~and~~ AT MONTANA STATE  
24 UNIVERSITY;  
25 (b) the physical education, athletic, and recreational

1 facilities AT MONTANA STATE UNIVERSITY; AND  
2 (C) THE PHYSICAL EDUCATION, ATHLETIC, AND RECREATIONAL  
3 FACILITIES AT EASTERN MONTANA COLLEGE.  
4 (2) The legislature further consents to the financing  
5 of these projects by the board of regents of higher  
6 education from gifts, grants, fees, and earnings, AND from  
7 the issuance of bonds by the board of regents in accordance  
8 with [sections 2 and 3] and 20-25-402.  
9 Section 2. Bonds for construction project -- limits.  
10 Upon request of the board of regents, the board of examiners  
11 is authorized to issue and sell long-range building program  
12 bonds upon the conditions and in the manner stated in Title  
13 17, chapter 5, part 4:  
14 (1) in a principal amount not to exceed ~~\$5,000,000~~  
15 \$4,000,000 for the purpose of financing the costs of the  
16 student union building AT MONTANA STATE UNIVERSITY; and  
17 (2) in a principal amount not to exceed \$2,500,000 for  
18 the purpose of financing the costs of the physical  
19 education, athletic, and recreational facilities AT MONTANA  
20 STATE UNIVERSITY; AND  
21 (3) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,500,000 FOR  
22 THE PURPOSE OF FINANCING THE COST OF THE PHYSICAL EDUCATION,  
23 ATHLETIC, AND RECREATIONAL FACILITIES AT EASTERN MONTANA  
24 COLLEGE. IN ADDITION TO THE BONDING AUTHORIZATION, \$800,000  
25 OF FEDERAL OR PRIVATE FUNDS IS AUTHORIZED.

1 Section 3. Sale and issuance of bonds -- requirements.  
 2 The sale and issuance of bonds pursuant to [section 2] shall  
 3 be subject to an undertaking by the board of regents to pay  
 4 the state treasurer for deposit in the sinking fund account  
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 6 as due the principal of and interest on the bonds. The  
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 15 authorized or to pay debt service on obligations of the  
 16 board of regents incurred with respect to such facilities  
 17 and costs. ALL AGREEMENTS OR BOND ARRANGEMENTS ENTERED INTO  
 18 BETWEEN THE BOARD OF REGENTS AND THE DEPARTMENT OF  
 19 ADMINISTRATION WILL SPECIFICALLY REQUIRE THE BOARD TO  
 20 MAINTAIN DEBT SERVICE PAYMENTS AND THE RESERVE REQUIREMENT  
 21 TO THE LONG-RANGE BUILDING SINKING FUND. IF ENROLLMENT  
 22 REDUCTIONS SHOULD ENDANGER THESE PAYMENTS, THE REGENTS SHALL  
 23 INSURE CONTINUED PAYMENTS THROUGH BUDGET ADJUSTMENTS WHICH  
 24 INCLUDE FEE INCREASES. With the approval of the board of  
 25 examiners, any undertaking and the payments thereunder may

1 be subordinated to other obligations of the board of regents  
 2 upon such terms as the board of examiners considers  
 3 appropriate. The undertaking of the board of regents shall  
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8 Section 4. Deposit and expenditure of bond proceeds.  
 9 The proceeds of the bonds authorized by [sections 1 and 2]  
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 11 17-5-401(2). NO CONSTRUCTION OR RELATED BIDS SHALL BE LET  
 12 UNTIL THE BOND PROCEEDS ARE DEPOSITED IN THE CLEARANCE FUND.  
 13 The amount of such proceeds is appropriated from the  
 14 clearance fund account to the board of regents for the  
 15 purpose for which the bonds are authorized.

16 Section 5. Severability. If a part of this act is  
 17 invalid, all valid parts that are severable from the invalid  
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