

CHAPTER NO. 658

HOUSE BILL NO. 915

INTRODUCED BY TAXATION COMMITTEE

IN THE HOUSE

March 19, 1979	Introduced and referred to Committee on Taxation.
March 24, 1979	Committee recommend bill do pass as amended. Report adopted.
March 26, 1979	Printed and placed on members' desks.
March 27, 1979	Second reading, do pass.  Considered correctly engrossed.  Third reading, passed. Transmitted to second house.

IN THE SENATE

March 27, 1979	Introduced and referred to Committee on Taxation.
April 12, 1979	Committee recommend bill be concurred in as amended. Report adopted.  Statement of Intent adopted.
April 13, 1979	Second reading, indefinitely postponed.

IN THE HOUSE

April 16, 1979	Returned from second house. Indefinitely postponed.
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1 HOUSE BILL NO. 915  
 2 INTRODUCED BY Taxation Committee

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE STATE  
 5 BOARD OF EXAMINERS, UPON RECOMMENDATION OF THE DEPARTMENT OF  
 6 ADMINISTRATION, TO ISSUE AND SELL NOTES IN ANTICIPATION OF  
 7 TAXES AND REVENUES APPROPRIATED FOR EXPENDITURE DURING A  
 8 FISCAL YEAR; PROVIDING A LIMITATION ON THE AMOUNT OF NOTES  
 9 THAT MAY BE ISSUED AND PRESCRIBING A METHOD FOR ISSUANCE AND  
 10 PAYMENT OF THE NOTES; PROVIDING THAT THE ACT IS EFFECTIVE ON  
 11 PASSAGE BY A TWO-THIRDS VOTE OF THE MEMBERS OF EACH HOUSE OF  
 12 THE LEGISLATURE AND APPROVAL BY THE GOVERNOR."

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

15 Section 1. Issuance of notes in anticipation of  
 16 revenue. (1) The board of examiners, upon recommendation of  
 17 the department of administration, may issue notes in  
 18 anticipation of the receipt of taxes and revenues, direct or  
 19 indirect, as the legal demands on the treasury during any  
 20 fiscal year render it necessary.

21 (2) The notes issued in any fiscal year shall be for  
 22 the purposes and within the amounts of appropriations made  
 23 for the fiscal year and must be designated tax and revenue  
 24 anticipation notes.

25 Section 2. Limitation on amount of notes. The total

1 amount of notes issued under [Section 1] and outstanding at  
 2 any time prior to June 30, 1981, may not exceed \$50 million.

3 Section 3. Interest rate. The notes shall bear  
 4 interest at such rate as, in the judgment of the board of  
 5 examiners, may be sufficient or necessary to effect the  
 6 issuance and sale of the notes in the manner determined by  
 7 the board of examiners upon recommendation of the department  
 8 of administration.

9 Section 4. Payment of notes -- pledge of taxes and  
 10 revenue. (1) The notes and interest on the notes must be  
 11 paid from taxes and revenues not later than the end of the  
 12 fiscal year in which issued.

13 (2) An amount of taxes and revenues as will be  
 14 sufficient to pay the amount borrowed, with interest, is  
 15 pledged to the payment of the notes.

16 Section 5. Effective date. This act is effective on  
 17 passage by a two-thirds vote of the members of each house of  
 18 the legislature and approval by the governor.

-End-

INTRODUCED BY

Approved by Committee  
on Taxation

HOUSE BILL NO. 915

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21 (2) The notes issued in any fiscal year shall be for  
22 the purposes and within the amounts of appropriations made  
23 for the fiscal year and must be designated tax and ~~QB~~  
24 revenue anticipation notes.

25 Section 2. Limitation on amount of notes. (1) The

1 total amount of notes issued under [Section 1] and ~~MAY NOT~~  
2 ~~EXCEED AN AGGREGATE OF \$100 MILLION AND NO MORE THAN \$50~~  
3 ~~MILLION OF SUCH NOTES MAY BE~~ outstanding at any time prior  
4 ~~to June 30, 1981, may not exceed \$50 million.~~

5 ~~(2) NO NOTES MAY BE ISSUED AFTER JUNE 30, 1981.~~

6 Section 3. Interest rate. The notes shall bear  
7 interest at such rate as, in the judgment of the board of  
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-End-

1 STATEMENT OF INTENT RE: HB 915

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Section 1. It is the intent of the Legislature that the amount of tax anticipation notes authorized in House Bill 915 should not exceed more than \$50,000,000 in each of the 2 fiscal years of this biennium. Further, it is the intent of the Legislature that any notes issued in a fiscal year shall be fully paid before the end of the fiscal year.

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Section 2. It is further the specific intent of the Legislature that the passage of this bill will reduce the need for borrowing from other state funds, such as the highway department earmarked revenue, or any of the coal tax trust funds, and that this practice will be curtailed.

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Section 3. It is further the understanding of the Senate Taxation Committee of the Legislature that sufficient income will be obtained from investment of the unused portion of any revenues from the tax anticipation notes to offset the interest cost of these notes.

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Section 4. It is further the specific intent of the Legislature that no tax anticipation notes shall be issued to refund or pay outstanding notes. In the event sufficient revenues are not available to pay the tax anticipation notes at the end of the 1981 fiscal year, it is the intent of this Legislature that this program shall not be continued.

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## HOUSE BILL NO. 915

## INTRODUCED BY TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE STATE BOARD OF EXAMINERS, UPON RECOMMENDATION OF THE DEPARTMENT OF ADMINISTRATION, TO ISSUE AND SELL NOTES IN ANTICIPATION OF TAXES AND REVENUES APPROPRIATED FOR EXPENDITURE DURING A FISCAL YEAR; PROVIDING A LIMITATION ON THE AMOUNT OF NOTES THAT MAY BE ISSUED AND PRESCRIBING A METHOD FOR ISSUANCE AND PAYMENT OF THE NOTES; PROVIDING THAT THE ACT IS EFFECTIVE ON PASSAGE BY A TWO-THIRDS VOTE OF THE MEMBERS OF EACH HOUSE OF THE LEGISLATURE AND APPROVAL BY THE GOVERNOR."

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

Section 1. Issuance of notes in anticipation of revenue. (1) The board of examiners, upon recommendation of the department of administration, may issue notes in anticipation of the receipt of taxes and OR revenues, direct or indirect, as the legal demands on the treasury during any fiscal year render it necessary.

(2) The notes issued in any fiscal year shall be for the purposes and within the amounts of appropriations made for the fiscal year and must be designated tax and OR revenue anticipation notes.

Section 2. Limitation on amount of notes. (1) The

total amount of notes issued under [Section 1] and MAY NOT EXCEED AN AGGREGATE OF \$100 MILLION AND NO MORE THAN \$50 MILLION OF SUCH NOTES MAY BE outstanding at any time prior to ~~June 30, 1981, may not exceed \$50 million.~~

(2) NO NOTES MAY BE ISSUED AFTER JUNE 30, 1981.

Section 3. Interest rate. The notes shall bear interest at such rate as, in the judgment of the board of examiners, may be sufficient or necessary to effect the issuance and sale of the notes in the manner determined by the board of examiners upon recommendation of the department of administration.

Section 4. Payment of notes -- pledge of taxes and revenue. (1) The notes and interest on the notes must be paid from taxes and revenues not later than the end of the fiscal year in which issued.

(2) An amount of taxes and revenues as will be sufficient to pay the amount borrowed, with interest, is pledged to the payment of the notes.

Section 5. Effective date. This act is effective on passage by a two-thirds vote of the members of each house of the legislature and approval by the governor.

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Section 2. It is further the specific intent of the Legislature that the passage of this bill will reduce the need for borrowing from other state funds, such as the highway department earmarked revenue, or any of the coal tax trust funds, and that this practice will be curtailed.

Section 3. It is further the understanding of the Senate Taxation Committee of the Legislature that sufficient income will be obtained from investment of the unused portion of any revenues from the tax anticipation notes to offset the interest cost of these notes.

Section 4. It is further the specific intent of the Legislature that no tax anticipation notes shall be issued to refund or pay outstanding notes. In the event sufficient revenues are not available to pay the tax anticipation notes at the end of the 1981 fiscal year, it is the intent of this Legislature that this program shall not be continued.

HB 915

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(2) The notes issued in any fiscal year shall be for the purposes and within the amounts of appropriations made for the fiscal year and must be designated tax and revenue anticipation notes. APPROPRIATIONS DURING ANY BIENNIUM ARE LIMITED TO PROJECTED REVENUE, EXCLUSIVE OF

NOTES ISSUED IN ANTICIPATION OF REVENUE.

Section 2. Limitation on amount of notes. (1) The total amount of notes issued under [Section 1] and MAY NOT EXCEED AN AGGREGATE OF \$100 MILLION AND NO MORE THAN \$50 MILLION OF SUCH NOTES MAY BE outstanding at any time prior to ~~June 30, 1981, may not exceed \$50 million.~~

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(2) An amount of taxes and revenues as will be sufficient to pay the amount borrowed, with interest, is pledged to the payment of the notes.

Section 5. Effective date. This act is effective on passage by a two-thirds vote of the members of each house of the legislature and approval by the governor.

-End-



April 12, 1979

SENATE STANDING COMMITTEE REPORT  
(Taxation)

That House Bill No. 915, third reading bill, be amended as follows:

1. Page 1.

Following: line 24

Insert: "Appropriations during any biennium are limited to projected  
revenue, exclusive of notes issued in anticipation of revenue."