

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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IN THE HOUSE

April 16, 1979

Returned from second house.
Indefinitely postponed.

April 17, 1979

On motion request of Senate
granted for return of House
Bill No. 915 for further
consideration.

IN THE SENATE

April 17, 1979

Returned from House.
Placed on second reading.

April 18, 1979

Second reading, concurred in.

On motion rules suspended.
Bill placed on Calendar for
third reading this day.

Third reading, concurred in
as amended.

IN THE HOUSE

April 19, 1979

Returned from second house.
Concurred in as amended.

Second reading, amendments adopted.

Third reading, amendments adopted.

Sent to enrolling.

Reported correctly enrolled.

House BILL NO. 915

Taxation Committee

1 INTRODUCED BY _____

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

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

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

24 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.
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4 Section 3. Interest rate. The notes shall bear
5 interest at such rate as, in the judgment of the board of
6 examiners, may be sufficient or necessary to effect the
7 issuance and sale of the notes in the manner determined by
8 the board of examiners upon recommendation of the department
9 of administration.

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

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

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

-End-

Approved by Committee
on Taxation

HOUSE BILL NO. 915

INTRODUCED BY TAXATION COMMITTEE

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5 BOARD OF EXAMINERS, UPON RECOMMENDATION OF THE DEPARTMENT OF
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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 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.

5 121. 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
8 examiners, may be sufficient or necessary to effect the
9 issuance and sale of the notes in the manner determined by
10 the board of examiners upon recommendation of the department
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14 paid from taxes and revenues not later than the end of the
15 fiscal year in which issued.

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17 sufficient to pay the amount borrowed, with interest, is
18 pledged to the payment of the notes.

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21 the legislature and approval by the governor.

-End-

STATEMENT OF INTENT RE: HB 915

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

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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.

HOUSE BILL NO. 915

INTRODUCED BY TAXATION COMMITTEE

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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 other revenues, direct
19 or indirect, as the legal demands on the treasury during any
20 fiscal year render it necessary.

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 date 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
8 examiners, may be sufficient or necessary to effect the
9 issuance and sale of the notes in the manner determined by
10 the board of examiners upon recommendation of the department
11 of administration.

12 Section 4. Payment of notes -- pledge of taxes and
13 revenue. (1) The notes and interest on the notes must be
14 paid from taxes and revenues not later than the end of the
15 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.

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

-End-

STATEMENT OF INTENT RE: HB 915

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

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

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

HB 915

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2 Section 2. Limitation on amount of notes. 111 The
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4 EXCEED AN AGGREGATE OF \$100 MILLION AND NO MORE THAN \$50
5 MILLION OF SUCH NOTES MAY BE outstanding at any time prior
6 to June 30, 1961 - may not exceed \$50 million.

7 121. NO NOTES MAY BE ISSUED AFTER JUNE 30, 1981.

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

14 Section 4. Payment of notes -- pledge of taxes and
15 revenue. (1) The notes and interest on the notes must be
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18 (2) An amount of taxes and revenues as will be
19 sufficient to pay the amount borrowed, with interest, is
20 pledged to the payment of the notes.

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23 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."