CHAPTER NO. 143

SENATE BILL NO. 144

INTRODUCED BY VAN VALKENBURG

BY REQUEST OF THE BOARD OF HOUSING

IN THE SENATE

January 17, 1979 Introduced and referred to Committee on State Administration.

- January 18, 1979 Fiscal note requested.
- January 24, 1979 Fiscal note returned.
- January 26, 1979 Committee recommend bill do pass. Report adopted.
- January 27, 1979 Printed and placed on members' desks.
- January 29, 1979 Second reading, do pass.
- January 30, 1979 Considered correctly engrossed.
- January 31, 1979 Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 1, 1979 Introduced and referred to Committee on State Administration.

March 2, 1979 Committee recommend bill be concurred in. Report adopted.

March 3, 1979 Second reading, concurred in.

March 6, 1979

IN THE SENATE

March 7, 1979

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

Third reading, concurred in.

Reported correctly enrolled.

rates BILL NO. 144 1 INTRODUCED BY 2 BY REQUEST OF THE YOARD OF HOUSING з 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE POWERS 5 OF THE MONTANA BOARD OF HOUSING TO PROVIDE STAFF AND 6 FACILITIES TO CARRY OUT ITS PROGRAMS; AMENDING SECTIONS 7 2-15-1008+ 90-6-112+ AND 90-6-126+ HCA; AND PROVIDING AN 8 9 IMMEDIATE EFFECTIVE DATE." 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 90-6-112, MCA. is amended to reads 12 #90-6-112. Provision of bond resolutions. A resolution 13 authorizing any notes or bonds, or any issue thereof, may 14 contain provisions, which shall be a part of the contract or 15 contracts with the holders thereof, as to: 16 (1) pledging all or any part of the revenues or 17 property of the board to secure the payment of the notes or 18 bonds or of any issue thereof, subject to existing 19 agreements with noteholders or bondholders; 20 (2) pledging all or any part of the assets of the 21 board, including mortgages and obligations securing them, to 22 secure the payment of the notes or bonds or of any issue 23 24 thereof, subject to existing agreements with noteholders or 25 bondholders;

(3) the use and disposition of the gross income from
 mortgages owned by the board and payment of principal of
 mortgages owned by the board;

4 (4) the setting aside of reserves of sinking funds in
5 the hands of trustees, paying agents, and other depositories
6 and the regulation and disposition thereofi

7 (5) limitations on the purpose to which the proceeds
8 of sale of notes or bonds may be applied and the pledge of
9 the proceeds to secure the payment of the notes or bonds or
10 of any issue thereofi

11 (6) limitations on the issuance of additional notes or 12 bonds, the terms upon which additional notes or bonds may be 13 issued and secured, and the refunding of outstanding notes 14 or bonds;

15 (7) the procedure, if any, by which the terms of any 16 contract with noteholders or bondholders may be amended or 17 abrogated, the amount of notes or bonds the holders of which 18 must consent thereto, and the manner in which such consent 19 may be given;

20 (8) limitations on the amount of woneys to be expended

21 by--the--board--for-operating--expenses--of--the--board a

- 22 consitment to employ adequate and competent personnel at
- 23 such reasonable compensations salaries, fees, and charges as

24 may be determined by the board in conjunction with the

25 department of administration and to maintain suitable

-2- SB 144 INTRODUCED BILL

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2	programs:
3	(9) vesting in a trustee property, rights, powers, and
4	duties in trust as the board determines;
5	(10) defining the acts or omissions to act which shall
6	constitute a default in the obligations and dutles of the
7	board to the holders of the notes or bonds and providing for
8	the rights and remedies of the holders of the notes or bonds
9	in the event of such defaulty including as a matter of right
10	the appointment of a receiver. Rights and remedies shall
11	not be inconsistent with the laws of the state and the other
12	provisions of this part; and
13	(11) any other matters of like or different character
14	which in any way affect the security or protection of the
15	holders of the notes or bonds."
16	Section 2. Section 90-6-126, MCA, is amended to read:
17	#90-6-126. Pledge againstimpoirment-of-contracts <u>af</u>
18	the state. In accordance with the constitutions of the
19	United States and the state of Montana the state pledges
20	that it will not in any way impair the obligations of any
21	arreement between the board and the bolders of notes and

facilities and services for the purpose of carrying out its

21 agreement between the board and the holders of notes and 22 bonds issued by the board<u>a including but not limited to an</u> 23 agreement to administer a loan program financed by the 24 issuance of bonds and to employ a staff sufficient and

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25 competent for this purpose."

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Section 3. Section 2-15-1008, MCA, is amended to read: 1 2 #2-15-1008. Board of housing -- allocation -composition --- quasi-judicial. (1) There is a board of 3 housing. ۸ (2) The board consists of seven members appointed by 5 the governor as provided in 2-15-124. The members shall be * informed and experienced in housing, economics, or finance. 7 (3) The board shall elect a chairman and other A • necessary officers. (4) The board is designated a quasi-judicial board for 10 11 purposes of 2-15-124. (5) The board is allocated to the department of 12 administration for administrative purposes only as provided 13 14 in 2-15-121. (6) The In compliance with the state pay plane the 15 department shall provide all necessary staff and services to 16 the board as are determined by the board in conjunction with 17 the department to be necessary for the purposes of carrying 18 out the board's programse and The department shall assess 19 20 the board for reasonable costs. 21 (7) A member of the board shall not be deemed to have a conflict of interest under the provisions of 2-2-201 22 23 merely because the member is a stockholder, officer, or

25 board's programs."

24

employee of a lending institution who may participate in the

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Section 4. Prior transactions not impaired. Nothing
 herein shall affect or impair any provision of resolutions.
 indentures. loans. contracts. bonds. or notes adopted.
 entered into. or issued before the effective date of this
 act.

6 Section 5. Effective date. This act is effective on

7 passage and approval.

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-End-

STATE OF MONTANA

Request No. 37-79

FISCAL NOTE

Form BD-15

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In compliance with a written request received <u>January 18, 1979</u>, there is hereby submitted a Fiscal Note for <u>Senate Bill 144</u> 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 to clarify the powers of the Montana Board of Housing to provide staff and facilities to carry out its programs.

FISCAL IMPACT:

None.

TECHNICAL NOTES:

There is a potential conflict between the proposed legislation and Section 2-15-121, M.C.A.

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BUDGET DIRECTOR Office of Budget and Program Planning Date: _______

46th Legislature

Approved by Committee on State AdminAstration BILL NO. 144 INTRODUCED BY BY REQUEST OF THE GOARD OF HOUSING

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE POWERS 6 OF THE MONTANA BOARD OF HOUSING TO PROVIDE STAFF AND 7 FACILITIES TO CARRY OUT ITS PROGRAMS; AMENDING SECTIONS 8 2-15-1008, 90-6-112, AND 90-6-126, MCA; AND PROVIDING AN 9 IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 90-6-112, MCA, is amended to read: m90-6-112. Provision of bond resolutions. A resolution authorizing any notes or bonds, or any issue thereof, may contain provisions, which shall be a part of the contract or contracts with the holders thereof, as to:

17 (1) pledging all or any part of the revenues or
18 property of the board to secure the payment of the notes or
19 bonds or of any issue thereof, subject to existing
20 agreements with noteholders or bondholders;

(2) pledging all or any part of the assets of the
board, including mortgages and obligations securing them, to
secure the payment of the notes or bonds or of any issue
thereof, subject to existing agreements with noteholders or
bondholders;

1 (3) the use and disposition of the gross income from 7 mortuages owned by the board and payment of principal of mortgages owned by the board; з 4 (4) the setting aside of reserves of sinking funds in 5 the hands of trustees, paying agents, and other depositories and the regulation and disposition thereof; 6 7 (5) limitations on the purpose to which the proceeds of sale of notes or bonds may be applied and the pledge of 8 9 the proceeds to secure the payment of the notes or bonds or of any issue thereof; 10 11 (6) limitations on the issuance of additional notes or bonds, the terms upon which additional notes or bonds may be 12 13 issued and secured, and the refunding of outstanding notes 14 or bonds; 15 (7) the procedure, if any, by which the terms of any 16 contract with noteholders or bondholders may be amended or 17 abrogated, the amount of notes or bonds the holders of which 18 must consent thereto, and the manner in which such consent 19 may be given; 20 (8) Himitations-on-the-amount-of-moneys-to-be-expended 21 by--the--board--for--operating--expenses--of--the--board 3 22 commitment to employ adequate and competent personnel at 23 such reasonable compensations salaries, fees, and charges as

24 may be determined by the board in conjunction with the 25 department of administration and to maintain suitable

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LC 0715/01

Z programs; 3 (9) vesting in a trustee property, rights, powers, and duties in trust as the board determines; 4 (10) defining the acts or omissions to act which shall 5 constitute a default in the obligations and duties of the 6 7 board to the holders of the notes or bonds and providing for 8 the rights and remedies of the holders of the notes or bonds 9 in the event of such default, including as a matter of right 10 the appointment of a receiver. Rights and remedies shall 11 not be inconsistent with the laws of the state and the other 12 provisions of this part; and 13 (11) any other matters of like or different character 14 which in any way affect the security or protection of the 15 holders of the notes or bonds." Section 2. Section 90-6-126. MCA. is amended to read: 16 17 #90-6-126. Pledge essingt--impoirment-of-contracts of 18 the state. In accordance with the constitutions of the United States and the state of Montana the state pledges 19 20 that it will not in any way impair the obligations of any 21 agreement between the board and the holders of notes and bonds issued by the board, including but not limited to an 22 **Z**3 agreement to administer a loan program financed by the 24 issuance of bonds and to employ a staff sufficient and 25 competent for this purpose."

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- 24 employee of a lending institution who may participate in the
- 25 board's programs."

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Section 4. Prior transactions not impaired. Nothing
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6 Section 5. Effective date. This act is effective on
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THIRD READING SB144

facilities and services for the purpose of carrying out its 1 2 programs; (9) vesting in a trustee property, rights, powers, and 3 duties in trust as the board determines; 4 5 (10) defining the acts or omissions to act which shall 6 constitute a default in the obligations and duties of the 7 board to the holders of the notes or bonds and providing for 8 the rights and remedies of the holders of the notes or bonds 9 in the event of such defaulty including as a matter of right 10 the appointment of a receiver. Rights and remedies shall 11 not be inconsistent with the laws of the state and the other 12 provisions of this part: and 13 (11) any other matters of like or different character 14 which in any way affect the security or protection of the 15 holders of the notes or bonds." 16 Section 2. Section 90-6-126. MCA. is amended to read: 17 "90-6-126. Pledge equinst--impoirment-of-contracts of 18 the state. In accordance with the constitutions of the 19 United States and the state of Montana the state pledges **Z**0 that it will not in any way impair the obligations of any 21 agreement between the board and the holders of notes and 22 bonds issued by the boards including but not limited to an 23 agreement to administer a loan program financed by the

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SB 0144/02

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REFERENCE BILL

SB 144

SB 0144/02

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3	(9) vesting in a trustee property, rights, powers, and
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SB 0144/02

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Section 5. Effective date. This act is effective onpassage and approval.

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