SENATE JOINT RESOLUTION NO. 4

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INTRODUCED BY TOWE, MANNING, MATHERS, SEVERSON, ROSKIE BY REQUEST OF THE COAL TAX OVERSIGHT COMMITTEE

IN THE SENATE

January 18, 1979		Introduced and referred to Committee on Taxation.
January 29, 1979		Fiscal note requested.
February 2, 1979		Fiscal note returned.
February 16, 1979		Committee recommend bill do pass. Report adopted.
February 17, 1979		Printed and placed on members' desks.
February 19, 1979		Second reading, do pass.
February 20, 1979		Considered correctly engrossed.
February 21, 1979		Third reading, passed. Transmitted to second house.
	IN THE HO	USE
February 22, 1979		Introduced and referred to Committee on Taxation.
April 11, 1979		Committee recommend bill be concurred in. Report adopted.
April 12, 1979		Second reading, concurred in.
April 16, 1979		Third reading, concurred in.
	IN THE SE	NATE
April 16, 1979		Returned from second house. Concurred in. Sent to enrolling.
		Reported correctly enrolled.

INTRODUCED BY Stree Manny Mal Scourson 1 2 BY REQUEST OF THE COAL TAX OVERSIGHT CONNITTEE 3 4 5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF HONTANA URGING THE BOARD OF 6 7 INVESTMENTS TO PARTICIPATE WITH THE FARMERS HOME 8 ADMINISTRATION IN FARM DWNERSHIP LOANS. 9 WHEREAS, agriculture is the backbone of Hontana's 10 economy and a vital element of the state's political and 11 social well-being; and 12 WHEREAS, many Montanans desiring to begin a ranching or farming operation are prevented by the rapidly accelerating 13 14 costs of agricultural land and equipment and by the lack of capital for farm ownership loans and the high interest 15 16 thereon: and 17 WHEREAS, the Farmers Home Administration is an important source of farm ownership loans for Montanans 18 19 entering agriculture; and 20 WHEREAS, the Farmers Home Administration is limited, by its lack of funds, in the number of farm ownership loans it 21 22 can make and Montana applicants must wait up to 2 years for 23 loans: and 24 WHEREAS, the Farmers Howe Administration seeks state 25 agencies to participate in making farm ownership loans; and

1 WHEREAS, these participation loans are very secure in that the participating agency holds the first mortgage; and 2 3 WHEREAS, these participation loans are a trouble-free investment because Farmers Home Administration staff ۵. 5 evaluates and services the loan; and WHEREAS, these loans offer an interest rate equal to 6 7 many investments currently held by the Board of Investments; 8 and 9 WHEREAS. Montana statutes allow the Board of 10 Investments to invest most state funds under its management 11 in first mortgages and participations in first mortgages on 12 unencumbered real property; and WHEREAS, the Board of Investments currently invests 13 14 state funds in mortgages on residential property but not in 15 mortgages on agricultural land. 16 17 NOW+ THEREFORE+ BE IT RESULVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF HUNTANA: 18 19 That the Legislature unges the Board of Investments to actively seek participation agreements with the Farmers Home 20 21 Administration and invest part of the state funds under its 22 management in farm ownership loans that will give the state 23 a first lien on the real estate. 24 BE IT FURTHER RESOLVED, that the Legislature urges the Board of Investments to expedite its review of such 25 -2- SJR 4 INTRODUCED BILL

1 Investments in view of their secure nature.

aE IT FURTHER RESOLVED, that the Legislature requests
the Board of Investments to report annually to the
Legislature on the number and amount of participation loans
for farm ownership it has made during the preceding year.
BE IT FURTHER ReSOLVED, that the Secretary of State
send copies of this resolution to the Governor and the
members of the Board of Investments.

-End-

STATE OF MONTANA

FISCAL NOTE

Request No. 167-79

Form BD-15

In compliance with a written request received January 29, 1979 , there is hereby submitted a Fiscal Note for <u>Senate Joint Resolution #7</u> pursuant to Chapter 53, Laws of Monta 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:

A joint resolution urging the Board of Investments to invest in farm ownership loans.

FISCAL IMPACT:

No fiscal impact can be estimated because the Board of Investments has never been offered the type of investments described.

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BUDGET DIRECTOR Office of Budget and Program Planning Date: 3/3/79

Senate JOINT RESOLUTION NO. 4 1 INTRODUCED BY Sive many med Severan 2 BY REQUEST OF THE COAL TAX OVERSIGHT CONHITTEE 3 4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF 5 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE BOARD OF - 6 7 INVESTMENTS TO PARTICIPATE WITH THE FARMERS HOME 8 ADMINISTRATION IN FARM DWNERSHIP LOANS. HHEREAS, agriculture is the backbone of Montana's 9 10 economy and a vital element of the state's political and social well-being; and 11 12 WHEREAS, many Nontanans desiring to begin a ranching or 13 farming operation are prevented by the rapidly accelerating costs of agricultural land and equipment and by the lack of 14 15 capital for farm ownership loans and the high interest 16 thereon; and 17 WHEREAS, the Farmers Home Administration is an 18 important source of farm ownership loans for Montanans 19 entering agriculture; and 20 WHEREAS, the Farmers Home Administration is limited, by 21 its lack of funds, in the number of farm ownership loans it Z2 can make and Montana applicants must wait up to 2 years for 23 loans; and WHEREAS. the Farmers Home Administration seeks state 24 25 agencies to participate in making farm ownership loans; and

1 WHEREAS, these participation loans are very secure in that the participating agency holds the first mortgage; and 2 з. WHEREAS, these participation loans are a trouble-free investment because Farmers Home Administration staff evaluates and services the loan; and 6 WHEREAS, these loans offer an interest rate equal to 6 7 many investments currently held by the Board of Investments; and 8 9 WHEREAS. Nontana statutes allow the agard of 10 Investments to invest most state funds under its management in first mortgages and participations in first mortgages on 11 unencumbered real property: and 12 WHEREAS, the Board of Investments currently invests 13 14 state funds in mortgages on residential property but not in 15 mortgages on agricultural land. 16 17 NON. THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF HONTANA: 18 19 That the Legislature unges the Board of Investments to 20 actively seek participation agreements with the Farmers Home 21 Administration and invest part of the state funds under its 22 management in farm ownership loans that will give the state 23 a first lien on the real estate. 24 BE IT FURTHER RESOLVED, that the Legislature urges the 25 Board of Investments to expedite its review of such STR 4 -2-

THIRD READING

1 investments in view of their secure nature. 2 dE IT FURTHER RESOLVED, that the Legislature requests 3 the Board of Investments to report annually to the Legislature on the number and amount of participation loans 4 for farm ownership it has made during the proceeding year. 5 BE IT FURTHER RESOLVED, that the Secretary of State 6 send copies of this resolution to the Governor and the 7 8 members of the Board of Investments.

-End-

SJR 4

1	SENATE JOINT RESOLUTION NO. 4	1	WHEREAS, these participation loans are very secure in
z	INTRODUCED BY TOWE, MANNING, MATHERS, SEVERSON, ROSKIE	2	that the participating agency holds the first mortgage; and
3	BY REQUEST OF THE COAL TAX OVERSIGHT COMMITTEE	3	WHEREAS, these participation loans are a trouble-free
4		4	investment because Farmers Home Administration staff
5	A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF	5	evaluates and services the loan; and
6	REPRESENTATIVES OF THE STATE OF MONTANA URGING THE BOARD OF	6	WHEREAS, these loans offer an interest rate equal to
7	INVESTMENTS TO PARTICIPATE WITH THE FARMERS HOME	7	many investments currently held by the Board of Investments;
8	ADMINISTRATION IN FARM OWNERSHIP LOANS.	8	and
9	WHEREAS, agriculture is the backbone of Montana's	9	WHEREAS, Montana statutes allow the Board of
10	economy and a vital element of the state's political and	10	Investments to invest most state funds under its management
11	social well-being; and	11	in first mortgages and participations in first mortgages on
12	WHEREAS, many Montanans desiring to begin a ranching or	12	unencumbered real property; and
13	farming operation are prevented by the rapidly accelerating	13	WHEREAS, the Board of Investments currently invests
14	costs of agricultural land and equipment and by the lack of	14	state funds in mortgages on residential property but not in
15	capital for farm ownership loans and the high interest	15	mortgages on agricultural land.
16	thereon; and	16	
17	WHEREAS, the Farmers Home Administration is an	17	NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
18	important source of farm ownership loans for Montanans	18	OF REPRESENTATIVES OF THE STATE OF MONTANA:
19	entering agriculture; and	19	That the Legislature urges the Board of Investments to
20	WHEREAS, the Farmers Home Administration is limited, by	20	actively seek participation agreements with the Farmers Home
21	its lack of funds, in the number of farm ownership loans it	21	Administration and invest part of the state funds under its
22	can make and Montana applicants must wait up to 2 years for	22	management in farm ownership loans that will give the state
23	loans; and	23	a first lien on the real estate.
24	WHEREAS, the Farmers Home Administration seeks state	24'	BE IT FURTHER RESOLVED, that the Legislature urges the
25	agencies to participate in making farm ownership loans; and	25	Board of Investments to expedite its review of such
			-2- SJR 4

> -2-SJR 4 REFERENCE BILL

SJR 0004/02

investments in view of their secure nature. 1 Z BE IT FURTHER RESOLVED, that the Legislature requests the Board of Investments to report annually to the 3 Legislature on the number and amount of participation loans 4 for farm ownership it has made during the preceding year. 5 BE IT FURTHER RESOLVED, that the Secretary of State 6 send copies of this resolution to the Governor and the 1 8 members of the Board of Investments.

-End-