

SENATE JOINT RESOLUTION NO. 5

INTRODUCED BY TOWE, MANNING, MATHERS,
SEVERSON, ROSKIE, GALT

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 as amended. 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 HOUSE

February 22, 1979	Introduced and referred to Committee on Taxation.
April 11, 1979	Committee recommend bill be concurrred in. Report adopted.
April 12, 1979	Second reading, concurrred in.
April 16, 1979	Third reading, concurrred in.

IN THE SENATE

April 16, 1979	Returned from second house. Concurrred in. Sent to enrolling.
	Reported correctly enrolled.

1 *Senate* JOINT RESOLUTION NO. 5
 2 INTRODUCED BY *Sen Manning, Mark Sessions*
 3 BY REQUEST OF THE COAL TAX OVERSIGHT COMMITTEE *Robin*
 4 *Staff*

5 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
 6 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE BOARD OF
 7 INVESTMENTS TO PURCHASE MORE SMALL BUSINESS ADMINISTRATION
 8 GUARANTEED LOANS.

10 WHEREAS, Small Business Administration loans offer
 11 important assistance to Montana citizens starting or
 12 expanding their businesses; and

13 WHEREAS, small businesses strengthen Montana's economy
 14 by providing new jobs, increased tax base, and new life in
 15 communities; and

16 WHEREAS, small businesses afford Montana citizens an
 17 opportunity to use initiative, creativity, and hard work in
 18 creating an independent way of life; and

19 WHEREAS, the number of Small Business Administration
 20 loans made in Montana can be increased by the ready
 21 availability of a secondary market for the guaranteed
 22 portion of the loan; and

23 WHEREAS, Montana law allows the Board of Investments to
 24 invest all state funds in securities fully guaranteed by the
 25 Small Business Administration; and

1 WHEREAS, loans guaranteed by the Small Business
 2 Administration are risk free and offer a high rate of
 3 return; and

4 WHEREAS, Montana financial institutions sell most of
 5 their Small Business Administration guaranteed loans to
 6 out-of-state firms; and

7 WHEREAS, these financial institutions are reluctant to
 8 offer Small Business Administration guaranteed loans to the
 9 Board of Investments because of its cumbersome and
 10 time-consuming policies.

11
 12 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
 13 OF REPRESENTATIVES OF THE STATE OF MONTANA:

14 That the Legislature urges the Board of Investments to
 15 modify its policies in regard to the purchase of Small
 16 Business Administration guaranteed loans so that:

17 (1) the board will no longer investigate the credit
 18 worthiness of Small Business Administration loans, since
 19 their repayment is fully guaranteed by the federal
 20 government;

21 (2) the board will simplify its procedures for
 22 purchasing Small Business Administration guaranteed loans;
 23 and

24 (3) the board will actively seek out and purchase more
 25 Small Business Administration guaranteed loans, including

1 short-term Small Business Administration loans not secured
2 by real property, with the state funds under its management.

3 BE IT FURTHER RESOLVED, that the Legislature requests
4 the board to report to the Legislature prior to each session
5 on the number and amount of Small Business Administration
6 guaranteed loans purchased during the preceding year.

7 BE IT FURTHER RESOLVED, that the Secretary of State
8 send copies of this resolution to the Governor and the
9 members of the Board of Investments.

-End-

STATE OF MONTANA

Request No. 166-79

FISCAL NOTE

Form BD-15

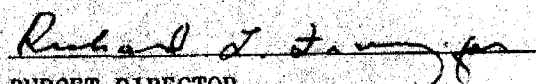
In compliance with a written request received January 29, 1979, there is hereby submitted a Fiscal Note for Senate Joint Resolution 5 pursuant to Chapter 53, Laws of Montana 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

A joint resolution urging the Board of Investments to purchase more Small Business Administration Guaranteed Loans.

FISCAL IMPACT:

No fiscal impact can be estimated as it is not mandatory. The Board of Investments currently purchases SBA Loans whenever the yield and maturity meets portfolio requirements.


BUDGET DIRECTOR
Office of Budget and Program Planning

Date: 2/2/79

Approved by Committee
on Taxation

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6 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE BOARD OF
7 INVESTMENTS TO PURCHASE MORE SMALL BUSINESS ADMINISTRATION
8 AND FARMERS HOME ADMINISTRATION GUARANTEED LOANS.
9
10 WHEREAS, Small Business Administration AND FARMERS HOME
11 ADMINISTRATION loans offer important assistance to Montana
12 citizens starting or expanding their businesses AND FARMS
13 AND RANCHES; and
14 WHEREAS, small businesses strengthen Montana's economy
15 by providing new jobs, increased tax base, and new life in
16 communities; and
17 WHEREAS, small businesses afford Montana citizens an
18 opportunity to use initiative, creativity, and hard work in
19 creating an independent way of life; and
20 WHEREAS, the number of Small Business Administration
21 AND FARMERS HOME ADMINISTRATION loans made in Montana can be
22 increased by the ready availability of a secondary market
23 for the guaranteed portion of the loan; and
24 WHEREAS, Montana law allows the Board of Investments to
25 invest all state funds in securities fully guaranteed by the

1 Small Business Administration AND FARMERS HOME
2 ADMINISTRATION; and
3 WHEREAS, loans guaranteed by the Small Business
4 Administration AND FARMERS HOME ADMINISTRATION are risk free
5 and offer a high rate of return; and
6 WHEREAS, Montana financial institutions sell most of
7 their Small Business Administration AND FARMERS HOME
8 ADMINISTRATION guaranteed loans to out-of-state firms; and
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4 ~~ADMINISTRATION~~ guaranteed loans, including short-term Small
5 Business Administration loans not secured by real property,
6 with the state funds under its management.
7 BE IT FURTHER RESOLVED, that the Legislature requests
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