

HOUSE BILL NO. 505

INTRODUCED BY BARDANOUE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

January 26, 1983	Introduced and referred to Committee on State Administration.
February 10, 1983	Committee recommend bill do pass. Report adopted.
February 11, 1983	Bill printed and placed on members' desks.
February 12, 1983	Second reading, do pass.
February 14, 1983	Considered correctly engrossed.
February 15, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 16, 1983	Introduced and referred to Committee on State Administration.
March 1, 1983	Rereferred to Committee on Judiciary.
March 14, 1983	Committee recommend bill be concurred in. Report adopted.
March 16, 1983	Second reading, concurred in.
March 18, 1983	Third reading, concurred in. Ayes, 49; Noes, 0.

IN THE HOUSE

March 18, 1983

Returned to House.

March 19, 1983

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 505  
 2 INTRODUCED BY [Signature]  
 3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION  
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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
 6 LANGUAGE IN CODE SECTIONS DEALING WITH THE BOARD OF HOUSING  
 7 IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE  
 8 CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER  
 9 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 90-6-104,  
 10 90-6-107, AND 90-6-119, MCA; INSTRUCTING THE CODE  
 11 COMMISSIONER TO MAKE NECESSARY CHANGES; AND PROVIDING AN  
 12 EFFECTIVE DATE."  
 13

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

15 Section 1. Section 90-6-104, MCA, is amended to read:  
 16 "90-6-104. General powers of the board. The board may:

17 (1) sue and be sued;

18 (2) have a seal;

19 (3) adopt all procedural and substantive rules  
 20 necessary for the administration of this part, including  
 21 rules concerning its mortgage, construction, and temporary  
 22 lending programs;

23 (4) make contracts, agreements, and other instruments  
 24 necessary or convenient for the exercise of its powers under  
 25 this part;

1 (5) enter into agreements or other transactions with  
 2 any federal, state, or local governmental agency, any  
 3 persons, and any domestic or foreign partnership,  
 4 corporation, association, or organization in carrying out  
 5 this part;

6 (6) enter into agreements under its rules with  
 7 sponsors, mortgagors, or lending institutions for the  
 8 purpose of regulating the analysis, planning, development,  
 9 and management of housing developments financed in whole or  
 10 in part by the proceeds of its loans or securities and  
 11 mortgage purchase programs;

12 (7) enter into agreements or other transactions with,  
 13 and accept grants and the cooperation of, any governmental  
 14 agency in furtherance of this part, including but not  
 15 limited to the development, leasing, maintenance, operation,  
 16 and financing of any housing development;

17 (8) accept services, appropriations, gifts, grants,  
 18 bequests, and devises and utilize or dispose of them in  
 19 carrying out this part;

20 (9) acquire real or personal property or any right,  
 21 interest, or easement therein by gift, purchase, transfer,  
 22 foreclosure, lease, or otherwise; hold, sell, assign, lease,  
 23 encumber, mortgage, or otherwise dispose thereof; hold,  
 24 sell, assign, or otherwise dispose of any mortgage or loan  
 25 owned by it or in its control or custody; release or

1 relinquish any right, title, claim, interest, easement, or  
 2 demand, however acquired, including any equity or right of  
 3 redemption; do any of the foregoing by public or private  
 4 sale, with or without public bidding; commence any action to  
 5 protect or enforce any right conferred upon it by any law,  
 6 mortgage, contract, or other agreement; bid for and purchase  
 7 property at any foreclosure or other sale or acquire or take  
 8 possession of it in lieu of foreclosure; and operate,  
 9 manage, lease, dispose of, and otherwise deal with such  
 10 property in any manner necessary or desirable to protect its  
 11 interests and the holders of its bonds or notes and  
 12 consistent with any agreement with such holders;

13 (10) service and contract and pay for the servicing of  
 14 loans;

15 (11) provide general technical services in the  
 16 analysis, planning, design, processing, construction,  
 17 rehabilitation, and management of housing developments for  
 18 persons and families of lower income where these services  
 19 are not otherwise available;

20 (12) provide general consultative services to housing  
 21 developments for persons and families of lower income and  
 22 the residents thereof with respect to counseling and  
 23 training in management, home ownership, and maintenance  
 24 where these services are not otherwise available;

25 (13) invest any funds not required for immediate use,

1 subject to any agreements with its bondholders and  
 2 noteholders, as provided in Title 17, chapter 6, except all  
 3 investment income from funds of the board less the cost for  
 4 investment as prescribed by law shall be deposited in the  
 5 housing finance ~~account~~ authority enterprise fund;

6 (14) sell its loans or securities to the federal  
 7 national mortgage association or any other agency or  
 8 instrumentality of the United States and invest in the  
 9 capital stock issued by the association or other agency or  
 10 instrumentality to the extent, if any, required as a  
 11 condition of such sale;

12 (15) consent, whenever it deems it necessary or  
 13 desirable in fulfilling its purposes, to the modification of  
 14 the rate of interest, time, and payment of any installment  
 15 of principal or interest, security, or any other term of any  
 16 contract, mortgage, mortgage loan, mortgage loan commitment,  
 17 construction loan, advance contract, or agreement of any  
 18 kind, subject to any agreement with bondholders and  
 19 noteholders;

20 (16) collect reasonable interest, fees, and charges in  
 21 connection with making and servicing its loans, notes,  
 22 bonds, commitments, and other evidences of indebtedness and  
 23 in connection with providing technical, consultative, and  
 24 project assistance services. Interest fees and charges shall  
 25 be limited to the amounts required to pay the costs of the

board, including operating and administrative expenses and reasonable allowances for losses which may be incurred.

(17) procure insurance against any loss in connection with its mortgages and mortgage loans and other assets or property in amounts and from insurers as the board considers desirable or necessary;

(18) act as agent for governmental agencies concerning acquisition, construction, leasing, operation, or management of a housing development;

(19) issue notes and bonds and replace lost, destroyed, or mutilated notes and bonds; and

(20) develop special programs for housing developments for veterans of the armed forces of the United States who are unable to acquire safe and sanitary housing through lending institutions by conventional means."

Section 2. Section 90-6-107, MCA, is amended to read:

"90-6-107. Accounts of the board. (1) There is a housing finance account in the bonds proceeds and insurance clearance fund ~~authority enterprise fund in the proprietary fund type~~ as provided for in 17-2-102(6)(1)(b). All funds from the proceeds of bonds issued under this part, fees, and other moneys received by the board, moneys appropriated by the legislature for the use of the board in carrying out this part, and moneys made available from any other source for the use of the board shall be deposited in the housing

~~finance account authority enterprise fund~~ except where otherwise provided by law ~~and except as necessary to maintain the capital reserve and revolving accounts.~~ All funds deposited in the housing ~~finance account authority enterprise fund,~~ except funds appropriated by the legislature for use of the board in payment of expenses incurred in carrying out this part, are continuously appropriated to and may be expended by the board for the purposes authorized in this part.

(2) There is a capital reserve account in the ~~sinking housing authority enterprise fund~~ provided for in ~~17-2-102(3) subsection (1).~~ The capital reserve account consists of the aggregate of moneys retained by the board under existing agreements with bondholders as the minimum capital reserve requirement described in 90-6-119 for each bond issue sold by the board.

~~(3) There is a revolving account in the revolving fund provided for in 17-2-102(7).~~ Funds appropriated by the legislature for use of the board in payment of expenses incurred in carrying out this part shall be deposited in the ~~revolving account housing authority enterprise fund.~~ Funds expended by the board under this subsection shall be repaid by the board ~~into the revolving account~~ from the fees and charges collected under this part and from any other moneys available for such repayment in accordance with this part."

Section 3. Section 90-6-119, MCA, is amended to read:

"90-6-119. Reserve funds and appropriations. (1) The board shall pay into the capital reserve account:

(a) any funds appropriated and made available by the state for the purpose of the account;

(b) any proceeds of sale of notes or bonds to the extent provided in the resolutions or indentures of the board authorizing their issuance; and

(c) any other funds which may be available to the board for the purpose of the account from any other source.

(2) All funds held in the capital reserve account shall be used solely for the payment of the principal of bonds secured in whole or in part by the account or of the ~~sinking-fund debt service~~ payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payment of any redemption premium required to be paid when the bonds are redeemed prior to maturity. Funds in the account shall not be withdrawn at any time in an amount which reduces the amount of the account to less than the sum of minimum capital reserve requirements established for the account, except, with respect to bonds secured in whole or in part by the account, for the purpose of making payment, when due, of principal, interest, redemption premiums, and ~~sinking-fund debt service~~ payments for the payment of which other moneys

pledged are not available. Any income or interest earned by or incremental to the capital reserve account due to its investment may be transferred to other accounts of the board to the extent it does not reduce the amount of the capital reserve account below the sum of minimum capital reserve requirements for the account.

(3) The board may not issue bonds secured in whole or in part by the capital reserve account unless the board deposits in the account from the proceeds of the bonds issued or from any other sources an amount not less than the minimum capital reserve requirement for these bonds. For the purposes of this section, the term "minimum capital reserve requirement" means, as of any particular date of computation, an amount of money, as provided in the resolution or indenture of the board authorizing the bonds or notes, equal to not more than the greatest of the respective amounts for the current or any future fiscal year of the board of annual debt service on the bonds of the board secured in whole or in part by the account. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all interest and principal payable on the bonds during the fiscal year, calculated on the assumption that all the bonds are paid at maturity. If any amount of the bonds is required to be redeemed on an earlier date by the operation of a ~~sinking debt service~~

1 fund, then that amount is considered payable on those bonds  
2 during the year they are to be redeemed for the purposes of  
3 this calculation.

4 (4) In computing the amount of the capital reserve  
5 account, securities in which all or a portion of the account  
6 shall be invested shall be valued at par or, if purchased  
7 at less than par, at their cost to the board."

8 NEW SECTION. Section 4. Code commissioner to make  
9 changes. Whenever a reference to a treasury fund type, fund,  
10 or account appears in any new material enacted into the MCA  
11 by the 48th legislature and approved by the governor,  
12 whether in new sections or amended sections, the code  
13 commissioner, in consultation with the department of  
14 administration and the legislative fiscal analyst, shall  
15 change the reference in that material as necessary to  
16 reflect the fund structure provided for in 17-2-102. The  
17 code commissioner may make other incidental changes to  
18 reflect the intent of this section and 17-2-102 without  
19 changing the meaning.

20 NEW SECTION. Section 5. Effective date. This act is  
21 effective July 1, 1983.

-End-

Approved by Committee  
on State Administration

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24 necessary or convenient for the exercise of its powers under  
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1 (5) enter into agreements or other transactions with  
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24 sell, assign, or otherwise dispose of any mortgage or loan  
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1 relinquish any right, title, claim, interest, easement, or  
 2 demand, however acquired, including any equity or right of  
 3 redemption; do any of the foregoing by public or private  
 4 sale, with or without public bidding; commence any action to  
 5 protect or enforce any right conferred upon it by any law,  
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 8 possession of it in lieu of foreclosure; and operate,  
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5 ~~enterprise fund, except funds appropriated by the~~  
6 ~~legislature for use of the board in payment of expenses~~  
7 ~~incurred in carrying out this part,~~ are continuously  
8 appropriated to and may be expended by the board for the  
9 purposes authorized in this part.

10 (2) There is a capital reserve account in the ~~sinking~~  
11 ~~housing authority enterprise fund~~ provided for in  
12 ~~17-2-102(3) subsection (1).~~ The capital reserve account  
13 consists of the aggregate of moneys retained by the board  
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15 capital reserve requirement described in 90-6-119 for each  
16 bond issue sold by the board.

17 (3) ~~There is a revolving account in the revolving fund~~  
18 ~~provided for in 17-2-102(7).~~ Funds appropriated by the  
19 legislature for use of the board in payment of expenses  
20 incurred in carrying out this part shall be deposited in the  
21 ~~revolving account housing authority enterprise fund.~~ Funds  
22 expended by the board under this subsection shall be repaid  
23 by the board ~~into the revolving account~~ from the fees and  
24 charges collected under this part and from any other moneys  
25 available for such repayment in accordance with this part."

Section 3. Section 90-6-119, MCA, is amended to read:

"90-6-119. Reserve funds and appropriations. (1) The board shall pay into the capital reserve account:

(a) any funds appropriated and made available by the state for the purpose of the account;

(b) any proceeds of sale of notes or bonds to the extent provided in the resolutions or indentures of the board authorizing their issuance; and

(c) any other funds which may be available to the board for the purpose of the account from any other source.

(2) All funds held in the capital reserve account shall be used solely for the payment of the principal of bonds secured in whole or in part by the account or of the ~~sinking fund debt service~~ payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payment of any redemption premium required to be paid when the bonds are redeemed prior to maturity. Funds in the account shall not be withdrawn at any time in an amount which reduces the amount of the account to less than the sum of minimum capital reserve requirements established for the account, except, with respect to bonds secured in whole or in part by the account, for the purpose of making payment, when due, of principal, interest, redemption premiums, and ~~sinking fund debt service~~ payments for the payment of which other moneys

pledged are not available. Any income or interest earned by or incremental to the capital reserve account due to its investment may be transferred to other accounts of the board to the extent it does not reduce the amount of the capital reserve account below the sum of minimum capital reserve requirements for the account.

(3) The board may not issue bonds secured in whole or in part by the capital reserve account unless the board deposits in the account from the proceeds of the bonds issued or from any other sources an amount not less than the minimum capital reserve requirement for these bonds. For the purposes of this section, the term "minimum capital reserve requirement" means, as of any particular date of computation, an amount of money, as provided in the resolution or indenture of the board authorizing the bonds or notes, equal to not more than the greatest of the respective amounts for the current or any future fiscal year of the board of annual debt service on the bonds of the board secured in whole or in part by the account. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all interest and principal payable on the bonds during the fiscal year, calculated on the assumption that all the bonds are paid at maturity. If any amount of the bonds is required to be redeemed on an earlier date by the operation of a ~~sinking debt service~~



1 fund, then that amount is considered payable on those bonds  
2 during the year they are to be redeemed for the purposes of  
3 this calculation.

4 (4) In computing the amount of the capital reserve  
5 account, securities in which all or a portion of the account  
6 shall be invested shall be valued at par or, if purchased  
7 at less than par, at their cost to the board."

8 NEW SECTION. Section 4. Code commissioner to make  
9 changes. Whenever a reference to a treasury fund type, fund,  
10 or account appears in any new material enacted into the MCA  
11 by the 48th legislature and approved by the governor,  
12 whether in new sections or amended sections, the code  
13 commissioner, in consultation with the department of  
14 administration and the legislative fiscal analyst, shall  
15 change the reference in that material as necessary to  
16 reflect the fund structure provided for in 17-2-102. The  
17 code commissioner may make other incidental changes to  
18 reflect the intent of this section and 17-2-102 without  
19 changing the meaning.

20 NEW SECTION. Section 5. Effective date. This act is  
21 effective July 1, 1983.

-End-

1                   HOUSE BILL NO. 505  
2                   INTRODUCED BY BARDANOUVE  
3                   BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION  
4  
5   A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE  
6   LANGUAGE IN CODE SECTIONS DEALING WITH THE BOARD OF HOUSING  
7   IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE  
8   CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER  
9   28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 90-6-104,  
10   90-6-107, AND 90-6-119, MCA; INSTRUCTING THE CODE  
11   COMMISSIONER TO MAKE NECESSARY CHANGES; AND PROVIDING AN  
12   EFFECTIVE DATE."  
13  
14   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
15       Section 1. Section 90-6-104, MCA, is amended to read:  
16       "90-6-104. General powers of the board. The board may:  
17       (1) sue and be sued;  
18       (2) have a seal;  
19       (3) adopt all procedural and substantive rules  
20       necessary for the administration of this part, including  
21       rules concerning its mortgage, construction, and temporary  
22       lending programs;  
23       (4) make contracts, agreements, and other instruments  
24       necessary or convenient for the exercise of its powers under  
25       this part;

1                   (5) enter into agreements or other transactions with  
2       any federal, state, or local governmental agency, any  
3       persons, and any domestic or foreign partnership,  
4       corporation, association, or organization in carrying out  
5       this part;  
6                   (5) enter into agreements under its rules with  
7       sponsors, mortgagors, or lending institutions for the  
8       purpose of regulating the analysis, planning, development,  
9       and management of housing developments financed in whole or  
10      in part by the proceeds of its loans or securities and  
11      mortgage purchase programs;  
12                   (7) enter into agreements or other transactions with,  
13      and accept grants and the cooperation of, any governmental  
14      agency in furtherance of this part, including but not  
15      limited to the development, leasing, maintenance, operation,  
16      and financing of any housing development;  
17                   (8) accept services, appropriations, gifts, grants,  
18      bequests, and devises and utilize or dispose of them in  
19      carrying out this part;  
20                   (9) acquire real or personal property or any right,  
21      interest, or easement therein by gift, purchase, transfer,  
22      foreclosure, lease, or otherwise; hold, sell, assign, lease,  
23      encumber, mortgage, or otherwise dispose thereof; hold,  
24      sell, assign, or otherwise dispose of any mortgage or loan  
25      owned by it or in its control or custody; release or

1 relinquish any right, title, claim, interest, easement, or  
 2 demand, however acquired, including any equity or right of  
 3 redemption; do any of the foregoing by public or private  
 4 sale, with or without public bidding; commence any action to  
 5 protect or enforce any right conferred upon it by any law,  
 6 mortgage, contract, or other agreement; bid for and purchase  
 7 property at any foreclosure or other sale or acquire or take  
 8 possession of it in lieu of foreclosure; and operate,  
 9 manage, lease, dispose of, and otherwise deal with such  
 10 property in any manner necessary or desirable to protect its  
 11 interests and the holders of its bonds or notes and  
 12 consistent with any agreement with such holders;

13 (10) service and contract and pay for the servicing of  
 14 loans;

15 (11) provide general technical services in the  
 16 analysis, planning, design, processing, construction,  
 17 rehabilitation, and management of housing developments for  
 18 persons and families of lower income where these services  
 19 are not otherwise available;

20 (12) provide general consultative services to housing  
 21 developments for persons and families of lower income and  
 22 the residents thereof with respect to counseling and  
 23 training in management, home ownership, and maintenance  
 24 where these services are not otherwise available;

25 (13) invest any funds not required for immediate use,

1 subject to any agreements with its bondholders and  
 2 noteholders, as provided in Title 17, chapter 6, except all  
 3 investment income from funds of the board less the cost for  
 4 investment as prescribed by law shall be deposited in the  
 5 housing finance-account ~~authority enterprise fund~~;

6 (14) sell its loans or securities to the federal  
 7 national mortgage association or any other agency or  
 8 instrumentality of the United States and invest in the  
 9 capital stock issued by the association or other agency or  
 10 instrumentality to the extent, if any, required as a  
 11 condition of such sale;

12 (15) consent, whenever it deems it necessary or  
 13 desirable in fulfilling its purposes, to the modification of  
 14 the rate of interest, time, and payment of any installment  
 15 of principal or interest, security, or any other term of any  
 16 contract, mortgage, mortgage loan, mortgage loan commitment,  
 17 construction loan, advance contract, or agreement of any  
 18 kind, subject to any agreement with bondholders and  
 19 noteholders;

20 (16) collect reasonable interest, fees, and charges in  
 21 connection with making and servicing its loans, notes,  
 22 bonds, commitments, and other evidences of indebtedness and  
 23 in connection with providing technical, consultative, and  
 24 project assistance services. Interest fees and charges shall  
 25 be limited to the amounts required to pay the costs of the

1 board, including operating and administrative expenses and  
2 reasonable allowances for losses which may be incurred.

3 (17) procure insurance against any loss in connection  
4 with its mortgages and mortgage loans and other assets or  
5 property in amounts and from insurers as the board considers  
6 desirable or necessary;

7 (18) act as agent for governmental agencies concerning  
8 acquisition, construction, leasing, operation, or management  
9 of a housing development;

10 (19) issue notes and bonds and replace lost, destroyed,  
11 or mutilated notes and bonds; and

12 (20) develop special programs for housing developments  
13 for veterans of the armed forces of the United States who  
14 are unable to acquire safe and sanitary housing through  
15 lending institutions by conventional means."

16 Section 2. Section 90-6-107, MCA, is amended to read:

17 "90-6-107. Accounts of the board. (1) There is a  
18 housing ~~finance-account-in-the-bonds-proceeds-and-insurance~~  
19 ~~clearance-fund~~ authority enterprise fund in the proprietary  
20 fund type as provided for in 17-2-102(6)(1)(b). All funds  
21 from the proceeds of bonds issued under this part, fees, and  
22 other moneys received by the board, moneys appropriated by  
23 the legislature for the use of the board in carrying out  
24 this part, and moneys made available from any other source  
25 for the use of the board shall be deposited in the housing

1 ~~finance--account~~ authority enterprise fund except where  
2 otherwise provided by law and ~~except as necessary to~~  
3 ~~maintain the capital reserve and revolving accounts.~~ All  
4 funds deposited in the housing ~~finance-account~~ authority  
5 ~~enterprise fund.~~ except funds appropriated by the  
6 legislature for use of the board in payment of expenses  
7 incurred in carrying out this part, are continuously  
8 appropriated to and may be expended by the board for the  
9 purposes authorized in this part.

10 (2) There is a capital reserve account in the ~~sinking~~  
11 ~~housing~~ authority enterprise fund provided for in  
12 ~~17-2-102(3) subsection (1).~~ The capital reserve account  
13 consists of the aggregate of moneys retained by the board  
14 under existing agreements with bondholders as the minimum  
15 capital reserve requirement described in 90-6-119 for each  
16 bond issue sold by the board.

17 (3) ~~There is a revolving account in the revolving fund~~  
18 ~~provided for in 17-2-102(7).~~ Funds appropriated by the  
19 legislature for use of the board in payment of expenses  
20 incurred in carrying out this part shall be deposited in the  
21 ~~revolving-account~~ housing authority enterprise fund. Funds  
22 expended by the board under this subsection shall be repaid  
23 by the board ~~into the revolving account~~ from the fees and  
24 charges collected under this part and from any other moneys  
25 available for such repayment in accordance with this part."

Section 3. Section 90-6-119, MCA, is amended to read:

"90-6-119. Reserve funds and appropriations. (1) The board shall pay into the capital reserve account:

(a) any funds appropriated and made available by the state for the purpose of the account;

(b) any proceeds of sale of notes or bonds to the extent provided in the resolutions or indentures of the board authorizing their issuance; and

(c) any other funds which may be available to the board for the purpose of the account from any other source.

(2) All funds held in the capital reserve account shall be used solely for the payment of the principal of bonds secured in whole or in part by the account or of the ~~sinking-fund debt-service~~ payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payment of any redemption premium required to be paid when the bonds are redeemed prior to maturity. Funds in the account shall not be withdrawn at any time in an amount which reduces the amount of the account to less than the sum of minimum capital reserve requirements established for the account, except, with respect to bonds secured in whole or in part by the account, for the purpose of making payment, when due, of principal, interest, redemption premiums, and ~~sinking-fund debt-service~~ payments for the payment of which other moneys

pledged are not available. Any income or interest earned by or incremental to the capital reserve account due to its investment may be transferred to other accounts of the board to the extent it does not reduce the amount of the capital reserve account below the sum of minimum capital reserve requirements for the account.

(3) The board may not issue bonds secured in whole or in part by the capital reserve account unless the board deposits in the account from the proceeds of the bonds issued or from any other sources an amount not less than the minimum capital reserve requirement for these bonds. For the purposes of this section, the term "minimum capital reserve requirement" means, as of any particular date of computation, an amount of money, as provided in the resolution or indenture of the board authorizing the bonds or notes, equal to not more than the greatest of the respective amounts for the current or any future fiscal year of the board of annual debt service on the bonds of the board secured in whole or in part by the account. The annual debt service for any fiscal year is the amount of money equal to the aggregate of all interest and principal payable on the bonds during the fiscal year, calculated on the assumption that all the bonds are paid at maturity. If any amount of the bonds is required to be redeemed on an earlier date by the operation of a ~~sinking debt-service~~

1 fund, then that amount is considered payable on those bonds  
2 during the year they are to be redeemed for the purposes of  
3 this calculation.

4 (4) In computing the amount of the capital reserve  
5 account, securities in which all or a portion of the account  
6 shall be invested shall be valued at par or, if purchased  
7 at less than par, at their cost to the board."

8 ~~NEW SECTION.~~ Section 4. Code commissioner to make  
9 changes. Whenever a reference to a treasury fund type, fund,  
10 or account appears in any new material enacted into the MCA  
11 by the 48th legislature and approved by the governor,  
12 whether in new sections or amended sections, the code  
13 commissioner, in consultation with the department of  
14 administration and the legislative fiscal analyst, shall  
15 change the reference in that material as necessary to  
16 reflect the fund structure provided for in 17-2-102. The  
17 code commissioner may make other incidental changes to  
18 reflect the intent of this section and 17-2-102 without  
19 changing the meaning.

20 ~~NEW SECTION.~~ Section 5. Effective date. This act is  
21 effective July 1, 1983.

-End-