### HOUSE BILL NO. 554

INTRODUCED BY CONNELLY, BARDANOUVE, HARP, ASAY, HALLIGAN, KADAS, COHEN, DRISCOLL, MONTAYNE, GLASER, QUILICI, C. SMITH, JONES, WALLIN, PHILLIPS, BRANDEWIE, ADDY, HARPER

### IN THE HOUSE

January 29, 1985	Introduced and referred to Committee on Business and Labor.
February 20, 1985	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members' desks.
February 21, 1985	Second reading, do not pass.
February 22, 1985	On motion, previous action reconsidered.
February 25, 1985	Second reading, do pass as amended.
February 26, 1985	Correctly engrossed.
February 27, 1985	Third reading, passed.
	Transmitted to Senate.

### IN THE SENATE

March 5, 1985	Introduced and referred to Committee on Labor and Employment Relations.	
March 20, 1985	Committee recommend bill be concurred in as amended. Report adopted.	

March 22, 1985	Motion pass consideration.
March 23, 1985	Second reading, pass consideration.
	Statement of Intent attached.
March 25, 1985	Second reading, concurred in as amended.
March 27, 1985	Third reading, concurred in. Ayes, 45; Noes, 5.
	Returned to House with amendments and with Statement of Intent.
IN THE	HOUSE
March 27, 1985	Received from Senate.
April 8, 1985	Second reading, amendments not concurred in.
	On motion, Conference Committee requested.
April 9, 1985	Conference Committee appointed.
April 17, 1985	Conference Committee dissolved.
	On motion, Free Conference Committee requested and appointed.
April 18, 1985	Free Conference Committee reported.
April 19, 1985	Second reading, Free Conference Committee report adopted.

April	19,	1985
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Third reading, Free Conference Committee report adopted.

Free Conference Committee report adopted by Senate.

Sent to enrolling.

Reported correctly enrolled.

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April 20, 1985

Montana Legislative Council

1	HOUSE BILL NO 1554
2	INTRODUCED BY Connelly Dandone HAM a
3	North Radas way Wrongs Montage Milester
4	A BILL FOR AN ACT ENTITYED: "AN ACT REQUIRING CONTRACTS FOR
5	PROJECTS FINANCED UNDER THE MONTANA ECONOMIC DEVELOPMENT
6	BOND ACT TO COMPLY WITH THE PROVISIONS OF THE PUBLIC
7	CONTRACTOR'S FEES AND TAX LAW AND WITH THE PROVISIONS OF THE
8	LAW ON PUBLIC CONSTRUCTION CONTRACTS; AMENDING SECTIONS
9	17-5-1526 AND 17-5-1527, MCA."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 17-5-1526, MCA, is amended to read:
13	"17-5-1526. Procedure prior to financing projects. (1)
14	The board may finance projects [other than major projects]
15	under this part only when it finds that:
16	(a) the financing is in the public interest and is
17	consistent with the legislative purposes and findings set
18	forth in 17-5-1502;
19	(b) the financing to be provided by the board for a
20	project does not exceed either \$800,000 or 90% of the cost
21	or appraised value of the project, whichever is less;
22	(c) a financial institution will participate in
23	financing the project, either directly or through a letter
24	of credit, to the extent of at least 10% of the financing to
25	be provided by the board;

1	(d) the financing for the project
2	guaranteed in whole or in part by a private
3	insurer or guarantor, including but not
4	guaranty by the board pursuant to 17-5-1519;
5	(e) any contracts to construct the
6	all contractors to comply with the provision
7	chapter 50, and of Title 18, chapter 2; and
8	(e) (f) adequate provision is made
9	agreement, lease, or other credit arrangeme
10	project or projects being financed to provide
11	debt service on bonds of the board issued
12	project or projects, to create and mag
13	therefor, and to meet all costs and expense
14	servicing the bonds.
15	(2) In order to make the findings a
16	subsection $(1)(a)$ , a hearing must be $\alpha$
17	following manner:
18	(a) the city or county in which the
19	located must be notified; and the city
20	within 14 days after receipt of the notice,

(d) the financing for the project is insured or aranteed in whole or in part by a private or governmental surer or quarantor, including but not limited to a maranty by the board pursuant to 17-5-1519; and (e) any contracts to construct the projects require Il contractors to comply with the provisions of Title 15,

te)(f) adequate provision is made in the loan reement, lease, or other credit arrangement regarding a oject or projects being financed to provide for payment of bt service on bonds of the board issued to finance such oject or projects, to create and maintain reserves merefor, and to meet all costs and expenses of issuing and ervicing the bonds.

- (2) In order to make the findings as described in ubsection (1)(a), a hearing must be conducted in the ollowing manner:
- (a) the city or county in which the project will be ocated must be notified; and the city and county must, ithin 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or 21
- (b) if no request for a local hearing is received, the 22 board may hold the hearing at a time and place it 23 prescribes. 24
- (3) If the hearing required by subsection (2) is 25

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conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.

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- (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project."
- Section 2. Section 17-5-1527, MCA, is amended to read:

  "17-5-1527. Procedure prior to financing major

  projects. (1) The board may finance major projects under

  this part only when it finds that:
  - (a) the financing is in the public interest and is consistent with legislative purposes and findings;
  - (b) the financing to be provided by the board for a project does not exceed either \$10 million or 90% of the cost or appraised value of the project, whichever is less;
  - (c) a financial institution will participate in financing the project if the cost or appraised value is less than \$1 million, either directly or through a letter of credit, to the extent of at least 10% of the financing to be

- provided by the board, provided, however, that participation by a financial institution in projects of over \$1 million is at the discretion of the board;
- (d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental insurer or guarantor, including but not limited to a quaranty by the board pursuant to 17-5-1519; and
- 8 (e) any contracts to construct the projects require
  9 all contractors to comply with the provisions of Title 15,
  10 chapter 50, and of Title 18, chapter 2; and
  - (e)(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance such project or projects, to create and maintain reserves therefor, and to meet all costs and expenses of issuing and servicing the bonds.
- 18 (2) In order to make the findings as described in subsection (1)(a), a hearing must be conducted in the following manner:
- 21 (a) the city or county in which the project will be 22 located shall be notified, and within 14 days must advise 23 the board if it elects to conduct the hearing; or
- 24 (b) if no request for a local hearing is received, the 25 board may hold the hearing at a time and place it

1 prescribes.

- (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
- (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project."

  NEW SECTION. Section 3. Extension of authority. Any
- NEW SECTION. Section 3. Extension of authority. Any existing authority of the board of economic development to make rules on the subject of the provisions of this act is extended to the provisions of this act.

### APPROVED BY COMM. ON BUSINESS AND LABOR

1	HOUSE BILL NO. 554
2	INTRODUCED BY CONNELLY, BARDANOUVE, HARP, ASAY,
3	HALLIGAN, KADAS, COHEN, DRISCOLL, MONTAYNE, GLASER,
4	QUILICI, C. SMITH, JONES, WALLIN, PHILLIPS,
5	BRANDEWIE, ADDY, HARPER
6	
7	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CONTRACTS FOR
8	PROJECTS FINANCED UNDER THE MONTANA ECONOMIC DEVELOPMENT
9	BOND ACT, THE MONTANA IN-STATE INVESTMENT ACT, AND THE
10	INDUSTRIAL DEVELOPMENT PROJECTS LAW TO COMPLY WITH THE
11	PROVISIONSOFTHE-PUBLIC-CONTRACTOR'S-PEES-AND-TAX-LAW-AND
12	WITH-THEPROVISIONS A PROVISION OF THE LAW ON PUBLIC
13	CONSTRUCTION CONTRACTS; AMENDING SECTIONS 17-5-1526 AND
14	17-5-1527, MCA."
15	
16	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17	Section 1. Section 17-5-1526, MCA, is amended to read:
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19	The board may finance projects [other than major projects]
20	under this part only when it finds that:
21	(a) the financing is in the public interest and is
22	consistent with the legislative purposes and findings set
23	forth in 17-5-1502;
24	(b) the financing to be provided by the board for a
25	project does not exceed either \$800,000 or 90% of the cost

1	or appraised value of the project, whichever is less;
2	(c) a financial institution will participate in
3	financing the project, either directly or through a lette
4	of credit, to the extent of at least 10% of the financing to
5	be provided by the board;
6	(d) the financing for the project is insured on
7	guaranteed in whole or in part by a private or governmenta
8	insurer or guarantor, including but not limited to
9	guaranty by the board pursuant to 17-5-1519; and
10	(e) any contracts to construct the projects require
11	all contractors to comply with the provisions of Title-15
12	chapter-50,-and-of-Title-18,-chapter-2 18-2-403; and
13	$\{e\}(f)$ adequate provision is made in the loan
14	agreement, lease, or other credit arrangement regarding a
15	project or projects being financed to provide for payment of
16	debt service on bonds of the board issued to finance such
17	project or projects, to create and maintain reserves
18	therefor, and to meet all costs and expenses of issuing and
19	servicing the bonds.
20	(2) In order to make the findings as described in

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located must be notified; and the city and county must,

within 14 days after receipt of the notice, notify the board

(a) the city or county in which the project will be

if it elects to conduct the hearing; or

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- 2 (b) if no request for a local hearing is received, the 3 board may hold the hearing at a time and place it 4 prescribes.
  - (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
  - (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project."
- Section 2. Section 17-5-1527, MCA, is amended to read:

  "17-5-1527. Procedure prior to financing major

  projects. (1) The board may finance major projects under

  this part only when it finds that:
  - (a) the financing is in the public interest and is consistent with legislative purposes and findings;
- 24 (b) the financing to be provided by the board for a 25 project does not exceed either \$10 million or 90% of the

(c) a financial institution will participate in financing the project if the cost or appraised value is less than \$1 million, either directly or through a letter of credit, to the extent of at least 10% of the financing to be

cost or appraised value of the project, whichever is less;

- provided by the board, provided, however, that participation
  by a financial institution in projects of over \$1 million is
  - at the discretion of the board;
- 9 (d) the financing for the project is insured or 10 guaranteed in whole or in part by a private or governmental 11 insurer or guarantor, including but not limited to a 12 guaranty by the board pursuant to 17-5-1519; and
- 13 (e) any contracts to construct the projects require

  14 all contractors to comply with the provisions of #itle-157

  15 chapter-507-and-of-#itle-107-chapter-2 18-2-403; and
  - (e)(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance such project or projects, to create and maintain reserves therefor, and to meet all costs and expenses of issuing and servicing the bonds.
- 23 (2) In order to make the findings as described in 24 subsection (1)(a), a hearing must be conducted in the 25 following manner:

-4- HB 554

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- 1 (a) the city or county in which the project will be 2 located shall be notified, and within 14 days must advise 3 the board if it elects to conduct the hearing; or
- 4 (b) if no request for a local hearing is received, the 5 board may hold the hearing at a time and place it 6 prescribes.
  - (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
  - (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project."

NEW SECTION. SECTION 3. PREFERENCE OF MONTANA LABOR.

- 21 ANY CONTRACT TO CONSTRUCT A PROJECT FINANCED PURSUANT TO
  22 THIS PART MUST REQUIRE ALL CONTRACTORS TO COMPLY WITH THE
- 23 PROVISIONS OF 18-2-403.

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NEW SECTION. Section 4. Extension of authority. Any existing authority of the board of economic development to

make rules on the subject of the provisions of this act is

extended to the provisions of this act.

- NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION.
- 4 SECTION 3 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
- 5 TITLE 17, CHAPTER 6, PART 3, AND AS AN INTEGRAL PART OF
- 6 TITLE 90, CHAPTER 5, PART 1, AND THE PROVISIONS OF TITLE 17,
- 7 CHAPTER 6, PART 3, AND OF TITLE 90, CHAPTER 5, PART 1, APPLY
- 8 TO SECTION 3.

1	HOUSE BILL NO. 554
2	INTRODUCED BY CONNELLY, BARDANOUVE, HARP, ASAY,
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8	PROJECTS FINANCED UNDER THE MONTANA ECONOMIC DEVELOPMENT
9	BOND ACT, THE MONTANA IN-STATE INVESTMENT ACT, AND THE
10	INDUSTRIAL DEVELOPMENT PROJECTS LAW TO COMPLYWITH THE
11	PROVISIONSOPTHE-PUBLIC-CONTRACTOR'S-PEBS-AND-TAX-LAW-AND
12	WITH-THE-PROVISIONS CONTAIN A PROVISION OF-THE-LAW-ON-PUBLIC
13	CONSTRUCTION-CONTRACTS GIVING PREFERENCE TO THE EMPLOYMENT
14	OF MONTANA RESIDENTS; AMENDING SECTIONS 17-5-1526 AND
15	17-5-1527, MCA."
16	
17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18	Section 1. Section 17-5-1526, MCA, is amended to read:
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21	under this part only when it finds that:
22	(a) the financing is in the public interest and is
23	consistent with the legislative purposes and findings set
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	forth in 17-5-1502;

1	project does not exceed either \$800,000 or 90% of the cost
2	or appraised value of the project, whichever is less;
3	(c) a financial institution will participate in
4	financing the project, either directly or through a letter
5	of credit, to the extent of at least 10% of the financing to
6	be provided by the board;
7	(d) the financing for the project is insured or
8	guaranteed in whole or in part by a private or governmental
9	insurer or guarantor, including but not limited to a
10	guaranty by the board pursuant to 17-5-1519; and
11	(e) any contracts to construct the projects require
12	all contractors to comply-with-the-provisions-of Title-157
13	chapter-50,andofTitle10,chapter2 16-2-403 GIVE
14	PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS
15	AS DEFINED IN 18-2-401(4) IN THE PERFORMANCE OF THE WORK ON
16	THE PROJECTS; and
17	fef(f) adequate provision is made in the loan
18	agreement, lease, or other credit arrangement regarding a
19	project or projects being financed to provide for payment of
20	debt service on bonds of the board issued to finance such
21	project or projects, to create and maintain reserves

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servicing the bonds.

subsection (1)(a), a hearing must be conducted in the

therefor, and to meet all costs and expenses of issuing and

(2) In order to make the findings as described in

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#### following manner:

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- (a) the city or county in which the project will be located must be notified; and the city and county must, within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or
- (b) if no request for a local hearing is received, the board may hold the hearing at a time and place it prescribes.
  - (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
  - (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project."
- Section 2. Section 17-5-1527, MCA, is amended to read:

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  projects. (1) The board may finance major projects under
  this part only when it finds that:

- 1 (a) the financing is in the public interest and is 2 consistent with legislative purposes and findings;
  - (b) the financing to be provided by the board for a project does not exceed either \$10 million or 90% of the cost or appraised value of the project, whichever is less;
- 6 (c) a financial institution will participate in
  7 financing the project if the cost or appraised value is less
  8 than \$1 million, either directly or through a letter of
  9 credit, to the extent of at least 10% of the financing to be
  10 provided by the board, provided, however, that participation
  11 by a financial institution in projects of over \$1 million is
  12 at the discretion of the board;
- 13 (d) the financing for the project is insured or
  14 guaranteed in whole or in part by a private or governmental
  15 insurer or guarantor, including but not limited to a
  16 guaranty by the board pursuant to 17-5-1519; and
- 17 (e) any contracts to construct the projects require

  18 all contractors to comply-with-the-provisions-of Title--15,

  19 chapter--50,--and--of--Title--16,--chapter--2 18-2-403 GIVE

  20 PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS

  21 AS DEFINED IN 18-2-401(4) IN THE PERFORMANCE OF THE WORK ON

  22 THE PROJECTS; and
- 23 (e)(f) adequate provision is made in the loan

  24. agreement, lease, or other credit arrangement regarding a

  25 project or projects being financed to provide for payment of

- debt service on bonds of the board issued to finance such project or projects, to create and maintain reserves therefor, and to meet all costs and expenses of issuing and servicing the bonds.
- 5 (2) In order to make the findings as described in 6 subsection (1)(a), a hearing must be conducted in the 7 following manner:
- 8 (a) the city or county in which the project will be
  9 located shall be notified, and within 14 days must advise
  10 the board if it elects to conduct the hearing; or
- 11 (b) if no request for a local hearing is received, the 12 board may hold the hearing at a time and place it 13 prescribes.

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- (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
- (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or

- user of the project; and the estimated cost of the project."
- 2 NEW SECTION. SECTION 3. PREFERENCE OF MONTANA LABOR.
- 3 ANY CONTRACT TO CONSTRUCT A PROJECT FINANCED PURSUANT TO
- 4 THIS PART MUST REQUIRE ALL CONTRACTORS TO COMPLY-WITH-THE
- 5 PROVISIONS-0F-18-2-403 GIVE PREFERENCE TO THE EMPLOYMENT OF
- 6 BONA FIDE MONTANA RESIDENTS AS DEFINED IN 18-2-401(4) IN THE
- 7 PERFORMANCE OF THE WORK ON THE PROJECTS.
- 8 <u>NEW SECTION.</u> Section 4. Extension of authority. Any
- 9 existing authority of the board of economic development to
- 10 make rules on the subject of the provisions of this act is
- 11 extended to the provisions of this act.
- 12 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION.
- 13 SECTION 3 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
- 14 TITLE 17, CHAPTER 6, PART 3, AND AS AN INTEGRAL PART OF
- 15 TITLE 90, CHAPTER 5, PART 1, AND THE PROVISIONS OF TITLE 17.
- 16 CHAPTER 6, PART 3, AND OF TITLE 90, CHAPTER 5, PART 1, APPLY
- 17 TO SECTION 3.

## SENATE

# STANDING COMMITTEE REPORT

CORRECTED COPY

	March 19	1985
MR. PRESIDENT		
We, your committee on LABOR AND EMPLOYMENT	RELATIONS	••••••
having had under consideration HOUSE BILL		No 554
third reading copy ( blue ) color		
BUILD MONTANA BORROWERS TO COMPLY WI	TH CONTRACTOR'S LAWS	
(Senator Towe will carry the bill)		
Respectfully report as follows: ThatHOUSEBILL		No <b>55.4</b>
be amended as follows:		
Page 2, line 16; page 4, line 22; and Following: "PROJECTS" on each line 11: Insert: "in the same manner as preference 39-30-201"	ne	veterans

AND AS AMENDED

BE CONCURRED IN

RRAASK

REMOX BX RX

SENATOR J.D. LYNCH Chairman.

#### COMMITTEE OF THE WHOLE AMENDMENT

3:1	<i>J, 13</i>	9,3
SENATE LABOR AND EMLOYMENT RELATIONS  MR. CHAIRMAN: I MOVE TO AMEND STANDING COMMITTEE REPORT OF 3/19/85 XXX  (COTTECTED COPY) ON HOUSE BILL NO. 554  XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	LTE .	
SENATE LABOR AND EMLOYMENT RELATIONS  MR. CHAIRMAN: I MOVE TO AMEND STANDING COMMITTEE REPORT OF 3/19/85 XXX  (COTTECTED COPY) ON HOUSE BILL NO. 554  XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
SENATE LABOR AND EMLOYMENT RELATIONS  MR. CHAIRMAN: I MOVE TO AMEND STANDING COMMITTEE REPORT OF 3/19/85 XXX  (COTTECTED COPY) ON HOUSE BILL NO. 554  XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	5	
MR. CHAIRMAN: I MOVE TO AMEND STANDING COMMITTEE REPORT OF 3/19/85 XXX (COTTECTED COPY) ON HOUSE BILL NO. 554	ME	-
(corrected copy) ON HOUSE BILL NO. 554		
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
SC 04.04		-
Rotor		
Strike: amendment in its entirety		
Strike: amendment in its entirety		
•		

PC3HB554.641

**ADOPT** REJECT

TOWE

SENATE

MAD 25 1005

### COMMITTEE OF THE WHOLE AMENDMENT

		MAR 25, 1985 DATE
		3:20 TIME
MR. CHAIRMAN: I MOVE TO AMEND	HOUSE BILL	No. 554

third reading copy

- 1. Page 2, line 11. Following: "(e)" Insert: "an applicant has submitted a statement indicating" Following: "projects"
  Insert: "will"
- 2. Page 2, line 16. Following: "PROJECTS"
  Insert: ", if their qualifications are substantially equal to those of nonresidents. Substantially equal qualifications means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons"
- 3. Page 6, line 7. Following: "PROJECTS"
  Strike: "." Insert: ", if their qualifications are substantially equal to those of nonresidents. Substantially equal qualifications means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons."
- 4. Attach the following Statement of Intent:

#### STATEMENT OF INTENT HOUSE BILL NO.554

"It is the intent of the legislature that nothing contained in HB 554 shall require the economic development board of the department of commerce to enforce the statements submitted by an applicant to comply with section 17-5-1526(e), provided a statement has been submitted by the applicant prior to the approval of the loan."

PC3HB554.642

REJECT

1	STATEMENT OF INTENT
2	HOUSE BILL 554
3	
4	It is the intent of the legislature that nothing
5	contained in HB 554 shall require the economic development
6	board of the department of commerce to enforce the
7	statements submitted by an applicant to comply with section
_	IR F IFOCAL MORE considered a statement has been submitted

by the applicant prior to the approval of the loan.

REFERENCE BILL HB 554



,±	BOOSE BLUE NO. 334
2	INTRODUCED BY CONNELLY, BARDANOUVE, HARP, ASAY,
3	HALLIGAN, KADAS, COHEN, DRISCOLL, MONTAYNE, GLASER,
4	QUILICI, C. SMITH, JONES, WALLIN, PHILLIPS,
5	BRANDEWIE, ADDY, HARPER
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7	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CONTRACTS FOR
8	PROJECTS FINANCED UNDER THE MONTANA ECONOMIC DEVELOPMENT
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11	PROVISIONSOFTHE-PUBLIC-CONTRACTOR'S-PEES-AND-TAX-LAW-AND
12	WITH-THE-PROVISIONS CONTAIN A PROVISION OF-THE-BAW-ON-PUBLIC
13	CONSTRUCTION-CONTRACTS GIVING PREFERENCE TO THE EMPLOYMENT
14	OF MONTANA RESIDENTS; AMENDING SECTIONS 17-5-1526 AND
15	17-5-1527, MCA."
16	
17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18	Section 1. Section 17-5-1526, MCA, is amended to read:
19	"17-5-1526. Procedure prior to financing projects. (1)
20	The board may finance projects [other than major projects]
21	under this part only when it finds that:
22	(a) the financing is in the public interest and is
23	consistent with the legislative purposes and findings set
24	forth in 17-5-1502;
25	(b) the financing to be provided by the board for a

1	project does not exceed either \$800,000 or 90% of the cost
2	or appraised value of the project, whichever is less;
3	(c) a financial institution will participate in
4	financing the project, either directly or through a letter
5	of credit, to the extent of at least 10% of the financing to
6	be provided by the board;
7	(d) the financing for the project is insured or
8	guaranteed in whole or in part by a private or governmental
9	insurer or guarantor, including but not limited to a
10	guaranty by the board pursuant to 17-5-1519; and
11	(e) AN APPLICANT HAS SUBMITTED A STATEMENT INDICATING
12	any contracts to construct the projects WILL require all
13	contractors to complywiththeprovisionsof Title157
14	chapter50,andofTitle18,chapter2 18-2-403 GIVE
15	PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS
16	AS DEFINED IN 18-2-401(4) IN THE PERFORMANCE OF THE WORK ON
17	THE PROJECTS IN-THE-SAME-MANNER-AS-PREFERENCE-IS-GRANTEDTO
18	VETERANSUNDER39-30-201, IF THEIR QUALIFICATIONS ARE
19	SUBSTANTIALLY EQUAL TO THOSE OF NONRESIDENTS. SUBSTANTIALLY
20	EQUAL QUALIFICATIONS MEANS THE QUALIFICATIONS OF TWO OR MORE
21	PERSONS AMONG WHOM THE EMPLOYER CANNOT MAKE A REASONABLE
22	DETERMINATION THAT THE QUALIFICATIONS HELD BY ONE PERSON ARE
23	SIGNIFICANTLY BETTER SUITED FOR THE POSITION THAN THE
24	QUALIFICATIONS HELD BY THE OTHER PERSONS.7-and
25	(e)(f) adequate provision is made in the loan

- agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance such project or projects, to create and maintain reserves therefor, and to meet all costs and expenses of issuing and servicing the bonds.
- 7 (2) In order to make the findings as described in 8 subsection (1)(a), a hearing must be conducted in the following manner:

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- (a) the city or county in which the project will be located must be notified; and the city and county must, within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or
- (b) if no request for a local hearing is received, the board may hold the hearing at a time and place it prescribes.
- (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
- (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the

- city or county where the hearing will be held. The notice
- 2 must include the time and place of the hearing; the general
- 3 nature of the project; the name of the lessee, borrower, or
- 4 user of the project; and the estimated cost of the project."
- Section 2. Section 17-5-1527, MCA, is amended to read:
- 6 "17-5-1527. Procedure prior to financing major
- 7 projects. (1) The board may finance major projects under
- 8 this part only when it finds that:

at the discretion of the board:

- 9 (a) the financing is in the public interest and is 10 consistent with legislative purposes and findings;
- 11 (b) the financing to be provided by the board for a 12 project does not exceed either \$10 million or 90% of the 13 cost or appraised value of the project, whichever is less;
- (c) a financial institution will participate in financing the project if the cost or appraised value is less than \$1 million, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board, provided, however, that participation by a financial institution in projects of over \$1 million is
- 21 (d) the financing for the project is insured or 22 guaranteed in whole or in part by a private or governmental 23 insurer or guarantor, including but not limited to a 24 guaranty by the board pursuant to 17-5-1519; and
- 25 (e) any contracts to construct the projects require

HB 554

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1	all contractors to comply-with-the-provisions-of Title157
2	chapter507andofTitle187chapter2 18-2-483 GIVE
3	PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS
4	AS DEFINED IN 18-2-401(4) IN THE PERFORMANCE OF THE WORK ON
5	THE PROJECTS IN-THE-SAME-MANNER-AS-PREPERENCE-IS-GRANTEBTO
6	VETERANG-UNDER-39-30-201; and

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- 20 (b) if no request for a local hearing is received, the 21 board may hold the hearing at a time and place it 22 prescribes.
- 23 (3) If the hearing required by subsection (2) is 24 conducted by a local government, the governing body of the 25 local government must notify the board of its determination

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of whether the project is in the public interest within 14 days of the completion of the public hearing.

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the state level, notice must be given, at least once a week for 3 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or 9 10 user of the project: and the estimated cost of the project." NEW SECTION. SECTION 3. PREFERENCE OF MONTANA LABOR. 11 ANY CONTRACT TO CONSTRUCT A PROJECT FINANCED PURSUANT TO 12 13 THIS PART MUST REQUIRE ALL CONTRACTORS TO COMPAY--WITH--THE 14 PROVISIONS--OF-18-2-403 GIVE PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS AS DEFINED IN 18-2-401(4) IN THE 15 16 PERFORMANCE OF THE WORK ON THE PROJECTS IN-THE--SAME--MANNER AS--PREFERENCE--IS--GRANTED-TO-VETERANS-UNDER-39-30-2017, IF 17 THEIR QUALIFICATIONS ARE SUBSTANTIALLY EQUAL TO THOSE OF 18 19 NONRESIDENTS. SUBSTANTIALLY EQUAL QUALIFICATIONS MEANS THE QUALIFICATIONS OF TWO OR MORE PERSONS AMONG WHOM THE 20 EMPLOYER CANNOT MAKE A REASONABLE DETERMINATION THAT THE 21 QUALIFICATIONS HELD BY ONE PERSON ARE SIGNIFICANTLY BETTER 22 SUITED FOR THE POSITION THAN THE QUALIFICATIONS HELD BY THE 23 24 OTHER PERSONS.

-6-

- existing authority of the board of economic development to make rules on the subject of the provisions of this act is
- 3 extended to the provisions of this act.
- 4 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION.
- 5 SECTION 3 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
- 6 TITLE 17, CHAPTER 6, PART 3, AND AS AN INTEGRAL PART OF
- 7 TITLE 90, CHAPTER 5, PART 1, AND THE PROVISIONS OF TITLE 17,
- 8 CHAPTER 6, PART 3, AND OF TITLE 90, CHAPTER 5, PART 1, APPLY
- 9 TO SECTION 3.

49th Legislature HB 0554/si

1	STATEMENT OF INTENT
2	HOUSE BILL 554
3	
4	It is the intent of the legislature that nothing
5	contained in HB 554 shall require the economic developmen
6	board of the department of commerce to enforce the
7	statements submitted by an applicant to comply with section

by the applicant prior to the approval of the loan.

17-5-1526(e), MCA, provided a statement has been submitted

REFERENCE BILL



Ŧ	10001 222 100
2	INTRODUCED BY CONNELLY, BARDANOUVE, HARP, ASAY,
3	HALLIGAN, KADAS, COHEN, DRISCOLL, MONTAYNE, GLASER,
4	QUILICI, C. SMITH, JONES, WALLIN, PHILLIPS,
5	BRANDEWIE, ADDY, HARPER
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MOVICE STIT NO 554

project does not exceed either \$800,000 or 90% of the cost or appraised value of the project, whichever is less: 3 (c) a financial institution will participate in financing the project, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board; (d) the financing for the project is insured or quaranteed in whole or in part by a private or governmental insurer or quarantor, including but not limited to a quaranty by the board pursuant to 17-5-1519; and 10 11 (e) AN APPLICANT HAS SUBMITTED A STATEMENT INDICATING 12 any contracts to construct the projects WILL require all contractors to comply--with--the--provisions--of Title--15; 13 chapter--507--and--of--Title--187--chapter--2 18-2-403 GIVE 14 PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS 15 16 AS DEFINED IN 18-2-401(4) IN THE PERFORMANCE OF THE WORK ON 17 THE PROJECTS IN-THE-SAME-MANNER-AS-PREFERENCE-IS-GRANTED--TO 18 VETERANS---UNDER--39-30-201, IF THEIR QUALIFICATIONS ARE SUBSTANTIALLY EQUAL TO THOSE OF NONRESIDENTS. SUBSTANTIALLY 19 EQUAL QUALIFICATIONS MEANS THE QUALIFICATIONS OF TWO OR MORE 20 PERSONS AMONG WHOM THE EMPLOYER CANNOT MAKE A REASONABLE 21 DETERMINATION THAT THE QUALIFICATIONS HELD BY ONE PERSON ARE 22 SIGNIFICANTLY BETTER SUITED FOR THE POSITION THAN THE 23 24 QUALIFICATIONS HELD BY THE OTHER PERSONS; and

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- 1 agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance such project or projects, to create and maintain reserves therefor, and to meet all costs and expenses of issuing and servicing the bonds.
- 7 (2) In order to make the findings as described in subsection (1)(a). a hearing must be conducted in the 9 following manner:
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- 14 (b) if no request for a local hearing is received, the 15 board may hold the hearing at a time and place it prescribes. 16

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- (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government must notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.
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PREFERENCE TO THE EMPLOYMENT OF BONA FIDE MONTANA RESIDENTS

AS DEFINED IN 18-2-401(4) IN THE PERFORMANCE OF THE WORK ON

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VETERANS-UNDER-39-30-201; and

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- of whether the project is in the public interest within 14 days of the completion of the public hearing.
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- 25 <u>NEW SECTION.</u> Section 4. Extension of authority. Any

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- 2 make rules on the subject of the provisions of this act is
- 3 extended to the provisions of this act.
- 4 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION.
- 5 SECTION 3 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
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- 7 TITLE 90, CHAPTER 5, PART 1, AND THE PROVISIONS OF TITLE 17,
- 8 CHAPTER 6, PART 3, AND OF TITLE 90, CHAPTER 5, PART 1, APPLY
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# CONFERENCE COMMITTEE REPORT Report No. 1

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MR. SPEAKER

We, your	Free	_ Conference Committee on	
	House Bill 554, REFERENCE COPY, salmon		
met and consider	ed Committee of the Whole Amendment - Towe,	3-25-85,	
	3:20 p.m.		
		<u> </u>	

We recommend as follows:

1. Statement of Intent. Page 1, line 8. Following: "17-5-1526" Insert: "(1)"

2. Bill.

Page 5, line 6.

Following: "39-30-201"

Insert: ", if their qualifications are substantially equal to those of nonresidents. Substantially equal qualifications means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other person"

And that this Conference Committee report be adopted.

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Homes E. Carl	<u>,                                     </u>
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FOR THE SENATE

ADOPT REJECT FOR THE HOUSE

1	STATEMENT OF INTENT
2	HOUSE BILL 554
3	
4	It is the intent of the legislature that nothing
5	contained in HB 554 shall require the economic developmen
6	board of the department of commerce to enforce the
7	statements submitted by an applicant to comply with section
8	17-5-1526(1)(e), MCA, provided a statement has been
9	submitted by the applicant prior to the approval of the
10	loan.



2	INTRODUCED BY CONNELLY, BARDANOUVE, HARP, ASAY,
3	HALLIGAN, KADAS, COHEN, DRISCOLL, MONTAYNE, GLASER,
4	QUILICI, C. SMITH, JONES, WALLIN, PHILLIPS,
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HOUSE BILL NO. 554

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- (4) When a hearing is required either locally or at the state level, notice must be given, at least once a week 10 for 3 weeks prior to the date set for the hearing, by 11 publication in a newspaper of general circulation in the 12 city or county where the hearing will be held. The notice must include the time and place of the hearing; the general 14 nature of the project; the name of the lessee, borrower, or 15 user of the project; and the estimated cost of the project." 16 NEW SECTION. SECTION 3. PREFERENCE OF MONTANA LABOR. 17 ANY CONTRACT TO CONSTRUCT A PROJECT FINANCED PURSUANT TO 18
- THIS PART MUST REQUIRE ALL CONTRACTORS TO COMPBY--WITH--THE 19 PROVISIONS--OF-18-2-403 GIVE PREFERENCE TO THE EMPLOYMENT OF 20 BONA FIDE MONTANA RESIDENTS AS DEFINED IN 18-2-401(4) IN THE 21
- PERFORMANCE OF THE WORK ON THE PROJECTS IN-THE--SAME--MANNER 22 23
- AS--PREFERENCE--IS--GRANTED-TO-VETERANS-UNDER-39-30-201+, IF THEIR QUALIFICATIONS ARE SUBSTANTIALLY EQUAL TO THOSE OF 24
- NONRESIDENTS. SUBSTANTIALLY EQUAL QUALIFICATIONS MEANS THE 25

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1 QUALIFICATIONS OF TWO OR MORE PERSONS AMONG WHOM THE

- 2 EMPLOYER CANNOT MAKE A REASONABLE DETERMINATION THAT THE
- 3 QUALIFICATIONS HELD BY ONE PERSON ARE SIGNIFICANTLY BETTER
- 4 SUITED FOR THE POSITION THAN THE QUALIFICATIONS HELD BY THE
- 5 OTHER PERSONS.
- 6 NEW SECTION. Section 4. Extension of authority. Any
- 7 existing authority of the board of economic development to
- 8 make rules on the subject of the provisions of this act is
- 9 extended to the provisions of this act.
- 10 NEW SECTION. SECTION 5. CODIFICATION INSTRUCTION.
- 11 SECTION 3 IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF
- 12 TITLE 17, CHAPTER 6, PART 3, AND AS AN INTEGRAL PART OF
- 13 TITLE 90, CHAPTER 5, PART 1, AND THE PROVISIONS OF TITLE 17,
- 14 CHAPTER 6, PART 3, AND OF TITLE 90, CHAPTER 5, PART 1, APPLY
- 15 TO SECTION 3.