

HOUSE BILL NO. 623

INTRODUCED BY WALLIN

BY REQUEST OF THE MONTANA HEALTH FACILITY AUTHORITY

IN THE HOUSE

February 1, 1985	Introduced and referred to Committee on State Administration.
February 13, 1985	Committee recommend bill do pass as amended. Report adopted.
February 14, 1985	Bill printed and placed on members' desks.
February 16, 1985	Second reading, do pass.
February 18, 1985	Considered correctly engrossed.
February 19, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 21, 1985	Introduced and referred to Committee on Public Health, Welfare and Safety.
March 19, 1985	Committee recommend bill be concurred in. Report adopted.
March 22, 1985	Second reading, concurred in.
March 25, 1985	Third reading, concurred in. Ayes, 49; Noes, 0. Returned to House.

IN THE HOUSE

March 26, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

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 2    INTRODUCED BY William  
 3                    BY REQUEST OF THE MONTANA HEALTH FACILITY AUTHORITY  
 4

5    A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURE  
 6    FOR ISSUING HEALTH FACILITY BONDS; PROVIDING THAT BOND  
 7    PROCEEDS MAY NOT BE EXPENDED FOR A FACILITY UNLESS IT HAS  
 8    BEEN REVIEWED AND APPROVED BY THE APPROPRIATE AUTHORITIES;  
 9    AMENDING SECTION 90-7-303, MCA."  
 10

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

12            Section 1. Section 90-7-303, MCA, is amended to read:  
 13            "90-7-303. Procedure for issuance of bonds. (1) The  
 14    authority may not undertake to finance any eligible health  
 15    facility unless, prior to the issuance of any bonds or  
 16    notes, the members find that:

17            ~~(a)~~ such facility will be operated by a health  
 18    institution for the purpose of fulfilling its obligation to  
 19    provide health care facilities; ~~and,~~

20            ~~(b)(2)~~ The authority may not allow the proceeds of any  
 21    bonds or notes to be expended for any facility unless such  
 22    facility has been reviewed and approved by the appropriate  
 23    regional and state health planning boards and has received  
 24    any approval required by Title 50, chapter 5, part 3.

25            ~~(2)(3)~~ The authority may not allow the proceeds of any

1    bonds or notes to be expended for any facility until it has  
 2    been shown that such facility is financially feasible and  
 3    that there will be sufficient revenues to assure that  
 4    principal and interest payments are made when they become  
 5    due.

6            ~~(3)(4)~~ The authority may not allow the proceeds of any  
 7    bonds or notes to be expended for any facility until it has  
 8    considered the ability of the health institution to operate  
 9    such a facility based on the health institution's experience  
 10    and expertise.

11            ~~(4)(5)~~ The authority must insure that its financings  
 12    consistently provide fair and realistic terms and covenants  
 13    sufficient to protect the position of the lenders or  
 14    bondholders."

15            NEW SECTION. Section 2. Extension of authority. Any  
 16    existing authority of the health facility authority to make  
 17    rules on the subject of the provisions of this act is  
 18    extended to the provisions of this act.

-End-



-2-            INTRODUCED BILL  
                   **HB 623**

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROCEDURE FOR ISSUING HEALTH FACILITY BONDS; PROVIDING THAT BOND PROCEEDS MAY NOT BE EXPENDED FOR A FACILITY UNLESS IT HAS BEEN REVIEWED AND APPROVED BY THE APPROPRIATE AUTHORITIES; AMENDING SECTION 90-7-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 90-7-303, MCA, is amended to read:

"90-7-303. Procedure for issuance of bonds. (1) The authority may not undertake to finance any eligible health facility unless, prior to the issuance of any bonds or notes, the members find that:

such facility will be operated by a health institution for the purpose of fulfilling its obligation to provide health care facilities; and,

The authority may not allow the proceeds of any bonds or notes to be expended for any facility unless such facility has been reviewed and approved by the appropriate regional and state health planning boards and has received any approval required by Title 50, chapter 5, part 3.

~~(2)~~(3) The authority may not allow the proceeds of any bonds or notes to be expended for any facility until it has been shown that such facility is financially feasible and that there will be sufficient revenues to assure that principal and interest payments are made when they become due.

~~(3)~~(4) The authority may not allow the proceeds of any bonds or notes to be expended for any facility until it has considered the ability of the health institution to operate such a facility based on the health institution's experience and expertise.

~~(4)~~(5) The authority must insure that its financings consistently provide fair and realistic terms and covenants sufficient to protect the position of the lenders or bondholders."

NEW SECTION. Section 2. Extension of authority. Any existing authority of the health facility authority to make rules on the subject of the provisions of this act is extended to the provisions of this act.

NEW SECTION. SECTION 3. EFFECTIVE DATE --  
APPLICABILITY. THIS ACT IS EFFECTIVE ON PASSAGE AND  
APPROVAL AND APPLIES RETROACTIVELY, WITHIN THE MEANING OF  
1-2-109, TO ANY HEALTH FACILITY FINANCING UNDERTAKEN AFTER  
OCTOBER 1, 1983.

-End-



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(a) such facility will be operated by a health institution for the purpose of fulfilling its obligation to provide health care facilities; and

(b)(2) The authority may not allow the proceeds of any bonds or notes to be expended for any facility unless such facility has been reviewed and approved by the appropriate regional and state health planning boards and has received any approval required by Title 50, chapter 5, part 3.

(2)(3) The authority may not allow the proceeds of any bonds or notes to be expended for any facility until it has been shown that such facility is financially feasible and that there will be sufficient revenues to assure that principal and interest payments are made when they become due.

(3)(4) The authority may not allow the proceeds of any bonds or notes to be expended for any facility until it has considered the ability of the health institution to operate such a facility based on the health institution's experience and expertise.

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