

HOUSE BILL NO. 861

INTRODUCED BY BARDANOUVE, THOFT

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

February 16, 1985	Introduced and referred to Committee on Appropriations.
April 5, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.
April 8, 1985	Second reading, do pass. On motion, rules suspended and bill placed on third reading this day. Third reading, passed. Transmitted to Senate.

IN THE SENATE

April 9, 1985	Introduced and referred to Committee on Finance and Claims.
April 19, 1985	Committee recommend bill be concurred in as amended. Report adopted.
April 22, 1985	Second reading, concurred in as amended.
April 23, 1985	Third reading, concurred in. Ayes, 43; Noes, 6. Returned to House with amendments.

IN THE HOUSE

April 23, 1985

Received from Senate.

Second reading, pass
consideration.

April 24, 1985

Second reading, amendments
concurrent in.

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 861
2 INTRODUCED BY James B. ...
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
6 ISSUANCE AND SALE OF LONG-RANGE BUILDING PROGRAM GENERAL
7 OBLIGATION BONDS AND APPROPRIATING THE PROCEEDS THEREOF FOR
8 CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1987;
9 PROVIDING FOR AN AGREEMENT BETWEEN THE BOARD OF EXAMINERS
10 AND THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; PROVIDING
11 FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AND
12 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Definitions. For the purposes of this act,
16 unless otherwise stated, the following definitions apply:

17 (1) "Agency" includes each state office, department,
18 board, commission, council, committee, unit of the
19 university system, or other entity or instrumentality of the
20 executive branch, office of the legislative branch, or
21 office of the judicial branch of state government.

22 (2) "Approved budget amendment" means approval by the
23 budget director of a request submitted through the
24 Architecture and Engineering Division of the Department of
25 Administration to transfer excess funds appropriated to a

1 capital project within an agency in order to increase the
2 appropriations of another capital project within that agency
3 or to obtain financing to expand a project with funds which
4 were not available for consideration by the Legislature.

5 (3) "Capital project" means acquisition of land or
6 improvements, planning, capital construction, renovation,
7 furnishing, or major repair projects authorized in this act.

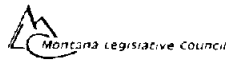
8 (4) "Capital projects fund" means the capital projects
9 fund provided for in 17-5-401.

10 (5) "Other appropriated funds" means all money other
11 than general funds or capital projects funds, including
12 special revenue funds, that accrues under the provisions of
13 law to an agency.

14 Section 2. Expansion required to be authorized. No
15 existing capital project may be expanded beyond the scope of
16 the project as approved by the 49th Legislature unless the
17 capital project expansion is authorized by an approved
18 budget amendment.

19 Section 3. Federal funds for administration. All
20 federal funds received as a reimbursement for the cost of
21 administering the federal funds when the cost was financed
22 from the general fund shall revert to the general fund.

23 Section 4. Reappropriation. Notwithstanding any other
24 provision of law, the remaining balances on capital projects
25 previously appropriated are reappropriated until June 30,



1 1987, for the purposes for which originally appropriated.
 2 Section 5. Appropriation of bond proceeds and other
 3 funds. The following money is appropriated from the capital
 4 projects fund and the other appropriated funds to the
 5 Department of Administration for the capital projects
 6 described in this section, contingent upon the respective
 7 authorization and sale of general obligation bonds by the
 8 49th Legislature and the Board of Examiners:

9 Agency/Program	10 Capital Projects	11 Other Appropriated Funds
12 Department of Fish, Wildlife, 13 . and Parks		
14 Fish Hatchery Expansion -		
15 Miles City	\$	\$4,900,000
16 Washoe Park Trout Hatchery		
17 Repairs - Anaconda		250,000
18 Upgrade Big Springs Trout		
19 Hatchery - Lewistown		300,000

20 Section 6. Planning and design. The Department of
 21 Administration may proceed with the planning and design of
 22 capital projects prior to the sale of bonds or the receipt
 23 of other appropriated funds. The department may utilize
 24 interaccount loans past 1983 fiscal yearend in accordance
 25 with 17-2-107 to pay such planning and design costs incurred

1 prior to the receipt of bond proceeds or other appropriated
 2 funds.

3 Section 7. Capital projects -- contingent funds. If
 4 any capital project is financed in whole or in part with
 5 appropriations contingent upon the receipt of other
 6 appropriated funds, the Department of Administration may not
 7 let such projects for bid until the agency has submitted a
 8 financial plan for approval by the director of the
 9 Department of Administration. No such financial plan may be
 10 approved by the director if:

11 (1) the level of funding provided under the financial
 12 plan deviates substantially from the funding levels provided
 13 in this act for that project; or

14 (2) the scope of the project must be substantially
 15 altered or revised from the preliminary plans presented for
 16 that project in the 1985-87 long-range building program
 17 presented to the 49th Legislature.

18 Section 8. Authorization of bonds. The Board of
 19 Examiners is authorized to issue and sell long-range
 20 building program general obligation bonds in an amount not
 21 exceeding \$5,450,000, over and above the amount of
 22 long-range building program bonds outstanding on January 1,
 23 1985, to be issued in accordance with the terms and in the
 24 manner required by Title 17, chapter 5, part 8. The
 25 authority granted to the board by this section is in

1 addition to any other authorization to the board to issue
2 and sell long-range building program general obligation
3 bonds.

4 Section 9. Agreement with the Department of Fish,
5 Wildlife, and Parks. For the proceeds of bonds or notes
6 authorized and appropriated by this act for the construction
7 or renovation of fish hatcheries operated by the Department
8 of Fish, Wildlife, and Parks, the Board of Examiners and the
9 Department of Fish, Wildlife, and Parks may enter into an
10 agreement under the terms of which the department shall pay
11 the State Treasurer, for deposit in accordance with 17-2-101
12 through 17-2-107, as determined by the State Treasurer, an
13 amount sufficient to pay the principal and interest as due
14 on the bonds or notes from which the appropriation was made
15 and to accumulate and maintain reserves required under such
16 bonds. The agreement must further provide that income from
17 the investment of bond proceeds and the reserves not
18 required for construction or renovation costs must be
19 credited against the department's payment obligation. The
20 agreement must also allow for the accumulation of reserves
21 during the first year the bonds are outstanding. Payments by
22 the department must be made from funds available therefor.

23 Section 10. Benefit of state. The agreement made
24 pursuant to section 9 is solely for the benefit of the state
25 of Montana and is not enforceable by bondholders or other

1 third-party beneficiaries.

2 Section 11. Legislative consent. The appropriations
3 authorized in this act must be considered as legislative
4 consent for the capital projects contained in this act
5 within the meaning of 18-2-102.

6 Section 12. Department of Fish, Wildlife, and Parks --
7 bond payment. The Department of Fish, Wildlife, and Parks
8 shall transfer to the Department of Administration, prior to
9 the payment date, sufficient funds to retire \$5,450,000 of
10 general obligation bonds authorized by the 49th Legislature
11 and issued by the Board of Examiners. This payment
12 obligation is for the benefit of the state and not
13 enforceable by bondholders.

14 Section 13. Severability. If a part of this act is
15 invalid, all valid parts that are severable from the invalid
16 part remain in effect. If a part of this act is invalid in
17 one or more of its applications, the part remains in effect
18 in all valid applications that are severable from the
19 invalid applications.

20 Section 14. Effective date. This act is effective on
21 passage and approval.

-End-

APPROVED BY COMMITTEE
ON APPROPRIATIONS

1 HOUSE BILL NO. 861
2 INTRODUCED BY BARDANOUVE, THOFT
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE
6 ISSUANCE AND SALE OF LONG-RANGE BUILDING PROGRAM GENERAL
7 OBLIGATION BONDS AND APPROPRIATING THE PROCEEDS THEREOF FOR
8 CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1987;
9 PROVIDING FOR AN AGREEMENT BETWEEN THE BOARD OF EXAMINERS
10 AND THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; PROVIDING
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22 (2) "Approved budget amendment" means approval by the
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25 Administration to transfer excess funds appropriated to a

1 capital project within an agency in order to increase the
2 appropriations of another capital project within that agency
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6 improvements, planning, capital construction, renovation,
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9 Agency/Program	10 Capital 11 Projects 12 Fund	13 Other 14 Appropriated 15 Funds
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19 Miles City	\$	\$4,900,000
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 accordance with 17-2-107 to pay such planning and design

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 2 other appropriated funds.

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 9 Department of Administration. No such financial plan may be
 10 approved by the director if:

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 12 plan deviates substantially from the funding levels provided
 13 in this act for that project; or

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 15 altered or revised from the preliminary plans presented for
 16 that project in the 1985-87 long-range building program
 17 presented to the 49th Legislature.

18 Section 8. Authorization of bonds. The Board of
 19 Examiners is authorized to issue and sell long-range
 20 building program general obligation bonds in an amount not
 21 exceeding ~~\$57,450,000~~ \$7,150,000, over and above the amount
 22 of long-range building program bonds outstanding on January
 23 1, 1985, to be issued in accordance with the terms and in
 24 the manner required by Title 17, chapter 5, part 8. The
 25 authority granted to the board by this section is in

1 addition to any other authorization to the board to issue
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3 bonds.

4 Section 9. Agreement with the Department of Fish,
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7 or renovation of fish hatcheries operated by the Department
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24 pursuant to section 9 is solely for the benefit of the state
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1 third-party beneficiaries.

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3 authorized in this act must be considered as legislative
4 consent for the capital projects contained in this act
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7 bond payment. The Department of Fish, Wildlife, and Parks
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20 SECTION 14. COORDINATION. IF THIS ACT AND HOUSE BILL
21 12 ARE BOTH PASSED AND APPROVED, SUBSECTION (3) OF SECTION 2
22 OF HOUSE BILL 12 IS AMENDED TO INCLUDE A REFERENCE TO
23 SECTIONS 9 AND 12 OF THIS ACT. IF HOUSE BILL 12 IS NOT
24 PASSED AND APPROVED, THEN THE REFERENCE TO SECTIONS 9 AND 12
25 OF THIS ACT REQUIRED BY THIS SECTION IS VOID.

HB 0861/02

1 Section 15. Effective date. This act is effective on
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8 of Fish, Wildlife, and Parks, the Board of Examiners and the
9 Department of Fish, Wildlife, and Parks may enter into an
10 agreement under the terms of which the department shall pay
11 the State Treasurer, for deposit in accordance with 17-2-101
12 through 17-2-107, as determined by the State Treasurer, an
13 amount sufficient to pay the principal and interest as due
14 on the bonds or notes from which the appropriation was made
15 and to accumulate and maintain reserves required under such
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17 the investment of bond proceeds and the reserves not
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24 pursuant to section 9 is solely for the benefit of the state
25 of Montana and is not enforceable by bondholders or other

1 third-party beneficiaries.

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3 authorized in this act must be considered as legislative
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5 within the meaning of 18-2-102.

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7 bond payment. The Department of Fish, Wildlife, and Parks
8 shall transfer to the Department of Administration, prior to
9 the payment date, sufficient funds to retire \$5,450,000 of
10 general obligation bonds authorized by the 49th Legislature
11 and issued by the Board of Examiners. This payment
12 obligation is for the benefit of the state and not
13 enforceable by bondholders.

14 Section 13. Severability. If a part of this act is
15 invalid, all valid parts that are severable from the invalid
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24 PASSED AND APPROVED, THEN THE REFERENCE TO SECTIONS 9 AND 12
25 OF THIS ACT REQUIRED BY THIS SECTION IS VOID.

HB 0861/02

1 Section 15. Effective date. This act is effective on
2 passage and approval.

-End-

SENATE

STANDING COMMITTEE REPORT

April 19 1985

MR. PRESIDENT

We, your committee on Finance and Claims

having had under consideration House Bill No. 861

third reading copy (blue color)

ISSUANCE OF LONG-RANGE BUILDING BONDS APPROPRIATING PROCEEDS OF BONDS

BARDANOUE (Smith)

Respectfully report as follows: That House Bill No. 861, be amended as follows:

- 1. Page 4, line 21. Following: \$5,450,000" Strike: "\$7,150,000," Insert: "\$5,450,000 for the projects described in [section 5][and \$1,700,000 for purposes described in House Bill No. 224]."
- 2. Page 6, line 20. Following: "COORDINATION." Insert: "(1)"
- 3. Page 6. Following: line 25 Insert: "(2) If House Bill No. 224 is not passed and approved, the bracketed language contained in section 8 of this act, except the reference to [section 5] is void."

AND AS AMENDED BE CONCURRED IN

~~XXXXXX~~

~~XXXXXXXXXX~~

Handwritten signature of Senator Pat Regan, SENATOR PAT REGAN Chairman.

COMMITTEE OF THE WHOLE AMENDMENT

Page 1 of 2

APR 22, 85

DATE

SENATE

8:00

TIME

MR. CHAIRMAN: I MOVE TO AMEND _____ HOUSE BILL

No. ~~XXX~~ 861

third reading copy (blue) as follows:
Color

1. Title, line 10.

Following: "PARKS"

Insert: "AND THE BOARD OF REGENTS"

2. Page 3, line 20.

Following: line 19

Insert: "There is appropriated from the capital project fund to the board of regents the sum of \$1,400,000 for the purpose of financing the costs of construction and equipping a swimming pool addition to the physical education facility at western Montana college. This appropriation is contingent upon the authorization and sale of general obligation bonds for the project by the board of examiners as authorized by section 8."

3. Page 5, line 23.

Following: line 22

Insert: "Section 10. Agreement with the board of regents. For the proceeds of bonds or notes authorized and appropriated by this act for the construction of the swimming facility at western Montana college, the board of examiners, and the board of regents may enter into an agreement under the terms of which the regents shall pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes from which the appropriation was made and to accumulate and maintain reserves required under such bonds. The agreement must further provide that income from the investment of bond proceeds and the reserves not required for construction or renovation costs must be credited against the regents' payment obligation. The agreement must also allow for the accumulation of reserves during the first year the bonds are outstanding. Payments by the regents must be made from available funds."

Renumber: subsequent sections

(CONTINUED)

~~ADOPT~~

~~REJECT~~

APR 22, 19 85

4. Page 5, line 24.
Strike: "section"
Insert: "sections"
Following: "9"
Insert: "and 10"

5. AMEND SENATE FINANCE AND CLAIMS COMMITTEE REPORT OF
APRIL 19 ON HOUSE BILL NO.861 AS FOLLOWS:

Amendment No.1.
Following: "No.224" of inserted material
Insert: "and \$1,400,000 for the construction of the
swimming pool addition to the physical education facility at
western Montana college,"

PC3HB861.871

Go

ADOPT

REJECT

John H. Anderson Jr
ANDERSON

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REFERENCE BILL

HB 861



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2 1987, for the purposes for which originally appropriated.

3 Section 5. Appropriation of bond proceeds and other
4 funds. The following money is appropriated from the capital
5 projects fund and the other appropriated funds to the
6 Department of Administration for the capital projects
7 described in this section, contingent upon the respective
8 authorization and sale of general obligation bonds by the
9 49th Legislature and the Board of Examiners:

10 Agency/Program	Capital	Other
11	Projects	Appropriated
12	Fund	Funds
13 Department of Fish, Wildlife,		
14 and Parks		
15 Fish Hatchery Expansion -		
16 Miles City		\$4,900,000
17 Washoe Park Trout Hatchery		
18 Repairs - Anaconda		250,000
19 Upgrade Big Springs Trout		
20 Hatchery - Lewistown		300,000

21 THERE IS APPROPRIATED FROM THE CAPITAL PROJECTS FUND TO
22 THE BOARD OF REGENTS THE SUM OF \$1,400,000 FOR THE PURPOSE
23 OF FINANCING THE COSTS OF CONSTRUCTION AND EQUIPPING A
24 SWIMMING POOL ADDITION TO THE PHYSICAL EDUCATION FACILITY AT
25 WESTERN MONTANA COLLEGE. THIS APPROPRIATION IS CONTINGENT

1 UPON THE AUTHORIZATION AND SALE OF GENERAL OBLIGATION BONDS
2 FOR THE PROJECT BY THE BOARD OF EXAMINERS AS AUTHORIZED BY
3 [SECTION 8].

4 Section 6. Planning and design. The Department of
5 Administration may proceed with the planning and design of
6 capital projects prior to the sale of bonds or the receipt
7 of other appropriated funds. The department may utilize
8 interaccount loans past ~~1983~~ 1985 fiscal yearend in
9 accordance with 17-2-107 to pay such planning and design
10 costs incurred prior to the receipt of bond proceeds or
11 other appropriated funds.

12 Section 7. Capital projects -- contingent funds. If
13 any capital project is financed in whole or in part with
14 appropriations contingent upon the receipt of other
15 appropriated funds, the Department of Administration may not
16 let such projects for bid until the agency has submitted a
17 financial plan for approval by the director of the
18 Department of Administration. No such financial plan may be
19 approved by the director if:

20 (1) the level of funding provided under the financial
21 plan deviates substantially from the funding levels provided
22 in this act for that project; or

23 (2) the scope of the project must be substantially
24 altered or revised from the preliminary plans presented for
25 that project in the 1985-87 long-range building program

1 presented to the 49th Legislature.

2 Section 8. Authorization of bonds. The Board of
3 Examiners is authorized to issue and sell long-range
4 building program general obligation bonds in an amount not
5 exceeding ~~\$5,450,000~~ ~~\$7,150,000~~ \$5,450,000 FOR THE PROJECTS
6 DESCRIBED IN [SECTION 5] [AND, \$1,700,000 FOR PURPOSES
7 DESCRIBED IN HOUSE BILL NO. 224], AND \$1,400,000 FOR THE
8 CONSTRUCTION OF THE SWIMMING POOL ADDITION TO THE PHYSICAL
9 EDUCATION FACILITY AT WESTERN MONTANA COLLEGE over and above
10 the amount of long-range building program bonds outstanding
11 on January 1, 1985, to be issued in accordance with the
12 terms and in the manner required by Title 17, chapter 5,
13 part 8. The authority granted to the board by this section
14 is in addition to any other authorization to the board to
15 issue and sell long-range building program general
16 obligation bonds.

17 Section 9. Agreement with the Department of Fish,
18 Wildlife, and Parks. For the proceeds of bonds or notes
19 authorized and appropriated by this act for the construction
20 or renovation of fish hatcheries operated by the Department
21 of Fish, Wildlife, and Parks, the Board of Examiners and the
22 Department of Fish, Wildlife, and Parks may enter into an
23 agreement under the terms of which the department shall pay
24 the State Treasurer, for deposit in accordance with 17-2-101
25 through 17-2-107, as determined by the State Treasurer, an

1 amount sufficient to pay the principal and interest as due
2 on the bonds or notes from which the appropriation was made
3 and to accumulate and maintain reserves required under such
4 bonds. The agreement must further provide that income from
5 the investment of bond proceeds and the reserves not
6 required for construction or renovation costs must be
7 credited against the department's payment obligation. The
8 agreement must also allow for the accumulation of reserves
9 during the first year the bonds are outstanding. Payments by
10 the department must be made from funds available therefor.

11 SECTION 10. AGREEMENT WITH THE BOARD OF REGENTS. FOR
12 THE PROCEEDS OF BONDS OR NOTES AUTHORIZED AND APPROPRIATED
13 BY THIS ACT FOR THE CONSTRUCTION OF THE SWIMMING FACILITY AT
14 WESTERN MONTANA COLLEGE, THE BOARD OF EXAMINERS AND THE
15 BOARD OF REGENTS MAY ENTER INTO AN AGREEMENT UNDER THE TERMS
16 OF WHICH THE REGENTS SHALL PAY THE STATE TREASURER, FOR
17 DEPOSIT IN ACCORDANCE WITH 17-2-101 THROUGH 17-2-107, AS
18 DETERMINED BY THE STATE TREASURER, AN AMOUNT SUFFICIENT TO
19 PAY THE PRINCIPAL AND INTEREST AS DUE ON THE BONDS OR NOTES
20 FROM WHICH THE APPROPRIATION WAS MADE AND TO ACCUMULATE AND
21 MAINTAIN RESERVES REQUIRED UNDER SUCH BONDS. THE AGREEMENT
22 MUST FURTHER PROVIDE THAT INCOME FROM THE INVESTMENT OF BOND
23 PROCEEDS AND THE RESERVES NOT REQUIRED FOR CONSTRUCTION OR
24 RENOVATION COSTS MUST BE CREDITED AGAINST THE REGENTS'
25 PAYMENT OBLIGATION. THE AGREEMENT MUST ALSO ALLOW FOR THE

1 ACCUMULATION OF RESERVES DURING THE FIRST YEAR THE BONDS ARE
 2 OUTSTANDING. PAYMENTS BY THE REGENTS MUST BE MADE FROM
 3 AVAILABLE FUNDS.

4 Section 11. Benefit of state. The ~~agreement~~ AGREEMENTS
 5 made pursuant to ~~section~~ SECTIONS 9 AND 10 ~~is~~ ARE solely for
 6 the benefit of the state of Montana and ~~is~~ ARE not
 7 enforceable by bondholders or other third-party
 8 beneficiaries.

9 Section 12. Legislative consent. The appropriations
 10 authorized in this act must be considered as legislative
 11 consent for the capital projects contained in this act
 12 within the meaning of 18-2-102.

13 Section 13. Department of Fish, Wildlife, and Parks --
 14 bond payment. The Department of Fish, Wildlife, and Parks
 15 shall transfer to the Department of Administration, prior to
 16 the payment date, sufficient funds to retire \$5,450,000 of
 17 general obligation bonds authorized by the 49th Legislature
 18 and issued by the Board of Examiners. This payment
 19 obligation is for the benefit of the state and not
 20 enforceable by bondholders.

21 Section 14. Severability. If a part of this act is
 22 invalid, all valid parts that are severable from the invalid
 23 part remain in effect. If a part of this act is invalid in
 24 one or more of its applications, the part remains in effect
 25 in all valid applications that are severable from the

1 invalid applications.

2 SECTION 15. COORDINATION. (1) IF THIS ACT AND HOUSE
 3 BILL NO. 12 ARE BOTH PASSED AND APPROVED, SUBSECTION (3) OF
 4 SECTION 2. OF HOUSE BILL NO. 12 IS AMENDED TO INCLUDE A
 5 REFERENCE TO SECTIONS 9 AND ~~12~~ 13 OF THIS ACT. IF HOUSE BILL
 6 NO. 12 IS NOT PASSED AND APPROVED, THEN THE REFERENCE TO
 7 SECTIONS 9 AND ~~12~~ 13 OF THIS ACT REQUIRED BY THIS SECTION IS
 8 VOID.

9 (2) IF HOUSE BILL NO. 224 IS NOT PASSED AND APPROVED,
 10 THE BRACKETED LANGUAGE CONTAINED IN SECTION 8 OF THIS ACT,
 11 EXCEPT THE REFERENCE TO [SECTION 5], IS VOID.

12 Section 16. Effective date. This act is effective on
 13 passage and approval.

-End-