

June 27, 1986

On motion, taken from enrolling
and referred to Senate as
requested.

IN THE SENATE

June 27, 1986

On motion, placed on third
reading for recorded vote.

Third reading, concurred in.
Ayes, 48; Noes, 2.

Returned to House.

IN THE HOUSE

June 28, 1986

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 10

INTRODUCED BY Adams
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING AND APPROPRIATING MONEY IN THE CAPITAL PROJECTS FUND TO THE LONG-RANGE BUILDING DEBT SERVICE FUND; AMENDING SECTION 17-5-422, MCA; AND PROVIDING AN EFFECTIVE DATE."

WHEREAS, the Legislature, by Chapter 600, Laws of 1981, authorized the issuance of \$5 million principal amount long-range building program bonds to finance costs of improvements to the state capitol; and

WHEREAS, the bonds, with other long-range building program bonds for other purposes, were issued and sold in 1981; and

WHEREAS, unexpended proceeds of the bonds and investment income thereon remain in the capital projects fund for the capitol; and

WHEREAS, improvements to the capitol, to the extent presently agreed upon, have been completed or are near completion; and

WHEREAS, approximately \$5.1 million remains in the capital projects fund and is not required to pay the costs of such improvements.



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

Section 1. Section 17-5-422, MCA, is amended to read:

"17-5-422. Bonds for state capitol improvements. (1)

The board of examiners is authorized to issue and sell long-range building program bonds, upon the conditions and in the manner stated in this part, in the principal amount not to exceed \$5 million, for the purpose of financing costs of improvements to the state capitol. Proceeds of the bonds and investment income thereon unexpended as of October 1, 1986, must be applied to the payment of principal and interest next due on outstanding long-range building program bonds of the state.

(2) There is appropriated to the debt service account established pursuant to 17-5-405 from the revenues of the capitol building land grant (exclusive of income derived from investment of accumulated revenues) in each fiscal year during the term of the bonds authorized by subsection (1) an amount sufficient to pay the principal of and interest on the bonds as due and to establish and maintain required reserves therefor. The appropriation shall be reduced in each fiscal year by the amount, if any, of income received in that year from investment of the reserve attributable to the bonds. The appropriation made by this section is solely for the benefit of the state and is not enforceable by the

1 holders of the bonds. The appropriation terminates October
2 1, 1986."

3 NEW SECTION. Section 2. Transfer of funds. The
4 balance of the capital renovation account within a capital
5 projects fund, for improvements to the state capitol, is
6 transferred from that account to the long-range building
7 debt service fund and appropriated for the payment of
8 principal and interest on bonds payable from that debt
9 service fund.

10 NEW SECTION. Section 3. Two-thirds vote required.
11 Because the bond authority contained in 17-5-422 required
12 enactment by a two-thirds vote of each house, as mandated by
13 Article VIII, section 8, of the Montana Constitution, the
14 amendment provided by this bill requires a vote of
15 two-thirds of the members of each house for passage.

16 NEW SECTION. Section 4. Effective date. This act is
17 effective October 1, 1986.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB010, as originally introduced.

Description of Proposed Legislation:

To transfer and appropriate money in the capital projects fund to the Long-Range Building Debt Service Fund.

Assumptions:

1. The proposed legislation would be effective October 1, 1986.
2. The balance in the Capital Projects account - Capitol Renovation would be transferred to the debt service account.
3. The amount would be transferred from the debt service account to the general fund until needed for debt service on outstanding bonds.
4. Effective October 1, 1986, the Capitol Land Grant account would no longer be responsible for debt service payment as appropriated in 17-5-422 on bonds issued for the Capitol Renovation.
5. The general fund would assume responsibility for debt service on the outstanding bonds issued for capitol renovation, effective October 1, 1986.
6. Approximately \$5,100,000 will be available for transfer. This amount could change depending on the investment rates between April and October, 1986.

Fiscal Impact:

General Fund Revenue:	<u>FY87</u>
Current Law	-0-
Proposed Law	\$5,100,000
General Fund Expenditures	\$ 150,698
General Fund Net	\$4,949,302

David L. Hunter 6/17/86
 BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 PRIMARY SPONSOR

 DATE

Fiscal Note for HB 10

APPROVED BY COMMITTEE
ON APPROPRIATIONS

1 HOUSE BILL NO. 10
2 INTRODUCED BY Abra
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
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13 improvements to the state capitol; and

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15 program bonds for other purposes, were issued and sold in
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Abrams

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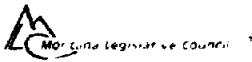
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