

SENATE BILL NO. 6
INTRODUCED BY CHRISTIAENS

IN THE SENATE

March 24, 1986	Introduced and referred to Committee on Business and Industry.
March 25, 1986	Committee recommend bill do pass. Report adopted.
	Second reading, do pass.
	Third reading, passed. Ayes, 48; Noes, 1.
	Transmitted to House.

IN THE HOUSE

March 26, 1986	Introduced and referred to Committee on State Administration.
	Committee recommend bill be concurrent in. Report adopted.
	Second reading, concurred in.
	Third reading, concurred in. Ayes, 98; Noes, 0.
	Returned to Senate.

IN THE SENATE

March 27, 1986	Received from House.
	Sent to enrolling.
	Reported correctly enrolled.

SENATE BILL NO. 6

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A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE CERTAIN
HIGHER EDUCATION FACILITIES IN THE LIST OF PROJECTS FINANCED
BY THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS;
AMENDING SECTIONS 90-5-101 AND 90-5-108, MCA; AND PROVIDING
AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 90-5-101, MCA, is amended to read:

"90-5-101. Definition of terms. As used in this part,
unless the context otherwise requires, the following
definitions apply:

(1) "Agricultural enterprises" include but are not
limited to producing, warehousing, storing, fattening,
treating, handling, distributing, or selling farm products
or livestock.

(2) "Bonds" means bonds, refunding bonds, notes, or
other obligations issued by a municipality or county under
the authority of this part, including without limitation
short-term bonds or notes issued in anticipation of the
issuance of long-term bonds or notes.

(3) "Governing body" means the board or body in which
the general legislative powers of the municipality or county

are vested.

(4) "Higher education facilities" means any real or
personal properties required or useful for the operation of
an institution of higher education.

(5) "Institution of higher education" means any
private nonprofit corporation or institution within the
state of Montana:

(a) authorized to provide or operate educational
facilities; and

(b) providing a program of education beyond the high
school level.

(4)(6) "Mortgage" means a mortgage or deed of trust or
other security device.

(5)(7) "Municipality" means any incorporated city or
town in the state.

(6)(8) "Project" means any land; any building or other
improvement; and any other real or personal properties
deemed necessary in connection therewith, whether or not now
in existence, which shall be suitable for use for
commercial, manufacturing, agricultural, or industrial
enterprises; recreation or tourist facilities; local,
state, and federal governmental facilities; multifamily
housing, hospitals, long-term care facilities, or medical
facilities; higher education facilities; small-scale
hydroelectric production facilities with a capacity of 50

1 megawatts or less; and any combination of these projects."

2 Section 2. Section 90-5-108, MCA, is amended to read:

3 "90-5-108. Use of proceeds of bond sales. (1) The
4 proceeds from the sale of any bonds issued under authority
5 of this part shall be applied only for the purpose for which
6 the bonds were issued or to discharge any existing
7 indebtedness secured by a lien against a hospital or
8 long-term care facility ~~or higher education facility~~ leased
9 or owned by a nonprofit corporation. However, if the
10 project is not a hospital or long-term care facility ~~or~~
11 ~~higher education facility~~ leased or owned by a nonprofit
12 corporation, the proceeds from the sale of bonds may not be
13 used to discharge indebtedness without an improvement to the
14 project.

15 (2) Any accrued interest and premium received in any
16 such sale shall be applied to the payment of the principal
17 of or the interest on the bonds sold. If for any reason any
18 portion of such proceeds shall not be needed for the purpose
19 for which the bonds were issued, then such unneeded portion
20 of said proceeds shall be applied to the payment of the
21 principal of or the interest on said bonds."

22 ~~NEW SECTION~~ Section 3. Effective date. This act is
23 effective on passage and approval.

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