



IN THE HOUSE

MARCH 5, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

MARCH 6, 1987

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

1 HB BILL NO. 88  
2 INTRODUCED BY M. M. M. M.

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE HOSPITAL  
5 DISTRICTS TO ESTABLISH CAPITAL REPLACEMENT FUNDS TO BE USED  
6 FOR THE REPLACEMENT OF PROPERTY, PLANT FACILITIES, AND  
7 EQUIPMENT; AMENDING SECTION 7-34-2131, MCA; AND PROVIDING AN  
8 EFFECTIVE DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 7-34-2131, MCA, is amended to read:

12 "7-34-2131. Hospital district bonds authorized --  
13 capital replacement fund. (1) (a) A hospital district may  
14 borrow money by the issuance of its bonds to provide funds  
15 for payment of part or all of the cost of acquisition,  
16 furnishing, equipment, improvement, extension, and  
17 betterment of hospital facilities and to provide an adequate  
18 working capital for a new hospital.

19 ~~†2†~~(b) The amount of bonds issued for such purpose and  
20 outstanding at any time may not exceed 22.5% of the taxable  
21 value of the property therein as ascertained by the last  
22 assessment for state and county taxes previous to the  
23 issuance of such bonds.

24 ~~†3†~~(c) Such bonds shall be authorized, sold, and  
25 issued and provisions made for their payment in the manner

1 and subject to the conditions and limitations prescribed for  
2 bonds of second- or third-class school districts by Title  
3 20, chapter 9, part 4.

4 (2) The district may establish a capital replacement  
5 fund. The fund may be used only for the replacement of  
6 property, plant facilities, or equipment. The cost of such  
7 capital equipment must exceed \$5,000 and have a life  
8 expectancy of 5 years or more.

9 ~~†4†~~(3) Nothing herein shall be construed to preclude  
10 the provisions of Title 50, chapter 6, part 1, allowing the  
11 state to apply for and accept federal funds."

12 NEW SECTION. Section 2. Effective date. This act is  
13 effective July 1, 1987.

-End-



APPROVED BY COMM.  
ON LOCAL GOVERNMENT

1                   HOUSE BILL NO. 88  
2                   INTRODUCED BY MANUEL

3  
4   A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE HOSPITAL  
5   DISTRICTS TO ESTABLISH CAPITAL REPLACEMENT FUNDS TO BE USED  
6   FOR THE REPLACEMENT OF PROPERTY, PLANT FACILITIES, AND  
7   EQUIPMENT; ~~AMENDING SECTION 7-34-2131, MCA,~~ AND PROVIDING AN  
8   EFFECTIVE DATE."

9  
10   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11                   (Refer to Introduced Bill)

12           Strike everything after the enacting clause and insert:

13           Section 1. Hospital district capital replacement fund.

14   A hospital district may establish a capital replacement  
15   fund. The fund may be used only for the replacement of  
16   property, plant facilities, or equipment. The cost of such  
17   capital equipment must exceed \$5,000 and have a life  
18   expectancy of 5 years or more.

19           Section 2. Effective date. This act is effective July  
20   1, 1987.

-End-

1                   HOUSE BILL NO. 88  
2                   INTRODUCED BY MANUEL

3  
4   A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE HOSPITAL  
5   DISTRICTS TO ESTABLISH CAPITAL REPLACEMENT FUNDS TO BE USED  
6   FOR THE REPLACEMENT OF PROPERTY, PLANT FACILITIES, AND  
7   EQUIPMENT; AMENDING ~~SECTION 7-34-2131, MCA,~~ AND PROVIDING AN  
8   EFFECTIVE DATE."

9  
10   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
11                   (Refer to Introduced Bill)

12           Strike everything after the enacting clause and insert:

13           Section 1. Hospital district capital replacement fund.  
14   A hospital district may establish a capital replacement  
15   fund. The fund may be used only for the replacement of  
16   property, plant facilities, or equipment. The cost of such  
17   capital equipment must exceed \$5,000 and have a life  
18   expectancy of 5 years or more.

19           Section 2. Effective date. This act is effective July  
20   1, 1987.

-End-

THIRD READING  
HB-88

1                           HOUSE BILL NO. 88  
 2                           INTRODUCED BY MANUEL  
 3  
 4   A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE HOSPITAL  
 5   DISTRICTS TO ESTABLISH CAPITAL REPLACEMENT FUNDS TO BE USED  
 6   FOR THE REPLACEMENT OF PROPERTY, PLANT FACILITIES, AND  
 7   EQUIPMENT; ~~AMENDING--SECTION--7-34-21317--MCA,~~ TO LIMIT THE  
 8   AMOUNT THAT MAY BE ACCUMULATED IN A CAPITAL REPLACEMENT  
 9   FUND; AND PROVIDING AN EFFECTIVE DATE."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12                           (Refer to Introduced Bill)  
 13                           Strike everything after the enacting clause and insert:  
 14                           Section 1. Hospital district capital replacement fund.  
 15   (1) A hospital district may establish a capital replacement  
 16   fund. The fund may be used only for the replacement of  
 17   property, plant facilities, or equipment. The cost of such  
 18   capital equipment must exceed \$5,000 and have a life  
 19   expectancy of 5 years or more.

20                           (2) A CAPITAL REPLACEMENT FUND ESTABLISHED UNDER  
 21   SUBSECTION (1) MAY NOT EXCEED 10% OF THE TOTAL VALUE OF THE  
 22   HOSPITAL'S PROPERTY, PLANT FACILITIES, AND EQUIPMENT AT THE  
 23   END OF A FISCAL YEAR.

24                           Section 2. Effective date. This act is effective July  
 25   1, 1987.

-End-

REFERENCE BILL  
HB-88



# STANDING COMMITTEE REPORT

SCRHB88

February 11, 1987

MR. PRESIDENT

Public Health, Welfare, and Safety

We, your committee on.....

House Bill 88

having had under consideration..... No.....

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reading copy ( )  
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AUTHORIZING RESERVE FUNDS FOR HOSPITAL DISTRICTS

Respectfully report as follows: That.....House Bill..... No. 88.....

BE AMENDED AS FOLLOWS;

1. Title, line 7.

Following: "MEA,"

Insert: "LIMITING THE AMOUNT THAT MAY BE ACCUMULATED IN A  
CAPITAL REPLACEMENT FUND;"

2. Page 1, following line 13.

Insert: "(1)"

3. Page 1, following line 18.

Insert: "(2) A capital replacement fund established under  
subsection (1) may not exceed 10% of the total value of  
the hospital's property, plant facilities, and equipment at the  
end of a fiscal year."

AND AS AMENDED,  
BE CONCURRED IN

*Donna Cole*  
Senator, Feb

Chairman