

SENATE BILL NO. 97

INTRODUCED BY THAYER, J. BROWN

BY REQUEST OF THE DEPARTMENT OF COMMERCE

IN THE SENATE

JANUARY 13, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.

JANUARY 21, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

JANUARY 22, 1987 PRINTING REPORT.

JANUARY 24, 1987 SECOND READING, DO PASS.

JANUARY 26, 1987 ENGROSSING REPORT.

JANUARY 27, 1987 THIRD READING, PASSED.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 4, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & LABOR.

MARCH 4, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 6, 1987 SECOND READING, CONCURRED IN.

MARCH 7, 1987 THIRD READING, CONCURRED IN.
AYES, 88; NOES, 0.

RETURNED TO SENATE.

IN THE SENATE

MARCH 9, 1987 RECEIVED FROM HOUSE.

SENT TO ENROLLING.

1 *Senate* BILL NO. 97
 2 INTRODUCED BY *J. Brown*
 3 BY REQUEST OF THE DEPARTMENT OF COMMERCE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE
 6 DEFINITION OF A FINANCIAL INSTITUTION; TO INCREASE THE
 7 LIMITATION ON THE TOTAL OUTSTANDING INDEBTEDNESS OF THE
 8 MONTANA ECONOMIC DEVELOPMENT BOARD; TO DELETE ANNUAL
 9 EXAMINATIONS BY BANK EXAMINERS OF LOANS AND INVESTMENTS TO
 10 LOCAL GOVERNMENT UNITS; TO CHANGE THE DUE DATE OF THE
 11 BOARD'S ANNUAL FINANCIAL REPORT; AMENDING SECTIONS
 12 17-5-1503, 17-5-1608, 17-5-1649, AND 17-5-1650, MCA; AND
 13 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

16 Section 1. Section 17-5-1503, MCA, is amended to read:
 17 "17-5-1503. Definitions. As used in this part, unless
 18 the context requires otherwise, the following definitions
 19 apply:

- 20 (1) "Board" means the Montana economic development
- 21 board created in 2-15-1805.
- 22 (2) "Bond" means any bond, note, debenture, interim
- 23 certificate, or other evidence of financial indebtedness
- 24 issued by the board pursuant to this part.
- 25 (3) "Department" means the department of commerce

1 provided for in 2-15-1801.

2 (4) "Financial institution" means any bank, savings
 3 and loan association, credit union, development credit
 4 corporation, insurance company, investment company, trust
 5 company, savings institution, or other financial institution
 6 approved by the board ~~and--maintaining--an-office-in-the~~
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8 (5) "Local government" means the city in which the
 9 project is located, if the project is located within an
 10 incorporated municipality, or the county if the project is
 11 located within the county but outside the boundaries of an
 12 incorporated municipality.

13 (6) "Major project" means a project whose cost or
 14 appraised value exceeds \$800,000.

15 (7) "Project" means a project as defined in 90-5-101.

16 (8) "Project costs" means the costs of acquiring or
 17 improving any project, including the following:

- 18 (a) the actual cost of acquiring or improving real
- 19 estate for any project;
- 20 (b) the actual cost of construction of all or any part
- 21 of a project, including architects' and engineers' fees;
- 22 (c) all expenses in connection with the authorization,
- 23 sale, and issuance of the bonds to finance such acquisition
- 24 or improvement;
- 25 (d) bond reserves and premiums for insurance or



1 guaranty of loan payments or lease rentals pledged to pay
2 the bonds; and

3 (e) the interest on such bonds for a reasonable time
4 prior to construction, during construction, and not
5 exceeding 6 months after completion of construction."

6 Section 2. Section 17-5-1608, MCA, is amended to read:

7 "17-5-1608. Limitations on amounts. The board may not
8 issue any bonds or notes that cause the total outstanding
9 indebtedness of the board under this part (except for bonds
10 or notes issued to fund or refund other outstanding bonds or
11 notes or to purchase registered warrants or tax or revenue
12 anticipation notes of a local government as defined in
13 7-6-1101) to exceed \$25 \$50 million."

14 Section 3. Section 17-5-1649, MCA, is amended to read:

15 "17-5-1649. Annual audits audit. ~~{1}--At--least--once~~
16 ~~each--year--the--bank--examiners--of--the--department--shall~~
17 ~~examine--loans--and--investments--of--the--board--The--actual--cost~~
18 ~~of--this--examination--must--be--paid--from--the--board's--funds--~~

19 {2} The board's books and records must be audited at
20 least once each fiscal year by or at the direction of the
21 legislative auditor. The actual costs of the audit shall be
22 paid from the board's funds."

23 Section 4. Section 17-5-1650, MCA, is amended to read:

24 "17-5-1650. Annual report. By ~~September-1~~ December 31
25 of each year, the board shall publish a financial report for

1 distribution to the governor, the legislature, and the
2 public. The report must include a statement of the board's
3 current financial position with respect to its activities
4 under this part, a summary of its activities pursuant to
5 this part during the previous year (including a listing of
6 the local governmental securities purchased by the board, a
7 listing of the bonds and notes sold by the board, and a
8 summary of the performance of any other investments of the
9 board's funds received under this part), an estimate of the
10 levels of such activities for the next year, and a
11 comparison of such activities during the previous year with
12 the estimates of those activities that were made in the
13 previous annual report."

14 NEW SECTION. Section 5. Extension of authority. Any
15 existing authority of the department of commerce and the
16 Montana economic development board to make rules on the
17 subject of the provisions of this act is extended to the
18 provisions of this act.

19 NEW SECTION. Section 6. Effective date. This act is
20 effective on passage and approval.

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

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2 INTRODUCED BY *Ed Byrd* *J. Brown*
3 BY REQUEST OF THE DEPARTMENT OF COMMERCE
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2 (4) "Financial institution" means any bank, savings
3 and loan association, credit union, development credit
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8 (5) "Local government" means the city in which the
9 project is located, if the project is located within an
10 incorporated municipality, or the county if the project is
11 located within the county but outside the boundaries of an
12 incorporated municipality.

13 (6) "Major project" means a project whose cost or
14 appraised value exceeds \$800,000.

15 (7) "Project" means a project as defined in 90-5-101.

16 (8) "Project costs" means the costs of acquiring or
17 improving any project, including the following:

- 18 (a) the actual cost of acquiring or improving real
19 estate for any project;
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21 of a project, including architects' and engineers' fees;
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23 sale, and issuance of the bonds to finance such acquisition
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11 notes or to purchase registered warrants or tax or revenue
12 anticipation notes of a local government as defined in
13 7-6-1101) to exceed \$25 ~~\$50~~ million."

14 Section 3. Section 17-5-1649, MCA, is amended to read:

15 "17-5-1649. Annual audits audit. ~~{1}--At--least--once~~
16 ~~each--year--the--bank--examiners--of--the--department--shall~~
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