

HOUSE BILL 682

Introduced by Bardanouve, et al.

3/15	Introduced
3/15	Referred to Appropriations
3/15	First Reading
3/15	Fiscal Note Requested
3/18	Hearing
3/18	Fiscal Note Received
3/18	Fiscal Note Printed
3/19	Committee Report--Bill Passed
3/26	Missed Transmittal Deadline

1 *House* BILL NO. *682*  
 2 INTRODUCED BY *Bardanave*  
 3 *Peck* BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE  
 4 *Aslan*

5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE MONTANA  
 6 BOARD OF SCIENCE AND TECHNOLOGY DEVELOPMENT; PROVIDING THAT  
 7 THE BOARD OF INVESTMENTS ADMINISTER EXISTING LOANS; AMENDING  
 8 SECTIONS 2-18-103, 5-11-210, 17-6-308, 17-7-502, AND  
 9 90-8-201, MCA; REPEALING SECTIONS 2-15-1818, 90-3-101,  
 10 90-3-102, 90-3-201, 90-3-202, 90-3-203, 90-3-204, 90-3-301,  
 11 90-3-303, 90-3-304, 90-3-305, 90-3-501, 90-3-502, 90-3-503,  
 12 90-3-504, 90-3-505, 90-3-506, 90-3-519, 90-3-520, 90-3-521,  
 13 90-3-522, 90-3-523, 90-3-524, 90-3-525, AND 90-3-901, MCA;  
 14 AND PROVIDING AN EFFECTIVE DATE."

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

17 **Section 1.** Section 2-18-103, MCA, is amended to read:

18 "2-18-103. Officers and ~~employees~~ excepted. Parts 1 and  
 19 2 do not apply to the following positions in state  
 20 government:

- 21 (1) elected officials;  
 22 (2) county assessors and their chief deputy;  
 23 (3) officers and employees of the legislative branch;  
 24 (4) judges and employees of the judicial branch;  
 25 (5) members of boards and commissions appointed by the

- 1 governor, the legislature, or other elected state officials;  
 2 (6) officers or members of the militia;  
 3 (7) agency heads appointed by the governor;  
 4 (8) academic and professional administrative personnel  
 5 with individual contracts under the authority of the board  
 6 of regents of higher education;  
 7 (9) academic and professional administrative personnel  
 8 and live-in houseparents who have entered into individual  
 9 contracts with the state school for the deaf and blind under  
 10 the authority of the state board of public education;  
 11 (10) teachers under the authority of the department of  
 12 corrections and human services or family services;  
 13 (11) investment officer, assistant investment officer,  
 14 executive director, and three professional staff positions  
 15 of the board of investments;  
 16 (12) four professional staff positions under the board  
 17 of oil and gas conservation;  
 18 (13) assistant director for security of the Montana  
 19 state lottery;  
 20 ~~(14)-executive-director-and-senior-investment-officer-of~~  
 21 ~~the-Montana-board-of-science-and-technology-development;~~  
 22 ~~(15)~~ (14) executive director and employees of the state  
 23 compensation mutual insurance fund;  
 24 ~~(16)~~ (15) state racing stewards employed by the executive  
 25 secretary of the Montana board of horseracing; and

1       ~~(17)~~(16) executive director of the Montana wheat and  
2       barley committee."

3       **Section 2.** Section 5-11-210, MCA, is amended to read:

4       "5-11-210. Clearinghouse for reports to legislature.

5       (1) For the purposes of this section, "report" means:

6       (a) a document required to be prepared for the  
7       legislature as required in any of the sections listed in  
8       subsection (10); and

9       (b) unless otherwise provided by law, any other report  
10      required by law to be given to or filed with the  
11      legislature.

12      (2) On or before September 1 of each year preceding the  
13      convening of a regular session of the legislature, an entity  
14      required to report to the legislature shall provide, in  
15      writing, to the executive director of the legislative  
16      council:

17      (a) the final title of the report;

18      (b) an abstract or description of the contents of the  
19      report, not to exceed one page;

20      (c) a recommendation on how many copies of the report  
21      should be provided to the legislature;

22      (d) the reasons why the number of copies recommended  
23      is, in the opinion of the reporting entity, the appropriate  
24      number of copies;

25      (e) an estimated cost for each copy of the report; and

1       (f) the date on which the entity will deliver the  
2       final, published copies of the report to the legislature.

3       (3) After considering all of the information available  
4       about the report, including the number of legislators  
5       requesting copies of the report pursuant to subsection (7),  
6       the legislative council or the executive director shall, in  
7       writing, direct the reporting entity to provide a specific  
8       number of copies. The number of copies required is at the  
9       sole discretion of the legislative council. The legislative  
10      council or the executive director may require the reporting  
11      entity to mail the copies of the report.

12      (4) The legislative council may require that the report  
13      be submitted in an electronic format useable on the  
14      legislature's current computer hardware, in a microform,  
15      such as microfilm or microfiche, or in a CD-ROM format,  
16      meaning compact disc read-only memory.

17      (5) Costs of preparing and distributing a report to the  
18      legislature, including writing, printing, postage,  
19      distribution, and all other costs, accrue to the reporting  
20      agency. Costs incurred in meeting the requirements of this  
21      section may not accrue to the legislative council.

22      (6) The executive director of the legislative council  
23      shall cause to be prepared a list of all reports required to  
24      be presented to the legislature from the list of titles  
25      received under subsection (2).

(7) The executive director shall, as soon as possible following a general election, mail to each holdover senator, senator-elect, and representative-elect a list of the titles of the reports, along with the abstracts prepared pursuant to subsection (2)(b), available from the legislative council. The list must include a form on which each member or member-elect receiving the list may indicate the report or reports that the member or member-elect would like to receive.

(8) The executive director or the legislative council shall make copies of reports requested pursuant to subsection (7) available to those members or members-elect by either requiring that copies be mailed pursuant to subsection (3) or by delivering copies of the reports during the first week of the legislative session.

(9) The executive director of the legislative council may keep as many copies of a report as he considers necessary, and copies of the report may be discarded at his discretion.

(10) (a) A report to the legislature includes a report required to be made by a board, bureau, commission, committee, council, department, division, fund, authority, or officer of the state or a local government in 1-11-204, 2-4-411, 2-7-104, 2-8-112, 2-8-203, 2-8-207, 2-8-208, 2-15-2021, 2-18-209, 2-18-811, 2-18-1103, 3-1-702, 3-1-1126,

5-5-216, 5-13-304, 5-17-103, 5-18-203, 5-19-108, 10-4-102, 15-1-205, 17-4-107, 17-5-1650, 18-7-303, 19-4-201, 20-9-346, 20-25-236, 20-25-301, 22-3-107, 23-7-203, 33-22-1513, 37-1-106, 39-6-101, 39-51-407, 44-2-304, 44-13-103, 46-23-316, 53-2-1107, 53-6-110, 53-20-104, 53-21-104, 53-24-204, 53-24-210, 53-30-133, 69-1-404, 72-16-202, 75-1-203, 75-1-1101, 75-7-304, 75-10-533, 75-10-704, 76-11-203, 76-12-109, 80-7-713, 80-12-402, 82-11-161, 85-1-621, 85-2-105, 87-2-724, 87-5-123, 90-3-283, or 90-4-111.

(b) The procedure outlined in this section may also be used for a report required to be made to the legislature under the Multistate Tax Compact contained in 15-1-601, the Vehicle Equipment Safety Compact contained in 61-2-201, the Multistate Highway Transportation Agreement contained in 61-10-1101, or the Western Interstate Nuclear Compact contained in 90-5-201."

**Section 3.** Section 17-6-308, MCA, is amended to read:

"17-6-308. **Authorized investments.** (1) Except as provided in subsections (2) and (3) and subject to the provisions of 17-6-201, the Montana permanent coal tax trust fund must be invested as authorized by rules adopted by the board.

(2) The board may make loans from the permanent coal tax trust fund to the capital reserve account created

1 pursuant to 17-5-1515 to establish balances or restore  
 2 deficiencies in the account. The board may agree in  
 3 connection with the issuance of bonds or notes secured by  
 4 the account or fund to make the loans. Loans must be on  
 5 terms and conditions as the board determines and must be  
 6 repaid from revenues of the board realized from the exercise  
 7 of its powers under 17-5-1501 through 17-5-1518 and  
 8 17-5-1521 through 17-5-1529, subject to the prior pledge of  
 9 the revenues to the bonds and notes.

10 (3) The board shall ~~allow the Montana board of science~~  
 11 ~~and technology development provided for in 2-15-1010 to~~  
 12 ~~administer \$7.5 million of the permanent coal tax trust fund~~  
 13 ~~for seed capital project loans and \$5.1 million of the~~  
 14 ~~permanent coal tax trust fund for~~ research and development  
 15 project loans made pursuant only to the provisions of former  
 16 Title 90, chapter 3. ~~This authority does not extend beyond~~  
 17 ~~June 30, 1994, for seed capital project loans and for~~  
 18 ~~research and development project loans. Until the Montana~~  
 19 ~~board of science and technology development makes a loan~~  
 20 ~~pursuant to the provisions of Title 90, chapter 3, the funds~~  
 21 ~~under its administration must be invested by the board of~~  
 22 ~~investments pursuant to the provisions of 17-6-201.~~

23 (4) The board shall adopt rules to allow a nonprofit  
 24 corporation to apply for economic assistance. The rules must  
 25 recognize that different criteria may be needed for

1 nonprofit corporations than for for-profit corporations."

2 **Section 4.** Section 17-7-502, MCA, is amended to read:

3 "17-7-502. Statutory appropriations -- definition --  
 4 **requisites for validity.** (1) A statutory appropriation is an  
 5 appropriation made by permanent law that authorizes spending  
 6 by a state agency without the need for a biennial  
 7 legislative appropriation or budget amendment.

8 (2) Except as provided in subsection (4), to be  
 9 effective, a statutory appropriation must comply with both  
 10 of the following provisions:

11 (a) The law containing the statutory authority must be  
 12 listed in subsection (3).

13 (b) The law or portion of the law making a statutory  
 14 appropriation must specifically state that a statutory  
 15 appropriation is made as provided in this section.

16 (3) The following laws are the only laws containing  
 17 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
 18 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;  
 19 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117;  
 20 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;  
 21 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409;  
 22 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007;  
 23 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;  
 24 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109;  
 25 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811;

1 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;  
 2 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501;  
 3 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206;  
 4 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108;  
 5 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310;  
 6 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215;  
 7 90-6-331; 90-7-220; and 90-9-306.

8 (4) There is a statutory appropriation to pay the  
 9 principal, interest, premiums, and costs of issuing, paying,  
 10 and securing all bonds, notes, or other obligations, as due,  
 11 that have been authorized and issued pursuant to the laws of  
 12 Montana. Agencies that have entered into agreements  
 13 authorized by the laws of Montana to pay the state  
 14 treasurer, for deposit in accordance with 17-2-101 through  
 15 17-2-107, as determined by the state treasurer, an amount  
 16 sufficient to pay the principal and interest as due on the  
 17 bonds or notes have statutory appropriation authority for  
 18 the payments. (In subsection (3): pursuant to sec. 7, Ch.  
 19 567, L. 1991, the inclusion of 19-6-709 terminates upon  
 20 death of last recipient eligible for supplemental benefit;  
 21 and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of  
 22 22-3-811 terminates June 30, 1993.)"

23 **Section 5.** Section 90-8-201, MCA, is amended to read:

24 "90-8-201. Certification of Montana capital companies  
 25 -- certification of a Montana small business investment

1 capital company. (1) The department shall certify one  
 2 Montana small business investment capital company, and from  
 3 time to time the department shall certify Montana capital  
 4 companies. A company seeking to be certified as a Montana  
 5 capital company or as the Montana small business investment  
 6 capital company shall make written application to the  
 7 department on forms provided by the department. The  
 8 application must contain the information required by  
 9 90-8-204 and other information that the department requires.  
 10 The application and certificate must specify the level of  
 11 capitalization that the company expects to qualify for the  
 12 tax credits provided for in 90-8-202.

13 (2) The application must show that the applicant's  
 14 purpose is to increase the general economic welfare of the  
 15 state of Montana by:

16 (a) making investment capital available to businesses  
 17 in Montana; and

18 (b) allowing for investment of up to 25% of its capital  
 19 base in businesses outside Montana if there is a substantial  
 20 likelihood that such investment will produce a qualified  
 21 investment in Montana.

22 (3) Certifiable applicants include but are not limited  
 23 to local and community development corporations, small  
 24 business administration 503 corporations, and small business  
 25 investment companies.

(4) Certification is a prerequisite to and must be completed before seeking designation as a qualified capital company or as the qualified Montana small business investment capital company.

(5) To be eligible for certification under this section as the Montana small business investment capital company, the applicant shall commit to:

(a) utilize the tax credits to accumulate private capital with the intention of being designated a small business investment corporation by the United States small business administration as provided in Title III of the Small Business Act of 1958, as amended, and as implemented under 13 CFR 107;

(b) target its investments as a small business investment capital company toward commercialization projects emerging from centers of excellence and entrepreneurship, federal laboratories, the federal small business innovative research program, the federal cooperative research and development agreement program, Montana university system research and development, the Montana board of science and technology development (second stage), small business incubators, community development block grant programs, and projects emerging from economic development programs of Montana certified communities with the objective of providing significant investment opportunities in an area

where economic development capital is limited;

(c) consider investment opportunities originating in any Montana county; and

(d) adopt investment guidelines that ensure that not less than 10% of its available capital is invested in counties with populations of 20,000 or less."

**NEW SECTION. Section 6. Repealer.** Sections 2-15-1818, 90-3-101, 90-3-102, 90-3-201, 90-3-202, 90-3-203, 90-3-204, 90-3-301, 90-3-303, 90-3-304, 90-3-305, 90-3-501, 90-3-502, 90-3-503, 90-3-504, 90-3-505, 90-3-506, 90-3-519, 90-3-520, 90-3-521, 90-3-522, 90-3-523, 90-3-524, 90-3-525, and 90-3-901, MCA, are repealed.

**NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1993.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0682, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act eliminating the Montana Board of Science and Technology Development; providing that the Board of Investments administer existing loans.

ASSUMPTIONS:

1. The Montana Board of Science and Technology and associated staff will be eliminated July 1, 1993.
2. The Board of Investments will administer existing Montana Science and Technology Alliance (MSTA) loans with current level staffing and funding.
3. Current law as shown in this fiscal note is HB2 as approved through subcommittee action. (Funding is removed in the second reading copy of HB2).

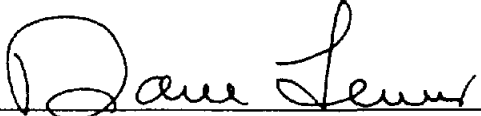
FISCAL IMPACT:


	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
FTE	7.00	0	(7.00)	7.00	0	(7.00)
Personal Services	303,431	0	(303,431)	304,417	0	(304,417)
Operating Expenses	<u>153,947</u>	<u>0</u>	<u>(153,947)</u>	<u>151,543</u>	<u>0</u>	<u>(151,543)</u>
Total	457,378	0	(457,378)	455,960	0	(455,960)
<u>Funding:</u>						
General Fund	457,378	0	(457,378)	455,960	0	(455,960)

Net Impact: \$913,338 general fund savings for the biennium.

TECHNICAL NOTE:

The proposal conflicts with HB 394, which revises and expands the MSTTA program. Some coordination language should be added to the bill to eliminate the potential conflict in the event that both bills pass and are approved.

 3-18-93  
 DAVID LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

 3/18/93  
 FRANCIS BARDANOUE, PRIMARY SPONSOR      DATE

Fiscal Note for HB0682, as introduced



APPROVED BY COMMITTEE  
ON APPROPRIATIONS

1 *House* BILL NO. *682*  
2 INTRODUCED BY *Barbara*  
3 *Peck* BY REQUEST OF THE HOUSE APPROPRIATIONS COMMITTEE  
4 *Peck*  
5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE MONTANA  
6 BOARD OF SCIENCE AND TECHNOLOGY DEVELOPMENT; PROVIDING THAT  
7 THE BOARD OF INVESTMENTS ADMINISTER EXISTING LOANS; AMENDING  
8 SECTIONS 2-18-103, 5-11-210, 17-6-308, 17-7-502, AND  
9 90-8-201, MCA; REPEALING SECTIONS 2-15-1818, 90-3-101,  
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13 90-3-522, 90-3-523, 90-3-524, 90-3-525, AND 90-3-901, MCA;  
14 AND PROVIDING AN EFFECTIVE DATE."  
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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
17 **Section 1.** Section 2-18-103, MCA, is amended to read:  
18 "2-18-103. Officers and employees excepted. Parts 1 and  
19 2 do not apply to the following positions in state  
20 government:  
21 (1) elected officials;  
22 (2) county assessors and their chief deputy;  
23 (3) officers and employees of the legislative branch;  
24 (4) judges and employees of the judicial branch;  
25 (5) members of boards and commissions appointed by the

1 governor, the legislature, or other elected state officials;  
2 (6) officers or members of the militia;  
3 (7) agency heads appointed by the governor;  
4 (8) academic and professional administrative personnel  
5 with individual contracts under the authority of the board  
6 of regents of higher education;  
7 (9) academic and professional administrative personnel  
8 and live-in houseparents who have entered into individual  
9 contracts with the state school for the deaf and blind under  
10 the authority of the state board of public education;  
11 (10) teachers under the authority of the department of  
12 corrections and human services or family services;  
13 (11) investment officer, assistant investment officer,  
14 executive director, and three professional staff positions  
15 of the board of investments;  
16 (12) four professional staff positions under the board  
17 of oil and gas conservation;  
18 (13) assistant director for security of the Montana  
19 state lottery;  
20 ~~(14) executive director and senior investment officer of~~  
21 ~~the Montana board of science and technology development;~~  
22 ~~(15)~~ (14) executive director and employees of the state  
23 compensation mutual insurance fund;  
24 ~~(16)~~ (15) state racing stewards employed by the executive  
25 secretary of the Montana board of horseracing; and

1        ~~{17}~~(16) executive director of the Montana wheat and  
2        barley committee."

3        **Section 2.** Section 5-11-210, MCA, is amended to read:

4        "5-11-210. Clearinghouse for reports to legislature.

5        (1) For the purposes of this section, "report" means:

6        (a) a document required to be prepared for the  
7        legislature as required in any of the sections listed in  
8        subsection (10); and

9        (b) unless otherwise provided by law, any other report  
10       required by law to be given to or filed with the  
11       legislature.

12       (2) On or before September 1 of each year preceding the  
13       convening of a regular session of the legislature, an entity  
14       required to report to the legislature shall provide, in  
15       writing, to the executive director of the legislative  
16       council:

17       (a) the final title of the report;

18       (b) an abstract or description of the contents of the  
19       report, not to exceed one page;

20       (c) a recommendation on how many copies of the report  
21       should be provided to the legislature;

22       (d) the reasons why the number of copies recommended  
23       is, in the opinion of the reporting entity, the appropriate  
24       number of copies;

25       (e) an estimated cost for each copy of the report; and

1       (f) the date on which the entity will deliver the  
2       final, published copies of the report to the legislature.

3       (3) After considering all of the information available  
4       about the report, including the number of legislators  
5       requesting copies of the report pursuant to subsection (7),  
6       the legislative council or the executive director shall, in  
7       writing, direct the reporting entity to provide a specific  
8       number of copies. The number of copies required is at the  
9       sole discretion of the legislative council. The legislative  
10       council or the executive director may require the reporting  
11       entity to mail the copies of the report.

12       (4) The legislative council may require that the report  
13       be submitted in an electronic format useable on the  
14       legislature's current computer hardware, in a microform,  
15       such as microfilm or microfiche, or in a CD-ROM format,  
16       meaning compact disc read-only memory.

17       (5) Costs of preparing and distributing a report to the  
18       legislature, including writing, printing, postage,  
19       distribution, and all other costs, accrue to the reporting  
20       agency. Costs incurred in meeting the requirements of this  
21       section may not accrue to the legislative council.

22       (6) The executive director of the legislative council  
23       shall cause to be prepared a list of all reports required to  
24       be presented to the legislature from the list of titles  
25       received under subsection (2).

1 (7) The executive director shall, as soon as possible  
 2 following a general election, mail to each holdover senator,  
 3 senator-elect, and representative-elect a list of the titles  
 4 of the reports, along with the abstracts prepared pursuant  
 5 to subsection (2)(b), available from the legislative  
 6 council. The list must include a form on which each member  
 7 or member-elect receiving the list may indicate the report  
 8 or reports that the member or member-elect would like to  
 9 receive.

10 (8) The executive director or the legislative council  
 11 shall make copies of reports requested pursuant to  
 12 subsection (7) available to those members or members-elect  
 13 by either requiring that copies be mailed pursuant to  
 14 subsection (3) or by delivering copies of the reports during  
 15 the first week of the legislative session.

16 (9) The executive director of the legislative council  
 17 may keep as many copies of a report as he considers  
 18 necessary, and copies of the report may be discarded at his  
 19 discretion.

20 (10) (a) A report to the legislature includes a report  
 21 required to be made by a board, bureau, commission,  
 22 committee, council, department, division, fund, authority,  
 23 or officer of the state or a local government in 1-11-204,  
 24 2-4-411, 2-7-104, 2-8-112, 2-8-203, 2-8-207, 2-8-208,  
 25 2-15-2021, 2-18-209, 2-18-811, 2-18-1103, 3-1-702, 3-1-1126,

1 5-5-216, 5-13-304, 5-17-103, 5-18-203, 5-19-108, 10-4-102,  
 2 15-1-205, 17-4-107, 17-5-1650, 18-7-303, 19-4-201, 20-9-346,  
 3 20-25-236, 20-25-301, 22-3-107, 23-7-203, 33-22-1513,  
 4 37-1-106, 39-6-101, 39-51-407, 44-2-304, 44-13-103,  
 5 46-23-316, 53-2-1107, 53-6-110, 53-20-104, 53-21-104,  
 6 53-24-204, 53-24-210, 53-30-133, 69-1-404, 72-16-202,  
 7 75-1-203, 75-1-1101, 75-7-304, 75-10-533, 75-10-704,  
 8 76-11-203, 76-12-109, 80-7-713, 80-12-402, 82-11-161,  
 9 85-1-621, 85-2-105, 87-2-724, 87-5-123, 90-3-203, or  
 10 90-4-111.

11 (b) The procedure outlined in this section may also be  
 12 used for a report required to be made to the legislature  
 13 under the Multistate Tax Compact contained in 15-1-601, the  
 14 Vehicle Equipment Safety Compact contained in 61-2-201, the  
 15 Multistate Highway Transportation Agreement contained in  
 16 61-10-1101, or the Western Interstate Nuclear Compact  
 17 contained in 90-5-201."

18 **Section 3.** Section 17-6-308, MCA, is amended to read:

19 "17-6-308. **Authorized investments.** (1) Except as  
 20 provided in subsections (2) and (3) and subject to the  
 21 provisions of 17-6-201, the Montana permanent coal tax trust  
 22 fund must be invested as authorized by rules adopted by the  
 23 board.

24 (2) The board may make loans from the permanent coal  
 25 tax trust fund to the capital reserve account created

1 pursuant to 17-5-1515 to establish balances or restore  
 2 deficiencies in the account. The board may agree in  
 3 connection with the issuance of bonds or notes secured by  
 4 the account or fund to make the loans. Loans must be on  
 5 terms and conditions as the board determines and must be  
 6 repaid from revenues of the board realized from the exercise  
 7 of its powers under 17-5-1501 through 17-5-1518 and  
 8 17-5-1521 through 17-5-1529, subject to the prior pledge of  
 9 the revenues to the bonds and notes.

10 (3) The board shall ~~allow the Montana board of science~~  
 11 ~~and technology development provided for in 2-15-1818 to~~  
 12 ~~administer \$7.5 million of the permanent coal tax trust fund~~  
 13 ~~for seed capital project loans and \$5.1 million of the~~  
 14 ~~permanent coal tax trust fund for research and development~~  
 15 ~~project loans made pursuant only to the provisions of former~~  
 16 ~~Title 90, chapter 3. This authority does not extend beyond~~  
 17 ~~June 30, 1994, for seed capital project loans and for~~  
 18 ~~research and development project loans. Until the Montana~~  
 19 ~~board of science and technology development makes a loan~~  
 20 ~~pursuant to the provisions of Title 90, chapter 3, the funds~~  
 21 ~~under its administration must be invested by the board of~~  
 22 ~~investments pursuant to the provisions of 17-6-201.~~

23 (4) The board shall adopt rules to allow a nonprofit  
 24 corporation to apply for economic assistance. The rules must  
 25 recognize that different criteria may be needed for

1 nonprofit corporations than for for-profit corporations."

2 **Section 4.** Section 17-7-502, MCA, is amended to read:

3 "17-7-502. Statutory appropriations -- definition --  
 4 requisites for validity. (1) A statutory appropriation is an  
 5 appropriation made by permanent law that authorizes spending  
 6 by a state agency without the need for a biennial  
 7 legislative appropriation or budget amendment.

8 (2) Except as provided in subsection (4), to be  
 9 effective, a statutory appropriation must comply with both  
 10 of the following provisions:

11 (a) The law containing the statutory authority must be  
 12 listed in subsection (3).

13 (b) The law or portion of the law making a statutory  
 14 appropriation must specifically state that a statutory  
 15 appropriation is made as provided in this section.

16 (3) The following laws are the only laws containing  
 17 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;  
 18 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;  
 19 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117;  
 20 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411;  
 21 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409;  
 22 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007;  
 23 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513;  
 24 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109;  
 25 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811;

1 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;  
 2 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501;  
 3 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206;  
 4 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108;  
 5 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310;  
 6 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215;  
 7 90-6-331; 90-7-220; and 90-9-306.

8 (4) There is a statutory appropriation to pay the  
 9 principal, interest, premiums, and costs of issuing, paying,  
 10 and securing all bonds, notes, or other obligations, as due,  
 11 that have been authorized and issued pursuant to the laws of  
 12 Montana. Agencies that have entered into agreements  
 13 authorized by the laws of Montana to pay the state  
 14 treasurer, for deposit in accordance with 17-2-101 through  
 15 17-2-107, as determined by the state treasurer, an amount  
 16 sufficient to pay the principal and interest as due on the  
 17 bonds or notes have statutory appropriation authority for  
 18 the payments. (In subsection (3): pursuant to sec. 7, Ch.  
 19 567, L. 1991, the inclusion of 19-6-709 terminates upon  
 20 death of last recipient eligible for supplemental benefit;  
 21 and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of  
 22 22-3-811 terminates June 30, 1993.)"

23 **Section 5.** Section 90-8-201, MCA, is amended to read:

24 "90-8-201. Certification of Montana capital companies  
 25 -- certification of a Montana small business investment

1 capital company. (1) The department shall certify one  
 2 Montana small business investment capital company, and from  
 3 time to time the department shall certify Montana capital  
 4 companies. A company seeking to be certified as a Montana  
 5 capital company or as the Montana small business investment  
 6 capital company shall make written application to the  
 7 department on forms provided by the department. The  
 8 application must contain the information required by  
 9 90-8-204 and other information that the department requires.  
 10 The application and certificate must specify the level of  
 11 capitalization that the company expects to qualify for the  
 12 tax credits provided for in 90-8-202.

13 (2) The application must show that the applicant's  
 14 purpose is to increase the general economic welfare of the  
 15 state of Montana by:

16 (a) making investment capital available to businesses  
 17 in Montana; and

18 (b) allowing for investment of up to 25% of its capital  
 19 base in businesses outside Montana if there is a substantial  
 20 likelihood that such investment will produce a qualified  
 21 investment in Montana.

22 (3) Certifiable applicants include but are not limited  
 23 to local and community development corporations, small  
 24 business administration 503 corporations, and small business  
 25 investment companies.

(4) Certification is a prerequisite to and must be completed before seeking designation as a qualified capital company or as the qualified Montana small business investment capital company.

(5) To be eligible for certification under this section as the Montana small business investment capital company, the applicant shall commit to:

(a) utilize the tax credits to accumulate private capital with the intention of being designated a small business investment corporation by the United States small business administration as provided in Title III of the Small Business Act of 1958, as amended, and as implemented under 13 CFR 107;

(b) target its investments as a small business investment capital company toward commercialization projects emerging from centers of excellence and entrepreneurship, federal laboratories, the federal small business innovative research program, the federal cooperative research and development agreement program, Montana university system research and development, ~~the Montana board of science and technology development (second stage)~~, small business incubators, community development block grant programs, and projects emerging from economic development programs of Montana certified communities with the objective of providing significant investment opportunities in an area

where economic development capital is limited;

(c) consider investment opportunities originating in any Montana county; and

(d) adopt investment guidelines that ensure that not less than 10% of its available capital is invested in counties with populations of 20,000 or less."

**NEW SECTION. Section 6. Repealer.** Sections 2-15-1818, 90-3-101, 90-3-102, 90-3-201, 90-3-202, 90-3-203, 90-3-204, 90-3-301, 90-3-303, 90-3-304, 90-3-305, 90-3-501, 90-3-502, 90-3-503, 90-3-504, 90-3-505, 90-3-506, 90-3-519, 90-3-520, 90-3-521, 90-3-522, 90-3-523, 90-3-524, 90-3-525, and 90-3-901, MCA, are repealed.

**NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 1993.

-End-