# SENATE BILL NO. 316

# INTRODUCED BY TOWE, HARPER

IN THE SENATE

FEBRUARY 4, 1993

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

FIRST READING.

MARCH 3, 1993 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 4, 1993 PRINTING REPORT.

ON MOTION, CONSIDERATION PASSED FOR THE DAY.

MARCH 5, 1993 SECOND READING, DO PASS AS AMENDED.

MARCH 6, 1993 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 38; NOES, 9.

TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 8, 1993 INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.

FIRST READING.

MARCH 26, 1993 COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.

MARCH 30, 1993 SECOND READING, CONCURRED 1N AS AMENDED.

APRIL 1, 1993THIRD READING, CONCURRED 1N.AYES, 77; NOES, 21.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 5, 1993 SECOND READING, AMENDMENTS CONCURRED IN.

# APRIL 6, 1993

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THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

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REPORTED CORRECTLY ENROLLED.

LC 0332/01

Senata BILL NO. 36 1 2 INTRODUCED BY 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE TREASURE 5 STATE ENDOWMENT PROGRAM TO ALLOW COUNTY WATER, SEWER, AND SOLID WASTE DISTRICTS TO APPLY FOR ASSISTANCE: PERMITTING 6 INTEREST RATE SUBSIDIES TO BE PAID OVER THE LIFE OF LOANS OR 7 BONDS; AMENDING THE ORDER OF PRIORITY FOR INFRASTRUCTURE 8 PROJECTS: AND AMENDING SECTIONS 90-6-701, 90-6-703, AND 9 10 90-6-710. MCA." 11 STATEMENT OF INTENT 12 13 This bill requires a statement of intent because it 14 grants the department of natural resources and conservation

15 and the department of commerce additional rulemaking 16 authority. It allows the departments to adopt rules allowing interest rate subsidies for local infrastructure projects to 17 be paid over the life of the loan or bonding period. The 18 19 bill also allows the departments to make loans for 20 preliminary engineering study costs. These loans must be repaid at the time overall construction financing is 21 22 arranged.

23

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

25 Section 1. Section 90-6-701, MCA, is amended to read:

LC 0332/01

"90-6-701. Treasure state endowment program created - definitions. (1) There is a treasure state endowment program
 that consists of:
 (a) the incompare state endowment fund entrelieted in

4 (a) the treasure state endowment fund established in
5 17-5-703; and

6 (b) the infrastructure portion of the coal severance7 tax bond program provided for in 17-5-701(2).

8 (2) Interest from the treasure state endowment fund and 9 from proceeds of the sale of bonds under 17-5-701(2) may be 10 used to provide financial assistance for local government 11 infrastructure projects under this part.

12 (3) As used in this part, the following definitions13 apply:

14 (a) "Infrastructure projects" means:

15 (i) drinking water systems;

16 (ii) wastewater treatment;

17 (iii) sanitary sewer or storm sewer systems;

18 (iv) solid waste disposal and separation systems,

19 including site acquisition, preparation, or monitoring; or

20 (v) bridges.

(b) "Local government" means an incorporated city or
town, a county, or a consolidated local government, or a
county water, sewer, or solid waste district.

24 (c) "Treasure state endowment fund" means the coal
25 severance tax infrastructure endowment fund established in

-2- SS 316 INTRODUCED BILL 1 17-5-703(1)(b).

2 (d) "Treasure state endowment program" means the local
3 government infrastructure investment program established in
4 subsection (1)."

5 Section 2. Section 90-6-703, MCA, is amended to read:

<sup>6</sup> "90-6-703. Types of financial assistance available. (1)
7 The legislature shall provide for and make available to
8 local governments the following types of financial
9 assistance under this part:

12 t2;(b) annual debt service subsidies on local 13 infrastructure projects; and

14 (3)(c) loans from the proceeds of coal severance tax
15 bonds at a subsidized interest rate.

16 (2) The department of natural resources and
 17 conservation and the department of commerce:

18 (a) may adopt rules to commit to interest rate
19 subsidies for local infrastructure projects and may allow
20 the subsidies to be paid over the life of the loan or

21 bonding period; and

(b) may make deferred loans to local governments for
 preliminary engineering study costs. The loans must be
 reimbursed when overall construction financing is arranged."

25 Section 3. Section 90-6-710, MCA, is amended to read:

1 "90-6-710. Priorities for projects -- procedure --2 rulemaking. (1) The department of commerce must receive 3 proposals for projects from local governments as defined in 90-6-701(3)(b). The department shall work with a local 4 government in preparing cost estimates for a project. In 5 reviewing project proposals, the department may consult with 6 7 other state agencies with expertise pertinent to the 8 proposal. The department shall prepare and submit a list containing the recommended projects and the recommended form 9 of financial assistance for each project to the governor, 10 prioritized pursuant to subsection (2). The governor shall 11 12 review the projects recommended by the department of-natural resources-and-conservation-under-Title-857-chapter--17--part 13 14 67 and shall submit a list of recommended projects and the recommended financial assistance to the legislature. 15 16 (2) In preparing recommendations under subsection (1), 17 preference must be given to projects based on the following 18 order of priority: 19 (a) projects that solve urgent and serious public 20 health or safety problems: 21 (b) projects that enable local governments to meet state or federal health or safety standards; 22 23 (c) projects that incorporate appropriate. cost-effective technical design and that provide thorough, 24 long-term solutions to community public facility needs; 25

-4-

1	(d) projects that reflect greater need for financial
2	assistance than other projects;
3	<pre>{c}(e) projects that enable local governments to obtain</pre>
4	funds from sources other than the funds provided under this
5	part;
6	<pre>(d)(f) projects that provide long-term, full-time job</pre>
7	opportunities for Montanans;
8	<pre>(g) projects that provide public facilities</pre>
9	necessary for the expansion of a business that has a high
10	potential for financial success;
11	<b>(f)</b> projects that result in a benefit to the public
12	commensurate with the amount of financial assistance;
13	<pre>tg)projectathatreflectgreater-need-for-financial</pre>
14	assistance-than-other-projects;
15	<pre>(h)(i) projects that maintain the tax base or that do</pre>
16	not discourage expansion of the tax base; and
17	<pre>(i) projects that are high local priorities and have</pre>
18	strong community support.
19	(3) After the review required by subsection (1), the
20	projects must be approved by the legislature.
21	(4) The department ofnaturalresourcesand
22	conservationshalladoptrulestoimplementthe
23	prioritization-and-recommendation-of-projects-to-be-financed
24	pursuant-to-17-5-781.

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...

25 (5)--Bxcept--as--provided---in---subsection---(4)y---the

LC 0332/01

- 1 department--of--commerce shall adopt rules necessary to
- 2 implement the treasure state endowment program."

-End-

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#### 53rd Legislature

SB 0316/02

#### APPROVED BY COMMITTEE ON TAXATION

1	SENATE BILL NO. 316
2	INTRODUCED BY TOWE, HARPER
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE TREASURE
5	STATE ENDOWMENT PROGRAM TO ALLOW COUNTY WATER, SEWER, AND
6	SOLID WASTE DISTRICTS TO APPLY FOR ASSISTANCE; ALLOWING THE
7	TREASURE STATE ENDOWMENT PROGRAM TO BORROW FROM THE BOARD OF
8	INVESTMENTS; PERMITTING INTEREST RATE SUBSIDIES TO BE PAID
9	OVER THE LIFE OF LOANS OR BONDS; AMENDING THE ORDER OF
10	PRIORITY FOR INFRASTRUCTURE PROJECTS; AND AMENDING SECTIONS
11	90-6-701, 90-6-703, AND 90-6-710, MCA."
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#### STATEMENT OF INTENT

This bill requires a statement of intent because it 14 grants the department of natural resources and conservation 15 and the department of commerce additional rulemaking 16 authority. It allows the departments to adopt rules allowing 17 interest rate subsidies for local infrastructure projects to 18 be paid over the life of the loan or bonding period. THE 19 RULES ADOPTED BY THE DEPARTMENTS MUST BE CONSISTENT WITH THE 20 PRIORITIES FOR PROJECTS CONTAINED IN 90-6-710. The bill also 21 allows the departments to make loans for preliminary 22 engineering study costs. These loans must be repaid at the 23 time overall construction financing is arranged. 24

1	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
2	Section 1. Section 90-6-701, MCA, is amended to read:
3	"90-6-701. Treasure state endowment program created
4	definitions. (1) (A) There is a treasure state endowment
5	program that consists of:
6	<pre>ta;(I) the treasure state endowment fund established in</pre>
7	17-5-703; and
8	(b)(II) the infrastructure portion of the coal severance
9	tax bond program provided for in 17-5-701(2).
10	(B) THE TREASURE STATE ENDOWMENT PROGRAM MAY BORROW
11	FROM THE BOARD OF INVESTMENTS TO PROVIDE ADDITIONAL
12	FINANCIAL ASSISTANCE FOR LOCAL GOVERNMENT INFRASTRUCTURE
13	PROJECTS UNDER THIS PART.
14	(2) Interest from the treasure state endowment fund and
15	from proceeds of the sale of bonds under 17-5-701(2) may be
16	used to provide financial assistance for local government
17	infrastructure projects under this part AND TO REPAY LOANS
18	FROM THE BOARD OF INVESTMENTS.
19	(3) As used in this part, the following definitions
20	apply:
21	(a) "Infrastructure projects" means:
22	<ul><li>(i) drinking water systems;</li></ul>
23	(ii) wastewater treatment;
24	(iii) sanitary sever or storm sever systems:

- (iii) sanitary sewer or storm sewer systems; 24
- (iv) solid waste disposal and separation systems, 25

Montana Legislative Council

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SB 316 SECOND READING

including site acquisition, preparation, or monitoring; or 1 2 (v) bridges. 3 (b) "Local government" means an incorporated city or town, a county, or a consolidated local government, or a 4 county OR MULTICOUNTY water, sewer, or solid waste district. 5 6 (c) "Treasure state endowment fund" means the coal severance tax infrastructure endowment fund established in 7 в 17-5-703(1)(b). 9 (d) "Treasure state endowment program" means the local 10 government infrastructure investment program established in 11 subsection (1)." 12 Section 2. Section 90-6-703, MCA, is amended to read: \*90-6-703. Types of financial assistance available. (1) 13 The legislature shall provide for and make available to 14 local governments the following types of financial 15 16 assistance under this part: fl;(a) matching grants for local infrastructure 17 18 projects; 19 (2)(b) annual debt service subsidies on local 20 infrastructure projects; and (+3)(c) loans from the proceeds of coal severance tax 21 22 bonds at a subsidized interest rate. 23 (2) The department of natural resources and 23 conservation and the department of commerce: 24 24 25 (a) may adopt rules to commit to interest rate 25 -3-SB 316

1	subsidies for local infrastructure projects and may allow		
2	the subsidies to be paid over the life of the loan or		
3	bonding period; and		
4	(b) may make deferred loans to local governments for		
5	preliminary engineering study costs. The loans must be		
б	reimbursed when overall construction financing is arranged."		
7	7 Section 3. Section 90-6-710, MCA, is amended to read:		
8	90-6-710. Priorities for projects procedure		
9	rulemaking. (1) The department of commerce must receive		
10	proposals for projects from local governments as defined in		
11	90-6-701(3)(b). The department shall work with a local		
1 <b>2</b>	government in preparing cost estimates for a project. In		
13	reviewing project proposals, the department may consult with		
14	other state agencies with expertise pertinent to the		
15	proposal. The department shall prepare and submit a list		
16	containing the recommended projects and the recommended form		
17	of financial assistance for each project to the governor,		
18	prioritized pursuant to subsection (2). The governor shall		
19	review the projects recommended by the department of-natural		
20	resourcesandconservation-under-Title-85;-chapter-1;-part		
21	$6_7$ and shall submit a list of recommended projects and the		
22	recommended financial assistance to the legislature.		
23	(2) In preparing recommendations under subsection (1),		

(2) In preparing recommendations under subsection (1),
preference must be given to projects based on the following
order of priority:

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(a) projects that solve urgent and serious public 1 2 health or safety problems;

(b) projects that enable local governments to meet 3 state or federal health or safety standards; 4

5 (c) projects that incorporate appropriate,

cost-effective technical design and that provide thorough, 6

7 long-term solutions to community public facility needs;

(D) PROJECTS THAT RESULT IN A BENEFIT TO THE PUBLIC 8 COMMENSURATE WITH THE AMOUNT OF FINANCIAL ASSISTANCE; 9

10 (d)(E) projects that reflect greater need for financial 11 assistance than other projects;

tc)tet(F) projects that enable local governments to 12 obtain funds from sources other than the funds provided 13 14 under this part;

(d)(f)(G) projects that provide long-term, full-time 15 16 job opportunities for Montanans;

17 tettet(H) projects that provide public facilities 18 necessary for the expansion of a business that has a high 19 potential for financial success;

20 (f)(h)--projects-that-result-in-a-benefit-to-the--public 21 commensurate-with-the-amount-of-financial-assistance;

22 fg}--projects--that--reflect--greater-need-for-financial 23 assistance-than-other-projects;

24 (h) (i) projects that maintain the tax base or that do 25 not discourage expansion of the tax base; and

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SB 316

1 (i) projects that are high local priorities and have 2 strong community support.

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(3) After the review required by subsection (1), the 4 projects must be approved by the legislature.

5 (4) The department of---natural----resources----and

6 conservation----shall---adopt---rules---to---implement---the

7 prioritization-and-recommendation-of-projects-to-be-financed

- 8 pursuant-to-17-5-701-
- 9 (5)--Except--as--provided---in---subsection---(4),---the

10 department--of--commerce shall adopt rules necessary to

11 implement the treasure state endowment program."

-End-

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SB 0316/03

SENATE BILL NO. 316 INTRODUCED BY TOWE, HARPER A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE TREASURE STATE ENDOWMENT PROGRAM TO ALLOW COUNTY WATER, SEWER, AND SOLID WASTE DISTRICTS TO APPLY FOR ASSISTANCE; ALLOWING THE TREASURE STATE ENDOWMENT PROGRAM TO BORROW FROM THE BOARD OF INVESTMENTS; PERMITTING INTEREST RATE SUBSIDIES TO BE PAID OVER THE LIFE OF LOANS OR BONDS; AMENDING THE ORDER OF PRIORITY FOR INFRASTRUCTURE PROJECTS; AND AMENDING SECTIONS 90-6-701, 90-6-703, AND 90-6-710, MCA." STATEMENT OF INTENT This bill requires a statement of intent because it grants the department of natural resources and conservation and the department of commerce additional rulemaking authority. It allows the departments to adopt rules allowing interest rate subsidies for local infrastructure projects to be paid over the life of the loan or bonding period. THE

and the department of commerce additional rulemaking authority. It allows the departments to adopt rules allowing interest rate subsidies for local infrastructure projects to be paid over the life of the loan or bonding period. <u>THE</u> <u>RULES ADOPTED BY THE DEPARTMENTS MUST BE CONSISTENT WITH THE</u> <u>PRIORITIES FOR PROJECTS CONTAINED IN 90-6-710.</u> The bill also allows the departments to make loans for preliminary engineering study costs. These loans must be repaid at the time overall construction financing is arranged. SB 0316/03

1	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
2	Section 1. Section 90-6-701, MCA, is amended to read:
3	90-6-701. Treasure state endowment program created
4	definitions. (1) (A) There is a treasure state endowment
5	program that consists of:
6	<pre>(a)(I) the treasure state endowment fund established in</pre>
7	17-5-703; and
8	<pre>(b)(II) the infrastructure portion of the coal severance</pre>
9	tax bond program provided for in 17-5-701(2).
10	(B) THE TREASURE STATE ENDOWMENT PROGRAM MAY BORROW
11	FROM THE BOARD OF INVESTMENTS TO PROVIDE ADDITIONAL
12	FINANCIAL ASSISTANCE FOR LOCAL GOVERNMENT INFRASTRUCTURE
13	PROJECTS UNDER THIS PART-, PROVIDED THAT NO PART OF THE LOAN
14	MAY BE MADE FROM RETIREMENT_FUNDS.
15	(2) Interest from the treasure state endowment fund and
16	from proceeds of the sale of bonds under 17-5-701(2) may be
17	used to provide financial assistance for local government
18	infrastructure projects under this part AND TO REPAY LOANS
19	FROM THE BOARD OF INVESTMENTS.
20	(3) As used in this part, the following definitions
21	apply:
22	(a) "Infrastructure projects" means:
23	(i) drinking water systems;
24	(ii) wastewater treatment;

25 (iii) sanitary sewer or storm sewer systems;

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THIRD READING AS AMENDED

(iv) solid waste disposal and separation systems,
 including site acquisition, preparation, or monitoring; or
 (v) bridges.

4 (b) "Local government" means an incorporated city or 5 town, a county, or a consolidated local government, or a 6 <u>county OR MULTICOUNTY water, sewer, or solid waste district</u>. 7 (c) "Treasure state endowment fund" means the coal 8 severance tax infrastructure endowment fund established in 9 17-5-703(1)(b).

10 (d) "Treasure state endowment program" means the local 11 government infrastructure investment program established in 12 subsection (l)."

13 Section 2. Section 90-6-703, MCA, is amended to read:

14 "90-6-703. Types of financial assistance available. (1)
15 The legislature shall provide for and make available to
16 local governments the following types of financial
17 assistance under this part:

18 (1)(a) matching grants for local infrastructure 19 projects;

20 (2)(b) annual debt service subsidies on local
 21 infrastructure projects; and

22. (3)(c) loans from the proceeds of coal severance tax
23. bonds at a subsidized interest rate.

24 (2) The department of natural resources and
25 conservation and the department of commerce:

1

1	(a) may adopt rules to commit to interest rate
2	subsidies for local infrastructure projects and may allow
3	the subsidies to be paid over the life of the loan or
4	bonding period; and
5	(b) may make deferred loans to local governments for
6	preliminary engineering study costs. The loans must be
7	reimbursed when overall construction financing is arranged."
8	Section 3. Section 90-6-710, MCA, is amended to read:
9	"90-6-719. Priorities for projects procedure
10	rulemaking. (1) The department of commerce must receive
11	proposals for projects from local governments as defined in
12	90-6-701(3)(b). The department shall work with a local
13	government in preparing cost estimates for a project. In
14	reviewing project proposals, the department may consult with
15	other state agencies with expertise pertinent to the
16	proposal. The department shall prepare and submit a list
17	containing the recommended projects and the recommended form
18	of financial assistance for each project to the governor,
19	prioritized pursuant to subsection (2). The governor shall
20	review the projects recommended by the department of-natural
21	resourcesandconservation-under-fitle-857-chapter-17-part
22	$\mathbf{6_7}$ and shall submit a list of recommended projects and the
23	recommended financial assistance to the legislature.
24	(2) In preparing recommendations under subsection (1),

25 preference must be given to projects based on the following

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SB 316

l order of prior	ity:
2 (a) proje	cts that solve urgent and serious public
3 health or safe	ty problems;
4 (b) proje	cts that enable local governments to meet
5 state or feder	al health or safety standards;
6 <u>(c) proje</u>	cts that incorporate appropriate,
7 <u>cost-effective</u>	e technical design and that provide thorough,
8 <u>long-term solu</u>	itions to community public facility needs;
9 <u>(D)</u> PROJE	CTS THAT RESULT IN A BENEFIT TO THE PUBLIC
10 COMMENSURATE	WITH THE AMOUNT OF FINANCIAL ASSISTANCE;.
11 HOWEVER, THE	BENEFIT TO THE PUBLIC MAY NOT BE MEASURED BY
12 POPULATION ALC	DNE.
13 <u>(d)(E) pr</u>	rojects that reflect greater need for financial
14 assistance that	an other projects;
15 tet <u>tet(F)</u>	projects that enable local governments to
16 obtain funds	from sources other than the funds provided
17 under this par	rt;
18 <del>(d)<u>t</u>f)</del> (G)	projects that provide long-term, full-time
19 job opportunit	ties for Montanans;
20 te <u>)tg)(H)</u>	projects that provide public facilities
21 necessary for	the expansion of a business that has a high
22 potential for	financial success;
23 +f+ <u>+h+</u> p	rojectsthat-result-in-a-benefit-to-the-public
24 commensurate-	with-the-amount-of-financial-assistance;
25 <del>(g)</del> proje	ects-that-reflect-greaterneedforfinancial

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## 1 assistance-than-other-projects;

2 (h)(i) projects that maintain the tax base or that do
 3 not discourage expansion of the tax base; and

4 (±)(j) projects that are high local priorities and have
 5 strong community support.

6 (3) After the review required by subsection (1), the
7 projects must be approved by the legislature.

8 (4) The department of---natural---resources---and

9 conservation---shall---adopt---rules---to---implement----the

10 prioritization-and-recommendation-of-projects-to-be-financed

- 11 pursuant-to-17-5-701.
- 12 (5)--Except---as---provided---in---subsection--(4)7--the

13 department--of--commerce shall adopt rules necessary to

14 implement the treasure state endowment program."

### -End-

SB 0316/03

# HOUSE STANDING COMMITTEE REPORT

March 26, 1993 Page 1 of 1

Mr. Speaker: We, the committee on <u>Local Government</u> report that <u>Senate Bill 316</u> (third reading copy -- blue) <u>be concurred in as</u> <u>amended</u>.

Signed: Norm Wall Chair

And, that such amendments read:

Carried by: Rep. Harper

1. Page 1, lines 21 through 24. Strike: "The" on line 21 through "arranged." on line 24

2. Page 3, line 25. Strike: ":"
3. Page 4, line 1.

Strike: "(a)"

4. Page 4, line 4. Strike: "; and" Insert: "."

5. Page 4, lines 5 through 7. Strike: subsection (b) in its entirety

-END-

HOUSE 5334 681044SC.H88

Committee Vote: Yes 17, No 4

HOUSE COMMITTEE OF THE WHOLE AMENDMENT Senate Bill 316 Representative Harper

> March 30, 1993 10:09 am Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 316 (Local Government committee amendments dated March 26, 1993).

And, that such amendments to Senate Bill 316(Local Government committee amendments dated March 26, 1993) read as follows:

1. Strike: committee amendments dated March 26, 1993 in their entirety.

-END-

HOUSE COMMITTEE OF THE WHOLE AMENDMENT Senate Bill 316 Representative Harper

> March 30, 1993 10:34 am Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 316 (third reading copy -- blue).

And, that such amendments to Senate Bill 316 read as follows:

1. Page 4, line 6.
Following: "The"
Insert: "applicant must repay the"
Strike: "must be"

2. Page 4, line 7.

Strike: "reimbursed when"

Insert: "whether or not the applicant succeeds in obtaining financing for the full project. Repayment may be postponed until the"

-END-



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SB 316 House

REJECT





REJECT

REFERENCE BILL

AS AMENDED

1	SENATE BILL NO. 316	1 ENGINEERING STUDY COSTS. THESE LOANS MUST BE REPAID AT TH
2	INTRODUCED BY TOWE, HARPER	2 TIME OVERALL CONSTRUCTION FINANCING IS ARRANGED.
3		3
4	A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE TREASURE	4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
5	STATE ENDOWMENT PROGRAM TO ALLOW COUNTY WATER, SEWER, AND	5 Section 1. Section 90-6-701, MCA, is amended to read;
6	SOLID WASTE DISTRICTS TO APPLY FOR ASSISTANCE; ALLOWING THE	6 "90-6-701. Treasure state endowment program created
7	TREASURE STATE ENDOWMENT PROGRAM TO BORROW FROM THE BOARD OF	7 definitions. (1) (A) There is a treasure state endowned
8	INVESTMENTS; PERMITTING INTEREST RATE SUBSIDIES TO BE PAID	8 program that consists of:
9	OVER THE LIFE OF LOANS OR BONDS; AMENDING THE ORDER OF	9 (a)(I) the treasure state endowment fund established
10	PRIORITY FOR INFRASTRUCTURE PROJECTS; AND AMENDING SECTIONS	10 17-5-703; and
11	90-6-701, 90-6-703, AND 90-6-710, MCA."	11 (b) (II) the infrastructure portion of the coal severand
12		<pre>12 tax bond program provided for in 17-5-701(2).</pre>
13	STATEMENT OF INTENT	13 (B) THE TREASURE STATE ENDOWMENT PROGRAM MAY BORR
14	This bill requires a statement of intent because it	14 FROM THE BOARD OF INVESTMENTS TO PROVIDE ADDITION
15	grants the department of natural resources and conservation	15 FINANCIAL ASSISTANCE FOR LOCAL GOVERNMENT INFRASTRUCTUR
16	and the department of commerce additional rulemaking	16 PROJECTS UNDER THIS PART, PROVIDED THAT NO PART OF THE LO.
17	authority. It allows the departments to adopt rules allowing	17 MAY BE MADE FROM RETIREMENT FUNDS.
18	interest rate subsidies for local infrastructure projects to	18 (2) Interest from the treasure state endowment fund a
19	be paid over the life of the loan or bonding period. THE	19 from proceeds of the sale of bonds under $17-5-701(2)$ may
20	RULES ADOPTED BY THE DEPARTMENTS MUST BE CONSISTENT WITH THE	
21	PRIORITIES FOR PROJECTS CONTAINED IN 90-6-710. The-bill-also	
22	allowsthedepartmentstomakeloansforpreliminary	
23	engineeringstudycosts-These-loans-must-be-repaid-at-the	
24	time-overall-construction-financing-isarranged. THE BILL	23 (3) As used in this part, the following definitio 24 combust
25	ALSO ALLOWS THE DEPARTMENTS TO MAKE LOANS FOR PRELIMINARY	24 apply:
2.7	1250 1250 THE DEPARTMENTS TO PART SOLAS TON PRESIMINART	25 (a) "Infrastructure projects" means:
		-2- SB 3 Reference da

1	(i) drinking water systems;	1	bonds at a subsidized interest rate.
2	(ii) wastewater treatment;	2	(2) The department of natural resources and
3	(iii) sanitary sewer or storm sewer systems;	3	conservation and the department of commerce::
4	(iv) solid waste disposal and separation systems,	4	<pre>fat(A) may adopt rules to commit to interest rate</pre>
5	including site acquisition, preparation, or monitoring; or	5	subsidies for local infrastructure projects and may allow
6	(v) bridges.	6	the subsidies to be paid over the life of the loan or
7	(b) "Local government" means an incorporated city or	7	bonding period;-and; AND;
8	town, a county, or a consolidated local government, or a	8	<pre>tb)may-make-deferred-loans-tolocalgovernmentsfor</pre>
9	county OR MULTICOUNTY water, sewer, or solid waste district.	9	preliminaryengineeringstudycostsTheloansmust-be
10	(c) "Treasure state endowment fund" means the coal	10	reimbursed-when-overall-construction-financing-is-arranged.
11	severance tax infrastructure endowment fund established in	11	(B) MAY MAKE DEFERRED LOANS TO LOCAL GOVERNMENTS FOR
12	17-5-703(1)(b).	12	PRELIMINARY ENGINEERING STUDY COSTS. THE APPLICANT SHALL
13	(d) "Treasure state endowment program" means the local	13	REPAY THE LOANS MUST-BE-REIMBURSED-WHEN WHETHER OR NOT THE
14	government infrastructure investment program established in	14	APPLICANT SUCCEEDS IN OBTAINING FINANCING FOR THE FULL
15	subsection (1)."	15	PROJECT. REPAYMENT MAY BE POSTPONED UNTIL THE OVERALL
16	Section 2. Section 90-6-703, MCA, is amended to read:	16	CONSTRUCTION FINANCING IS ARRANGED."
17	<b>*90-6-703. Types of financial assistance available.</b> $(1)$	17	Section 3. Section 90-6-710, MCA, is amended to read:
18	The legislature shall provide for and make available to	18	<b>*90-6-710.</b> Priorities for projects procedure
19	local governments the following types of financial	19	rulemaking. (1) The department of commerce must receive
20	assistance under this part:	20	proposals for projects from local governments as defined in
21	<pre>(1) matching grants for local infrastructure</pre>	21	90-6-701(3)(b). The department shall work with a local
22	projects;	22	government in preparing cost estimates for a project. In
23	<del>(2)<u>(b)</u> annual debt service subsidies on local</del>	23	reviewing project proposals, the department may consult with
24	infrastructure projects; and	24	other state agencies with expertise pertinent to the
25	(3) loans from the proceeds of coal severance tax	25	proposal. The department shall prepare and submit a list
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under this part:

containing the recommended projects and the recommended form of financial assistance for each project to the governor, prioritized pursuant to subsection (2). The governor shall review the projects recommended by the department of-natural resources-and-conservation-under-Title-857-chapter--17--part  $6\tau$  and shall submit a list of recommended projects and the recommended financial assistance to the legislature. (2) In preparing recommendations under subsection (1), preference must be given to projects based on the following order of priority: (a) projects that solve urgent and serious public health or safety problems; (b) projects that enable local governments to meet state or federal health or safety standards; that incorporate (c) projects appropriate, cost-effective technical design and that provide thorough, long-term solutions to community public facility needs; (D) PROJECTS THAT RESULT IN A BENEFIT TO THE PUBLIC COMMENSURATE WITH THE AMOUNT OF FINANCIAL ASSISTANCE: HOWEVER, THE BENEFIT TO THE PUBLIC MAY NOT BE MEASURED BY POPULATION ALONE. (d)(E) projects that reflect greater need for financial

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24 {e}(F) projects that enable local governments to 25 obtain funds from sources other than the funds provided

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17 18 19 20 21 22 assistance than other projects; 23

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2 fd)(f)(G) projects that provide long-term, full-time 3 job opportunities for Montanans; 4 te)tg)(H) projects that provide public facilities 5 necessary for the expansion of a business that has a high 6 potential for financial success; 7 ff)th)--projects-that-result-in-a-benefit-to-the--public 8 commensurate-with-the-amount-of-financial-assistance; 9 fg)--projects--that--reflect--greater-need-for-financial 10 assistance-than-other-projects; 11 th)(i) projects that maintain the tax base or that do 12 not discourage expansion of the tax base; and 13 (i) projects that are high local priorities and have 14 strong community support. 15 (3) After the review required by subsection (1), the 16 projects must be approved by the legislature. (4) The department of---natural----resources----and conservation----shall---adopt---rules---to---implement---the prioritization-and-recommendation-of-projects-to-be-financed pursuant-to-17-5-781-

(5)--Except--as--provided---in---subsection---(4),---the

department--of--commerce shall adopt rules necessary to

implement the treasure state endowment program."

-End-

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