

SENATE BILL NO. 329

INTRODUCED BY KLAMPE

IN THE SENATE

FEBRUARY 5, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
	FIRST READING.
FEBRUARY 22, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 23, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
	ENGROSSING REPORT.
FEBRUARY 24, 1993	THIRD READING, PASSED. AYES, 42; NOES, 6.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
	FIRST READING.
MARCH 16, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 19, 1993	ON MOTION, REREFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
MARCH 22, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 29, 1993	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 30, 1993	ON MOTION, TAKEN FROM ENGROSSING AND RETURNED TO SECOND READING.
	SECOND READING, CONCURRED IN AS AMENDED.

APRIL 1, 1993

THIRD READING, CONCURRED IN.  
AYES, 78; NOES, 20.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 6, 1993

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 7, 1993

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 329  
2 INTRODUCED BY Klampl  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE  
5 REQUIREMENT FOR PREVAILING WAGE ON A PROJECT FINANCED WITH  
6 TAX-EXEMPT REVENUE BONDS; AMENDING SECTIONS 17-5-1526,  
7 17-5-1527, 18-2-403, 90-5-114, AND 90-7-302, MCA; AND  
8 PROVIDING AN IMMEDIATE EFFECTIVE DATE."  
9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
11 **Section 1.** Section 17-5-1526, MCA, is amended to read:  
12 "17-5-1526. Procedure prior to financing projects. (1)  
13 The board may finance projects, other than major projects,  
14 under this part only when it finds that:  
15 (a) the financing is in the public interest and is  
16 consistent with the legislative purposes and findings set  
17 forth in 17-5-1502;  
18 (b) the financing to be provided by the board for a  
19 project does not exceed either \$800,000 or 90% of the cost  
20 or appraised value of the project, whichever is less;  
21 (c) a financial institution will participate in  
22 financing the project, either directly or through a letter  
23 of credit, to the extent of at least 10% of the financing to  
24 be provided by the board;  
25 (d) the financing for the project is insured or

1 guaranteed in whole or in part by a private or governmental  
2 insurer or guarantor;  
3 (e) an applicant has submitted a statement indicating  
4 any contracts to construct the projects will require all  
5 contractors to give preference to the employment of bona  
6 fide Montana residents, as defined in 18-2-401, in the  
7 performance of the work on the projects if their  
8 qualifications are substantially equal to those of  
9 nonresidents; "substantially equal qualifications" means the  
10 qualifications of two or more persons among whom the  
11 employer cannot make a reasonable determination that the  
12 qualifications held by one person are significantly better  
13 suited for the position than the qualifications held by the  
14 other persons; and  
15 (f) adequate provision is made in the loan agreement,  
16 lease, or other credit arrangement regarding a project or  
17 projects being financed to provide for payment of debt  
18 service on bonds of the board issued to finance the project  
19 or projects, to create and maintain reserves therefor for  
20 payment of the debt service, and to meet all costs and  
21 expenses of issuing and servicing the bonds; and  
22 (g) except for a project that will be owned and  
23 operated by a nonprofit corporation other than a hospital,  
24 an applicant has submitted a statement that indicates that  
25 any contract let for a project costing more than \$25,000 and

financed in whole or in part by tax-exempt revenue bonds will contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and applicable to the district in which the work is being performed unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed.

(2) In order to make the findings as described in subsection (1)(a), a hearing must be conducted in the following manner:

(a) the city or county in which the project will be located must be notified; and the city and county shall, within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or

(b) if no a request for a local hearing is not received, the board may hold the hearing at a time and place it prescribes.

(3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government shall notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.

(4) When a hearing is required either locally or at the state level, notice must be given, at least once a week for 2 weeks prior to the date set for the hearing, by

publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project.

(5) The requirements of subsections (1)(b) through (1)(d) do not apply to bonds that are not secured by the capital reserve account authorized by 17-5-1515.

(6) The hearing requirements of subsections (2) through (4) do not apply to projects financed with bonds the interest on which is subject to federal income taxes."

**Section 2.** Section 17-5-1527, MCA, is amended to read:

"17-5-1527. Procedure prior to financing major projects. (1) The board may finance major projects under this part only when it finds that:

(a) the financing is in the public interest and is consistent with legislative purposes and findings;

(b) the financing to be provided by the board for a project does not exceed either \$10 million or 90% of the cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project if the cost or appraised value is less than \$1 million, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board, provided, however, that participation

1 by a financial institution in projects of over \$1 million is  
2 at the discretion of the board;

3 (d) the financing for the project is insured or  
4 guaranteed in whole or in part by a private or governmental  
5 insurer or guarantor;

6 (e) any contracts to construct the projects require all  
7 contractors to give preference to the employment of bona  
8 fide Montana residents, as defined in 18-2-401, in the  
9 performance of the work on the projects if their  
10 qualifications are substantially equal to those of  
11 nonresidents; "substantially equal qualifications" means the  
12 qualifications of two or more persons among whom the  
13 employer cannot make a reasonable determination that the  
14 qualifications held by one person are significantly better  
15 suited for the position than the qualifications held by the  
16 other persons; and

17 (f) adequate provision is made in the loan agreement,  
18 lease, or other credit arrangement regarding a project or  
19 projects being financed to provide for payment of debt  
20 service on bonds of the board issued to finance the project  
21 or projects, to create and maintain reserves therefor for  
22 payment of the debt service, and to meet all costs and  
23 expenses of issuing and servicing the bonds; and

24 (g) except for a project that will be owned and  
25 operated by a nonprofit corporation other than a hospital,

1 an applicant has submitted a statement that indicates that  
2 any contract let for a project costing more than \$25,000 and  
3 financed in whole or in part by tax-exempt revenue bonds  
4 will contain a provision that requires the contractor to pay  
5 the standard prevailing wage rate in effect and applicable  
6 to the district in which the work is being performed unless  
7 the contractor performing the work has entered into a  
8 collective bargaining agreement covering the work to be  
9 performed.

10 (2) In order to make the findings as described in  
11 subsection (1)(a), a hearing must be conducted in the  
12 following manner:

13 (a) the city or county in which the project will be  
14 located must be notified, and within 14 days shall advise  
15 the board if it elects to conduct the hearing; or

16 (b) if no a request for a local hearing is not  
17 received, the board may hold the hearing at a time and place  
18 it prescribes.

19 (3) If the hearing required by subsection (2) is  
20 conducted by a local government, the governing body of the  
21 local government shall notify the board of its determination  
22 of whether the project is in the public interest within 14  
23 days of the completion of the public hearing.

24 (4) When a hearing is required either locally or at the  
25 state level, notice must be given, at least once a week for

1 2 weeks prior to the date set for the hearing, by  
 2 publication in a newspaper of general circulation in the  
 3 city or county where the hearing will be held. The notice  
 4 must include the time and place of the hearing; the general  
 5 nature of the project; the name of the lessee, borrower, or  
 6 user of the project; and the estimated cost of the project.

7 (5) The requirements of subsections (1)(b) through  
 8 (1)(d) do not apply to bonds that are not secured by the  
 9 capital reserve account authorized by 17-5-1515.

10 (6) The hearing requirements of subsections (2) through  
 11 (4) do not apply to major projects financed with bonds the  
 12 interest on which is subject to federal income taxes."

13 **Section 3.** Section 18-2-403, MCA, is amended to read:

14 "18-2-403. Preference of Montana labor in public works  
 15 -- wages -- tax-exempt project -- federal exception. (1) In  
 16 any contract let for state, county, municipal, school, or  
 17 heavy highway construction, services, repair, or maintenance  
 18 work under any law of this state, there shall must be  
 19 inserted in the bid specification and the contract a  
 20 provision requiring the contractor to give preference to the  
 21 employment of bona fide Montana residents in the performance  
 22 of the work.

23 (2) All public works contracts under subsection (1),  
 24 except those for heavy highway construction, must contain a  
 25 provision requiring the contractor to pay the standard

1 prevailing rate of wages, including fringe benefits for  
 2 health and welfare and pension contributions, and travel  
 3 allowance, provisions and other bona fide programs approved  
 4 by the United States department of labor, that are in effect  
 5 and applicable to the district in which the work is being  
 6 performed.

7 (3) In every contract for heavy highway construction,  
 8 there must be inserted a provision to require the contractor  
 9 to pay the heavy highway construction wage rates established  
 10 statewide for such project.

11 (4) A contract let for a project costing more than  
 12 \$25,000 and financed in whole or in part by tax-exempt  
 13 industrial revenue bonds must contain a provision requiring  
 14 the contractor to pay the standard prevailing wage rate in  
 15 effect and applicable to the district in which the work is  
 16 being performed unless the project will be owned and  
 17 operated by a nonprofit corporation other than a hospital or  
 18 unless the contractor performing the work has entered into a  
 19 collective bargaining agreement covering the work to be  
 20 performed.

21 (5) No A contract may not be let to any person, firm,  
 22 association, or corporation refusing to execute an agreement  
 23 with the above-mentioned provisions described in subsections  
 24 (1) through (4) in it, provided that in contracts involving  
 25 the expenditure of federal-aid funds this part may not be

enforced in such a manner as to conflict with or be contrary to the federal statutes prescribing a labor preference to honorably discharged veterans of the armed forces and prohibiting as unlawful any other preference or discrimination among citizens of the United States.

(6) Failure to include the provisions required by 18-2-422 in a public works contract relieves the contractor from his the contractor's obligation to pay the standard prevailing wage rate and places such the obligation on the public contracting agency."

**Section 4.** Section 90-5-114, MCA, is amended to read:

"90-5-114. Preference of Montana labor. (1) Any contract to construct a project financed pursuant to this part must require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents. "Substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons.

(2) A contract let for a project costing more than \$25,000 and financed in whole or in part by tax-exempt

revenue bonds must contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and applicable to the district in which the work is being performed unless the project will be owned and operated by a nonprofit corporation other than a hospital or unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed."

**Section 5.** Section 90-7-302, MCA, is amended to read:

"90-7-302. Bonds and notes of the authority. (1) The authority may in each biennium borrow money and issue bonds and notes in an aggregate principal amount not to exceed \$150 million, exclusive of bonds or notes issued to refund its outstanding bonds or notes.

(2) Bonds must be authorized, and must be dated, and ~~shall~~ must mature as the authority may specify, except that ~~no a~~ bond may not mature more than 40 years from the date of its issue. Bonds ~~shall~~ must bear interest at the rate or rates, be in the denominations, be in the proper registered or bearer form, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption that the authority may provide.

(3) All bonds, regardless of form or character, are negotiable instruments for all purposes of the Uniform Commercial Code, subject to requirements as to registration.

(4) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time or times which the authority may determine.

(5) Before the issuance of any bonds, the authority shall make provisions, by lease or other agreement, regarding the facility or facilities being financed by the issue of the bonds, for rentals or other considerations sufficient, in the judgment of the authority, to:

(a) pay the principal of and interest on the bonds as they become due;

(b) create and maintain the reserves therefor for payment of the principal and interest;

(c) meet all obligations in connection with the lease or other agreement; and

(d) meet all costs necessary to service the bonds unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority.

(6) Except for a project that will be owned and operated by a nonprofit corporation other than a hospital, the authority, before issuing any bonds, shall certify that an applicant has submitted a statement that indicates that any contract let for a project costing more than \$25,000 and financed in whole or in part by tax-exempt revenue bonds will contain a provision requiring the contractor to pay the

standard prevailing wage rate in effect and applicable to the district in which the work is being performed unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed.

{6}{7} The authority may combine, for the purposes of a single offering, bonds financing more than one facility under this chapter."

**NEW SECTION. Section 6. Effective date.** [This act] is effective on passage and approval.

-End-



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0329, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act revising the requirement for prevailing wage on a project financed with tax-exempt revenue bonds; amending sections; and providing an immediate effective date.

ASSUMPTIONS:

1. SB0329 adds an additional requirement that must be met by certain applicants seeking loans from the proceeds of tax-exempt revenue bonds issued by the Board of Investments (BOI), the Montana Health Facilities Authority (MHFA), and Montana's cities and counties.
2. All for-profit entities and non-profit hospitals seeking loans from tax-exempt bonds issued by the BOI, MHFA, cities and counties must submit, with their loan application, a statement indicating that any contract they let for projects costing more than \$25,000 will contain a provision requiring the contractor to pay the standard prevailing wage rate in effect in the district in which the work is being performed.
3. General Services Division and Architecture and Engineering Division, Department of Administration already have prevailing wage in their contract work.

FISCAL IMPACT:

Although this legislation adds one more loan criterion which BOI and MHFA staff will be required to review, any additional workload can be accommodated by existing staff levels.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This legislation should have little, if any, fiscal impact on cities and counties that issue tax-exempt revenue bonds.

David Lewis 2-9-93  
DAVID LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

Terry Klampe  
TERRY KLAMPE, PRIMARY SPONSOR DATE  
Fiscal Note for SB0329, as introduced

SB 329

APPROVED BY COMMITTEE  
ON LABOR & EMPLOYMENT  
RELATIONS

SENATE BILL NO. 329

INTRODUCED BY KLAMPE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE REQUIREMENT FOR PREVAILING WAGE ON A PROJECT FINANCED WITH TAX-EXEMPT-REVENUE FROM THE PROCEEDS OF BONDS ISSUED ON OR AFTER JULY 1, 1993; AMENDING SECTIONS 17-5-1526, 17-5-1527, 18-2-403, 90-5-114, AND 90-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 17-5-1526, MCA, is amended to read:**"17-5-1526. Procedure prior to financing projects. (1)**

The board may finance projects, other than major projects, under this part only when it finds that:

(a) the financing is in the public interest and is consistent with the legislative purposes and findings set forth in 17-5-1502;

(b) the financing to be provided by the board for a project does not exceed either \$800,000 or 90% of the cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board;

(d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental insurer or guarantor;

(e) an applicant has submitted a statement indicating any contracts to construct the projects will require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents; "substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons; and

(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance the project or projects, to create and maintain reserves therefor for payment of the debt service, and to meet all costs and expenses of issuing and servicing the bonds; and

(g) except--for--a--project--that--will--be--owned--and--operated--by--a--nonprofit--corporation--other--than--a--hospital,  
an applicant has submitted a statement that indicates that

any contract let for a project costing more than \$25,000 and financed in whole or in part by tax-exempt revenue bonds FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS PART ON OR AFTER JULY 1, 1993, will contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and applicable to the district in which the work is being performed unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed.

(2) In order to make the findings as described in subsection (1)(a), a hearing must be conducted in the following manner:

(a) the city or county in which the project will be located must be notified; and the city and county shall, within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or

(b) if no a request for a local hearing is not received, the board may hold the hearing at a time and place it prescribes.

(3) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government shall notify the board of its determination of whether the project is in the public interest within 14 days of the completion of the public hearing.

(4) When a hearing is required either locally or at the

state level, notice must be given, at least once a week for 2 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the city or county where the hearing will be held. The notice must include the time and place of the hearing; the general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of the project.

(5) The requirements of subsections (1)(b) through (1)(d) do not apply to bonds that are not secured by the capital reserve account authorized by 17-5-1515.

(6) The hearing requirements of subsections (2) through (4) do not apply to projects financed with bonds the interest on which is subject to federal income taxes."

**Section 2.** Section 17-5-1527, MCA, is amended to read:

"17-5-1527. Procedure prior to financing major projects. (1) The board may finance major projects under this part only when it finds that:

(a) the financing is in the public interest and is consistent with legislative purposes and findings;

(b) the financing to be provided by the board for a project does not exceed either \$10 million or 90% of the cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project if the cost or appraised value is less than \$1 million, either directly or through a letter of

1 credit, to the extent of at least 10% of the financing to be  
2 provided by the board, provided, however, that participation  
3 by a financial institution in projects of over \$1 million is  
4 at the discretion of the board;

5 (d) the financing for the project is insured or  
6 guaranteed in whole or in part by a private or governmental  
7 insurer or guarantor;

8 (e) any contracts to construct the projects require all  
9 contractors to give preference to the employment of bona  
10 fide Montana residents, as defined in 18-2-401, in the  
11 performance of the work on the projects if their  
12 qualifications are substantially equal to those of  
13 nonresidents; "substantially equal qualifications" means the  
14 qualifications of two or more persons among whom the  
15 employer cannot make a reasonable determination that the  
16 qualifications held by one person are significantly better  
17 suited for the position than the qualifications held by the  
18 other persons; and

19 (f) adequate provision is made in the loan agreement,  
20 lease, or other credit arrangement regarding a project or  
21 projects being financed to provide for payment of debt  
22 service on bonds of the board issued to finance the project  
23 or projects, to create and maintain reserves therefor for  
24 payment of the debt service, and to meet all costs and  
25 expenses of issuing and servicing the bonds; and

1 (g) except--for--a--project--that--will--be--owned--and  
2 operated--by--a-nonprofit-corporation-other-than-a-hospital,  
3 an applicant has submitted a statement that indicates that  
4 any contract let for a project costing more than \$25,000 and  
5 financed in--whole--or--in-part-by-tax-exempt-revenue-bonds  
6 FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS PART ON OR  
7 AFTER JULY 1, 1993, will contain a provision that requires  
8 the contractor to pay the standard prevailing wage rate in  
9 effect and applicable to the district in which the work is  
10 being performed unless the contractor performing the work  
11 has entered into a collective bargaining agreement covering  
12 the work to be performed.

13 (2) In order to make the findings as described in  
14 subsection (1)(a), a hearing must be conducted in the  
15 following manner:

16 (a) the city or county in which the project will be  
17 located must be notified, and within 14 days shall advise  
18 the board if it elects to conduct the hearing; or

19 (b) if no a request for a local hearing is not  
20 received, the board may hold the hearing at a time and place  
21 it prescribes.

22 (3) If the hearing required by subsection (2) is  
23 conducted by a local government, the governing body of the  
24 local government shall notify the board of its determination  
25 of whether the project is in the public interest within 14

1 days of the completion of the public hearing.

2 (4) When a hearing is required either locally or at the  
3 state level, notice must be given, at least once a week for  
4 2 weeks prior to the date set for the hearing, by  
5 publication in a newspaper of general circulation in the  
6 city or county where the hearing will be held. The notice  
7 must include the time and place of the hearing; the general  
8 nature of the project; the name of the lessee, borrower, or  
9 user of the project; and the estimated cost of the project.

10 (5) The requirements of subsections (1)(b) through  
11 (1)(d) do not apply to bonds that are not secured by the  
12 capital reserve account authorized by 17-5-1515.

13 (6) The hearing requirements of subsections (2) through  
14 (4) do not apply to major projects financed with bonds the  
15 interest on which is subject to federal income taxes."

16 **Section 3.** Section 18-2-403, MCA, is amended to read:

17 "18-2-403. Preference of Montana labor in public works  
18 -- wages -- tax-exempt project -- federal exception. (1) In  
19 any contract let for state, county, municipal, school, or  
20 heavy highway construction, services, repair, or maintenance  
21 work under any law of this state, there ~~shall~~ must be  
22 inserted in the bid specification and the contract a  
23 provision requiring the contractor to give preference to the  
24 employment of bona fide Montana residents in the performance  
25 of the work.

1 (2) All public works contracts under subsection (1),  
2 except those for heavy highway construction, must contain a  
3 provision requiring the contractor to pay the standard  
4 prevailing rate of wages, including fringe benefits for  
5 health and welfare and pension contributions, and travel  
6 allowance, provisions and other bona fide programs approved  
7 by the United States department of labor, that are in effect  
8 and applicable to the district in which the work is being  
9 performed.

10 (3) In every contract for heavy highway construction,  
11 there must be inserted a provision to require the contractor  
12 to pay the heavy highway construction wage rates established  
13 statewide for such project.

14 (4) A contract let for a project costing more than  
15 \$25,000 and financed ~~in--whole--or--in-part-by-tax-exempt~~  
16 ~~industrial-revenue-bonds~~ FROM THE PROCEEDS OF BONDS ISSUED  
17 UNDER TITLE 17, CHAPTER 5, PART 15, OR TITLE 90, CHAPTER 5  
18 OR 7, ON OR AFTER JULY 1, 1993, must contain a provision  
19 requiring the contractor to pay the standard prevailing wage  
20 rate in effect and applicable to the district in which the  
21 work is being performed ~~unless-the-project-will-be-owned-and~~  
22 ~~operated-by-a-nonprofit-corporation-other-than-a-hospital-or~~  
23 ~~unless the contractor performing the work has entered into a~~  
24 ~~collective bargaining agreement covering the work to be~~  
25 performed.

1 (5) No A contract may not be let to any person, firm,  
 2 association, or corporation refusing to execute an agreement  
 3 with the ~~above-mentioned~~ provisions described in subsections  
 4 (1) through (4) in it, provided that in contracts involving  
 5 the expenditure of federal-aid funds this part may not be  
 6 enforced in such a manner as to conflict with or be contrary  
 7 to the federal statutes prescribing a labor preference to  
 8 honorably discharged veterans of the armed forces and  
 9 prohibiting as unlawful any other preference or  
 10 discrimination among citizens of the United States.

11 (6) Failure to include the provisions required by  
 12 18-2-422 in a public works contract relieves the contractor  
 13 from ~~his~~ the contractor's obligation to pay the standard  
 14 prevailing wage rate and places ~~such~~ the obligation on the  
 15 public contracting agency."

16 **Section 4.** Section 90-5-114, MCA, is amended to read:

17 "90-5-114. Preference of Montana labor. (1) Any  
 18 contract to construct a project financed pursuant to this  
 19 part must require all contractors to give preference to the  
 20 employment of bona fide Montana residents, as defined in  
 21 18-2-401, in the performance of the work on the projects if  
 22 their qualifications are substantially equal to those of  
 23 nonresidents. "Substantially equal qualifications" means the  
 24 qualifications of two or more persons among whom the  
 25 employer cannot make a reasonable determination that the

1 qualifications held by one person are significantly better  
 2 suited for the position than the qualifications held by the  
 3 other persons.

4 (2) A contract let for a project costing more than  
 5 \$25,000 and financed ~~in--whole--or--in-part-by-tax-exempt~~  
 6 ~~revenue-bonds~~ FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS  
 7 PART ON OR AFTER JULY 1, 1993, must contain a provision that  
 8 requires the contractor to pay the standard prevailing wage  
 9 rate in effect and applicable to the district in which the  
 10 work is being performed unless the project will be owned and  
 11 operated by a nonprofit corporation other than a hospital or  
 12 unless the contractor performing the work has entered into a  
 13 collective bargaining agreement covering the work to be  
 14 performed."

15 **Section 5.** Section 90-7-302, MCA, is amended to read:

16 "90-7-302. Bonds and notes of the authority. (1) The  
 17 authority may in each biennium borrow money and issue bonds  
 18 and notes in an aggregate principal amount not to exceed  
 19 \$150 million, exclusive of bonds or notes issued to refund  
 20 its outstanding bonds or notes.

21 (2) Bonds must be authorized, and must be dated, and  
 22 ~~shall~~ must mature as the authority may specify, except that  
 23 ~~no~~ a bond may not mature more than 40 years from the date of  
 24 its issue. Bonds ~~shall~~ must bear interest at the rate or  
 25 rates, be in the denominations, be in the proper registered

1 or bearer form, be executed in the manner, be payable in the  
2 medium of payment, at the place or places, and be subject to  
3 the terms of redemption that the authority may provide.

4 (3) All bonds, regardless of form or character, are  
5 negotiable instruments for all purposes of the Uniform  
6 Commercial Code, subject to requirements as to registration.

7 (4) All bonds may be sold at public or private sale in  
8 the manner, for the price or prices, and at the time or  
9 times which the authority may determine.

10 (5) Before the issuance of any bonds, the authority  
11 shall make provisions, by lease or other agreement,  
12 regarding the facility or facilities being financed by the  
13 issue of the bonds, for rentals or other considerations  
14 sufficient, in the judgment of the authority, to:

15 (a) pay the principal of and interest on the bonds as  
16 they become due;

17 (b) create and maintain the reserves therefor for  
18 payment of the principal and interest;

19 (c) meet all obligations in connection with the lease  
20 or other agreement; and

21 (d) meet all costs necessary to service the bonds  
22 unless the lease or agreement provides that the obligations  
23 are to be met or costs are to be paid by a party other than  
24 the authority.

25 (6) Except--for--a--project--that--will--be--owned--and

1 operated--by--a-nonprofit-corporation-other-than-a-hospital,  
2 the THE authority, before issuing any bonds, shall certify  
3 that an applicant has submitted a statement that indicates  
4 that any contract let for a project costing more than  
5 \$25,000 and financed in--whole--or--in-part-by-tax-exempt  
6 revenue-bonds FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS  
7 PART ON OR AFTER JULY 1, 1993, will contain a provision  
8 requiring the contractor to pay the standard prevailing wage  
9 rate in effect and applicable to the district in which the  
10 work is being performed unless the contractor performing the  
11 work has entered into a collective bargaining agreement  
12 covering the work to be performed.

13 (6)(7) The authority may combine, for the purposes of a  
14 single offering, bonds financing more than one facility  
15 under this chapter."

16 NEW SECTION. Section 6. Effective date. [This act] is  
17 effective on passage and approval.

-End-

SENATE BILL NO. 329

INTRODUCED BY KLAMPE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE REQUIREMENT FOR PREVAILING WAGE ON A PROJECT FINANCED WITH TAX-EXEMPT-REVENUE FROM THE PROCEEDS OF BONDS ISSUED ON OR AFTER JULY 1, 1993; AMENDING SECTIONS 17-5-1526, 17-5-1527, 18-2-403, 90-5-114, AND 90-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 17-5-1526, MCA, is amended to read:

"17-5-1526. Procedure prior to financing projects. (1) The board may finance projects, other than major projects, under this part only when it finds that:

(a) the financing is in the public interest and is consistent with the legislative purposes and findings set forth in 17-5-1502;

(b) the financing to be provided by the board for a project does not exceed either \$800,000 or 90% of the cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board;

(d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental insurer or guarantor;

(e) an applicant has submitted a statement indicating any contracts to construct the projects will require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents; "substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons; and

(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt

THERE ARE NO CHANGES IN THIS BILL  
AND WILL NOT BE REPRINTED. PLEASE  
REFER TO YELLOW COPY FOR COMPLETE TEXT.



HOUSE STANDING COMMITTEE REPORT

March 12, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Labor report that Senate Bill 329 (third reading copy -- blue) be concurred in as amended .

Signed: 

Tom Nelson, Chair

And, that such amendments read:

Carried by: Rep. Hanson

1. Page 2, line 24.

Page 6, line 2.

Following: "hospital,"

Insert: "except for a project that will be owned and operated by a nonprofit corporation, as described in section 501(c)(3) of the Internal Revenue Code, other than a hospital,"

2. Page 8, line 5.

Following: "contributions"

Insert: "that meet the requirements of the Employee Retirement Income Security Act of 1974"

3. Page 8, line 22.

Following: "or"

Insert: "unless the project will be owned and operated by a nonprofit corporation, as described in section 501(c)(3) of the Internal Revenue Code, other than a hospital, or"

4. Page 10, line 11.

Following: "corporation"

Insert: ", as described in section 501(3)(c) of the Internal Revenue Code,"

Following: "hospital"

Insert: ", "

5. Page 12, line 2.

Following: "the"

Strike: "THE"

Insert: "Except for a project that will be owned and operated by a nonprofit corporation, as described in section 501(3)(c) of the Internal Revenue Code, other than a hospital, the"

SB 329

Committee Vote:  
Yes 9, No 7.


HOUSE

HOUSE STANDING COMMITTEE REPORT

March 22, 1993  
Page 2 of 2

March 22, 1993  
Page 1 of 2

Mr. Speaker: We, the committee on Labor report that Senate  
Bill 329 (third reading copy -- blue) be concurred in as  
amended.

Signed:   
Tom Nelson, Chair

And, that such amendments read:

Carried by: Rep. Hanson

1. Page 2, line 24.

Page 6, line 2.

Following: "~~hospital~~,"

Insert: "except for a project that will be owned and operated by  
a nonprofit corporation, as described in section 501(c)(3)  
of the Internal Revenue Code, other than a hospital,"

2. Page 8, line 5.

Following: "contributions"

Strike: "I"

Insert: "that meet the requirements of the Employee Retirement  
Income Security Act of 1974"

Following: "and"

Insert: "and"

Following: "travel"

Insert: "allowance provisions,"

3. Page 8, lines 6 and 7.

Following: "allowance" on line 6

Strike: "I"

Following: "provisions" on line 6

Strike: the remainder of line 6 through "are" on line 7

4. Page 8, line 22.

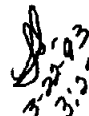
Following: "or"

Insert: "unless the project will be owned and operated by a  
nonprofit corporation, as described in section 501(c)(3) of  
the Internal Revenue Code, other than a hospital, or"

5. Page 10, line 11.

Following: "corporation"

Insert: ", as described in section 501(3)(c) of the Internal  
Revenue Code,"



Following: "hospital"  
Insert: ", "

6. Page 12, line 2.

Following: "~~the~~"

Strike: "THE"

Insert: "Except for a project that will be owned and operated by  
a nonprofit corporation, as described in section 501(3)(c)  
of the Internal Revenue Code, other than a hospital, the"

Committee Vote:  
Yes \_\_, No \_\_.

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HOUSE  
SB 329  
641442SC.Hss

#1

HOUSE COMMITTEE OF THE WHOLE AMENDMENT  
Senate Bill 329  
Representative Driscoll

March 29, 1993 7:52 am  
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 329 (third reading copy -- blue).

Signed:   
Representative Driscoll

And, that the Labor Committee amendments, dated March 22, 1993, to Senate Bill 329 be amended as follows:

1. Strike: committee amendments 1 and 3 through 6 [preserving amendment 2].

And that the 3rd reading copy be further amended:

2. Page 10, lines 10 through 14.

Following: "performed" on line 10

Strike: remainder of line 10 through "performed" on line 14

-END-

  
ADOPT

REJECT

SB 329  
HOUSE

#1

HOUSE COMMITTEE OF THE WHOLE AMENDMENT  
Senate Bill 329  
Representative Driscoll

March 30, 1993 11:18 am  
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 329 (third reading copy -- blue).

Signed: *Driscoll*  
Representative Driscoll

And, that such amendments to Senate Bill 329 read as follows:

1. Strip the House Labor Committee amendments dated March 12, 1993, in their entirety
2. Strike House Labor Committee amendments dated March 22, 1993, in their entirety
3. Strip the Committee of the Whole amendments dated March 29, 1993, in their entirety
4. Page 8, line 3.  
Following: "pay"  
Insert: "(a) the travel allowance that is in effect and applicable to the district in which the work is being performed; and  
(b) "
5. Page 8, line 5.  
Strike: "travel"
6. Page 8, line 6.  
Strike: "1"  
Following: "provisions"  
Insert: "that: (i) meets the requirements of the Employee Retirement Income Security Act of 1974"
7. Page 8, line 7.  
Strike: ", that are"  
Insert: "; and (ii) is"
8. Page 10, lines 10 through 14.  
Following: "performed" on line 10  
Strike: remainder of line 10 through "performed" on line 14

-END-

ADOPT

REJECT

SB 329

HOUSE

711118CW.Hpf

SENATE BILL NO. 329  
INTRODUCED BY KLAMPE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE REQUIREMENT FOR PREVAILING WAGE ON A PROJECT FINANCED WITH TAX-EXEMPT-REVENUE FROM THE PROCEEDS OF BONDS ISSUED ON OR AFTER JULY 1, 1993; AMENDING SECTIONS 17-5-1526, 17-5-1527, 18-2-403, 90-5-114, AND 90-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 17-5-1526, MCA, is amended to read:

"17-5-1526. Procedure prior to financing projects. (1)

The board may finance projects, other than major projects, under this part only when it finds that:

(a) the financing is in the public interest and is consistent with the legislative purposes and findings set forth in 17-5-1502;

(b) the financing to be provided by the board for a project does not exceed either \$800,000 or 90% of the cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board;

(d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental insurer or guarantor;

(e) an applicant has submitted a statement indicating any contracts to construct the projects will require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents; "substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons; and

(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance the project or projects, to create and maintain reserves therefor for payment of the debt service, and to meet all costs and expenses of issuing and servicing the bonds; and

~~(g) except--for--a--project--that--will--be--owned--and operated--by--a--nonprofit--corporation--other--than--a--hospital, EXCEPT--FOR--A--PROJECT--THAT--WILL--BE--OWNED--AND--OPERATED--BY--A~~

1 ~~NONPROFIT CORPORATION, AS DESCRIBED IN SECTION 501(c)(3) OF~~  
 2 ~~THE INTERNAL REVENUE CODE, OTHER THAN A HOSPITAL,~~ an  
 3 applicant has submitted a statement that indicates that any  
 4 contract let for a project costing more than \$25,000 and  
 5 financed ~~in whole or in part by tax-exempt revenue bonds~~  
 6 FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS PART ON OR  
 7 AFTER JULY 1, 1993, will contain a provision that requires  
 8 the contractor to pay the standard prevailing wage rate in  
 9 effect and applicable to the district in which the work is  
 10 being performed unless the contractor performing the work  
 11 has entered into a collective bargaining agreement covering  
 12 the work to be performed.

13 (2) In order to make the findings as described in  
 14 subsection (1)(a), a hearing must be conducted in the  
 15 following manner:

16 (a) the city or county in which the project will be  
 17 located must be notified; and the city and county shall,  
 18 within 14 days after receipt of the notice, notify the board  
 19 if it elects to conduct the hearing; or

20 (b) if no a request for a local hearing is not  
 21 received, the board may hold the hearing at a time and place  
 22 it prescribes.

23 (3) If the hearing required by subsection (2) is  
 24 conducted by a local government, the governing body of the  
 25 local government shall notify the board of its determination

1 of whether the project is in the public interest within 14  
 2 days of the completion of the public hearing.

3 (4) When a hearing is required either locally or at the  
 4 state level, notice must be given, at least once a week for  
 5 2 weeks prior to the date set for the hearing, by  
 6 publication in a newspaper of general circulation in the  
 7 city or county where the hearing will be held. The notice  
 8 must include the time and place of the hearing; the general  
 9 nature of the project; the name of the lessee, borrower, or  
 10 user of the project; and the estimated cost of the project.

11 (5) The requirements of subsections (1)(b) through  
 12 (1)(d) do not apply to bonds that are not secured by the  
 13 capital reserve account authorized by 17-5-1515.

14 (6) The hearing requirements of subsections (2) through  
 15 (4) do not apply to projects financed with bonds the  
 16 interest on which is subject to federal income taxes."

17 **Section 2.** Section 17-5-1527, MCA, is amended to read:

18 "17-5-1527. Procedure prior to financing major  
 19 projects. (1) The board may finance major projects under  
 20 this part only when it finds that:

21 (a) the financing is in the public interest and is  
 22 consistent with legislative purposes and findings;

23 (b) the financing to be provided by the board for a  
 24 project does not exceed either \$10 million or 90% of the  
 25 cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project if the cost or appraised value is less than \$1 million, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board, provided, however, that participation by a financial institution in projects of over \$1 million is at the discretion of the board;

(d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental insurer or guarantor;

(e) any contracts to construct the projects require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents; "substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons; and

(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance the project

or projects, to create and maintain reserves therefor for payment of the debt service, and to meet all costs and expenses of issuing and servicing the bonds; and

(g) except--for--a--project--that--will--be--owned--and--operated--by--a--nonprofit--corporation--other--than--a--hospital, EXCEPT--FOR--A--PROJECT--THAT--WILL--BE--OWNED--AND--OPERATED--BY--A--NONPROFIT--CORPORATION--OTHER--THAN--A--HOSPITAL, an applicant has submitted a statement that indicates that any contract let for a project costing more than \$25,000 and financed in whole--or--in--part--by--tax-exempt--revenue--bonds FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS PART ON OR AFTER JULY 1, 1993, will contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and applicable to the district in which the work is being performed unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed.

(2) In order to make the findings as described in subsection (1)(a), a hearing must be conducted in the following manner:

(a) the city or county in which the project will be located must be notified, and within 14 days shall advise the board if it elects to conduct the hearing; or

(b) if no a request for a local hearing is not received, the board may hold the hearing at a time and place

1 it prescribes.

2 (3) If the hearing required by subsection (2) is  
3 conducted by a local government, the governing body of the  
4 local government shall notify the board of its determination  
5 of whether the project is in the public interest within 14  
6 days of the completion of the public hearing.

7 (4) When a hearing is required either locally or at the  
8 state level, notice must be given, at least once a week for  
9 2 weeks prior to the date set for the hearing, by  
10 publication in a newspaper of general circulation in the  
11 city or county where the hearing will be held. The notice  
12 must include the time and place of the hearing; the general  
13 nature of the project; the name of the lessee, borrower, or  
14 user of the project; and the estimated cost of the project.

15 (5) The requirements of subsections (1)(b) through  
16 (1)(d) do not apply to bonds that are not secured by the  
17 capital reserve account authorized by 17-5-1515.

18 (6) The hearing requirements of subsections (2) through  
19 (4) do not apply to major projects financed with bonds the  
20 interest on which is subject to federal income taxes."

21 **Section 3.** Section 18-2-403, MCA, is amended to read:

22 "18-2-403. Preference of Montana labor in public works  
23 -- wages -- tax-exempt project -- federal exception. (1) In  
24 any contract let for state, county, municipal, school, or  
25 heavy highway construction, services, repair, or maintenance

1 work under any law of this state, there ~~shall~~ must be  
2 inserted in the bid specification and the contract a  
3 provision requiring the contractor to give preference to the  
4 employment of bona fide Montana residents in the performance  
5 of the work.

6 (2) All public works contracts under subsection (1),  
7 except those for heavy highway construction, must contain a  
8 provision requiring the contractor to pay:

9 (A) THE TRAVEL ALLOWANCE THAT IS IN EFFECT AND  
10 APPLICABLE TO THE DISTRICT IN WHICH THE WORK IS BEING  
11 PERFORMED; AND

12 (B) the standard prevailing rate of wages, including  
13 fringe benefits for health and welfare and pension  
14 contributions, THAT--MEET--THE--REQUIREMENTS--OF--THE--EMPLOYEE  
15 RETIREMENT--INCOME--SECURITY--ACT--OF--1974 and AND travel  
16 ALLOWANCE--PROVISIONS, allowance, provisions THAT:

17 (I) MEETS THE REQUIREMENTS OF THE EMPLOYEE RETIREMENT  
18 INCOME SECURITY ACT OF 1974 and--other--bona--fide--programs  
19 approved--by--the--United--States--department--of--labor, that--are  
20 AND OTHER BONA FIDE PROGRAMS APPROVED BY THE UNITED STATES  
21 DEPARTMENT OF LABOR, THAT--ARE; AND

22 (II) IS in effect and applicable to the district in  
23 which the work is being performed.

24 (3) In every contract for heavy highway construction,  
25 there must be inserted a provision to require the contractor



to pay the heavy highway construction wage rates established statewide for such project.

(4) A contract let for a project costing more than \$25,000 and financed ~~in--whole--or--in--part--by--tax-exempt industrial--revenue--bonds~~ FROM THE PROCEEDS OF BONDS ISSUED UNDER TITLE 17, CHAPTER 5, PART 15, OR TITLE 90, CHAPTER 5 OR 7, ON OR AFTER JULY 1, 1993, must contain a provision requiring the contractor to pay the standard prevailing wage rate in effect and applicable to the district in which the work is being performed ~~unless-the-project-will-be-owned-and-operated-by-a-nonprofit-corporation-other-than-a-hospital-or UNLESS-THE-PROJECT-WILL-BE-OWNED-AND-OPERATED-BY-A-NONPROFIT CORPORATION,--AS--DESCRIBED--IN--SECTION--501(C)(3)--OF--THE INTERNAL--REVENUE-CODE,--OTHER--THAN--A-HOSPITAL,--OR~~ unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed.

(5) No A contract may not be let to any person, firm, association, or corporation refusing to execute an agreement with the above-mentioned provisions described in subsections (1) through (4) in it, provided that in contracts involving the expenditure of federal-aid funds this part may not be enforced in such a manner as to conflict with or be contrary to the federal statutes prescribing a labor preference to honorably discharged veterans of the armed forces and prohibiting as unlawful any other preference or

discrimination among citizens of the United States.

(6) Failure to include the provisions required by 18-2-422 in a public works contract relieves the contractor from his the contractor's obligation to pay the standard prevailing wage rate and places such the obligation on the public contracting agency."

**Section 4.** Section 90-5-114, MCA, is amended to read:

"90-5-114. Preference of Montana labor. (1) Any contract to construct a project financed pursuant to this part must require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents. "Substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons.

(2) A contract let for a project costing more than \$25,000 and financed ~~in--whole--or--in--part--by--tax-exempt revenue--bonds~~ FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS PART ON OR AFTER JULY 1, 1993, must contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and applicable to the district in which the

work is being performed ~~unless the project will be owned and operated by a nonprofit corporation, as described in Section 501(3)(c) of the Internal Revenue Code, other than a hospital, or unless the contractor performing the work has entered into a collective bargaining agreement covering the work to be performed.~~"

**Section 5.** Section 90-7-302, MCA, is amended to read:

"90-7-302. Bonds and notes of the authority. (1) The authority may in each biennium borrow money and issue bonds and notes in an aggregate principal amount not to exceed \$150 million, exclusive of bonds or notes issued to refund its outstanding bonds or notes.

(2) Bonds must be authorized, and must be dated, and ~~shall~~ must mature as the authority may specify, except that no a bond may not mature more than 40 years from the date of its issue. Bonds ~~shall~~ must bear interest at the rate or rates, be in the denominations, be in the proper registered or bearer form, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption that the authority may provide.

(3) All bonds, regardless of form or character, are negotiable instruments for all purposes of the Uniform Commercial Code, subject to requirements as to registration.

(4) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time or

times which the authority may determine.

(5) Before the issuance of any bonds, the authority shall make provisions, by lease or other agreement, regarding the facility or facilities being financed by the issue of the bonds, for rentals or other considerations sufficient, in the judgment of the authority, to:

(a) pay the principal of and interest on the bonds as they become due;

(b) create and maintain the reserves therefor for payment of the principal and interest;

(c) meet all obligations in connection with the lease or other agreement; and

(d) meet all costs necessary to service the bonds unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority.

~~(6) Except for a project that will be owned and operated by a nonprofit corporation other than a hospital, the THE THE EXCEPT FOR A PROJECT THAT WILL BE OWNED AND OPERATED BY A NONPROFIT CORPORATION, AS DESCRIBED IN SECTION 501(3)(c) OF THE INTERNAL REVENUE CODE, OTHER THAN A HOSPITAL, THE~~ authority, before issuing any bonds, shall certify that an applicant has submitted a statement that indicates that any contract let for a project costing more than \$25,000 and financed in whole or in part by tax-exempt

1 revenue--bonds FROM THE PROCEEDS OF BONDS ISSUED UNDER THIS  
2 PART ON OR AFTER JULY 1, 1993, will contain a provision  
3 requiring the contractor to pay the standard prevailing wage  
4 rate in effect and applicable to the district in which the  
5 work is being performed unless the contractor performing the  
6 work has entered into a collective bargaining agreement  
7 covering the work to be performed.

8 {6}(7) The authority may combine, for the purposes of a  
9 single offering, bonds financing more than one facility  
10 under this chapter."

11 NEW SECTION. Section 6. Effective date. [This act] is  
12 effective on passage and approval.

-End-