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INTRODUCED BY

*L. Johnson* House BILL NO. 139

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING PORT AUTHORITIES; AUTHORIZING PORT AUTHORITIES TO PLEDGE AND MORTGAGE PROPERTY TO SECURE BONDS; AMENDING SECTIONS 7-14-1104, 7-14-1126, AND 7-14-1133, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 7-14-1104, MCA, is amended to read:

**"7-14-1104. Purpose -- public and governmental functions.** (1) The purposes of a port authority are to:

(a) promote, stimulate, develop, and advance the general welfare, commerce, economic development, and prosperity of its jurisdiction and of the state and its citizens;

(b) endeavor to increase the volume of commerce within the jurisdiction of the port authority and the state through planning, advertising, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, and protection of transportation, storage, or other facilities that promote the safe, efficient, and economical handling of commerce;

(c) cooperate and act in conjunction with other organizations, public or private, in the development of commerce, industry, manufacturing, services, natural resources, agriculture, livestock, recreation, tourism, health care, and other economic activity in the state;

(d) support the creation, expansion, modernization, retention, and relocation of new and existing businesses and industry in the state and otherwise stimulate, assist in, and support the growth of all kinds of economic activity that will tend to promote commerce and business development, maintain the economic stability and prosperity of its jurisdiction and of the state, and thus provide maximum opportunities for employment and improvement in the standard of living of citizens of the state.

(2) The acquisition of any land or interest in land pursuant to this part, the planning, acquisition, establishment, development, construction, improvement, maintenance, equipment, operation, regulation, and protection of port authority facilities, and the exercise of any powers granted to port authorities and

1 other public agencies to be severally or jointly exercised are public and governmental functions, exercised  
 2 for a public purpose, and matters of public necessity. All land and other property and privileges acquired  
 3 and used by or on behalf of any authority or other public agency, as provided in this part, must be used  
 4 for public and governmental purposes and as a matter of public necessity. A port authority may pledge,  
 5 lease, sell, or mortgage all or any part of its facilities to secure bonds under this part as provided in  
 6 7-14-1133."

7  
 8 **Section 2.** Section 7-14-1126, MCA, is amended to read:

9 **"7-14-1126. Port property -- disposal.** Except as may be limited by the terms and conditions of  
 10 any grant, loan, or agreement authorized by 7-14-1136, an authority may sell, lease, or otherwise dispose  
 11 of any transportation, storage, or other facility or other property or portion ~~thereof~~ of or interest ~~therein~~ in  
 12 the facility or property acquired pursuant to this part. ~~Such~~ The disposal by sale, lease, or otherwise must  
 13 be in accordance with the laws of this state governing the disposition of other public property, unless a  
 14 sale, lease, mortgage, or other disposition is made under 7-14-1133 to secure bonds of the authority."

15  
 16 **Section 3.** Section 7-14-1133, MCA, is amended to read:

17 **"7-14-1133. Bonds and obligations.** (1) Except for providing financial support to a private  
 18 development organization, including a corporation organized under Title 32, chapter 4, whose purpose is  
 19 to advance the economic development of its jurisdiction and of the state and its citizens, an authority may  
 20 borrow money for any of its corporate purposes and issue bonds ~~therefor~~, including refunding bonds, for  
 21 any of its corporate purposes. The bonds may be in ~~such~~ the form and upon ~~such~~ terms as it determines,  
 22 payable out of any ~~revenues~~ revenue of the authority, including ~~revenues~~ revenue derived from:

- 23 (a) any port or transportation and storage facility;  
 24 (b) taxes levied pursuant to 7-14-1131 or 67-10-402;  
 25 (c) grants or contributions from the federal government; or  
 26 (d) other sources.

27 (2) The bonds may be issued by resolution of the authority, without an election and without any  
 28 limitation of amount, except that ~~no~~ bonds may not be issued at any time if the total amount of principal  
 29 and interest to become due in any year on ~~such~~ the bonds and on any then outstanding bonds for which  
 30 ~~revenues~~ revenue from the same source ~~are~~ is pledged exceeds the amount of ~~such revenues~~ revenue to

1 be received in that year, as estimated in the resolution authorizing the issuance of the bonds. The authority  
2 shall take all action necessary and possible to impose, maintain, and collect rates, charges, and rentals and  
3 to request taxes, if any are pledged, sufficient to make the ~~revenues~~ revenue from the pledged source in  
4 such year at least equal to the amount of principal and interest due in that year.

5 (3) The bonds may be sold at public or private sale and may bear interest as provided in 17-5-102.  
6 Except as otherwise provided in this part, any bonds issued pursuant to this part by an authority may be  
7 payable as to principal and interest solely from ~~revenues~~ revenue of the authority ~~and shall~~ or from  
8 particular port, transportation, storage, or other facilities of the authority. The bonds must state on their  
9 face the applicable limitations or restrictions regarding the source from which ~~such~~ principal and interest  
10 are payable.

11 (4) Bonds issued by an authority, county, or municipality pursuant to the provisions of this part  
12 are declared to be issued for an essential public and governmental purpose by a political subdivision within  
13 the meaning of 15-30-111(2)(a).

14 (5) (a) For the security of ~~any such~~ bonds, the authority, county, or municipality may by resolution  
15 make and enter into any covenant, agreement, or indenture and may exercise any additional powers  
16 authorized to be exercised by a municipality under Title 7, chapter 7, parts 44 and 45. The sums required  
17 from time to time to pay principal and interest and to create and maintain a reserve for the bonds may be  
18 paid from any ~~revenues~~ revenue referred to in this part, prior to the payment of current costs of operation  
19 and maintenance of the facilities.

20 (b) As further security for the bonds, the authority, with the approval of the governing body of the  
21 county or municipality that created the authority, may pledge, lease, sell, mortgage, or grant a security  
22 interest in all or any portion of its port, transportation, storage, or other facilities, whether or not the  
23 facilities are financed by the bonds. The instrument effecting the pledge, lease, sale, mortgage, or security  
24 interest may contain any agreements and provisions customarily contained in instruments securing bonds,  
25 as the commissioners of the authority consider advisable. The provisions must be consistent with this part  
26 and are subject to and must be in accordance with the laws of this state governing mortgages, trust  
27 indentures, security agreements, or instruments. The instrument may provide that in the event of a default  
28 in the payment of principal or interest on the bonds or in the performance of any agreement contained in  
29 the proceedings authorizing the bonds or instrument, the payment or performance may be enforced by  
30 mandamus or by the appointment of a receiver in equity. The receiver may collect charges, rental, or fees

1 and may apply the revenue from the mortgaged property or collateral in accordance with the proceedings  
2 or the provisions of the instrument.

3 (6) Nothing in this section or 7-14-1134 may be construed to limit the use of port authority  
4 ~~revenues~~ revenue, including federal and state money as described in 7-14-1136, to make grants and loans  
5 or to otherwise provide financial and other support to private development organizations, including  
6 corporations organized under the provisions of the development corporation act in Title 32, chapter 4.  
7 ~~Under no circumstances may the~~ The credit of the state, county, or municipal governments or their  
8 agencies or authorities may not be pledged to provide financial support to ~~such~~ the development  
9 organizations."

10

11 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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-END-

APPROVED BY COM ON  
STATE ADMINISTRATION

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INTRODUCED BY

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*Johnson* House BILL NO. 139

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING PORT AUTHORITIES;  
AUTHORIZING PORT AUTHORITIES TO PLEDGE AND MORTGAGE PROPERTY TO SECURE BONDS;  
AMENDING SECTIONS 7-14-1104, 7-14-1126, AND 7-14-1133, MCA; AND PROVIDING AN IMMEDIATE  
EFFECTIVE DATE."

8

9

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

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11

**Section 1.** Section 7-14-1104, MCA, is amended to read:

12

**"7-14-1104. Purpose -- public and governmental functions.** (1) The purposes of a port authority

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are to:

14

(a) promote, stimulate, develop, and advance the general welfare, commerce, economic  
development, and prosperity of its jurisdiction and of the state and its citizens;

16

(b) endeavor to increase the volume of commerce within the jurisdiction of the port authority and  
the state through planning, advertising, acquisition, establishment, development, construction,  
improvement, maintenance, equipment, operation, regulation, and protection of transportation, storage, or  
other facilities that promote the safe, efficient, and economical handling of commerce;

20

(c) cooperate and act in conjunction with other organizations, public or private, in the development  
of commerce, industry, manufacturing, services, natural resources, agriculture, livestock, recreation,  
tourism, health care, and other economic activity in the state;

23

(d) support the creation, expansion, modernization, retention, and relocation of new and existing  
businesses and industry in the state and otherwise stimulate, assist in, and support the growth of all kinds  
of economic activity that will tend to promote commerce and business development, maintain the economic  
stability and prosperity of its jurisdiction and of the state, and thus provide maximum opportunities for  
employment and improvement in the standard of living of citizens of the state.

28

(2) The acquisition of any land or interest in land pursuant to this part, the planning, acquisition,  
establishment, development, construction, improvement, maintenance, equipment, operation, regulation,  
and protection of port authority facilities, and the exercise of any powers granted to port authorities and

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1 other public agencies to be severally or jointly exercised are public and governmental functions, exercised  
 2 for a public purpose, and matters of public necessity. All land and other property and privileges acquired  
 3 and used by or on behalf of any authority or other public agency, as provided in this part, must be used  
 4 for public and governmental purposes and as a matter of public necessity. A port authority may pledge,  
 5 lease, sell, or mortgage all or any part of its facilities to secure bonds under this part as provided in  
 6 7-14-1133."

7

8 **Section 2.** Section 7-14-1126, MCA, is amended to read:

9 "7-14-1126. **Port property -- disposal.** Except as may be limited by the terms and conditions of  
 10 any grant, loan, or agreement authorized by 7-14-1136, an authority may sell, lease, or otherwise dispose  
 11 of any transportation, storage, or other facility or other property or portion ~~thereof~~ of or interest ~~therein~~ in  
 12 the facility or property acquired pursuant to this part. ~~Such~~ The disposal by sale, lease, or otherwise must  
 13 be in accordance with the laws of this state governing the disposition of other public property, unless a  
 14 sale, lease, mortgage, or other disposition is made under 7-14-1133 to secure bonds of the authority."

15

16 **Section 3.** Section 7-14-1133, MCA, is amended to read:

17 "7-14-1133. **Bonds and obligations.** (1) Except for providing financial support to a private  
 18 development organization, including a corporation organized under Title 32, chapter 4, whose purpose is  
 19 to advance the economic development of its jurisdiction and of the state and its citizens, an authority may  
 20 borrow money for any of its corporate purposes and issue bonds ~~therefor~~, including refunding bonds, for  
 21 any of its corporate purposes. The bonds may be in ~~such~~ the form and upon ~~such~~ terms as it determines,  
 22 payable out of any ~~revenues~~ revenue of the authority, including ~~revenues~~ revenue derived from:

23

(a) any port or transportation and storage facility;

24

(b) taxes levied pursuant to 7-14-1131 or 67-10-402;

25

(c) grants or contributions from the federal government; or

26

(d) other sources.

27

(2) The bonds may be issued by resolution of the authority, without an election and without any  
 28 limitation of amount, except that ~~no~~ bonds may not be issued at any time if the total amount of principal  
 29 and interest to become due in any year on ~~such~~ the bonds and on any then outstanding bonds for which  
 30 ~~revenues~~ revenue from the same source ~~are~~ is pledged exceeds the amount of ~~such~~ revenues revenue to

1 be received in that year, as estimated in the resolution authorizing the issuance of the bonds. The authority  
2 shall take all action necessary and possible to impose, maintain, and collect rates, charges, and rentals and  
3 to request taxes, if any are pledged, sufficient to make the ~~revenues~~ revenue from the pledged source in  
4 such year at least equal to the amount of principal and interest due in that year.

5 (3) The bonds may be sold at public or private sale and may bear interest as provided in 17-5-102.  
6 Except as otherwise provided in this part, any bonds issued pursuant to this part by an authority may be  
7 payable as to principal and interest solely from ~~revenues~~ revenue of the authority ~~and shall~~ or from  
8 particular port, transportation, storage, or other facilities of the authority. The bonds must state on their  
9 face the applicable limitations or restrictions regarding the source from which ~~such~~ principal and interest  
10 are payable.

11 (4) Bonds issued by an authority, county, or municipality pursuant to the provisions of this part  
12 are declared to be issued for an essential public and governmental purpose by a political subdivision within  
13 the meaning of 15-30-111(2)(a).

14 (5) (a) For the security of ~~any such~~ bonds, the authority, county, or municipality may by resolution  
15 make and enter into any covenant, agreement, or indenture and may exercise any additional powers  
16 authorized to be exercised by a municipality under Title 7, chapter 7, parts 44 and 45. The sums required  
17 from time to time to pay principal and interest and to create and maintain a reserve for the bonds may be  
18 paid from any ~~revenues~~ revenue referred to in this part, prior to the payment of current costs of operation  
19 and maintenance of the facilities.

20 (b) As further security for the bonds, the authority, with the approval of the governing body of the  
21 county or municipality that created the authority, may pledge, lease, sell, mortgage, or grant a security  
22 interest in all or any portion of its port, transportation, storage, or other facilities, whether or not the  
23 facilities are financed by the bonds. The instrument effecting the pledge, lease, sale, mortgage, or security  
24 interest may contain any agreements and provisions customarily contained in instruments securing bonds,  
25 as the commissioners of the authority consider advisable. The provisions must be consistent with this part  
26 and are subject to and must be in accordance with the laws of this state governing mortgages, trust  
27 indentures, security agreements, or instruments. The instrument may provide that in the event of a default  
28 in the payment of principal or interest on the bonds or in the performance of any agreement contained in  
29 the proceedings authorizing the bonds or instrument, the payment or performance may be enforced by  
30 mandamus or by the appointment of a receiver in equity. The receiver may collect charges, rental, or fees

1 and may apply the revenue from the mortgaged property or collateral in accordance with the proceedings  
2 or the provisions of the instrument.

3 (6) Nothing in this section or 7-14-1134 may be construed to limit the use of port authority  
4 ~~revenues~~ revenue, including federal and state money as described in 7-14-1136, to make grants and loans  
5 or to otherwise provide financial and other support to private development organizations, including  
6 corporations organized under the provisions of the development corporation act in Title 32, chapter 4.  
7 ~~Under no circumstances may the~~ The credit of the state, county, or municipal governments or their  
8 agencies or authorities may not be pledged to provide financial support to ~~such~~ the development  
9 organizations."

10

11 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

12

-END-



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INTRODUCED BY

7

House BILL NO. 139

*Johnson*

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING PORT AUTHORITIES;  
 AUTHORIZING PORT AUTHORITIES TO PLEDGE AND MORTGAGE PROPERTY TO SECURE BONDS;  
 AMENDING SECTIONS 7-14-1104, 7-14-1126, AND 7-14-1133, MCA; AND PROVIDING AN IMMEDIATE  
 EFFECTIVE DATE."

8

9

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

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11

**Section 1.** Section 7-14-1104, MCA, is amended to read:

12

**"7-14-1104. Purpose -- public and governmental functions.** (1) The purposes of a port authority  
 are to:

13

14

(a) promote, stimulate, develop, and advance the general welfare, commerce, economic  
 development, and prosperity of its jurisdiction and of the state and its citizens;

15

16

(b) endeavor to increase the volume of commerce within the jurisdiction of the port authority and  
 the state through planning, advertising, acquisition, establishment, development, construction,  
 improvement, maintenance, equipment, operation, regulation, and protection of transportation, storage, or  
 other facilities that promote the safe, efficient, and economical handling of commerce;

17

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(c) cooperate and act in conjunction with other organizations, public or private, in the development  
 of commerce, industry, manufacturing, services, natural resources, agriculture, livestock, recreation,  
 tourism, health care, and other economic activity in the state;

19

20

(d) support the creation, expansion, modernization, retention, and relocation of new and existing  
 businesses and industry in the state and otherwise stimulate, assist in, and support the growth of all kinds  
 of economic activity that will tend to promote commerce and business development, maintain the economic  
 stability and prosperity of its jurisdiction and of the state, and thus provide maximum opportunities for  
 employment and improvement in the standard of living of citizens of the state.

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(2) The acquisition of any land or interest in land pursuant to this part, the planning, acquisition,  
 establishment, development, construction, improvement, maintenance, equipment, operation, regulation,  
 and protection of port authority facilities, and the exercise of any powers granted to port authorities and

23

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1 other public agencies to be severally or jointly exercised are public and governmental functions, exercised  
 2 for a public purpose, and matters of public necessity. All land and other property and privileges acquired  
 3 and used by or on behalf of any authority or other public agency, as provided in this part, must be used  
 4 for public and governmental purposes and as a matter of public necessity. A port authority may pledge,  
 5 lease, sell, or mortgage all or any part of its facilities to secure bonds under this part as provided in  
 6 7-14-1133."

7  
 8 **Section 2.** Section 7-14-1126, MCA, is amended to read:

9 "7-14-1126. **Port property -- disposal.** Except as may be limited by the terms and conditions of  
 10 any grant, loan, or agreement authorized by 7-14-1136, an authority may sell, lease, or otherwise dispose  
 11 of any transportation, storage, or other facility or other property or portion thereof of or interest therein in  
 12 the facility or property acquired pursuant to this part. ~~Such~~ The disposal by sale, lease, or otherwise must  
 13 be in accordance with the laws of this state governing the disposition of other public property, unless a  
 14 sale, lease, mortgage, or other disposition is made under 7-14-1133 to secure bonds of the authority."

15  
 16 **Section 3.** Section 7-14-1133, MCA, is amended to read:

17 "7-14-1133. **Bonds and obligations.** (1) Except for providing financial support to a private  
 18 development organization, including a corporation organized under Title 32, chapter 4, whose purpose is  
 19 to advance the economic development of its jurisdiction and of the state and its citizens, an authority may  
 20 borrow money for any of its corporate purposes and issue bonds ~~therefor~~, including refunding bonds, for  
 21 any of its corporate purposes. The bonds may be in such the form and upon ~~such~~ terms as it determines,  
 22 payable out of any ~~revenues~~ revenue of the authority, including ~~revenues~~ revenue derived from:

- 23 (a) any port or transportation and storage facility;  
 24 (b) taxes levied pursuant to 7-14-1131 or 67-10-402;  
 25 (c) grants or contributions from the federal government; or  
 26 (d) other sources.

27 (2) The bonds may be issued by resolution of the authority, without an election and without any  
 28 limitation of amount, except that ~~no~~ bonds may not be issued at any time if the total amount of principal  
 29 and interest to become due in any year on ~~such the~~ bonds and on any then outstanding bonds for which  
 30 ~~revenues~~ revenue from the same source ~~are~~ is pledged exceeds the amount of ~~such revenues~~ revenue to

1 be received in that year, as estimated in the resolution authorizing the issuance of the bonds. The authority  
2 shall take all action necessary and possible to impose, maintain, and collect rates, charges, and rentals and  
3 to request taxes, if any are pledged, sufficient to make the ~~revenues~~ revenue from the pledged source in  
4 such year at least equal to the amount of principal and interest due in that year.

5 (3) The bonds may be sold at public or private sale and may bear interest as provided in 17-5-102.  
6 Except as otherwise provided in this part, any bonds issued pursuant to this part by an authority may be  
7 payable as to principal and interest solely from ~~revenues~~ revenue of the authority ~~and shall~~ or from  
8 particular port, transportation, storage, or other facilities of the authority. The bonds must state on their  
9 face the applicable limitations or restrictions regarding the source from which ~~such~~ principal and interest  
10 are payable.

11 (4) Bonds issued by an authority, county, or municipality pursuant to the provisions of this part  
12 are declared to be issued for an essential public and governmental purpose by a political subdivision within  
13 the meaning of 15-30-111(2)(a).

14 (5) (a) For the security of ~~any such~~ bonds, the authority, county, or municipality may by resolution  
15 make and enter into any covenant, agreement, or indenture and may exercise any additional powers  
16 authorized to be exercised by a municipality under Title 7, chapter 7, parts 44 and 45. The sums required  
17 from time to time to pay principal and interest and to create and maintain a reserve for the bonds may be  
18 paid from any ~~revenues~~ revenue referred to in this part, prior to the payment of current costs of operation  
19 and maintenance of the facilities.

20 (b) As further security for the bonds, the authority, with the approval of the governing body of the  
21 county or municipality that created the authority, may pledge, lease, sell, mortgage, or grant a security  
22 interest in all or any portion of its port, transportation, storage, or other facilities, whether or not the  
23 facilities are financed by the bonds. The instrument effecting the pledge, lease, sale, mortgage, or security  
24 interest may contain any agreements and provisions customarily contained in instruments securing bonds,  
25 as the commissioners of the authority consider advisable. The provisions must be consistent with this part  
26 and are subject to and must be in accordance with the laws of this state governing mortgages, trust  
27 indentures, security agreements, or instruments. The instrument may provide that in the event of a default  
28 in the payment of principal or interest on the bonds or in the performance of any agreement contained in  
29 the proceedings authorizing the bonds or instrument, the payment or performance may be enforced by  
30 mandamus or by the appointment of a receiver in equity. The receiver may collect charges, rental, or fees

1 and may apply the revenue from the mortgaged property or collateral in accordance with the proceedings  
2 or the provisions of the instrument.

3 (6) Nothing in this section or 7-14-1134 may be construed to limit the use of port authority  
4 ~~revenues~~ revenue, including federal and state money as described in 7-14-1136, to make grants and loans  
5 or to otherwise provide financial and other support to private development organizations, including  
6 corporations organized under the provisions of the development corporation act in Title 32, chapter 4.  
7 ~~Under no circumstances may the~~ The credit of the state, county, or municipal governments or their  
8 agencies or authorities may not be pledged to provide financial support to ~~such~~ the development  
9 organizations."

10

11 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

12

-END-

## 1 HOUSE BILL NO. 139

2 INTRODUCED BY R. JOHNSON

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS GOVERNING PORT AUTHORITIES;  
5 AUTHORIZING PORT AUTHORITIES TO PLEDGE AND MORTGAGE PROPERTY TO SECURE BONDS;  
6 AMENDING SECTIONS 7-14-1104, 7-14-1126, AND 7-14-1133, MCA; AND PROVIDING AN IMMEDIATE  
7 EFFECTIVE DATE."

8

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

10

11 Section 1. Section 7-14-1104, MCA, is amended to read:

12 "7-14-1104. Purpose -- public and governmental functions. (1) The purposes of a port authority  
13 are to:

14 (a) promote, stimulate, develop, and advance the general welfare, commerce, economic  
15 development, and prosperity of its jurisdiction and of the state and its citizens;

16 (b) endeavor to increase the volume of commerce within the jurisdiction of the port authority and  
17 the state through planning, advertising, acquisition, establishment, development, construction,  
18 improvement, maintenance, equipment, operation, regulation, and protection of transportation, storage, or  
19 other facilities that promote the safe, efficient, and economical handling of commerce;

20 (c) cooperate and act in conjunction with other organizations, public or private, in the development  
21 of commerce, industry, manufacturing, services, natural resources, agriculture, livestock, recreation,  
22 tourism, health care, and other economic activity in the state;

23 (d) support the creation, expansion, modernization, retention, and relocation of new and existing  
24 businesses and industry in the state and otherwise stimulate, assist in, and support the growth of all kinds  
25 of economic activity that will tend to promote commerce and business development, maintain the economic  
26 stability and prosperity of its jurisdiction and of the state, and thus provide maximum opportunities for  
27 employment and improvement in the standard of living of citizens of the state.

28 (2) The acquisition of any land or interest in land pursuant to this part, the planning, acquisition,  
29 establishment, development, construction, improvement, maintenance, equipment, operation, regulation,  
30 and protection of port authority facilities, and the exercise of any powers granted to port authorities and

1 other public agencies to be severally or jointly exercised are public and governmental functions, exercised  
 2 for a public purpose, and matters of public necessity. All land and other property and privileges acquired  
 3 and used by or on behalf of any authority or other public agency, as provided in this part, must be used  
 4 for public and governmental purposes and as a matter of public necessity. A port authority may pledge,  
 5 lease, sell, or mortgage all or any part of its facilities to secure bonds under this part as provided in  
 6 7-14-1133."

7

8 **Section 2.** Section 7-14-1126, MCA, is amended to read:

9 **"7-14-1126. Port property -- disposal.** Except as may be limited by the terms and conditions of  
 10 any grant, loan, or agreement authorized by 7-14-1136, an authority may sell, lease, or otherwise dispose  
 11 of any transportation, storage, or other facility or other property or portion thereof ~~of~~ or interest ~~therein~~ in  
 12 the facility or property acquired pursuant to this part. ~~Such~~ The disposal by sale, lease, or otherwise must  
 13 be in accordance with the laws of this state governing the disposition of other public property, unless a  
 14 sale, lease, mortgage, or other disposition is made under 7-14-1133 to secure bonds of the authority."

15

16 **Section 3.** Section 7-14-1133, MCA, is amended to read:

17 **"7-14-1133. Bonds and obligations.** (1) Except for providing financial support to a private  
 18 development organization, including a corporation organized under Title 32, chapter 4, whose purpose is  
 19 to advance the economic development of its jurisdiction and of the state and its citizens, an authority may  
 20 borrow money for any of its corporate purposes and issue bonds ~~therefor~~, including refunding bonds, for  
 21 any of its corporate purposes. ~~The bonds may be in such the~~ form and upon ~~such~~ terms as it determines,  
 22 payable out of any ~~revenues~~ revenue of the authority, including ~~revenues~~ revenue derived from:

23

(a) any port or transportation and storage facility;

24

(b) taxes levied pursuant to 7-14-1131 or 67-10-402;

25

(c) grants or contributions from the federal government; or

26

(d) other sources.

27

(2) The bonds may be issued by resolution of the authority, without an election and without any  
 28 limitation of amount, except that ~~no~~ bonds may not be issued at any time if the total amount of principal  
 29 and interest to become due in any year on ~~such the~~ bonds and on any then outstanding bonds for which  
 30 ~~revenues~~ revenue from the same source ~~are~~ is pledged exceeds the amount of ~~such revenues~~ revenue to

1 be received in that year, as estimated in the resolution authorizing the issuance of the bonds. The authority  
2 shall take all action necessary and possible to impose, maintain, and collect rates, charges, and rentals and  
3 to request taxes, if any are pledged, sufficient to make the ~~revenues~~ revenue from the pledged source in  
4 such year at least equal to the amount of principal and interest due in that year.

5 (3) The bonds may be sold at public or private sale and may bear interest as provided in 17-5-102.  
6 Except as otherwise provided in this part, any bonds issued pursuant to this part by an authority may be  
7 payable as to principal and interest solely from ~~revenues~~ revenue of the authority ~~and shall or from~~  
8 particular port, transportation, storage, or other facilities of the authority. The bonds must state on their  
9 face the applicable limitations or restrictions regarding the source from which ~~such~~ principal and interest  
10 are payable.

11 (4) Bonds issued by an authority, county, or municipality pursuant to the provisions of this part  
12 are declared to be issued for an essential public and governmental purpose by a political subdivision within  
13 the meaning of 15-30-111(2)(a).

14 (5) (a) For the security of ~~any such~~ bonds, the authority, county, or municipality may by resolution  
15 make and enter into any covenant, agreement, or indenture and may exercise any additional powers  
16 authorized to be exercised by a municipality under Title 7, chapter 7, parts 44 and 45. The sums required  
17 from time to time to pay principal and interest and to create and maintain a reserve for the bonds may be  
18 paid from any ~~revenues~~ revenue referred to in this part, prior to the payment of current costs of operation  
19 and maintenance of the facilities.

20 (b) As further security for the bonds, the authority, with the approval of the governing body of the  
21 county or municipality that created the authority, may pledge, lease, sell, mortgage, or grant a security  
22 interest in all or any portion of its port, transportation, storage, or other facilities, whether or not the  
23 facilities are financed by the bonds. The instrument effecting the pledge, lease, sale, mortgage, or security  
24 interest may contain any agreements and provisions customarily contained in instruments securing bonds,  
25 as the commissioners of the authority consider advisable. The provisions must be consistent with this part  
26 and are subject to and must be in accordance with the laws of this state governing mortgages, trust  
27 indentures, security agreements, or instruments. The instrument may provide that in the event of a default  
28 in the payment of principal or interest on the bonds or in the performance of any agreement contained in  
29 the proceedings authorizing the bonds or instrument, the payment or performance may be enforced by  
30 mandamus or by the appointment of a receiver in equity. The receiver may collect charges, rental, or fees

1 and may apply the revenue from the mortgaged property or collateral in accordance with the proceedings  
2 or the provisions of the instrument.

3 (6) Nothing in this section or 7-14-1134 may be construed to limit the use of port authority  
4 ~~revenues~~ revenue, including federal and state money as described in 7-14-1136, to make grants and loans  
5 or to otherwise provide financial and other support to private development organizations, including  
6 corporations organized under the provisions of the development corporation act in Title 32, chapter 4.  
7 ~~Under no circumstances may the~~ The credit of the state, county, or municipal governments or their  
8 agencies or authorities may not be pledged to provide financial support to ~~such~~ the development  
9 organizations."

10

11 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

12

-END-