

1 SENATE BILL NO. 123

2 INTRODUCED BY HARGROVE

3 BY REQUEST OF THE BOARD OF REGENTS

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING THE BOARD OF REGENTS FROM THE
6 REQUIREMENT TO PAY A FEE FOR ISSUANCE OF REVENUE BONDS; AND AMENDING SECTION
7 17-5-2201, MCA."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 17-5-2201, MCA, is amended to read:

12 **"17-5-2201. Fee for issuance of bonds.** Except for issuers of general obligation bonds ~~which that~~
13 are payable solely by general fund ~~revenues~~ revenue and revenue bonds issued by the board of regents,
14 each state bond issuer shall, upon issuance of the bonds, pay 30 cents per thousand of bonds to be
15 deposited in the state general fund for the purpose of funding a portion of the comprehensive annual
16 financial report audit."

17 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0123, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act exempting the Board of Regents from the requirement to pay a fee for issuance of revenue bond; and amending section 17-5-2201, MCA.

ASSUMPTIONS:

1. Board of Regents issued five bonds in the last six years. One bond was issued in December 1994, two bonds in December 1995, one bond in August 1996, and one bond in October 1996, for a total of \$111,044,462.
2. The bond issuance fee of .30 cents per thousand dollars assessed against these bonds totaled \$33,313.
3. Revenue generated through 17-5-2201, MCA, is deposited in the General Fund to fund a portion of the comprehensive annual financial report audit.
4. The comprehensive annual financial report audit is used by bond rating agencies to evaluate the credit worthiness of agencies who issue bonds in the state. The statewide audit impacts ratings and interest rates for those agencies who issue bonds.
5. Revenue not received by general fund would be used for campus improvements under the indenture.
6. No information is available as to how many bonds will be issued in future years.


FISCAL IMPACT:

Revenues:

The General Fund would not receive 30 cents per thousand dollars on all future bonds issued by the Board of Regents.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Continuation of the general fund not receiving the 30 cents per thousand dollars on all future revenue bond issues. The fee levied on other agencies issuing revenue bonds may have to be increased to offset the loss of general fund revenue from the Universities.


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


DON HARGROVE, PRIMARY SPONSOR DATE

Fiscal Note for SB0123, as introduced

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