SENATE BILL NO. 35

INTRODUCED BY G. LAMMERS

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FACILITY FINANCE AUTHORITY BOND CAP; PROVIDING FOR ANNUAL MONEY BORROWING AND ISSUANCE OF BONDS AND NOTES BY THE MONTANA FACILITY FINANCE AUTHORITY; AMENDING SECTION 90-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 90-7-302, MCA, is amended to read:

"**90-7-302. Bonds and notes of authority.** (1) The authority may ~~in each biennium~~ annually borrow money and issue bonds and notes in an aggregate principal amount not to exceed $1.5 billion, exclusive of bonds or notes issued to refund outstanding bonds or notes. Starting July 1, ~~2027~~ 2028, and each subsequent ~~biennium~~ year, the bond issuance cap must be increased by 3% ~~each biennium~~.

(2) Bonds must be authorized. The authority may specify that the bonds must be dated and must mature, except that a bond may not mature more than 40 years from the date of its issue. Bonds must bear interest at a rate or rates, be in denominations, be in the proper registered or bearer form, be executed in a manner, be payable in a medium of payment and at a place or places, and be subject to 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 that the authority may determine.

(5) Before the issuance of any bonds, the authority shall make provisions, by lease or other agreement, regarding the eligible 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 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) The authority, before issuing any bonds, shall certify that an applicant has submitted a statement that indicates that any contract let for a public project costing more than $25,000 and financed from the proceeds of bonds issued under this part 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.

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

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

- END -