

SENATE BILL NO. 240

INTRODUCED BY COONEY

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT REAUTHORIZING CERTAIN STATE AGENCY LOANS FROM THE INTERCAP PROGRAM; PROVIDING THAT THESE LOANS PREVIOUSLY AUTHORIZED BY THE LEGISLATURE CONSTITUTE STATE DEBT; RATIFYING THE TERMS OF AND SECURITY FOR THESE LOANS AS CURRENTLY EMBODIED IN THE LOAN AGREEMENTS WITH THE MONTANA BOARD OF INVESTMENTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, the Legislature has previously authorized various state agencies to borrow from the INTERCAP program authorized under the Municipal Finance Consolidation Act of 1983; and

WHEREAS, some of these previously authorized loans may constitute state debt; and

WHEREAS, the Legislature has specified loan security for some of these loans and not for others; and

WHEREAS, the funding for these loans is obtained from proceeds of bonds purchased by private investors and the status of these loans should be clarified.

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

NEW SECTION. **Section 1. Loan reauthorization.** (1) All loans listed in subsection (2) are reauthorized. The amount shown for each loan represents the actual amount authorized by the legislature or, in the absence of a specified amount authorized by the legislature, the amount committed by the Montana board of investments in its loan agreements. The terms of and security for these loans, either as authorized by the legislature or embodied in loan agreements with the Montana board of investments, are ratified.

(2) The following loans are reauthorized in the original principal amount of:

(a) \$500,000 to the department of justice for the law enforcement academy to be paid from the state general fund as provided in Chapter 531, Laws of 1995;

(b) \$3,712,000 to the petroleum tank release compensation board to clean up leaking underground storage tanks to be paid from petroleum storage tank cleanup fees as provided in Chapter 115, Laws of 1997;

(c) \$600,000 to the department of natural resources and conservation for information technology to be



1 paid from the state general fund instead of school trust land income as provided in Chapter 578, Laws of 1999;

2 (d) \$2,000,000 to the department of administration, public employees' retirement board, for the state
3 defined contribution retirement system plan startup costs to be paid from employer and employee contributions
4 as provided in Chapter 471, Laws of 1999;

5 (e) \$340,000 to the department of administration, ~~public employees' retirement board~~, for the voluntary
6 employees' beneficiary association startup costs to be paid from the state general fund as provided in Chapter
7 272, Laws of 2001;

8 (f) \$4,500,000 to the department of justice for information technology to be paid from motor vehicle fees
9 as provided in Chapter 394, Laws of 2001; and

10 (g) \$18,000,000 to the department of justice for information technology to be paid from motor vehicle
11 fees as provided in Chapter 562, Laws of 2003.

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13 **NEW SECTION. Section 2. Two-thirds vote required.** Because [section 1] authorizes the creation
14 of a state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members
15 of each house of the legislature for passage.

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17 **NEW SECTION. Section 3. Remedial nature.** [This act] is intended to be remedial in nature and
18 should not be construed to affect or impair the validity of any of the loans listed in [section 1] before [the effective
19 date of this act].

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21 **NEW SECTION. Section 4. Saving clause.** [This act] does not affect rights and duties that matured,
22 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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24 **NEW SECTION. Section 5. Effective date.** [This act] is effective on passage and approval.

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