SENATE FINANCE & CLAIMS

Exhibit No. 18

Date 4-8-09

Bill No. HB 645

Amendments to House Bill No. 645
3rd Reading Copy

For the Senate Finance and Claims Committee
Requested by Senator John Brueggeman

Prepared by Greg Petesch
April 8, 2009 (8:58am)

1. Title, line 16.
Following: "<u>PROGRAM;</u>"
Insert: "PROVIDING FOR THE ALLOCATION AND AUTHORIZATION OF THE TYPES OF BONDS MADE AVAILABLE UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; AUTHORIZING THE MONTANA FACILITY FINANCE AUTHORITY TO FINANCE CERTAIN PROJECTS FOR FOR-PROFIT OR NONPROFIT CORPORATIONS AND ORGANIZATIONS; PROVIDING FOR TAXATION OF THOSE PROJECTS;"

2. Title, line 17.
Following: "2-4-306,"
Insert: "7-7-2255, 7-7-2501, 7-7-4255, 7-7-4421, 7-7-4501, 7-12-2171, 7-15-4290, 7-15-4301, 7-15-4302,"
Following: "17-2-124,"
Insert: "17-5-504, 17-5-803, 17-5-922, 17-5-1506,"
Following: "<u>17-7-502,</u>"
Insert: "20-9-403, 20-9-433, 20-25-402,"

3. Title, line 18.
Strike: "<u>AND</u>"
Following: "<u>90-1-204,</u>"
Insert: "90-5-101, 90-5-103, 90-7-102, AND 90-7-104,"

4. Page 3.
Following: line 15
Insert: "**Section 2.** Section 7-7-2255, MCA, is amended to read:

"**7-7-2255. Form and execution of bonds.** (1) At the time of the sale of the bonds or at a meeting held after the sale, the board of county commissioners shall adopt a resolution providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization bonds or serial bonds, ~~and~~ providing the manner of execution of the bonds<u>, and if applicable, specifying whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42]</u>.

(2) Each county bond and each coupon attached to the bond must be signed by or bear the facsimile signatures of the presiding officer of the board of county commissioners and the county treasurer and must be attested by the county clerk, provided that one signature of a county official or the bond

registrar must be a manual signature. Each bond may have the county seal or its facsimile imprinted on the bond."

{*Internal References to 7-7-2255:*
*7-7-2302*x* }"

Insert: "Section 3. Section 7-7-2501, MCA, is amended to read:

"7-7-2501. Authority to issue revenue bonds -- refunding revenue bonds. (1) A county may issue county revenue bonds in the same manner and with the same effect as provided in chapter 7, part 44, of this title for issuance of municipal revenue bonds. County revenue bonds may be issued to finance any project or activity enumerated in chapter 16, part 21, of this title or in Title 75, chapter 10, part 1. Revenue from the project for which the bonds are issued is the only revenue upon which a lien under the provisions of 7-7-4431 may apply. A lien may not attach to other revenue or other property within the county.

(2) A county may refund revenue bonds issued under the authority provided in subsection (1) by the method provided in either part 45 or part 46 of chapter 7.

(3) In construing, for purposes of this section, the provisions of parts 44, 45, or 46 of chapter 7, "municipal" is considered to refer to the county and "governing body" is considered to refer to the board of county commissioners whenever the board of county commissioners is acting pursuant to subsection (1).

<u>(4) If applicable, the county shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42].</u>"

{*Internal References to 7-7-2501:*
7-13-236 x}"

Insert: "Section 4. Section 7-7-4255, MCA, is amended to read:

"7-7-4255. Form and execution of bonds. (1) At the time of the sale of the bonds or at a meeting held after the sale, the city or town council shall adopt a resolution providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization or serial bonds, ~~and~~ providing the manner of execution of the bonds<u>, and if applicable, specifying whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42]</u>.

(2) Each bond and each coupon attached to a bond must be signed by or bear the facsimile signatures of the mayor and the treasurer of the city or town and must be attested by the city or town clerk, provided that one signature of a city or town official or the bond registrar must be a manual signature. Each bond may have the city or town seal or its facsimile imprinted on the bond."

{*Internal References to 7-7-4255:*

7-7-4302*x }"

Insert: "Section 5. Section 7-7-4421, MCA, is amended to read:

"7-7-4421. Authority to issue revenue bonds. (1) In addition to the powers which it may now have, any municipality shall have power under this part to:

~~(1)~~ (a) issue its bonds to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of any undertaking;

~~(2)~~ (b) pledge to the punctual payment of said bonds issued under this part or part 45 and interest thereon an amount of the revenues of such undertaking, ~~(~~including improvements, betterments, or extensions thereto thereafter constructed or acquired~~)~~, or of any part of ~~such~~ the undertaking sufficient to pay ~~said~~ the bonds and interest as ~~the same shall become~~ it becomes due, with ~~such~~ an amount consisting of all or any part or portion of ~~such~~ the revenue, and create and maintain reasonable reserves ~~therefor~~ for the bonds.

(2) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42]."

{*Internal References to 7-7-4421:*
7-7-4422x 7-7-4501a }"

Insert: "Section 6. Section 7-7-4501, MCA, is amended to read:

"7-7-4501. Authority to issue refunding revenue bonds. (1) In addition to the powers which it now may have, any municipality shall have the power under this part to refund bonds issued for any of the purposes listed in 7-7-4421(1)(a), whether issued under authority of part 45 or of any other applicable law.

(2) Refunding revenue bonds issued as authorized in this section ~~shall be~~ are governed by all of the provisions of part 44, except 7-7-4433 and 7-7-4434, as fully as bonds issued for the initial financing of any undertaking and by the further provisions of this part.

(3) Bonds may be issued to refund interest as well as principal actually due and payable if the revenues pledged therefor are not sufficient, but not to refund any bonds or interest due which can be paid from revenues then on hand."

{*Internal References to 7-7-4501:*
76-15-506 }"

Insert: "Section 7. Section 7-12-2171, MCA, is amended to read:

"7-12-2171. Details relating to rural improvement district bonds and warrants. (1) (a) The bonds and warrants must be drawn against either the construction or maintenance fund created for the special improvement district and must bear interest from the date of registration until called for redemption or paid in full. Bonds or warrants sold at a private, negotiated sale may bear interest at a rate varying periodically at the time or times and on the terms determined by the board of county commissioners. The terms determined by the board of county commissioners may include the establishment of a maximum rate of interest or the convertibility to a fixed rate of interest.

(b) Variable rate bonds may be sold at a private negotiated sale if the principal amount of the bonds is $500,000 or less and the board of county commissioners obtains separate written opinions from underwriters of Montana rural improvement district bonds stating the bonds are not marketable through a competitive bond sale. Bonds sold in principal amounts below $250,000 do not require a marketability opinion.

(c) The interest must be payable annually or semiannually, at the discretion of the board of county commissioners, on the dates that the board prescribes. The warrants or bonds must bear the signatures of the presiding officer of the board and the county clerk and may bear the corporate seal of the county. The warrants or bonds must be registered in the office of the county clerk and the county treasurer, and if interest coupons are attached to the warrants or bonds, the interest coupons must also be registered and must bear the signatures of the presiding officer of the board and the county clerk. The coupons may bear the facsimile signatures of the officers in the discretion of the board.

(2) The bonds must be in denominations of $100 or fractions or multiples of $100, may be issued in installments, and may extend over a period not to exceed 30 years. However, if federal loans are available for improvements, repayment may extend over a period not to exceed 40 years. For the purposes of this subsection, the term of a bond issue commences on July 1 of the fiscal year in which the county first levies to pay principal and interest on the bonds.

(3) If applicable, the board of county commissioners shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42]."

{*Internal References to 7-12-2171:*
7-12-2172 x   7-13-114* x   7-13-3043* x*}"

Insert: "Section 8. Section 7-15-4290, MCA, is amended to read:

"7-15-4290. Use of property taxes and other revenue for payment of bonds. (1) (a) The tax increment derived from an urban renewal area may be pledged for the payment of revenue bonds issued for urban renewal projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay urban renewal costs described in 7-15-4288 and 7-15-4289.

(b) The tax increment derived from an industrial district may be pledged for the payment of revenue bonds issued for industrial infrastructure development projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay industrial district costs described in 7-15-4288 and 7-15-4289.

(c) The tax increment derived from a technology district may be pledged for the payment of revenue bonds issued for technology infrastructure development projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay technology district costs described in 7-15-4288 and 7-15-4289.

(2) A municipality issuing bonds pursuant to subsection (1) may, by resolution of its governing body, enter into a covenant for the security of the bondholders, detailing the calculation and adjustment of the tax increment and the taxable value on which it is based and, after a public hearing, pledging or appropriating other revenue of the municipality, except property taxes prohibited by subsection (3), to the payment of the bonds if collections of the tax increment are insufficient.

(3) Property taxes, except the tax increment derived from property within the area or district and tax collections used to pay for services provided to the municipality by a project, may not be applied to the payment of bonds issued pursuant to 7-15-4301 for which a tax increment has been pledged.

<u>(4) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42].</u>"

{*Internal References to 7-15-4290:*
7-15-4282 x* *7-15-4283*x* *7-15-4283*x* *7-15-4283*x*
*7-15-4286*x* *7-15-4295*x* *7-15-4296* x* *7-15-4299*x*
*7-15-4301*x* *7-15-4324*x* }"

Insert: "Section 9. Section 7-15-4301, MCA, is amended to read:

"7-15-4301. Authorization to issue urban renewal bonds, industrial infrastructure development bonds, aerospace transportation and technology infrastructure development bonds, technology infrastructure development bonds, and refunding bonds. (1) A municipality may:

(a) issue bonds from time to time, in its discretion, to finance the undertaking of any urban renewal project, industrial infrastructure development project, aerospace transportation and technology infrastructure development project, or technology infrastructure development project under part 42 and this part, including, without limiting the generality of projects, the payment of principal and interest upon any advances for surveys and plans for the projects; and

(b) issue refunding bonds for the payment or retirement of bonds previously issued by it.

(2) The bonds may not pledge the general credit of the municipality and must be made payable, as to both principal and interest, solely from the income, proceeds, revenue, and funds of the municipality derived from or held in connection with its undertaking and carrying out of urban renewal projects, industrial infrastructure development projects, aerospace

transportation and technology infrastructure development projects, or technology infrastructure development projects under part 42 and this part, including the tax increment received and pledged by the municipality pursuant to 7-15-4282 through 7-15-4292, and, if the income, proceeds, revenue, and funds of the municipality are insufficient for the payment, from other revenue of the municipality pledged to the payment. Payment of the bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution from the federal government or other source in aid of any urban renewal projects, industrial infrastructure development projects, aerospace transportation and technology infrastructure development projects, or technology infrastructure development projects of the municipality under part 42 and this part or by a mortgage on all or part of any projects.

(3) Bonds issued under this section must be authorized by resolution or ordinance of the local governing body.

(4) If applicable, the governing body of the municipality shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42]."

{*Internal References to 7-15-4301:*
7-15-4290x 7-15-4302 x 7-15-4321x 7-15-4322x
7-15-4323x }"

Insert: "Section 10. Section 7-15-4302, MCA, is amended to read:

"7-15-4302. Authorization to issue general obligation bonds. (1) For the purpose of 7-15-4267 or for the purpose of aiding in the planning, undertaking, or carrying out of an urban renewal project or an industrial infrastructure development project of a municipality, the municipality, in addition to any authority to issue bonds pursuant to 7-15-4301, may issue and sell its general obligation bonds.

(2) Any bonds issued pursuant to this section ~~shall~~ must be issued in the manner and within the limitations prescribed by the laws of this state for the issuance and authorization of bonds by ~~such~~ the municipality for public purposes generally.

(3) Aiding in the planning, undertaking, or carrying out of an approved urban renewal project or an industrial infrastructure development project is considered a single purpose for the issuance of general obligation bonds, and the proceeds of the bonds authorized for any ~~such~~ project may be used to finance the exercise of any and all powers conferred upon the municipality by this part and part 42 ~~which~~ that are necessary or proper to complete the project in accordance with the approved plan or industrial district ordinance and any modification ~~thereof~~ of the plan duly adopted by the local governing body.

(4) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy

conservation bonds as provided in [section 42]."
{*Internal References to 7-15-4302:*
7-15-4218x }"
Renumber: subsequent sections

5. Page 6, line 1.
Insert: "Section 14. Section 17-5-504, MCA, is amended to read:
"17-5-504. Forms, interest, and maturity. ~~Such~~ General obligation highway bonds ~~shall~~ must be issued by the board, upon request of the department of administration, in ~~such~~ the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with ~~such~~ provisions for conversion or exchange and for the issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest, maturing at ~~such~~ times not exceeding 20 years from date of issue, subject to redemption at ~~such~~ earlier times and prices and upon ~~such~~ notice, and payable at the office of ~~such~~ the fiscal agent of the state, ~~as~~ that the board shall determine, subject to the limitations contained ~~herein~~ in this part. If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 40]."
{*Internal References to 17-5-504: None.*}"
Insert: "Section 15. Section 17-5-803, MCA, is amended to read:
"17-5-803. Form -- principal and interest -- fiscal agent -- bond registrar and transfer agent -- deposit of proceeds. (1) Subject to the limitations contained in this part and in the bond act and in the furtherance of each bond act, bonds may be issued by the board upon request of the department. The bonds may be issued in the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with provisions for conversion or exchange, and for the issuance of temporary bonds bearing interest at a rate or rates, maturing at times not exceeding 30 years from date of issue, subject to redemption at earlier times and prices and on notice, and payable at the office of the fiscal agency of the state as the board determines.

(2) In all other respects, the board is authorized to prescribe the form and terms of the bonds and do whatever is lawful and necessary for their issuance and payment. Action taken by the board under this part must be by a majority vote of its members. The state treasurer shall keep a record of all bonds issued and sold.

(3) The board is authorized to employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(4) The board, in its discretion, is authorized to pay all costs of issuance of bonds, including without limitation rating agency fees, printing costs, legal fees, bank or trust company fees, costs to employ persons or firms to assist in the sale of the bonds, line of credit fees and charges, and all other amounts

related to the costs of issuing the bonds from amounts available for these purposes in the general fund or from the proceeds of the bonds.

(5) All proceeds of bonds and notes issued under this part must be deposited in the capital projects account, except that any premiums and accrued interest received and the proceeds of refunding bonds or notes must be deposited in the debt service account.

<u>(6) If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 40].</u>"

{*Internal References to 17-5-803:*
75-5-1121x 75-6-225x }"

Insert: "Section 16. Section 17-5-922, MCA, is amended to read:

"17-5-922. Form -- principal and interest -- fiscal agent -- bonds authorized. (1) Each series of bonds may be issued by the board at public or private sale, in ~~such~~ <u>the</u> denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with ~~such~~ provisions for the conversion or exchange, bearing interest at ~~such~~ <u>the</u> rate or rates or the method of determining ~~such~~ <u>the</u> rate or rates, maturing at ~~such~~ times, not more than 40 years from date of issue, subject to redemption at ~~such~~ earlier times and prices and upon ~~such~~ notice, and payable at the office of a fiscal agency of the state ~~as~~ <u>that</u> the board shall determine, subject to the limitations contained in this part. Any action taken by the board under this part must be approved by at least a majority vote of its members.

(2) In all other respects the board is authorized to prescribe the form and terms of the bonds and shall do whatever is lawful and necessary for their issuance and payment.

(3) Bonds and any interest coupons appurtenant ~~thereto~~ <u>to the bonds</u> must be signed by the members of the board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all ~~such~~ bonds issued and sold.

(4) The board may employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(5) In connection with the issuance and sale of bonds, the board may arrange for lines of credit or letters of credit with any bank, firm, or person for the purpose of providing an additional source of repayment for bonds issued pursuant to this part. Amounts drawn on ~~such~~ lines of credit may be evidenced by negotiable or nonnegotiable notes or other evidences of indebtedness, containing ~~such~~ terms and conditions ~~as~~ <u>that</u> the board may authorize in the resolution approving the ~~same~~ <u>notes or evidences of indebtedness</u>.

(6) ~~No more~~ <u>More</u> than $150 million of bonds issued under

this part may not be outstanding at any time. ~~No additional~~ Additional bonds, other than refunding bonds, may not be issued until the pledge in favor of the highway revenue bonds is satisfied and discharged.

(7) If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 40]."

{*Internal References to 17-5-922: None.*}"

Insert: "Section 17. Section 17-5-1506, MCA, is amended to read:

"17-5-1506. Bonds and notes for projects and major projects. (1) The board may by resolution issue negotiable notes and bonds in a principal amount ~~as~~ that the board determines necessary to provide sufficient funds for achieving any of its purposes, including the payment of interest on notes and bonds of the board, establishment of reserves to secure the notes and bonds, including the reserve funds created under 17-5-1515, and all other expenditures of the board incident to and necessary or convenient to carry out this part.

(2) The board may by resolution, from time to time, issue notes to renew notes and bonds or to pay notes, including interest, and whenever it considers refunding expedient, refund any bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured, or issue bonds partly to refund bonds outstanding and partly for any of its other purposes.

(3) Except as otherwise expressly provided by resolution of the board, every issue of its bonds is an obligation of the board payable out of any revenue, assets, or money of the board, subject only to agreements with the holders of particular notes or bonds pledging particular revenues, assets, or money.

(4) The notes and bonds must be authorized by resolutions of the board, bear a date, and mature at the times the resolutions provide. A note may not mature more than 5 years from the date of its issue. A bond may not mature more than 40 years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments, as term bonds, or as a combination ~~thereof~~ of serial and term bonds. The notes and bonds must bear interest at a stated rate or rates or at a rate or rate determination as stated, be in denominations, be in a form, either coupon or registered, carry registration privileges, be executed in a manner, be payable in a medium of payment, at places inside or outside the state, and be subject to terms of redemption as provided in resolutions. The notes and bonds of the board may be sold at public or private sale, at prices above or below par, as determined by the board, and in a manner ~~such~~ that interest on the bonds is either exempt from or subject to federal income tax. If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 40].

(5) The bonds issued under this part are exempt from the Montana Securities Act, but copies of all prospectus and disclosure documents must be deposited with the state securities commissioner for public inspection.

(6) The total amount of bonds secured under 17-5-1515 outstanding at any one time, except bonds as to which the board's obligations have been satisfied and discharged by refunding or bonds for which reserves for payment or other means of payment have been provided, may not exceed $100 million."
{*Internal References to 17-5-1506:*
*17-5-1525*x 17-6-308*x* }"
Renumber: subsequent sections

6. Page 6, line 17.
Strike: "<u>51</u>"
Insert: "77"

7. Page 7, line 14.
Strike: "<u>51</u>"
Insert: "77"

8. Page 12, line 11.
Strike: "<u>23</u>"
Insert: "49"

9. Page 13.
Following: line 5
Insert: **"Section 21.** Section 20-9-403, MCA, is amended to read:
"20-9-403. Bond issues for certain purposes. (1) The trustees of a school district may issue and negotiate general obligation bonds or impact aid bonds of the school district for the purpose of:
(a) building, altering, repairing, buying, furnishing, equipping, purchasing lands for, or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of buildings for school purposes;
(b) buying a school bus or buses;
(c) providing the necessary money to redeem matured bonds, maturing bonds, or coupons appurtenant to bonds when there is not sufficient money to redeem them;
(d) providing the necessary money to redeem optional or redeemable bonds when it is for the best interest of the school district to issue refunding bonds;
(e) funding a judgment against the district, including the repayment of tax protests lost by the district; or
(f) funding a debt service reserve account that may be required for impact aid revenue bonds.
(2) Money realized from the sale of bonds issued on the credit of a high school district may not be used for any of the purposes listed in subsection (1) in an elementary school district, and the money may be used for any of the purposes listed in subsection (1) for a junior high school but only to the extent that the 9th grade of the high school is served.
<u>(3) If applicable, the trustees shall specify whether the</u>

bonds are qualified school construction bonds as described in [section 39(1)] or tax credit bonds as provided in [section 40]."

{*Internal References to 20-9-403:*
*20-9-435x 20-9-435x 20-15-404*x* }"

Insert: "Section 22. Section 20-9-433, MCA, is amended to read:

"20-9-433. Form and execution of school district bonds. (1) At the time of the sale of the bonds or at a meeting held after the sale, the trustees shall adopt a resolution or indenture of trust providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization or serial bonds, and prescribing the manner of execution of the bonds. If applicable, the trustees shall specify whether the bonds are qualified school construction bonds as described in [section 39(1)] or tax credit bonds as provided in [section 40].

(2) Each bond and coupon attached to a bond must be signed by or bear the facsimile signatures of the presiding officer of the trustees and the school district clerk, provided that one signature of a school official or the bond registrar must be a manual signature."

{*Internal References to 20-9-433:*
*20-15-404** }"

Insert: "Section 23. Section 20-25-402, MCA, is amended to read:

"20-25-402. Borrowing by regents. (1) In carrying out the powers provided in 20-25-107, 20-25-301, and 20-25-302, the regents may:

~~(1)~~ (a) borrow money for any purpose or purposes stated in parts 3 and 4 of this chapter, including, if considered desirable by the regents, the payment of interest on the money borrowed for a facility during the construction ~~thereof~~ of the facility and for 1 year ~~thereafter~~ after construction and the creation of a reserve for the payment of bond principal and interest;

~~(2)~~ (b) make purchases on a time or installment basis;

~~(3)~~ (c) issue bonds, notes, and other securities, negotiable or otherwise, secured as provided in this section, including bearer bonds with appurtenant interest coupons, which ~~shall~~ must be fully negotiable notwithstanding any limitation on the source of payment ~~thereof~~ of the bonds, notes, or securities, or fully registered bonds or bonds registered as to ownership of principal only;

~~(4)~~ (d) pledge for the payment of the purchase price of any facility or of the principal and interest on bonds, notes, or other securities authorized in this chapter or otherwise obligate:

~~(a)~~ (i) the net income received from rents, board, or both in housing, food service, and other facilities;

~~(b)~~ (ii) receipts from student building, activity, union, and other special fees prescribed by the regents for all students; and

~~(c)~~ (iii) (A) other income in the form of gifts, bequests, contributions, or federal grants of funds, including the proceeds or income from grants of lands or other real or personal property;

(B) receipts from athletic and other contests, exhibitions, and performances; and

(C) collections of admissions and other charges for the use of facilities, including all use by other persons, firms, and corporations for athletic and other contests, exhibitions, and performances and for the conduct of their business, educational, or governmental functions;

~~(5)~~ (e) make payments on loans or purchases from any other available income not obligated for those purposes, including receipts from sale of materials, equipment, and fixtures of the facilities or from sales of the facilities themselves, other than land;

~~(6)~~ (f) secure any bonds authorized ~~hereunder~~ under this section by a trust indenture between the regents and any bank or trust company within or ~~without~~ outside of the state of Montana or by a resolution establishing covenants of the regents with the holders of ~~such~~ the bonds relating to:

~~(a)~~ (i) the construction, operation, use, and insurance of the facilities;

~~(b)~~ (ii) the segregation, expenditure, and audit of accounts of the bond proceeds and of the income pledged;

~~(c)~~ (iii) the establishment and collection of rents, charges, admissions, and fees sufficient to provide net income adequate for prompt payment of principal and interest on bonds and creation and maintenance of reserves for that purpose; and

~~(d)~~ (iv) ~~such~~ other matters ~~as~~ that the regents may determine to be necessary or desirable for the security and marketability of the bonds;

~~(7)~~ (g) issue and sell or exchange bonds, secured as provided in this section, for the refunding of any outstanding bonds or other obligations issued by the regents ~~before or after January 29, 1971,~~ subject to the following provisions:

~~(a)~~ (i) refunding bonds may, with the consent of the holders of the bonds to be refunded ~~thereby~~, be exchanged at par plus accrued interest for all or part of ~~such~~ the bonds or may be sold at a price not less than par plus accrued interest. They may be secured by a pledge of the same revenue as the bonds refunded or by a pledge of different or additional revenues received at the same unit of the university. ~~Nothing herein shall~~ This subsection (1)(g) may not require the holder of any outstanding bond to accept payment ~~thereof~~ of the bond or the delivery of a refunding bond in exchange ~~therefor~~ for the bond, except in accordance with the terms of the outstanding bond. Bonds may be issued to refund interest as well as principal actually due and payable if the revenues pledged ~~therefor~~ for the bonds are not sufficient, but not to refund any bonds or interest due ~~which~~ that can be paid from revenues then on hand.

~~(b)~~ (ii) refunding bonds may bear interest at a rate lower or higher than the bonds refunded ~~thereby~~ by the refunding bonds if they are issued to refund matured principal or interest for the payment of which revenues on hand are not sufficient ~~or if they are issued to refund before maturity bonds issued before January 1, 1965~~, for the purpose of releasing revenues required for payment of the outstanding bonds permitting the pledge ~~thereof~~ of the revenue for the security of other bonds as well as the refunding bonds, subject to the rights of the holders of the outstanding bonds until those bonds are fully paid and redeemed. Except as authorized in the preceding sentence, refunding bonds ~~shall~~ may not be issued unless their average annual interest rate, computed to their stated maturity dates and excluding any premium from ~~such~~ the computation, is at least 3/8 of 1% less than the average annual interest rate on the bonds refunded ~~thereby~~, computed to their respective stated maturity dates.

~~(c)~~ (iii) in any case where refunding bonds are issued and sold 6 months or more before the earliest date on which all bonds refunded ~~thereby~~ by the refunding bonds mature or are prepayable in accordance with their terms, the proceeds of the refunding bonds, including any premium and accrued interest, ~~shall~~ must be deposited in escrow with a suitable bank or trust company having its principal place of business within or ~~without~~ outside of the state, which is a member of the federal reserve system and has a combined capital and surplus not less than $1 million and ~~shall~~ must be invested in the amount and in securities maturing on the dates and bearing interest at the rates ~~which~~ that will be required to provide funds sufficient to pay when due the interest to accrue on each bond refunded to its maturity or, if it is prepayable, to the earliest prior date upon which the bond may be called for redemption from the proceeds of the refunding bonds and to pay and redeem the principal amount of each bond at maturity or, if prepayable, on that redemption date and any premium required for redemption on that date. The resolution or indenture authorizing the refunding bonds ~~shall~~ must irrevocably appropriate for these purposes the escrow fund and all income ~~therefrom~~ from the escrow fund and ~~shall~~ must provide for the call of all prepayable bonds in accordance with their terms. The securities to be purchased with ~~such~~ the escrow funds ~~shall~~ must be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following United States government agencies: banks for cooperatives, federal home loan banks, federal intermediate credit banks, federal land banks, and the federal national mortgage association. The securities ~~shall~~ must be purchased simultaneously with the delivery of the refunding bonds.

~~(d)~~ (iv) revenues or other funds on hand, in excess of the amount pledged by resolutions or indentures authorizing outstanding bonds for the payment of principal and interest currently due ~~thereon~~ on the outstanding bonds and reserves securing ~~such~~ the payment, may be used to pay the expenses incurred by the regents for the purpose of refunding, including but without limitation the cost of advertising and printing refunding bonds, legal and financial advice and assistance in connection ~~therewith~~ with refunding the bonds, and the reasonable and customary charges of escrow agents and paying agents. Revenues and other funds on hand, including reserves pledged for the payment and security of outstanding revenue bonds, may be deposited in an escrow fund created for the retirement of those bonds and may be invested and disbursed as provided in subsection ~~(7)(c) hereof~~ (1)(g)(iii) to the extent consistent with the resolutions or indentures authorizing ~~such~~ the outstanding bonds.

~~(8)~~(h) sell bonds and sell or exchange refunding bonds issued ~~hereunder~~ under this section in the manner and upon the terms as to maturities, interest rates, and redemption privileges and for the price that the regents determine with the approval of the department of administration.

(2) If applicable, the regents shall specify whether the bonds issued under this section are tax credit bonds as provided in [section 40]."

{*Internal References to 20-25-402:*
20-25-308x 20-25-405x }"

Renumber: subsequent sections

10. Page 31.

Following: line 9

Insert: "NEW SECTION. **Section 39. Allocation of bonding limits -- American Recovery and Reinvestment Act of 2009.** Unless the regulations adopted by the United States secretary of the treasury specify otherwise:

(1) the office of public instruction is responsible for allocating the state's share of qualified school construction bonds as authorized in section 1521 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the state's allocated share of qualified zone academy bonds as authorized in section 54E of the Internal Revenue Code, 26 U.S.C. 54E;

(2) the department of administration is responsible for allocating the state's share of qualified energy conservation bonds as authorized in section 54D of the Internal Revenue Code 26 U.S.C. 54D, as amended by section 1112 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5; and

(3) the department of administration, in consultation with the department of commerce, is responsible for allocating the state's share of recovery zone economic development bonds and recovery zone facility bonds, as authorized in section 1401 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5."

Insert: "NEW SECTION. **Section 40. Tax credit bonds.** (1) As used in this section, "tax credit bond" means any general obligation bond, impact aid revenue bond, special improvement district bond, revenue bond, industrial development bond, tax increment bond, or any other bond of the state or a political subdivision that has been duly authorized and is eligible for designation as and has been designated as a qualified tax credit bond under section 54A, section 54D, section 54E, section 54F, or section 54AA of the Internal Revenue Code, 26 U.S.C. 54A, 54D, 54E, 54F, or 54AA.

(2) Any bond issued as a tax credit bond may be issued and sold at public or private sale, may be payable and mature as to principal and interest, if any, on any date or dates, may be subject to redemption in whole or in part as determined by the governing body of the issuer, and may have other terms and conditions that the issuer considers to be necessary and appropriate.

(3) The governing body of the issuer of any tax credit bond is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bond, including investment of funds and accounts to repay the bond."

Insert: "NEW SECTION. **Section 41. Recovery zone economic development bonds and recovery zone facility bonds.** (1) Subject to the conditions and provisions contained in the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the availability of allocation as determined in [section 39], cities and counties are authorized to designate economic recovery zones and issue recovery zone economic development bonds and recovery zone facility bonds to finance the costs of recovery zone projects and facilities eligible under the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The bonds must be authorized by the governing body of the city or county in accordance with the applicable provisions of Montana law, unless otherwise provided in [section 40]. The governing body is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bonds, subject to the following limitations:

(a) if the bonds that are issued under this section pledge the city's or county's credit or taxing power, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 22 or 42, as appropriate;

(b) if the bonds are payable from and secured solely by the revenue from a governmentally owned and operated facility or undertaking, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 44;

(c) if the bonds are payable from special assessments levied against benefited property, the project must be eligible for special assessment financing and must be authorized in accordance with the provisions of Title 7, chapter 12, part 21 or parts 41 and 42, as appropriate;

(d) if the bonds are payable from tax increment revenue, the project to be financed must be eligible for tax increment financing and the project must be approved and the bonds must be authorized in accordance with the provisions of Title 7, chapter 15, parts 42 and 43;

(e) if the bonds are industrial development revenue bonds of the issuer, the bonds must be authorized in accordance with the provisions of Title 90, chapter 5, part 1."

"NEW SECTION. **Section 42. Qualified energy conservation bonds.** (1) Subject to the conditions and provisions contained in section 54D of the Internal Revenue Code, 26 U.S.C. 54D, as amended by the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the availability of an allocation, cities and counties are authorized to issue qualified energy conservation bonds to finance projects for qualified energy conservation purposes and are authorized to undertake the qualified energy
conservation purposes and programs within the meaning of the section 54D of the Internal Revenue Code, 26 U.S.C. 54D, as amended by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The bonds must be authorized by the governing body of the city or county in accordance with the provisions of applicable Montana law, except as otherwise provided in [section 40]. The governing body is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bonds, subject to the following limitations:

(a) if the bonds that are to be issued under this section pledge the city's or county's credit or taxing power, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 22 or 42, as appropriate;

(b) if the bonds to be issued under this section are payable from and secured solely by the revenue derived or generated from a qualified energy conservation program or project, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 44;

(c) if the bonds are payable from special assessments levied against benefited property, the project must be eligible for special assessment financing and must be authorized in accordance with the provisions of Title 7, chapter 12, part 21 or parts 41 and 42, as appropriate;

(d) if the bonds are payable from tax increment revenue, the project to be financed must be eligible for tax increment financing and the project must be approved and the bonds must be authorized in accordance with the provisions of Title 7, chapter 15, parts 42 and 43;

(e) if the bonds are industrial development revenue bonds of the issuer, the bonds must be authorized in accordance with the provisions of Title 90, chapter 5, part 1.

Insert: "Section 43. Section 90-5-101, MCA, is amended to read:

"90-5-101. Definitions. As used in this part, unless the context otherwise requires, the following definitions apply:

(1) "Agricultural enterprises" includes but is not limited to producing, warehousing, storing, fattening, treating, handling, distributing, or selling farm products or livestock.

(2) "Bonds" means bonds, refunding bonds, notes, or other obligations issued by a municipality or county under the authority of this part, including without limitation short-term bonds or notes issued in anticipation of the issuance of long-term bonds or notes.

(3) "Electric energy generation facility" means any combination of a physically connected generator or generators, associated prime movers, and other associated property and transmission facilities and upgrades and improvements of transmission facilities, including appurtenant land and improvements and personal property, that are normally operated together to produce and transfer electric power. The term includes but is not limited to generating facilities that produce and transfer electricity from coal-fired steam turbines, oil or gas turbines, wind turbines, solar power sources, fuel cells, or turbine generators that are driven by falling water.

(4) "Family services provider" means organizations, including nonprofit corporations, that provide human services for children and adults, including but not limited to early care services for children, youth services, health services, social services, habilitative services, rehabilitative services, preventive care, and supportive services, and training, educational, and referral activities in support of human services.

(5) "Governing body" means the board or body in which the general legislative powers of the municipality or county are vested.

(6) "Higher education facilities" means any real or personal properties required or useful for the operation of an institution of higher education.

(7) "Institution of higher education" means any private, nonprofit corporation or institution within the state of Montana:

(a) authorized to provide or operate educational facilities; and

(b) providing a program of education beyond the high school level.

(8) "Mortgage" means a mortgage or deed of trust or other security device.

(9) "Municipality" means any incorporated city or town in the state.

(10) "Project" means:

(a) any land~~,~~; any building or other improvement~~,~~; and any other real or personal properties considered necessary in connection with the improvement, whether or not now in existence, that must be suitable for use for commercial, manufacturing, agricultural, or industrial enterprises;

(b) recreation or tourist facilities;

(c) local, state, and federal governmental facilities;
(d) multifamily housing, hospitals, long-term care facilities, community-based facilities for individuals who are persons with developmental disabilities as defined in 53-20-102, or medical facilities;
(e) higher education facilities;
(f) electric energy generation facilities;
(g) family services provider facilities;
(h) any facilities that are used or considered necessary to create or produce any intangible item, as defined in section 197(d)(1)(C)(iii) of the Internal Revenue Code, 26 U.S.C. 197(d)(1)(C)(iii), including any patent, copyright, formula, process, design, pattern, knowledge, format, or other similar intangible item;
(i) the production of energy using an alternative renewable energy source as defined in 15-6-225; and
(j) any combination of ~~these~~ projects in subsections (10)(a) through (10)(i)."
{*Internal References to 90-5-101:*
15-72-104x 17-5-1503x }"

Insert: "Section 44. Section 90-5-103, MCA, is amended to read:
"90-5-103. Limited obligation bonds -- form and contents -- sale -- negotiability -- filing. (1) All bonds issued by a municipality or county under the authority of this part must be limited obligations of the municipality or county. Bonds and interest coupons issued under the authority of this part may not constitute or give rise to a pecuniary liability of the municipality or county or a charge against its general credit or taxing powers. This limitation must be plainly stated upon the face of each of the bonds.

(2) The bonds referred to in subsection (1) may be executed and delivered at any time and from time to time, be in form and denominations, be of tenor, be in registered or bearer form either as to principal or interest, or both, be payable in installments and at a time or times not exceeding 40 years from the bonds date, be payable at a place or places, bear interest at a rate or rates, be evidenced in a manner, be redeemable prior to maturity, with or without premium, and contain provisions not inconsistent with this part as considered in the best interest of the municipality or county and provided for in the proceedings of the governing body under whose authority the bonds must be authorized to be issued.

(3) Any bonds issued under the authority of this part may be sold at public or private sale in a manner, at a time or times, and at a price above or below par as may be agreed upon by the lessee of the project or the borrower of the funds. The municipality or county may pay all expenses, premiums, and commissions that the governing body may consider necessary or advantageous in connection with the authorization, sale, and issuance of the bonds from the proceeds of the sale of the bonds

or from the revenue of the projects.

(4) All bonds issued under the authority of this part and all interest coupons applicable to the bonds must be construed to be negotiable instruments despite the fact that they are payable solely from a specified source.

(5) All bonds issued under the authority of this part must be filed with the securities commissioner within 10 days of the date of their issue. The filing must include the name of the issuing authority, the name and address of the person or entity on whose behalf the bonds are issued, the amount of the bond issue, the date of the bond issue, and any other information that the securities commissioner may request. Failure to comply with this section does not affect the validity of the bond issue.

(6) If applicable, the governing body of the municipality or county shall specify whether the bonds are tax credit bonds as provided in [section 40], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 41], or qualified energy conservation bonds as provided in [section 42]."

{*Internal References to 90-5-103:*
90-5-107 }"

Insert: "Section 45. Section 90-7-102, MCA, is amended to read:

"90-7-102. Definitions. As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Authority" means the Montana facility finance authority created in 2-15-1815.

(2) "Capital reserve account" means the account established in 90-7-317.

(3) "Costs" means costs allowed under 90-7-103.

(4) "Eligible facility" means any eligible facility as defined in 90-7-104.

(5) (a) "Institution" means any public or private:

(i) nonprofit hospital, corporation, or other organization authorized to provide or operate an eligible facility in this state; ~~or~~

(ii) nonprofit prerelease center, corporation, or other organization authorized to operate a prerelease center in this state; or

(iii) for-profit or nonprofit corporation or other organization authorized to provide for or to operate a project or a facility with qualified small issue bond financing pursuant to section 144(a) of the Internal Revenue Code, 26 U.S.C. 144(a).

(b) The term also includes the following, provided that the entity is a nonprofit entity or is controlled by one or more nonprofit entities:

(i) a network of health care providers, regardless of how it is organized;

(ii) an integrated health care delivery system;

(iii) a joint venture or partnership between or among health care providers;

(iv) a purchasing alliance composed of health care providers;

(v) any health insurers and third-party administrators that are participants in a system, network, joint venture, or partnership that provides health services through one or more health facilities.

(6) "Participating institution" means an institution that undertakes the financing, refunding, or refinancing of obligations on the construction or acquisition of an eligible facility pursuant to the provisions of this chapter.

(7) "Revenue" means, with respect to eligible facilities, the rents, fees, charges, interest, principal repayments, and other income received or to be received by the authority from any source on account of the eligible facilities."

{*Internal References to 90-7-102: None.*}"

Insert: "Section 46. Section 90-7-104, MCA, is amended to read:

"90-7-104. Eligible facility. (1) The term "eligible facility" means any structure or building suitable for use as:

(a) a hospital, clinic, nursing home, or other health care facility as defined in 50-5-101;

(b) a public health center, as defined in 7-34-2102;

(c) a facility for persons with disabilities;

(d) a chemical dependency treatment facility;

(e) a nursing school;

(f) a medical teaching facility;

(g) a laboratory;

(h) a dental care facility;

(i) a prerelease center;

(j) a diagnostic, treatment, or surgical center;

(k) a facility providing services for the elderly; ~~or~~

(l) applicable to a project or a facility with qualified small issue bond financing pursuant to section 144(a) of the Internal Revenue Code, 26 U.S.C. 144(a); or

~~(l)~~ (m) a structure or facility related to any of the uses enumerated in subsections (1)(a) through ~~(1)(k)~~ (1)(l) or required or useful for the operation of an eligible facility. These related facilities include supporting service structures and all necessary, useful, and related equipment, furnishings, and appurtenances and include without limitation the acquisition, preparation, and development of all lands and real and personal property necessary or convenient as a site for any of the uses enumerated in subsections (1)(a) through ~~(1)(k)~~ (1)(l).

(2) An eligible facility does not include:

(a) items such as food, fuel, supplies, or other items that are customarily considered as current operating expenses; and

(b) a structure used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship."

{*Internal References to 90-7-104:*
90-7-102 x}"

Insert: "<u>NEW SECTION.</u> **Section 47. Taxation of projects.** (1) Regardless of whether the title to a project is held by the authority or a trustee acting for the authority, if the project is being financed by the authority on behalf of a for-profit corporation or other organization, the project is subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances if the project is leased to or held by private interests on both the assessment date and the date the county commissioners set the mill levies in any year. The project is not subject to taxation in any year during which it is not leased to or held by private interests on both the assessment date and the date the county commissioners set the mill levy.

(2) When personal property owned by the authority or a trustee acting for the authority is taxed under this section and the personal property taxes on the personal property are delinquent, levy by warrant for distraint for collection of the delinquent taxes may be made only on the personal property against which the taxes were levied."

"<u>NEW SECTION.</u> **Section 48. Procedure prior to financing certain projects.** (1) In addition to meeting the other requirements contained in this chapter or in state or federal law, the requirements of subsections (2) through (4) must be met before financing is provided for a project described in 90-7-104(1)(l).

(2) The authority shall find that the financing is in the public interest. In order to determine whether or not the financing is in the public interest, a public 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 a request for a local hearing is not received by the authority within 14 days after the notification in subsection (2)(a), the authority may hold the hearing at a time and place it determines.

(3) Notice of the hearing must be published 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 and the project will be located. The notice must include the time and place of the hearing, a general description of the nature and location of the project, the name of the lessee, borrower, or user of the project and the maximum principal amount of the financing to be provided by the authority.

(4) If the hearing required by subsection (2) is conducted by a local government, the governing body of the local government shall notify the authority of its determination of whether the financing is in the public interest within 14 days after the

completion of the public hearing.
Renumber: subsequent sections

11. Page 33, line 5.
Strike: "51"
Insert: "77"

12. Page 36, line 14.
Strike: "51"
Insert: "77"

13. Page 43, line 15.
Strike: "51"
Insert: "77"

14. Page 43, line 18.
Strike: "51"
Insert: "77"

15. Page 48, line 11.
Strike: "51"
Insert: "77"

16. Page 49, line 13.
Strike: "51"
Insert: "77"

17. Page 50, line 9.
Strike: "51"
Insert: "77"

18. Page 50, line 20.
Strike: "51"
Insert: "77"

19. Page 51, line 6.
Strike: "51"
Insert: "77"

20. Page 51, line 13.
Strike: "51"
Insert: "77"

21. Page 51, line 15.
Strike: "10"
Insert: "26"
Strike: "11"
Insert: "27"

22. Page 51, line 16.

Strike: "10"
Insert: "26"
Strike: "11"
Insert: "27"

23. Page 51, line 17.
Strike: "14"
Insert: "30"

24. Page 51, line 18.
Strike: "14"
Insert: "30"

25. Page 51, line 19.
Strike: "23"
Insert: "49"

26. Page 51, line 20.
Strike: "23"
Insert: "49"

27. Page 51, line 21.
Strike: "25 AND 26"
Insert: "51 and 52"

28. Page 52, line 1.
Strike: "25 AND 26"
Insert: "51 and 52"

29. Page 52.
Following: line 1
Insert: "(5) [Sections 39 and 40] is intended to be codified as an integral part of Title 17, chapter 5, part 1, and the provisions of Title 17, chapter 5, part 1, apply to [section 39 and 40].

(6) [Sections 41 and 42] are intended to be codified as an integral part of Title 7, chapter 7, part 1, and the provisions of Title 7, chapter 7, part 1, appl to [sections 41 and 42].

(7) [Sections 47 and 48] are intended to be codified as an integral part of Title 90, chapter 7, and the provisions of Title 90, chapter 7, apply to [sections 47 and 48]."

30. Page 52, line 4.
Strike: "2" in both places
Insert: "11" in both places

31. Page 52, line 10.
Strike: "16 AND 18"
Insert: "32 and 34"

32. Page 52, line 13.
Following: "1"
Insert: ", 11"
Following: "through"
Insert: "13,"
Strike: "<u>6</u>" through "<u>29</u>"
Insert: "18, 19, 24, 28, 29, 31 through 38, 50, and 53 through 55"

33. Page 52, line 16.
Strike: "<u>51</u>"
Insert: "77"

34. Page B-7, line 3.
Following: "<u>SECTION</u>"
Strike: "<u>5</u>"
Insert: "18"

35. Page B-7, line 4.
Following: "<u>SECTION</u>"
Strike: "<u>5</u>"
Insert: "18"

36. Page B-7, line 14.
Following: "<u>SECTION</u>"
Strike: "<u>5</u>"
Insert: "18"

37. Page B-7, line 15.
Following: "<u>SECTION</u>"
Strike: "<u>5</u>"
Insert: "18"

38. Page B-8, line 4.
Following: "<u>SECTION</u>" in 2 places
Strike: "<u>5</u>" in both places
Insert: "18" in both places

39. Page E-3, line 2.
Following: "<u>SECTION</u>"
Strike: "<u>5</u>"
Insert: "18"

40. Page E-#, line 3.
Following: "<u>SECTION</u>"
Strike: "<u>5</u>"
Insert: "18"

41. Page E-6, line 14.
Following: "<u>SECTION</u>"

Strike: "5"
Insert: "18"

42. Page E-6, line 15.
Following: "SECTION"
Strike: "5"
Insert: "18"

- END -