

SENATE BILL NO. 294

INTRODUCED BY F. MOORE

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE AUTHORITY OF A HOSPITAL DISTRICT TO BORROW MONEY; ALLOWING NOTES ISSUED TO PROVIDE FUNDS FOR A HOSPITAL DISTRICT TO MATURE OVER A TERM NOT TO EXCEED 30 YEARS IF APPROVED BY THE DISTRICT ELECTORS; AND AMENDING SECTION 7-34-2131, MCA."

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

Section 1. Section 7-34-2131, MCA, is amended to read:

"7-34-2131. Hospital district bonds and notes authorized. (1) (a) A hospital district may borrow money by the issuance of its bonds to provide funds for payment of part or all of the cost of acquisition, furnishing, equipment, improvement, extension, and betterment of hospital facilities and to provide an adequate working capital for a new hospital.

(b) The amount of bonds issued for the purposes referred to in subsection (1)(a) and outstanding at any time may not exceed 1.4% of the total assessed value of taxable property, determined as provided in 15-8-111, within the district, as ascertained by the last assessment for state and county taxes prior to the issuance of the bonds.

(c) The bonds must be authorized, sold, and issued and provisions made for their payment in the manner and subject to the conditions and limitations prescribed for bonds of school districts by Title 20, chapter 9, part 4.

(2) (a) A hospital district may borrow money by the issuance of notes to provide funds to finance the costs described in subsection (1) and to finance the working capital requirements of the district. The notes must be authorized and in a form and terms prescribed by a resolution adopted by the board of trustees. The notes must mature over a term not to exceed 15 years or, if authorized by the electors of the district, a term not to exceed 30 years.

(b) The principal and interest on the notes must be paid from the taxes levied pursuant to 7-34-2133, exclusive of the taxes levied to pay bonds issued in accordance with subsection (1), and all other revenue of the district. The annual amount of principal and interest payable on notes in any fiscal year must be included in the

1 district's budget for that year.

2 (c) The notes may be secured by a mortgage of or a security interest in all or part of the district's assets
3 and by a pledge of the taxes and revenue of the district, or either of them.

4 (d) Notes may not be issued unless the projected annual revenue of the district, including the taxes
5 levied pursuant to 7-34-2133 but exclusive of the taxes levied to pay bonds, is at least equal to the sum of the
6 cost of operating and maintaining the hospital district plus the maximum amount of principal and interest due in
7 any future fiscal year on the notes proposed to be issued and all notes outstanding upon the issuance of the
8 proposed notes.

9 (3) This section may not be construed to amend or repeal the provisions of Title 50, chapter 6, part 1,
10 allowing the state to apply for and accept federal funds."

11 - END -