

SENATE BILL NO. 249  
INTRODUCED BY M. TAYLOR

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND CLARIFYING THE PURPOSE FOR WHICH GENERAL OBLIGATION BONDS MAY BE ISSUED FOR FINANCING INFRASTRUCTURE IMPROVEMENTS AND EQUIPMENT FOR AEROSPACE TRANSPORTATION AND TECHNOLOGY PROJECTS; PROVIDING FOR THE USE OF BOND PROCEEDS TO PAY OFF EXISTING OBLIGATIONS; PROVIDING THAT AN AGREEMENT MAY PROVIDE THE PROJECT DEVELOPER WITH THE RIGHT OF FIRST REFUSAL FOR THE PURCHASE OF REAL PROPERTY SECURED BY THE BONDS AT FAIR MARKET VALUE PLUS REIMBURSEMENT TO THE STATE FOR ANY COSTS INCURRED IN THE ISSUANCE OF THE BONDS; AMENDING SECTION 5, CHAPTER 269, LAWS OF 1999, SECTION 1, CHAPTER 6, SPECIAL LAWS OF MAY 2000, AND SECTION 1, CHAPTER 589, LAWS OF 2001; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 1, Chapter 589, Laws of 2001, is amended to read:

**"Section 1.** Section 1, Chapter 6, Special Laws of May 2000, is amended to read:

**"Section 1.** Section 5, Chapter 269, Laws of 1999, is amended to read:

**"Section 5. Authorization of bonds.** (1) The board of examiners is authorized to issue and sell general obligation bonds in an amount not exceeding \$20 million ~~for aerospace transportation and technology infrastructure development projects, as defined in 7-15-4283, except as provided in subsection (2) of this section,~~ in accordance with the terms and in the manner required by Title 17, chapter 5, part 8, ~~and upon the authority granted to the board by this section~~ for the purpose of financing infrastructure improvements as enumerated in 7-15-4288 and equipment for aerospace transportation and technology projects recommended by the department of commerce in accordance with the authority granted to the board by this section. The bonds may be used to pay existing bank loans or other obligations for qualifying aerospace transportation and technology projects. The bonds are in addition to any other authorization to the board to issue and sell general obligation bonds and subject to the conditions set forth in this section.

(2) ~~For purposes of the general obligation bonds authorized in this section, 7-15-4288(5) and (7) are excluded from the definition of aerospace transportation and technology infrastructure development projects.~~

~~Bond proceeds are appropriated to the department of commerce for assisting in funding authorized aerospace transportation and technology infrastructure development projects.~~ The department of commerce may request the board of examiners to issue the bonds for one or more specified projects ~~for a single or multiple entities in one or more series,~~ but the total amount of bonds issued may not exceed \$20 million. Bond proceeds are appropriated to the department, and the department is authorized to construct the infrastructure improvements or acquire the equipment, to contract with the city or county in which a project is located, to contract with a certified community lead organization, as defined in 90-1-116, or to contract with the developer of an approved project for the construction of the infrastructure improvement or the acquisition of equipment upon a determination that it is in the best interest of the project. The plans and specifications for the infrastructure and equipment to be financed from the proceeds of the bonds must be approved by and be acceptable to the department following a review of the plans and specifications of the infrastructure by the architecture and engineering division of the department of administration, but the design and construction of the infrastructure and the acquisition of equipment for approved projects are not, with the exception of Title 18, chapter 2, part 4, subject to the public procurement requirements contained in Title 18. The portions of aerospace transportation and technology infrastructure development projects that are Infrastructure and equipment financed with bond proceeds ~~are~~ are owned by the state, ~~and may be leased to the local government creating the tax increment financing district or to the entity for whom the project is created at a fair value, taking into consideration job creation and overall tax revenue generated by the project~~ the use must be governed by a development agreement between the state and the developer of the project. The agreement may provide for the use of the infrastructure and equipment at less than fair market value, taking into consideration the number of jobs to be created by the project, the salary range of the jobs, the amount of capital contributed by the developer, and the projected tax revenue to be received by the state and local governments from the project over the term of the lease or use agreement. The agreement may provide the project developer with the right of first refusal for the purchase of real property secured by the bonds at fair market value plus reimbursement to the state for any costs incurred in the issuance of the bonds. Fair market value must be determined by a certified appraiser. For purposes of this section, state and local governments may not provide telecommunications or other services in competition with private providers unless private providers cannot provide the services.

(3) It is the intent of the legislature that debt service payments for the bonds authorized by this section will be covered by the totality of the taxes generated by the aerospace transportation and technology

infrastructure development projects to be calculated by an economic impact analysis of the projects on state tax revenue. Prior to requesting the board of examiners to issue the bonds, the department of commerce shall determine that the developer of a proposed project has the financial ability to construct and implement the project based upon audited financial statements. When requesting the board of ~~examiners~~ to issue the bonds, the department of ~~commerce~~ shall present to the department of administration for presentation to the board of ~~examiners~~ the following:

(a) evidence satisfactory to the board that each aerospace transportation and technology infrastructure development project has committed itself to locate its project in Montana ~~and has acquired a site for the project;~~ and

(b) a certificate signed by the director of the office of budget and program planning that the tax revenue to be received by the state from each aerospace transportation and technology infrastructure development project over the term of the bonds will be sufficient to pay the principal amount of ~~and interest on~~ and interest on the bonds issued to assist with the specific project.

(4) For the purposes of this section, "equipment" means machinery used in the design, manufacture, repair, and maintenance of aerospace transportation and technology projects. ""

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

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