

SENATE BILL NO. 159

INTRODUCED BY M. BLASDEL

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A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AUTHORITY OF THE BOARD OF TRUSTEES OF A COMMUNITY COLLEGE DISTRICT RELATED TO CAPITAL PROJECTS AND FINANCING; ALLOWING THE BOARD OF TRUSTEES OF A COMMUNITY COLLEGE DISTRICT TO CONSTRUCT CERTAIN REVENUE-PRODUCING FACILITIES AND PLEDGE REVENUES FROM THE FACILITIES FOR THE REPAYMENT OF LOANS AND BONDS; AMENDING SECTION 20-15-301, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-15-301, MCA, is amended to read:

"20-15-301. Sources of financing for and types of capital expenditures. (1) The board of trustees of ~~any a~~ community college district may:

- (a) purchase, lease, build, enlarge, alter, or repair school buildings and dormitories;
- (b) furnish and equip buildings;
- (c) purchase sites for buildings; and
- (d) issue, refund, sell, budget, and redeem the bonds of the district in accordance with the provisions of [section 2] and chapter 9, part 4, of this title.

(2) The board of trustees of a community college district may borrow money for the purposes of [section 2] and this section and repay the obligations from the various revenues of the college as described in [section 2]."

NEW SECTION. Section 2. Revenue-producing facilities -- powers of board of trustees. The board of trustees of a community college district may:

- (1) purchase, construct, equip, or improve the following types of revenue-producing facilities:
 - (a) land;
 - (b) residence halls, dormitories, houses, apartments, and other housing facilities;
 - (c) dining rooms and halls, restaurants, cafeterias, and other food service facilities;

- 1 (d) student union buildings, activity centers, and other facilities;
- 2 (e) other revenue-producing facilities as determined by the board of trustees; and
- 3 (f) other facilities specifically authorized by joint resolution of the legislature;
- 4 (2) rent housing facilities and provide food and other services to the students, officers, guests, and
- 5 employees of the college at rates that will ensure a reasonable net income over operating expenses and will
- 6 provide for debt service and reserves and provide for the collection of charges, admissions, and fees for the use
- 7 of other facilities by students and other persons. The charges, admissions, and fees are not considered
- 8 tuition and may be collected from any or all students.
- 9 (3) hold the net income derived from the operation of the facilities and the charges, admissions, and fees
- 10 collected and devote the revenue from these sources to debt service and reserves, repairs, replacements, and
- 11 betterments of the facilities or, so far as the revenue has not been previously obligated for these purposes, to the
- 12 acquisition, erection, equipping, enlarging, or improvement of additional facilities of the types described in this
- 13 section;
- 14 (4) exercise full control and complete management of the facilities;
- 15 (5) rent the facilities to other public or private persons, firms, and corporations for uses, at times, for
- 16 periods, and at rates that in the board of trustees' judgment will be consistent with the full use of the facilities for
- 17 academic purposes and will add to the revenue available for capital costs and debt service;
- 18 (6) do all things necessary to plan for and propose financing, including all necessary loan applications,
- 19 for:
- 20 (a) classroom, laboratory, library, bookstore, and other instructional facilities;
- 21 (b) office, recordkeeping, storage, equipment maintenance, and other administrative and operational
- 22 facilities;
- 23 (c) stadiums, fieldhouses, armories, arenas, gymnasiums, swimming pools, and other facilities for athletic
- 24 and military instruction, exhibitions, games, and contests;
- 25 (d) auditoriums, theaters, music halls, and other assembly, theatrical, musical, and entertainment
- 26 facilities;
- 27 (e) hospital, nursing, and other health instruction and service facilities;
- 28 (f) nurseries, barns, arenas, pavilions, and other facilities for agricultural and livestock breeding,
- 29 development, and exhibition;
- 30 (g) parking lots and ramps and other parking facilities; and

- 1 (h) land needed for the facilities;
- 2 (7) borrow money for any purpose stated in this section, including, if considered desirable by the board
3 of trustees, the payment of interest on the money borrowed for a facility during the construction of the facility and
4 for 1 year after construction and the creation of a reserve for the payment of bond principal and interest;
- 5 (8) make purchases on a time or installment basis;
- 6 (9) issue bonds, notes, and other securities, negotiable or otherwise, secured as provided in this section,
7 including bearer bonds with appurtenant interest coupons, which must be fully negotiable notwithstanding any
8 limitation on the source of payment of the bonds, notes, or securities, or fully registered bonds or bonds registered
9 as to ownership of principal only;
- 10 (10) pledge for the payment of the purchase price of a facility or of the principal and interest on bonds,
11 notes, or other securities authorized in this chapter or otherwise obligate:
- 12 (a) the net income received from rents, board, or both in housing, food service, and other facilities;
- 13 (b) receipts from student building, activity, union, and other special fees prescribed by the board of
14 trustees for all students;
- 15 (c) other income in the form of:
- 16 (i) gifts, bequests, contributions, or federal grants of funds, including the proceeds or income from grants
17 of lands or other real or personal property;
- 18 (ii) receipts from athletic and other contests, exhibitions, and performances; and
- 19 (iii) collections of admissions and other charges for the use of facilities, including all use by other persons,
20 firms, and corporations for athletic and other contests, exhibitions, and performances and for the conduct of their
21 business, educational, or governmental functions; and
- 22 (d) the sum of subsections (10)(a) through (10)(c) in part or in whole;
- 23 (11) make payments on loans or purchases from any other available income not obligated for those
24 purposes, including receipts from sale of materials, equipment, and fixtures of the facilities or from sales of the
25 facilities themselves, including land; and
- 26 (12) issue and sell or exchange bonds for the refunding of any outstanding bonds or other obligations
27 issued for revenue-producing facilities.

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29 **NEW SECTION. Section 3. Codification instruction.** [Section 2] is intended to be codified as an
30 integral part of Title 20, chapter 15, part 3, and the provisions of Title 20, chapter 15, part 3, apply to [section 2].

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2 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2017.

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