AN ACT GENERALLY REVISING LAWS ON FINANCING PUBLIC PROJECTS; AND REVISING THE PROCESS FOR AWARDING PUBLIC FINANCING CONTRACTS.

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

Section 1. Short title. [Sections 2 through 4] may be cited as the "State Building Construction Loan Act of 2021".

Section 2. Definitions. As used in [sections 2 through 4], unless the context clearly indicates otherwise, the following definitions apply:

(1) "Building" has the meaning given in 18-2-101.

(2) "Financial institution" means a bank as defined in 32-1-102 or other regulated lender as defined in 31-1-111(1) and (2).

(3) "Physical branch" means a physical location of a financial institution that accepts deposits from Montana citizens and businesses.

(4) "Public agency" means a department, commission, council, board, bureau, committee, institution, agency, government corporation, or other entity, instrumentality, or official of the legislative, executive, or judicial branch of this state, including the board of regents and the Montana university system.

(5) (a) "State building construction loan" means a loan from a financial institution to a public agency to finance construction of one or more buildings of the public agency, obtained pursuant to the terms and conditions of [sections 2 through 4].

(b) The term does not include any bonds, notes or other obligations issued by public agencies, or loans obtained by public agencies, to finance construction of buildings or otherwise, that are sold or obtained pursuant to other provisions of state law.

Section 3.   Authority to use state building construction loans. (1) If a public agency is otherwise authorized to borrow money by obtaining a loan to finance the construction of one or more of its buildings, the public agency may obtain a state building construction loan in accordance with this part to finance all or a portion of the costs of the construction of one or more of its buildings.

(2)   A public agency must obtain a state building construction loan by requesting interest rate proposals from multiple financial institutions that will not be acting as underwriters with respect to the state building construction loan.

(3) In the materials that solicit interest rate proposals for the state building construction loan, the public agency must provide that it will evaluate the proposals based solely on interest rate and the solicitation materials must describe the provisions of [section 4].

Section 4.   Selecting lender for state building construction loan -- process. (1) Except as provided in subsections (2) and (3), when selecting a financial institution to be the lender for a state building construction loan, a public agency shall select the financial institution that is the lowest responsible bidder in terms of interest rate, without regard to residency.

(2)   In the event the lowest bidder does not have a physical branch located in the state, the public agency shall:

(a)   determine if the next lowest bidder has a physical branch located in the state; and

(b)   if, when multiplying the low bid by 1.025, the next lowest bid is at or less than the bid of the lowest bidder, notify the next lowest bidder and give that bidder 2 business days to offer a bid of equal terms.

(3)   If the next lowest bidder offers an equal bid, the public agency shall select that bidder as the lender of its state building construction loan.

Section 5.   Codification instruction. [Sections 2 through 4] are intended to be codified as an integral part of Title 2, chapter 17, and the provisions of Title 2, chapter 17, apply to [sections 2 through 4].

- END -

I hereby certify that the within bill,

SB 287, originated in the Senate.

_____

Secretary of the Senate

_____

President of the Senate

Signed this _____day

of_____, 2021.

_____

Speaker of the House

Signed this _____day

of_____, 2021.

SENATE BILL NO. 287

INTRODUCED BY W. SALES, M. LANG

AN ACT GENERALLY REVISING LAWS ON FINANCING PUBLIC PROJECTS; AND REVISING THE

PROCESS FOR AWARDING PUBLIC FINANCING CONTRACTS; AND PROVIDING AN APPLICABILITY

DATE.