_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE BOARD OF HOUSING TO INCREASE THE TOTAL AMOUNT OF OUTSTANDING NOTES AND BONDS; PROVIDING FOR A BIENNIAL INFLATIONARY ADJUSTMENT TO THE AUTHORIZED TOTAL AMOUNT OF OUTSTANDING NOTES AND BONDS; AMENDING SECTION 90-6-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 90-6-111, MCA, is amended to read:

"**90-6-111. Bonds and notes.** (1) The board may by resolution, from time to time, issue negotiable notes and bonds in a principal amount 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 90-6-119, 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 to pay notes, including interest, and, whenever it considers refunding expedient, refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and 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 notes and bonds must be obligations 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 revenue, assets, or money.

(4) The notes and bonds must be authorized by resolutions of the board, must bear a date, and must mature at times that the resolutions provide. A note may not mature more than 10 years and a bond may not mature more than 50 years from the date of its issue. The bonds may be issued as serial bonds payable in annual or semiannual installments or as term bonds or as a combination of both. The notes and bonds must

bear interest at a rate or rates, 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 within or without the state, and be subject to terms of redemption as provided in resolutions. The board shall designate whether interest payments on the bonds are taxable or tax exempt. The notes and bonds of the board may be sold at public or private sale at prices, which may be above or below par, determined by the board.

(5) The total amount of notes and bonds outstanding at any time, except notes or bonds as to which the board's obligation has been satisfied and discharged by refunding or for which reserve for payment or other means of payment have been otherwise provided, may not exceed ~~$1.5 billion~~ $2.5 billion. Starting July 1, 2029, and continuing each subsequent biennium, the statutory ceiling on notes and bonds outstanding must be increased by 3%. The issue price of bonds sold at a discount, not the face amount of the bonds, counts against this statutory ceiling."

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

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