

SENATE BILL NO. 417

INTRODUCED BY B. MOLNAR

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE PAYOFF OF STATE DEBT ASSOCIATED WITH OUTSTANDING BONDS, NOTES, AND OTHER OBLIGATIONS; CREATING THE BOND PAYOFF ACCOUNT; PROVIDING FOR A GENERAL FUND TRANSFER TO THE ACCOUNT; PROVIDING FOR PAYMENT OF ADMINISTRATIVE EXPENSES; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING FOR A TRANSFER OF REMAINING FUNDS IN THE ACCOUNT TO THE STATE GENERAL FUND AFTER PAYING OFF STATE DEBT AND ADMINISTRATIVE EXPENSES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A CONTINGENT TERMINATION DATE."

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

NEW SECTION. Section 1. Bond payoff account -- rules for deposits and transfers -- purposes.

(1) There is an account in the state special revenue fund established by 17-2-102 known as the bond payoff account.

(2) The purpose of the bond payoff account is to:

(a) pay the principal, interest, premiums, and any costs or fees associated with redeeming outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of this state and that are currently subject to optional redemption;

(b) pay the principal, interest, premiums, and any costs or fees associated with defeasing outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of this state that are not currently subject to optional redemption;

(c) purchase any obligations in subsection (2)(b) if it results in a net cost savings to the state;

(d) pay administrative costs incurred by the state and any state agency to pay off debt after completion of the purposes in subsection (2)(a) through (2)(c); and

(e) reimburse the state general fund through a fund transfer as provided in subsection (7).

(3) Funds in the bond payoff account are subject to legislative appropriation to the office of budget

1 and program planning and must be used in accordance with the requirements of this section.

2 (4) Funds expended from the account in this section may not be included in the calculation of
3 annual transfers in 17-7-208.

4 (5) The office of budget and program planning shall prioritize the use of funds for the uses outlined
5 in subsections (1)(a) through (1)(c).

6 (6) Within 15 days of the close of each fiscal quarter, the office of budget and program planning
7 shall submit a written report to the legislative finance committee in accordance with 5-11-210 that identifies the
8 amount and the type of debt payoff or other expenditure from the account established in this section for the
9 previous fiscal quarter.

10 (7) After completion of subsections (2)(a) through (2)(d), the state treasurer shall transfer any
11 remaining funds in this account to the state general fund.

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13 **NEW SECTION. Section 2. Transfer of funds.** By June 30, 2023, the state treasurer shall transfer
14 \$150 million from the general fund to the account provided for in [section 1].

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16 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
17 integral part of Title 17, chapter 6, part 1, and the provisions of Title 17, chapter 6, part 1, apply to [section 1].

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19 **NEW SECTION. Section 4. Effective date.** [This act] is effective on passage and approval.

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21 **NEW SECTION. Section 5. Contingent termination.** [Section 1] terminates on the date that the
22 state treasurer certifies to the code commissioner that the state general fund transfer in [section 1(7) of this act]
23 has been completed. The state treasurer shall submit certification within 14 days of the occurrence of the
24 contingency.

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