



ADMINISTRATIVE RULES OF MONTANA



8.97.1707 APPLICATION PROCEDURES AND PUBLIC HEARING REQUIREMENTS

- (1) A business enterprise may apply for financing under the economic development bond programs by submitting a loan application to the board which will review project eligibility and the proposed use of the money.
- (2) For moral obligation bonds, the financial institution shall submit a complete loan application on a form provided by the board. The application shall be properly signed and certified by the borrower and the financial institution. An application signed by the financial institution shall constitute a commitment by the financial institution to originate the loan or participate in the financing (if such participation is required) , in the manner set forth in the application. The board shall review the complete application with bond counsel to determine whether the project meets the requirements of these rules and the regulations of the Internal Revenue Code.
- (3) If the applicant has applied for bond financing which is subject to federal tax exemption and the project appears eligible, the board shall notify the governing body of the local government in which the project is located of the pending application for financing and of the local government's right to conduct a public hearing on the project for the purpose of determining whether the project is in the public interest. The local government shall notify the board within fourteen days after receipt of notification of the pending application of whether the local government intends to conduct the public hearing.
- (4) If the local government elects to conduct the public hearing, the board and local government shall determine the date for the public hearing and the board shall publish notice of the public hearing pursuant to the requirements of 17-5-1526(4) and 17-5-1527(4) , MCA. If the local government, after the public hearing, determines that the project is in the public interest, it shall adopt a resolution which makes appropriate findings of public interest with respect thereto. The local government must notify the board within fourteen days of the public hearing of its findings and provide the board with a copy of the resolution. The board, upon notification that the local government has determined that the project is in the public interest, may issue an inducement resolution.
- (5) If the local government declines to conduct the public hearing or fails to notify the board of its intention to conduct the hearing within fourteen days, the board shall hold a public hearing on the project for the purpose of determining whether the project is in the public interest. If the local government fails to notify the board of its determination of public interest within fourteen days of the hearing, the board may hold a public hearing on the project for the purpose of determining whether the project is in the public interest. At the conclusion of the public hearing, the board may issue its inducement resolution for the project.

- (6) If the board determines that time is of the essence to an applicant applying for financing from federally tax-exempt bonds, the board may adopt a preliminary inducement resolution after an application has been submitted in accordance with terms and conditions deemed necessary by the board.
- (7) Upon receipt of the local government's determination or upon its own determination that the project is in the public interest, the board may adopt an inducement resolution. This inducement resolution shall only constitute an expression of present intention of the board with respect to the project and shall not constitute a binding commitment on the part of the board that its bonds or notes will be issued for the project. This resolution expires one year from its date of adoption.
- (8) After the board has approved an application for financing with federally tax-exempt bonds, but before the board issues such bonds, a project description shall be submitted to the governor. The governor shall, in writing, approve the project and certify that the required public hearing was conducted in compliance with the Internal Revenue Code.
- (9) After an application has been approved by the board, the board may issue a conditional commitment.

Authorizing statute(s): 17-5-1504, 17-5-1521, MCA

Implementing statute(s): 17-5-1504, 17-5-1521, 17-5-1526, 17-5-1527, MCA

History: NEW, 1989 MAR p. 659, Eff. 5/26/89; AMD, 2023 MAR p. 12, Eff. 1/14/23.