

**BIG SKY RESORT AREA DISTRICT
PROPOSED ORDINANCE NO. 2014-02**

**AN ORDINANCE PROVIDING FOR THE PROCEDURES IMPLEMENTING THE BIG SKY RESORT AREA
DISTRICT'S AUTHORITY TO ISSUE BONDS AND PLEDGE THE REPAYMENT OF THE BONDS FROM
REVENUE DERIVED FROM THE RESORT TAX**

**PURSUANT TO THE AUTHORITY VESTED IN THE BIG SKY RESORT AREA DISTRICT BOARD OF DIRECTORS
UNDER §7-6-1505, 7-6-1542 and 7-6-1547, MCA, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF
THE BIG SKY RESORT AREA DISTRICT TO ADOPT ORDINANCE NO. 2014-02 AS FOLLOWS:**

Section 1. Definitions. For purposes of this Ordinance, the following definitions apply:

- (1) "Board" means the Board of Directors of the District created under §7-6-1531 through 7-6-1550, MCA.
- (2) "Debt capacity" means the limitations imposed on the Board when issuing bonds as set forth in §7-6-1542(4), MCA.
- (3) "District" means the Big Sky Resort Area District created under §7-6-1531 through 1540, MCA, that has been established as a resort area under §7-6-1508, MCA.
- (4) "Project Applicant" means an entity located within the District that would otherwise qualify for an appropriation from the Board as described in Ordinance No. 98-01.
- (5) "Qualifying project" means a project to provide for, install, or construct any public facility, improvement, or capital project that the District is authorized under law to fund.

Section 2. Application for Pledge of Bond Proceeds.

- (1) A project applicant may request a pledge of bond proceeds after completing an application prepared by the Board.
- (2) The application, at a minimum, will request the following information from a project applicant:
 - (a) name and address of the project applicant;
 - (b) designated contact person and contact information for project applicant;
 - (c) a description of the qualifying project;
 - (d) the total cost of the qualifying project;
 - (e) timeline for construction of the qualifying project including the projected date of commencement and date of completion.
 - (f) other information deemed necessary by the Board.
- (2) The application must also demonstrate compliance with the requirements of section (4) below.

Section 3. Public Notice for Call of Applications for Pledge of Bond Proceeds.

- (1) If the Board determines that it has available debt capacity and decides to call for applications for a pledge of bond proceeds for a qualifying project, it must publish a "Notice for Call of Applications for Pledge of Bond Proceeds" ("Notice") on its web site and in a newspaper of general circulation.
- (2) The newspaper of general circulation must be published at least biweekly.
- (3) The Notice must be published at least two (2) times separated by at least seven (7) days.
- (4) The Board shall provide a date certain in the Notice by which all Applications must be delivered to the District at its office or mailed and postmarked no later than the date certain provided.

- (5) The Notice must contain the District's current debt capacity available to fund a qualifying project(s).

Section 4. Qualifying Project – Requirements.

- (1) The request for a pledge of bond proceeds may not exceed the District's available debt capacity as established under §7-6-1542(4), MCA.
- (2) The request for a pledge of bond proceeds may not require a debt service payment schedule extending beyond the remaining duration of the District as required by §7-6-1542(4), MCA.
- (3) The project applicant must demonstrate that the projected useful life of the qualifying project will be greater than the term of the bonds that are issued to provide for, install, or construct the qualifying project.

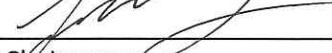
Section 5. Approval Requirements - Public Hearing on Applications-Election.

- (1) The District may issue bonds to construct a qualifying project in an amount less than \$500,000.00 only after holding a public hearing as required in (2) (a) below and approval of the qualifying project by four of the five Board members.
- (2) The District may issue bonds to construct a qualifying project in an amount exceeding \$500,000.00 only:
 - (a) after holding a public hearing on all applications for a pledge of bond proceeds;
 - (b) after approval of a qualifying project by a majority vote of the Board;
 - (c) after approval of a majority of the qualified electors voting at a special or other election as authorized by law and who reside within the District; and
 - (d) the Board concludes that the projected life of the qualifying project will be greater than the term of the bonds that were requested to construct the qualifying project.

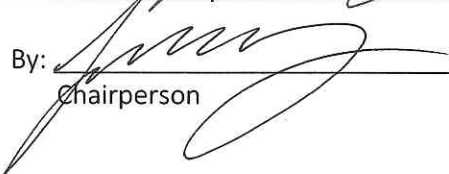
Section 6. Board Resolution - Contents.

- (1) Bonds issued for a qualifying project must be authorized by a Resolution of the Board which states the terms, conditions, and covenants that the Board considers appropriate as required by §7-6-1506(3).
- (2) The Board must also conclude in the Resolution that:
 - (a) the projected useful life of the qualifying project will be greater than the term of the bonds that are issued as required by §7-6-1542(4);
 - (b) that the bonds may not be issued for a term longer than the remaining duration of the District; and
 - (c) that the annual principal and interest payment on the bonds issued will not cumulatively exceed 25% of the average of resort tax revenue received by the District during the preceding five (5) years.

END

1st Reading  _____ Vote: all in favor 5-0 Date: 8/13/14
Chairperson

2nd Reading  _____ Vote: all in favor 5-0 Date: 9/10/14
Chairperson

By:  _____ Date: 9/10/14
Chairperson