

IN THE SENATE

APRIL 17, 1991

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 18, 1991

THIRD READING, AMENDMENTS
CONCURRED IN.

APRIL 19, 1991

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *456*
 2 INTRODUCED BY *Blaylock Yellowtail Blaylock Russell*
 3 BY REQUEST OF THE SENATE COMMITTEE
 4 ON EDUCATION AND CULTURAL RESOURCES
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE
 7 LIMITATION ON SCHOOL DISTRICT TRUSTEES FOR THE ISSUANCE OF
 8 SHORT-TERM OBLIGATIONS TO THE BOARD OF INVESTMENTS; AMENDING
 9 SECTION 20-9-471, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
 10 DATE."
 11

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

13 **Section 1.** Section 20-9-471, MCA, is amended to read:

14 "20-9-471. Issuance of short-term obligations --
 15 authorization -- conditions. (1) The trustees of a school
 16 district may, without a vote of the electors of the
 17 district, issue and sell to the board of investments
 18 short-term obligations for the purpose of financing all or a
 19 portion of:

- 20 (a) the costs of vehicles and equipment;
- 21 (b) the costs associated with renovating,
 22 rehabilitating, and remodeling facilities, including but not
 23 limited to roof repairs, heating, plumbing, and electrical
 24 systems;
- 25 (c) any other ~~capital~~ expenditure the district is

1 otherwise authorized to make, subject to subsection (4); and

2 (d) the costs associated with the issuance and sale of
 3 the short-term obligations.

4 (2) The term of the short-term obligation may not
 5 exceed 5 full fiscal years.

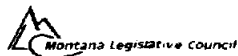
6 (3) At the time of issuing the obligation, there must
 7 exist an amount in the budget for the current fiscal year
 8 available and sufficient to make the debt service payment on
 9 the obligation coming due in the current year. The budget
 10 for each following year in which any portion of the
 11 principal of and interest on the obligation is due must
 12 provide for payment of such principal and interest.

13 (4) The proceeds of the short-term obligation may not
 14 be used to acquire real property or construct a facility.

15 (5) An obligation issued is payable from any legally
 16 available fund of the district and constitutes a general
 17 obligation of the district.

18 (6) The obligation may bear interest at a fixed or
 19 variable rate and may be sold to the board of investments at
 20 par, at a discount or with a premium, and upon any other
 21 terms and conditions that the trustees determine to be in
 22 the best interests of the district.

23 (7) The principal amount of the short-term obligation,
 24 when added to the outstanding bonded indebtedness of the
 25 district, may not exceed the debt limitation established in



LC 2038/01

1 20-9-406."

2 NEW SECTION. **Section 2.** Effective date. [This act] is

3 effective on passage and approval.

-End-

SENATE BILL NO. 456

INTRODUCED BY YELLOWTAIL, BLAYLOCK, RUSSELL

BY REQUEST OF THE SENATE COMMITTEE

ON EDUCATION AND CULTURAL RESOURCES

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limited to roof repairs, heating, plumbing, and electrical
systems;

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otherwise authorized to make, subject to subsection (4),
INCLUDING THE PAYMENT OF SETTLEMENTS OF LEGAL CLAIMS,
JUDGMENTS, OR, WITH THE APPROVAL OF THE BOARD OF PUBLIC
EDUCATION ON RECOMMENDATION OF THE OFFICE OF PUBLIC
INSTRUCTION, THE RETIREMENT OF LAWFULLY ISSUED REGISTERED
WARRANTS; and

(d) the costs associated with the issuance and sale of
the short-term obligations.

(2) The term of the short-term obligation may not
exceed 5 full fiscal years.

(3) At the time of issuing the obligation, there must
exist an amount in the budget for the current fiscal year
available and sufficient to make the debt service payment on
the obligation coming due in the current year. The budget
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2 the best interests of the district.

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HOUSE STANDING COMMITTEE REPORT

April 1, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Education and Cultural Resources report that Senate Bill 456 (third reading copy -- blue) be concurred in as amended .

Signed: Ted Schye
Ted Schye, Chairman

Carried by: Rep. Russell

And, that such amendments read:

1. Page 2, lines 2 through 6.
Following: "CLAIMS" on line 2
Strike: ", "
Insert: "and"
Following: "JUDGMENTS" on line 3
Strike: remainder of line 3 through "WARRANTS" on line 6

SB 456

HOUSE

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