

1 *Clause* BILL NO. *136*
 2 INTRODUCED BY *Barrett* *Humphrey* *Lockrem* *Marks*
 3 *Stoltz* *Scully* *Rushmi* *W. Anderson* *Betty J. Bohak*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION *Murphy*
 5 75-7104, R.C.M. 1947, TO RAISE THE MAXIMUM AMOUNT FOR WHICH *Murphy*
 6 EACH SCHOOL DISTRICT MAY BECOME INDEBTED BY THE ISSUANCE OF
 7 BONDS."

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

10 Section 1. Section 75-7104, R.C.M. 1947, is amended to
11 read as follows:

12 "75-7104. Limitations on amount of bond issue. (1) The
 13 maximum amount for which each school district shall become
 14 indebted by the issuance of bonds, including all
 15 indebtedness represented by outstanding bonds of previous
 16 issues and registered warrants, is ~~five~~ seven and one-half
 17 percent ~~(5%)~~ (7.5%) of the assessed value of the taxable
 18 property therein as ascertained by the last completed
 19 assessment for state, county, and school taxes previous to
 20 the incurring of such indebtedness. All bonds issued in
 21 excess of such amount shall be null and void, except as
 22 provided in subsection (2).

23 When the total indebtedness of a school district has
 24 reached the ~~five~~ seven and one-half percent ~~(5%)~~ (7.5%)
 25 limitation prescribed in this section, such school district

1 shall have the power and authority to pay all reasonable and
 2 necessary expenses of the school district on a cash basis in
 3 accordance with the financial administration provisions of
 4 this title.

5 Whenever bonds are issued for the purpose of refunding
 6 bonds, any moneys to the credit of the debt service fund for
 7 the payment of the bonds to be refunded shall be applied
 8 towards the payment of such bonds and the refunding bond
 9 issue shall be decreased accordingly.

10 (2) In the case of a school district within which a new
 11 major industrial facility which seeks to qualify for
 12 taxation as class seven (7) property under section 84-301,
 13 R.C.M. 1947, is being constructed or is about to be
 14 constructed, the school district may require, as a
 15 precondition of the new major industrial facility qualifying
 16 as class seven (7) property, that the owners of the proposed
 17 industrial facility enter into an agreement with the school
 18 district concerning the issuing of bonds in excess of the
 19 ~~five~~ seven and one-half percent ~~(5%)~~ (7.5%) limitation
 20 prescribed in subsection one (1). Under such an agreement,
 21 the school district may, with the approval of the voters,
 22 issue bonds which exceed the limitation prescribed in
 23 subsection one (1) by a maximum of five percent (5%) of the
 24 estimated assessed value of the taxable property of the new
 25 major industrial facility when completed. The estimated

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1 assessed value of the taxable property of the new major
 2 industrial facility shall be computed by the department of
 3 revenue when requested to do so by a resolution of the board
 4 of trustees of the school district, and copy of the
 5 department's statement of estimated assessed value shall be
 6 printed on each ballot used to vote on a bond issue proposed
 7 under this subsection.

8 Pursuant to the agreement between the new major
 9 industrial facility and the school district, and as a
 10 precondition to qualifying as class seven (7) property, the
 11 new major industrial facility and its owners shall, in
 12 addition to such taxes as may be imposed by the school
 13 district on property owners generally pay so much of the
 14 principal and interests on the bonds provided for under this
 15 subsection as shall represent payment on an indebtedness in
 16 excess of the limitation prescribed in subsection one (1).
 17 After the completion of the new major industrial facility
 18 and when the indebtedness of the school district no longer
 19 exceeds the limitation prescribed in subsection one (1), the
 20 new major industrial facility shall be entitled, after all
 21 the current indebtedness of the school district has been
 22 paid, to a tax credit over a period of no more than twenty
 23 (20) years which credit shall, as a total amount, be equal
 24 to the amount by which the facility paid the principal and
 25 interest of the school district's bonds in excess of its

1 general liability as a taxpayer within the district.

2 A major industrial facility is a facility, subject to
 3 the taxing power of the school district, whose construction
 4 or operation will increase the population of the district so
 5 as to impose a significant burden upon the resources of the
 6 district and to require construction of new school
 7 facilities. A significant burden is an increase in ANB of at
 8 least twenty percent (20%) in a single year."

-End-

Approved by Committee
on Education

HOUSE BILL NO. 136

INTRODUCED BY BARRETT, GUNDERSON, LOCKREM, MARKS, STOLTZ,
SCULLY, GUTHRIE, C. R. ANDERSON, BABCOCK, LIEN,
MENAHAN, MURPHY

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issues and registered warrants, is five seven--and--one-half
EIGHT percent ~~(5%)~~ ~~(7.5%)~~ (8%) of the assessed value of the
taxable property therein as ascertained by the last
completed assessment for state, county, and school taxes
previous to the incurring of such indebtedness. All bonds
issued in excess of such amount shall be null and void,
except as provided in subsection (2).

When the total indebtedness of a school district has

reached the five seven--and--one-half EIGHT percent ~~(5%)~~
~~(7.5%)~~ (8%) limitation prescribed in this section, such
school district shall have the power and authority to pay
all reasonable and necessary expenses of the school district
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1 the estimated assessed value of the taxable property of the
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 2 interest of the school district's bonds in excess of its
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 6 or operation will increase the population of the district so
 7 as to impose a significant burden upon the resources of the
 8 district and to require construction of new school
 9 facilities. A significant burden is an increase in ANB of at
 10 least twenty percent (20%) in a single year."

11 SECTION 2. THIS ACT IS EFFECTIVE ON ITS PASSAGE AND
 12 APPROVAL.

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THIRD READING

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