

1 Zause BILL NO. 168
 2 INTRODUCED BY Mark Barrett Manahan
 3 Sully
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 5 75-7104, R.C.M. 1947, TO RAISE THE MAXIMUM AMOUNT OF BONDED
 6 INDEBTEDNESS THAT MAY BE INCURRED BY A SECOND OR THIRD CLASS
 7 SCHOOL DISTRICT."
 8

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 percent (5%) of the
 17 assessed value of the taxable property therein as
 18 ascertained by the last completed assessment for state,
 19 county, and school taxes previous to the incurring of such
 20 indebtedness, except that the maximum amount of
 21 indebtedness for each second and third class school district
 22 shall be eight percent (8%) of the assessed value of the
 23 taxable property. All bonds issued in excess of such amount
 24 shall be null and void, except as provided in subsection
 25 (2).

1 When the total indebtedness of a school district has
 2 reached the ~~five-percent-(5%)~~ limitation prescribed in this
 3 section, such school district shall have the power and
 4 authority to pay all reasonable and necessary expenses of
 5 the school district on a cash basis in accordance with the
 6 financial administration provisions of this title.

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

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

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

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

1 interest of the school district's bonds in excess of its
 2 general liability as a taxpayer within the district.

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

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