

1 *House* BILL NO. *793*
 2 INTRODUCED BY *Patricia Conroy O'Rourke Kenny*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A MAJORITY
 5 VOTE BY QUALIFIED ELECTORS FOR AUTHORIZATION AND APPROVAL
 6 BEFORE REVENUE BONDS MAY BE ISSUED BY MUNICIPALITIES;
 7 AMENDING SECTION 11-2404, R.C.M. 1947."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 11-2404, R.C.M. 1947, is amended to
 11 read as follows:

12 "11-2404. Authorization of undertaking -- form and
 13 contents of bonds. The acquisition, purchase, construction,
 14 reconstruction, improvement, betterment or extension of any
 15 undertaking may be authorized under this chapter, and bonds
 16 may be authorized to be issued under this chapter by
 17 resolution or resolutions of the governing body of the
 18 municipality, ~~without an election or should the governing~~
 19 ~~body in its sole discretion choose to~~ The governing body of
 20 the municipality must submit the question to the electorate
 21 ~~when authorized for authorization~~ by a majority vote of the
 22 qualified electors voting upon such question at a special
 23 election noticed and conducted as provided in sections
 24 11-2308 to 11-2310, inclusive, and said special election
 25 shall be held not later than the next municipal election

1 held after the council or governing body of the municipality
 2 has by resolution or resolutions approved the acquisition,
 3 purchase, construction, reconstruction, improvement,
 4 betterment or extension of any undertaking as in this
 5 chapter provided and ordered said special election.

6 Said bonds shall bear interest at such rate or rates
 7 not exceeding ~~nine per cent (9%)~~ per annum, payable
 8 semiannually, may be in one or more series, may bear such
 9 date or dates, may mature at such time or times not
 10 exceeding ~~forty (40)~~ years from their respective dates, may
 11 be payable in such place or places, may carry such
 12 registration privileges, may be subject to such terms of
 13 redemption, may be executed in such manner, may contain such
 14 terms, covenants and conditions, and may be in such form,
 15 either coupon or registered, as such resolution or
 16 subsequent resolutions may provide. Said bonds shall be sold
 17 at not less than par. Said bonds may be sold at private
 18 sale to the United States of America or any agency,
 19 instrumentality or corporation thereof. Unless sold to the
 20 United States of America or agency, instrumentality or
 21 corporation thereof, said bonds shall be sold at public sale
 22 after notice of such sale published once at least ~~five (5)~~
 23 days prior to such sale in a newspaper circulating in the
 24 municipality and in a financial newspaper published in the
 25 city of New York, New York, or the city of Chicago,

1 Illinois, or the city of San Francisco, California, except
2 that, in the event the bond issue is in an amount of less
3 than ~~one-hundred-fifty-thousand-dollars-(\$150,000)~~, the bond
4 issue shall be advertised at least ~~five-(5)~~ days prior to
5 such sale in daily newspapers circulating in Montana cities
6 of 10,000 population or over, in lieu of advertising in a
7 financial newspaper in New York, Chicago, or San Francisco,
8 and also in a newspaper as specified in section 16-1201 if
9 that newspaper is different from the daily newspapers
10 circulating in Montana cities of 10,000 population or over.
11 Pending the preparation of the definitive bonds, interim
12 receipts or certificates in such form and with such
13 provisions as the governing body may determine may be issued
14 to the purchaser or purchasers of bonds sold pursuant to
15 this chapter. Said bonds and interim receipts or
16 certificates shall be fully negotiable, as provided by the
17 Uniform Commercial Code—Investment Securities."

-End-

Approved by Comm.
on Local Government

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3 *Teague*

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