

HOUSE BILL 769

IN THE HOUSE

February 13, 1979	Introduced and referred to Committee on Business and Industry.
February 19, 1979	Committee recommend bill, as amended.
February 20, 1979	Printed and placed on members' desks.
February 21, 1979	Second reading, do pass.
February 22, 1979	Considered correctly engrossed. Third reading, passed.

IN THE SENATE

February 23, 1979	Introduced and referred to Committee on Business and Industry.
March 7, 1979	Committee recommend bill, not concurred.

IN THE HOUSE

March 8, 1979	Returned from Senate, not concurred.
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1 *House* BILL NO. *769*
 2 INTRODUCED BY *Jeffrey A. Kemmerer Robert Watt*
 3 *Huswite*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT CERTAIN
 5 BONDS ISSUED BY LOCAL GOVERNMENT UNITS OR DISTRICTS BE
 6 OFFERED FIRST TO LOCAL RESIDENTS; REQUIRING THESE BONDS TO
 7 BE ISSUED IN THE SMALLEST POSSIBLE DENOMINATIONS."

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

10 Section 1. Local offering of bonds. (1)
 11 Notwithstanding the statutes governing the sale of bonds,
 12 the following types of bonds must be offered first to
 13 residents of the local government unit or district selling
 14 the bonds:

- 15 (a) county general obligation bonds;
- 16 (b) county refunding general obligation bonds;
- 17 (c) municipal general obligation bonds;
- 18 (d) municipal refunding general obligation bonds;
- 19 (e) municipal revenue bonds;
- 20 (f) municipal refunding revenue bonds;
- 21 (g) hospital district bonds;
- 22 (h) county hospital and nursing home bonds;
- 23 (i) rural improvement district bonds;
- 24 (j) special improvement district bonds; and
- 25 (k) industrial development bonds.

1 (2) The governing body of the local government unit or
 2 district issuing the bond shall publish notice in a paper of
 3 general circulation in the county each week for 4 successive
 4 weeks immediately preceding the date of sale.

5 (3) For the first 60 days after the bonds are offered,
 6 the governing body may consider and accept bids for the
 7 bonds only from residents of the local government unit or
 8 district offering the bonds. The governing body shall cause
 9 any bonds sold to be executed, printed, and delivered upon
 10 receipt of the full payment.

11 (4) After the bonds have been offered to local
 12 residents for 60 days, the governing body may offer for sale
 13 the remainder of the bonds in the manner specified in
 14 7-7-2251 through 7-7-2259, 7-7-4251 through 7-7-4259,
 15 7-7-4433, 7-7-4434, 7-12-2172, 7-12-4202 through 7-12-4204,
 16 7-34-2131, 7-34-2415, 90-5-103, and 90-5-104, whichever is
 17 appropriate.

18 Section 2. Denomination of bonds. The governing body
 19 shall offer the bonds listed in [subsection (1) of section
 20 1] in the smallest possible denominations without, in its
 21 opinion, unduly increasing the cost of issuing the bonds or
 22 jeopardizing their sale.

-End-

-2- *HB 769*
 INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 367-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 14, 19 79, there is hereby submitted a Fiscal Note for HB 769 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

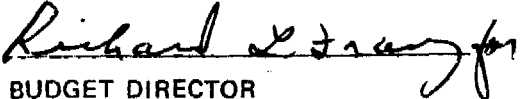
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF LEGISLATION:

House Bill 769 requires that certain bonds issued by local government units or districts be offered first to local residents.

COMMENT:

It is impossible to estimate the impact this legislation would have on local bond issue rates, nor the effect that selling portions of issues locally would have on the marketability of the balance of the issue. Most bond brokers presently offer any or all bonds of a particular issue for sale to residents of the issuing entity.


BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/20/79

Approved by Committee
on Business and Industry

HOUSE BILL NO. 769

INTRODUCED BY AZZARA, KEMMIS, PAVLOVICH, WATT, HURWITZ

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE--THAT ALLOW CERTAIN BONDS ISSUED BY LOCAL GOVERNMENT UNITS OR DISTRICTS TO BE OFFERED FIRST TO LOCAL RESIDENTS; REQUIRING THESE BONDS TO BE ISSUED IN THE SMALLEST POSSIBLE DENOMINATIONS."

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

Section 1. Local offering of bonds. (1)

Notwithstanding the statutes governing the sale of bonds, the following types of bonds must ~~MAY~~ be offered first to residents of the local government unit or district selling the bonds:

- (a) county general obligation bonds;
- (b) county refunding general obligation bonds;
- (c) municipal general obligation bonds;
- (d) municipal refunding general obligation bonds;
- (e) municipal revenue bonds;
- (f) municipal refunding revenue bonds;
- (g) hospital district bonds;
- (h) county hospital and nursing home bonds;
- (i) rural improvement district bonds;
- (j) special improvement district bonds; and
- (k) industrial development bonds.

(2) The governing body of the local government unit or district issuing the bond shall publish notice in a paper of general circulation in the county each week for 4 successive weeks immediately preceding the date of sale.

(3) For the first 60 days after the bonds are offered, the governing body may consider and accept bids for the bonds only from residents of the local government unit or district offering the bonds. The governing body shall cause any bonds sold to be executed, printed, and delivered upon receipt of the full payment.

(4) After the bonds have been offered to local residents for 60 days, the governing body may offer for sale the remainder of the bonds in the manner specified in 7-7-2251 through 7-7-2259, 7-7-4251 through 7-7-4259, 7-7-4433, 7-7-4434, 7-12-2172, 7-12-4202 through 7-12-4204, 7-34-2131, 7-34-2415, 90-5-103, and 90-5-104, whichever is appropriate.

Section 2. Denomination of bonds. The governing body shall offer the bonds listed in [subsection (1) of section 1] in the smallest possible denominations without, in its opinion, unduly increasing the cost of issuing the bonds or jeopardizing their sale.

-End-

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