CHAPTER NO. 617

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SENATE BILL NO. 306

INTRODUCED BY McCALLUM

BY REQUEST OF THE CODE COMMISSIONER

IN THE SENATE

January 31, 1979	Introduced and referred to Committee on Local Government.
February 12, 1979	Committee recommend bill do pass. Report adopted.
February 13, 1979	Printed and placed on members' desks.
February 14, 1979	Motion pass consideration.
February 15, 1979	Second reading, do pass.
February 16, 1979	Considered correctly engrossed.
February 17, 1979	Third reading, passed. Transmitted to second house.
IN THE HOUSE	
February 19, 1979	Introduced and referred to Committee on Local Government.
March 7, 1979	Rereferred to Committee on Taxation.
April 10, 1979	Committee recommend bill be concurred in as amended. Report adopted.
April 11, 1979	Second reading, concurred in.
	Segregated from Committee of the Whole report.
April 12, 1979	Second reading, concurred in as amended.

Third reading, concurred in as amended. IN THE SENATE Returned from second house.

April 17, 1979Returned from second house.
Concurred in as amended.April 18, 1979Second reading, amendments
adopted.April 18, 1979On motion rules suspended. Bill
placed on Calendar for third
reading this day.Third reading, amendments adopted.Sent to enrolling.

Reported correctly enrolled.

April 16, 1979

LC 0547/01

Amate BILL NO. 306 1 INTRODUCED BY Mr. Solling 2 3 BY REQUEST OF THE CODE COMMISSIONER A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY CERTAIN 4 PERCENTAGE LIMITS ON LOCAL GOVERNMENT INDEBTEDNESS; AMENDING 5 SECTIONS 7-7-2203, 7-7-4201, 7-7-4202, 7-14-2524, AND 6 7 7-14-2525. MCA.* в 9 UE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 Section 1. Section 7-7-2203. MCA. is amended to read: 11 "7-7-2203. Limitation on amount of bonded 12 indebtedness. (1) Except as provided in subsections (2) and 13 (3), no county shall may issue <u>ceneral obligation</u> bonds for 14 any purpose which, with all outstanding bonds and warrants 15 except county high school bonds and emergency bonds, will 15 exceed 2-1/2% 9% of the taxable value of the taxable 17 property therein, to be ascertained by the last assessment 1.0 for state and county taxes previous prior to the proposed 19 issuance of such bonds. 20 (2) A county may issue bonds which, with all

outstanding bonds and warrants, will exceed 2-1/2% 23 but will not exceed 5% 18% of the taxable value of such taxable property, when necessary to du so, for the purpose of acquiring land for a site for county high school buildings and for erecting or acquiring buildings thereon and 1 furnishing and equipping the same for county high school 2 purposes.

3 (3) The foregoing limitation shall not apply to 4 refunding bonds issued for the purpose of paying or retiring 5 county bonds lawfully issued prior to January 1, 1932.

6 (4) This part shall not be construed to extend 7 limitations on bonded indebtedness for county high school 8 purposes as fixed by [75-4114] <u>20-9-406s</u> <u>20-9-407s</u> and acts 9 amendatory thereof.*

Section 2. Section 7-7-4201, MCA, is amended to read: 10 #7-7-4201. Limitation bonded 11 00 amount of 17 indebtedness. (1) Except as otherwise provided, no city or 13 town may issue bonds or incur other indebtedness for any purpose in an amount which with all outstanding and unpaid 14 15 indebtedness will exceed 18% of the taxable value of the 16 property therein subject to taxation, to be ascertained by 17 the last assessment for state and county taxes.

18 (2)--Except-as-otherwise-providedy-the-total-pmount--of indebtedness--authorized--to--be--contracted--in--ony--formy including-the-then-existing-indebtednessy-must--not--at--any time-exceed-5%-of-the-total-value-of-the-taxable-property-of the--city-or-towny-as-ascertained-by-the-last-assessment-for state-and-county-taxesy 24 (3)121 The issuing of bonds for the purpose of funding

24 (3712) The issuing of bonds for the purpose of funding
25 or refunding outstanding warrants or bonds is not the

-2- 58 3246 INTRODUCED BILL

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incurring of a new or additional indebtedness but is merely 1 2 the changing of the evidence of outstanding indebtedness." Section 3. Section 7-7-4202, MCA, is emended to read: 3 "7-7-4202. Special provisions relating to water and . sewer systems. (1) tet Notwithstanding the provisions of 5 7-7-4201(1) 7-7-4201, for the purpose of constructing a 6 sewer system, procuring a water supply, or constructing or 7 8 acquiring a water system for a city or town which shell--own 9 and -control owns and controls the water supply and water 10 system and devote devotes the revenues therefrom to the payment of the debt, a city or town may incur an additional 11 12 indebtedness by borrowing money or issuing bonds.

13 (b)--Notwithstending-the-provisions-of-7-7-4282(2)y--en additional--indebtedness-shall-be-incurred-when-necessary-to construct-a-sever-system-or-procure-s-water-supply--for--the city--or--town--which-shall-own-or-control-seid-water-supply and-devote-the-revenue-derived-therefrom-to-the--payment--of the-debtw

19 (2) .(a)-The additional total indebtedness that may be 20 incurred by borrowing money or issuing bonds for the 21 construction of a sewer system, for the procurement of a 22 water supply, or for both such purposes, including all 23 indebtedness theretofore contracted which is unpaid or 24 outstanding, may not in the aggregate exceed 10% over and 25 above the 18%, referred to in 7-7-4201(1) 7-7-4201, of the LC 0547/01

1	total taxable value of the property therein subject to
2	taxation as ascertained by the last assessment for state and
3	county taxes.
4	{b}The-a dd; cionel-indebtedness-outhorizedyincluding
5	a llindobtodnesstheretofore-contracted-which-is-unpaid-or
6	outstanding-for-the-construction-of-a-sewer-system-for-the
7	procurement-of-s-water-suppiyv-or-for-bothsuchpurposes
8	shall-not-exceed-in-the-aggregate-18%-over-ond-above-the-5%*
9	referredtoin7-7-4201{2}y- of- the-tote7-v olustion-of-the
10	taxable-proparty-of-tha-city-or-town-as-ascertoine dbythe
11	test-essessment-for-state-end-county-texes-
12	(3)The-obove-limit-of-54-shall-not-be-extended-unless
13	the-question-shall-have-been-submitted-to-a-vote-and-carried
14	in-the-offirmotive-by-a-vote-of-the-majority-of-the-electors
15	who-vote-upon-such-questions *
16	Section 4. Section 7-14-2524, MCA, is amended to read:
17	#7-14-2524. Limitation on amount of bonds issued
18	excess void. (1) Except as otherwise provided hereafter an.
19	in 7-7-2203 and 7-7-2204, no county shall issue bonds which,
20	with all outstanding bonds and warrants except county high
21	school bonds and emergency bonds; will exceed 2-1/2% 9% of
2 2	the taxable value of the taxable property therein. The
23	taxable property shall be ascertained by the last assessment
Z4	for state and county taxes prior to the issuance of such
25	bonds.

1 (2) A county may issue bonds which, with all 2 outstanding bonds and warrants, will exceed 2-1/2% 9% but 3 will not exceed 5% 18% of the <u>taxable</u> value of such taxable 4 property when necessary for the purpose of replacing, 5 rebuilding, or repairing county buildings, bridges, or 6 highways which have been destroyed or damaged by an act of 7 God, disaster, catastrophe, or accident.

8 (3) The value of the bonds issued and all other 9 outstanding indebtedness of the county shall not exceed 5% 10 <u>18%</u> of the <u>taxable</u> value of the toxeble property within the 11 county as ascertained by the last preceding general 12 assessment.

13 (4) All bonds issued by any county in excess of the
14 limitations herein fixed shall-be are null and void."

Section 5. Section 7-14-2525, MCA, is amended to read: "7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds 5% 18% of the taxable value of the taxable property therein and the board determines that the county is unable to pay such indebtedness in full, the board may:

(a) negotiate with the bondholders for an agreement or
agreements whereby the bondholders agree to accept less than
the full amount of the bonds and the accrued unpaid interest
thereon in satisfaction thereof;

25 (b) enter into such agreement or-agreements;

(c) issue refunding bonds for the amount agreed upon.
 (Z) These bonds may be issued in more than one series.
 and each series may be either amortization or serial bonds.
 (3) The plan agreed upon between the board and the
 bondholders shall be embodied in full in the resolution
 providing for the issue of the bonds."

-End-

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46th Legislature

LC 0547/01

Approved by Comm. on Local Government

the BILL NO. 306 1 INTRODUCED BY 2

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY CERTAIN
PERCENTAGE LIMITS ON LOCAL GOVERNMENT INDEBTEDNESS; AMENDING
SECTIONS 7-7-2203, 7-7-4201, 7-7-4202, 7-14-2524, AND
7 7-14-2525, MCA."

BY REQUEST OF THE CODE COMMISSIONER

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 Section 1. Section 7-7-2203, MCA, is amended to read: 11 *7-7-2203. Limitation on asount of bonded 12 indebtedness. (1) Except as provided in subsections (2) and 13 (3), no county shall may issue general obligation bonds for 14 any purpose which, with all outstanding bonds and warrants 15 except county high school bonds and emergency bonds, will exceed 2-1/2% 9% of the taxable value of the taxable 16 17 property therein, to be ascertained by the last assessment 18 for state and county taxes previous prior to the proposed 19 issuance of such bonds.

20 (2) A county may issue bonds which, with all outstanding bonds and warrants, will exceed 2-1/2% 23 but will not exceed 5% 18% of the taxable value of such taxable property, when necessary to do so, for the purpose of acquiring land for a site for county high school buildings and for erecting or acquiring buildings thereon and 1 furnishing and equipping the same for county high school 2 purposes.

3 (3) The foregoing limitation shall not apply to
4 refunding bonds issued for the purpose of paying or retiring
5 county bonds lawfully issued prior to January 1+ 1932-

6 (4) This part shall not be construed to extend 7 limitations on bonded indebtedness for county high school 8 purposes as fixed by [75-4114] <u>20-9-406s</u> <u>20-9-407s</u> and acts 9 amendatory thereof."

10 Section 2. Section 7-7-4201, MCA, is amended to read: "7-7-4201. Limitation 11 00 amount of bonded 12 indebtedness. (1) Except as otherwise provided, no city or 13 town may issue bonds or incur other indebtedness for any 14 purpose in an amount which with all outstanding and unpaid 15 indebtedness will exceed 18% of the taxable value of the 16 property therein subject to taxation, to be ascertained by 17 the last assessment for state and county taxes.

18 tel--Except-as-otherwise-providedy-the-total-amount--of 19 indebtedness--authorizad--to--be--contracted--in--any--form 20 including-the-then-existing-indebtednessy-wust--not--at--any **Z**1 time-exceed-5%-of-the-totol-value-of-the-taxoble-property-of 22 the--city-or-town--es-escerteined-by-the-lest-essessment-for **Z**3 state-and-county-taxes. 24 +3+(2) The issuing of bonds for the purpose of funding or refunding outstanding warrants or bonds is not the 25

SECOND READING

SB 306

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bonds.

1 incurring of a new or additional indebtedness but is perely the changing of the evidence of outstanding indebtedness." 2 3 Section 3. Section 7-7-4202. MEA. is amended to read: *7-7-4202. Special provisions relating to water and 4 5 sewer systems. (1) tot Notwithstanding the provisions of 7-7-4201(1) <u>7-7-4201</u>, for the purpose of constructing a 6 7 sewer system, procuring a water supply, or constructing or 8 acquiring a water system for a city or town which shall--own 9 and--control owns and controls the water supply and water 10 system and devote devotes the revenues therefrom to the 11 payment of the debt, a city or town may incur an additional indebtedness by borrowing money or issuing bonds. 12

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 (b)--Notwithstanding-the-provisions-of-7-7-4281(2)y--an

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 additional--indebtedness-shall-be-incurred-when-necessary-to

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 construct-a-sewer-system-or-procure-s-water-supply-for--the

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 city--or--town--which-shall-own-or-control-said-water-supply

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 and-devote-the-revenue-derived-therefrom-to-the-payment--of

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 the-debtw

19 (2) tet-The additional total indebtedness that may be 20 incurred by borrowing money or issuing bonds for the 21 construction of a sewer system, for the procurement of a 22 water supply, or for both such purposes, including ull 23 indebtedness theretofore contracted which is unpaid or 24 outstanding, may not in the aggregate exceed 10% over and 25 above the 18%, referred to in 7-7-4201(1) 7-7-4201, of the

taxation as ascertained by the last assessment for state and 2 3 county taxes. tb}--The-additional-indebtedness-authorizedy--including 4 all---indebtedness--theretofore-contracted-which-is-unpaid-or 5 outstandingy-for-the-construction-of-a-sewer-systemy-for-the 6 7 procurement-of-a-water-supplyy-or--for--both--such--purposes 8 shall-not-exceed-in-the-aggregate-181-over-and-sbove-the-5% 9 referred--to--in--7-7-4281121y-of-the-tote1-veluation-of-the 10 taxable-property-of-the-city-or-town-as-ascertained--by--the

total taxable value of the property therein subject to

11 +ast-assessment-for-state-and-county-taxes*

12 +31~-The-obove-liwit-of-5%-shall-not-be-extended-unless 13 the-question-shell-have-been-submitted-to-a-vate-and-carried 14 in-the-affirmative-by-a-vote-of-the-majority-of-the-electors 15 who-vote-upon-such-question." Section 4. Section 7-14-2524, MCA, is amended to read: 16 17 "7-14-2524. Limitation on amount of bonds issued --excess void. (1) Except as otherwise provided hereafter ar . 18 19 in 7-7-2203 and 7-7-2204, no county shall issue bonds which, **Z**0 with all outstanding bonds and warrants except county high 21 school bonds and emergency bonds, will exceed 2-1/2# 9% of 22 the taxable value of the toxoble property therein. The 23 taxable property shall be ascertained by the last assessment 24 for state and county taxes prior to the issuance of such

1 (2) A county may issue bonds which, with all 2 outstanding bonds and warrants, will exceed 2-1/2% 9% but 3 will not exceed 5% 18% of the taxable value of such texable 4 property when necessary for the purpose of replacing, 5 rebuilding, or repairing county buildings, bridges, or 6 highways which have been destroyed or damaged by an act of 7 God, disaster, catastrophe, or accident.

8 (3) The value of the bonds issued and all other 9 outstanding indebtedness of the county shall not exceed 54 10 <u>183</u> of the <u>taxable</u> value of the taxable property within the 11 county as ascertained by the last preceding general 12 assessment.

13 (4) All bonds issued by any county in excess of the
14 limitations herein fixed shall-be are null and void."

Section 5. Section 7-14-2525, MCA, is amended to read: "7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds 5% 18% of the taxable value of the texable property therein and the board determines that the county is unable to pay such indebtedness in full. the board may:

(a) negotiate with the bondholders for an agreement or
agreements whereby the bondholders agree to accept less than
the full amount of the bonds and the accrued unpaid interest
thereon in satisfaction thereof;

25 (b) enter into such agreement or-agreements;

(c) issue refunding bonds for the amount agreed upon.
 (2) These bonds may be issued in more than one series.
 and each series may be either amortization or serial bonds.
 (3) The plan agreed upon between the board and the
 bondholders shall be embodied in full in the resolution
 providing for the issue of the bonds."

-End-



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LC 0547/01

lenate BILL NO. 306 ı INTRODUCED BY 2

BY REQUEST OF THE CODE COMMISSIONER
A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY CERTAIN
PERCENTAGE LIMITS ON LOCAL GOVERNMENT INDEBTEDNESS; AMENDING
"ICTIONS 7-7-2203, 7-7-4201, 7-7-4202, 7-14-2524, AND
7-14-2525, MCA."

8

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

10 Section 1. Section 7-7-2203, MCA, is amended to read: 11 #7-7-2203. Limitation ол amount of bonded indebtedness. (1) Except as provided in subsections (2) and 12 13 (3), no county shall may issue general obligation bonds for 14 any purpose which, with all outstanding bonds and warrants 15 except county high school bonds and emergency bonds, will 15 exceed 2-1/2% 9% of the taxable value of the taxable 17 property therein, to be accertained by the last assessment 18 for state and county taxes previous prior to the proposed 19 issuance of such bonds.

20 (2) A county may issue bonds which, with all outstanding bonds and warrants, will exceed 2-1/2% 23 but will not exceed 5% 183 of the taxable value of such taxable property, when necessary to do so, for the purpose of acquiring land for a site for county high school buildings and for erecting or acquiring buildings thereon and furnishing and equipping the same for county high school
 purposes.

3 (3) The foregoing limitation shall not apply to 4 refunding bonds issued for the purpose of paying or retiring 5 county bonds lawfully issued prior to January 1, 1932.

6 (4) This part shall not be construed to extend
7 limitations on bonded indebtedness for county high school
8 purposes as fixed by [75-4114] 20-9-406s 20-9-407s and acts
9 amendatory thereof."

Section 2. Section 7-7-4201. MCA, is amended to read: 10 11 *7-7-4201. Limitation 00 amount of bonded ÍZ. indebtedness. (1) Except as otherwise provided, no city or 13 town may issue bonds or incur other indebtedness for any 14 purpose in an amount which with all outstanding and unpaid 15 indebtedness will exceed 18% of the taxable value of the property therein subject to taxation, to be ascertained by 16 17 the last assessment for state and county taxes.

18 (2)--Except-as-otherwise-providedy-the-total-amount-of indebtedness--authorized--to--be--controcted--in--any--formy including-the-then-existing-indebtednessy-must--not--at--any time-exceed-St-of-the-total-value-of-the-taxoble-property-of the--city-or-towny-as-ascertained-by-the-last-assessment-for state-and-county-taxasu 24 (3)[2] The issuing of bonds for the purpose of funding

25 or refunding outstanding warrants or bonds is not the

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1 incurring of a new or additional indebtedness but is merely the changing of the evidence of outstanding indebtedness." z 3 Section 3. Section 7-7-4207, MCA, is amended to read: *7-7-4202. Special provisions relating to water and 4 5 sewer systems. (1) (o) Notwithstanding the provisions of 7-7-4201(1) 7-7-4201, for the purpose of constructing a 6 7 sewer system, procuring a water supply, or constructing or 8 acquiring a water system for a city or town which sholl--own 9 and--control owns and controls the water supply and water system and devote devotes the revenues therefrom to the 10 11 payment of the debt, a city or town may incur an additional 12 indebtedness by borrowing money or issuing bonds.

 13
 (b)--Notwithstanding-the-provisions-of-7-7-4202(2)y--an

 14
 additional--indebtedness-shall-be-incurred-when-necessary-to

 15
 construct-a-sewer-system-or-procure-s-water-supply--for--the

 16
 city--or--town--which-shall-own-or-control-seid-water-supply

 17
 and-devote-the-revenue-derived-therefrom-to-the--psyment--of

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 the-debts

19 (2) (a)-The additional total indebtedness that may be 20 incurred by borrowing money or issuing bonds for the 21 construction of a sewer system, for the procurement of a 22 water supply, or for both such purposes, including all 23 indebtedness theretofore contracted which is unpaid or 24 outstanding, may not in the aggregate exceed 103 over and 25 above the 182, referred to in 7-7-4201(11) 7-7-4201, of the

3 county taxes. tb}--The-odditional-indebtedness-authorizedy--including 4 all--indebtedness--theretofore-contracted-which-is-unpaid-or 5 outstanding-for-the-construction-of-a-sever-systemy-for-the 6 7 procurement-of-a-water-supplyy-or--for--both--such--purposes shatt-not-exceed-in-the-aggregate-10%-over-and-obove-the-5% 8 referred--to--in--7-7-4281{2}y-of-the-totol-voluation-of-the 9 10 texable-property-of-the-city-or-town-as-ascartained--by--the 11 Fast-assessment-for-state-and-county-taxes. 12 +3}--The-above-limit-of-51-shall-not-be-extended-unless 13 the guestion-shall-have-been-subsitted-to-a-vote-and-carried 14 in-the-offirmative-by-a-vote-of-the-majority-of-the-electors 15 who-vote-upon-such-suestion." 16 Section 4. Section 7-14-2524, MCA, is amended to read: 17 #7-14-2524. Limitation on amount of bonds issued ---18 excess void. (1) Except as otherwise provided hereafter a 19 in 7-7-2203 and 7-7-2204, no county shall issue bonds which, 20 with all outstanding bonds and warrants except county high 21 school bonds and emergency bonds, will exceed 2-1/28 93 of 22 the taxable value of the taxable property therein. The 23 taxable property shall be ascertained by the last assessment 24 for state and county taxes prior to the issuance of such 25 bonds.

total taxabl value of the property therein subject to

taxation as ascertained by the last assessment for state and

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1 (2) A county may issue bonds which with all 2 outstanding bonds and warrants will exceed 2-1/2% 9% but 3 will not exceed 5% 18% of the <u>taxable</u> value of such taxable 4 property when necessary for the purpose of replacing 5 rebuilding, or repairing county buildings, bridges, or 6 highways which have been destroyed or damaged by an act of 7 God, disaster, catastrophe, or accident.

8 (3) The value of the bonds issued and all other 9 outstanding indebtedness of the county shall not exceed 5% 10 18% of the taxable value of the texable property within the 11 county as ascertained by the last proceeding general 12 assessment.

13 (4) All bonds issued by any county in excess of the
14 limitations herein fixed shall-be are null and void.

Section 5. Section 7-14-2525, MCA, is amended to read: "7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds 5% 18% of the taxable value of the texable property therein and the board determines that the county is unable to pay such indebtedness in full. the board may:

(a) negotiate with the bondholders for an agreement or
agreements whereby the bondholders agree to accept less than
the full amount of the bonds and the accrued unpaid interest
thereon in satisfaction thereof;

25 (b) enter into such agreement or-sgreements;

(c) issue refunding bonds for the amount agreed upon (2) These bonds may be issued in more than one series,
 and each series may be either amortization or serial bonds.
 (3) The plan agreed upon between the board and the
 bondholders shall be embodied in full in the resolution
 providing for the issue of the bonds.^a

-End-

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SENATE BILL NO. 306 1 INTRODUCED BY MCCALLUN 2 3 BY REQUEST OF THE CODE COMMISSIONER A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY CERTAIN 4 PERCENTAGE LINITS ON LOCAL GOVERNMENT INDEBTEDNESS: AMENDING 5 SECTIONS 7-7-2203, 7-7-4201, 7-7-4202, 7-14-2524, AND 6 7-14-2525. HCA.# 7 8 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 7-7-2203, MCA, is amended to read: 10 11 #7-7-2203. Limitation 00 asount of bonded indebtedness. (1) Except as provided in subsections (2) and 12 13 (3), no county shall may issue general obligation bonds for any purpose which, with all outstanding bonds and warrants 14 except county high school bonds and emergency bonds, will 15 exceed 2-1/2% 9% of the taxable value of the taxable 16 17 property therein, to be ascertained by the last assessment for state and county taxes previous prior to the proposed 18 19 issuance of such bonds.

(2) A county may issue bonds which, with all 20 21 outstanding bonds and warrants, will exceed 2-1/2% 9% but will not exceed 5% 16% 29% of the taxable value of such 22 23 texable property, when necessary to do so, for the purpose 24 of acquiring land for a site for county high school 25 buildings and for erecting or acquiring buildings thereon

and furnishing and equipping the same for county high school 1 purposes. 2

(3) The foregoing limitation shall not apply to 3 refunding bonds issued for the purpose of paying or retiring 4 county bonds lawfully issued prior to January 1, 1932. 5

+++---This--part--shall--not--be--construed--ta---extend 6 7 +isitstions--on--bonded---indebtedness-for-county-high-school purposes-as-fixed-by-[75-4114] 20-9-406y-20-9-407y and--acts 8 amendetory-thereof." Q

Section 2. Section 7-7-4201, MCA, is amended to read: 10 11 #7-7-4201. Limitation amount of bonded on indebtedness. (1) Except as otherwise provided, no city or 12 town may issue bonds or incur other indebtedness for any 13 purpose in an amount which with all outstanding and unpaid 14 indebtedness will exceed 18% of the taxable value of the 15 16 property therein subject to taxation, to be ascertained by 17 the last assessment for state and county taxes.

18 {?}--Except-as-otherwise-providedy-the-total-asount--of indebtedness--authorised--to--be--contracted--in--eny--formy 19 including-the-then-existing-indebtednessy-sust--not--st--sny 20 21 time-exceed-54-of-the-total-value-of-the-texable-property-of the--city-or-towny-as-ascertained-by-the-lest-assessment-for 22 23 state-end-county-taxes. 24

(3)(2) The issuing of bonds for the purpose of funding 25 or refunding outstanding warrants or bonds is not the

> -2-SB 306 REFERENCE BILL

SB 0306/02

58 0306/02

1 incurring of a new or additional indebtedness but is merely 2 the changing of the evidence of outstanding indebtedness.= Section 3. Section 7-7-4202, HCA, is amended to read: 3 4 #7-7-4202. Special provisions relating to water and 5 sever systems. (1) for Notwithstanding the provisions of 6 7-7-4201(1) 7-7-4201, for the purpose of constructing a 7 sever system, procuring a water supply, or constructing or 8 acquiring a water system for a city or town which shell---own . and control owns and controls the water supply and water system and devote devotes the revenues therefrom to the 10 11 payment of the debt, a city or town may incur an additional 12 indebtedness by borrowing money or issuing bonds.

13 (b)--Notwithstanding-the-previolene-of-T-T-4201(2)y--an additional--indebtedness-shell-be-incurred-when-necessary-to construct-a-sever-system-or-procure-a-water-supply--far--the city--or--teun--which-shell-eun-or-centrol-seld-water-supply and-devota-the-revenue-derived-therefrom-to-the--payment--of the-debty

19 (2) top-The additional total indebtedness that may be 20 incurred by borrowing money or issuing bonds for the 21 construction of a sewer system, for the procurement of a 22 water supply, or for both such purposes, including all 23 indebtedness theretofore contracted which is unpaid or 24 outstanding, may not in the aggregate exceed 10% 36% over 25 and above the 18%, referred to in 7-7-4201(1) 7-7-4201, of

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the tetal taxable value of the property therein subject to
 taxation as ascertained by the last assessment for state and
 county taxes.

4 5 all--indebtedness--theretofore-contracted-which-is-unpaid-or outstandings for the construction of a sever systemy for the 6 7 precurement-of-a-water-suppivy-or--for--beth--such--purposes 8 shall-not-exceed-in-the-aggregate-188-ever-and-above-the-54v 9 taxeble-preparty-of-the-city-or-tean-as-secortained-by-the 10 11 test-essessent-fer-state-end-county-texes t3;---The-above-ligit-of-51-shall-not-be-extended-unless 12 13 the-overtion-shall-have-been-subsitted-to-a-vote-end-corrisd 14 in-the-efficaetive-by-a-vete-of-the-majority-of-the-electors 15 whe-vote-upon-such-gypetions" 16 Section 4. Section 7-14-2524, MCA, is amended to read: 17 #7-14-2524. Limitation on amount of bends issued -excess void. (1) Except as otherwise provided hereafter and 18 19 in 7-7-2203 and 7-7-2204, no county shall issue bonds which, 20 with all outstanding bonds and warrants except county high 21 school bonds and emergency bonds, will exceed 8-1/28 95 of 22 the taxable value of the texeble property therein. The taxable property shall be ascertained by the last assessment 23 24 for state and county taxes prior to the issuance of such 25 bonds.

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SB 306

SB 0306/02

1 (2) A county may issue bonds with all which. outstanding bonds and warrants EXCEPT COUNTY HIGH SCHOOL 2 3 BONDS, will exceed 2-1/2% 92 but will not exceed 5% 182 of the taxable value of such taxable property when necessary 4 for the purpose of replacing, rebuilding, or repairing 5 county buildings, bridges, or highways which have been 6 7 destroyed or damaged by an act of God, disaster. 8 catastrophe. or accident.

9 (3) The value of the bonds issued and all other 10 outstanding indebtedness of the county<u>s_EXCEPT_COUNTY_HIGH</u> 11 <u>SCHOOL_BONDS</u>, shall not exceed **5% 18%** of the <u>taxable</u> value 12 of the taxable property within the county as ascertained by 13 the last preceding general assessment.

14 (4) All bonds issued by any county in excess of the 15 limitations herein fixed shall be are null and void."

Section 5. Section 7-14-2525, NCA, is amended to read: "7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds 5% 18% of the taxable value of the taxable property therein and the board determines that the county is unable to pay such indebtedness in full, the board may:

(a) negotiate with the bondholders for an agreement or
agreements whereby the bondholders agree to accept less than
the full amount of the bonds and the accrued unpaid interest
thereon in satisfaction thereof;

(b) enter into such agreement or agreements;
 (c) issue refunding bonds for the amount agreed upone
 (2) These bonds may be issued in more than one series,
 and each series may be either amortization or serial bonds.
 (3) The plan agreed upon between the board and the
 bondholders shall be embodied in full in the resolution
 providing for the issue of the bonds."

-End-

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HOUSE OF REPRESENTATIVES April 10, 1979

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Committee on Taxation Amendments to Senate Bill No. 306, third reading copy, as follows:

1. Page 3, line 24. Following: "exceed" Strike: "10%" Insert: "36%"

AND AS AMENDED BE CONCURRED IN HOUSE OF REPRESENTATIVES APRIL 12, 1979

Committee of the Whole amendment to Senate Bill No. 306, third reading copy, as follows:

1. Page 1, line 22.
Following: "5%"
Strike: "18%"
Insert: "29%"

2. Page 2, lines 6 through 9. Strike: subsection (4) in its entirety

3. Page 5, line 2.
Following: "warrants"
Insert: "except county high school bonds"

4. Page 5, line 9.
Following: "county"
Insert: ", except county high school bonds,"

AND AS AMENDED BE CONCURRED IN