

CHAPTER NO. 617

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.

April 16, 1979

Third reading, concurred in
as amended.

IN THE SENATE

April 17, 1979

Returned from second house.
Concurred in as amended.

April 18, 1979

Second reading, amendments
adopted.

On motion rules suspended. Bill
placed on Calendar for third
reading this day.

Third reading, amendments adopted.
Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. *306*
 2 INTRODUCED BY *McCallum*

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

8
 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 amount 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
 16 exceed ~~2-1/2%~~ 2% of the taxable value of the taxable
 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
 21 outstanding bonds and warrants, will exceed ~~2-1/2%~~ 2% but
 22 will not exceed ~~5%~~ 18% of the taxable value of such taxable
 23 property, when necessary to do so, for the purpose of
 24 acquiring land for a site for county high school buildings
 25 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}~~ 20-9-406, 20-9-407, and acts
 9 amendatory thereof."

10 Section 2. Section 7-7-4201, MCA, is amended to read:

11 "7-7-4201. Limitation on 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 ~~(2) Except as otherwise provided, the total amount of~~
 19 ~~indebtedness authorized to be contracted in any form~~
 20 ~~including the then-existing indebtedness, must not at any~~
 21 ~~time exceed 5% of the total value of the taxable property of~~
 22 ~~the city or town as ascertained by the last assessment for~~
 23 ~~state and county taxes.~~

24 ~~(3)(2)~~ The issuing of bonds for the purpose of funding
 25 or refunding outstanding warrants or bonds is not the

1 incurring of a new or additional indebtedness but is merely
2 the changing of the evidence of outstanding indebtedness."

3 Section 3. Section 7-7-4202, MCA, is amended to read:

4 "7-7-4202. Special provisions relating to water and
5 sewer systems. (1) ~~(a)~~ Notwithstanding the provisions of
6 ~~7-7-4201(1)~~ 7-7-4201, for the purpose of constructing a
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
12 indebtedness by borrowing money or issuing bonds.

13 ~~(b) Notwithstanding the provisions of 7-7-4201(2), on~~
14 ~~additional indebtedness shall be incurred when necessary to~~
15 ~~construct a sewer system or procure a water supply for the~~
16 ~~city or town which shall own or control said water supply~~
17 ~~and devote the revenue derived therefrom to the payment of~~
18 ~~the debt.~~

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

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 additional indebtedness authorized, including~~
5 ~~all indebtedness theretofore contracted which is unpaid or~~
6 ~~outstanding, for the construction of a sewer system, for the~~
7 ~~procurement of a water supply, or for both such purposes~~
8 ~~shall not exceed in the aggregate 10% over and above the 5%~~
9 ~~referred to in 7-7-4201(2), of the total valuation of the~~
10 ~~taxable property of the city or town as ascertained by the~~
11 ~~last assessment for state and county taxes.~~

12 ~~(3) The above limit of 5% shall not be extended unless~~
13 ~~the question shall have been submitted to a vote and carried~~
14 ~~in the affirmative 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%~~ 2% 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.

1 (2) A county may issue bonds which, with all
 2 outstanding bonds and warrants, will exceed ~~2-1/2%~~ 2% but
 3 will not exceed 5% 18% of the taxable 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 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."

15 Section 5. Section 7-14-2525, MCA, is amended to read:

16 "7-14-2525. Refunding agreements and refunding bonds
 17 authorized. (1) Whenever the total indebtedness of a county
 18 exceeds 5% 18% of the taxable value of the taxable property
 19 therein and the board determines that the county is unable
 20 to pay such indebtedness in full, the board may:

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

25 (b) enter into such agreement or agreements;

1 (c) issue refunding bonds for the amount agreed upon.

2 (2) These bonds may be issued in more than one series,
 3 and each series may be either amortization or serial bonds.

4 (3) The plan agreed upon between the board and the
 5 bondholders shall be embodied in full in the resolution
 6 providing for the issue of the bonds."

-End-

SB 306

Approved by Comm.
on Local Government

Amate BILL NO. 306

INTRODUCED BY *McCallum*

BY REQUEST OF THE CODE COMMISSIONER

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 7-14-2525, MCA."

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

Section 1. Section 7-7-2203, MCA, is amended to read:

"7-7-2203. Limitation on amount of bonded indebtedness. (1) Except as provided in subsections (2) and (3), no county ~~shall~~ may issue general obligation bonds for any purpose which, with all outstanding bonds and warrants except county high school bonds and emergency bonds, will exceed ~~2-1/2%~~ 2% of the taxable value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous prior to the proposed issuance of such bonds.

(2) A county may issue bonds which, with all outstanding bonds and warrants, will exceed ~~2-1/2%~~ 2% 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

furnishing and equipping the ~~same~~ for county high school purposes.

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

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

Section 2. Section 7-7-4201, MCA, is amended to read:

"7-7-4201. Limitation on amount of bonded indebtedness. (1) Except as otherwise provided, no city or town may issue bonds or incur other indebtedness for any purpose in an amount which with all outstanding and unpaid indebtedness will exceed 18% of the taxable value of the property therein subject to taxation, to be ascertained by the last assessment for state and county taxes.

~~(2) Except as otherwise provided, the total amount of indebtedness authorized to be contracted in any form including the then-existing indebtedness must not at any time exceed 5% of the total value of the taxable property of the city or town as ascertained by the last assessment for state and county taxes.~~

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

1 incurring of a new or additional indebtedness but is merely
2 the changing of the evidence of outstanding indebtedness."

3 Section 3. Section 7-7-4202, MCA, is amended to read:
4 "7-7-4202. Special provisions relating to water and
5 sewer systems. (1) ~~(e)~~ Notwithstanding the provisions of
6 ~~7-7-4201(1)~~ 7-7-4201, for the purpose of constructing a
7 sewer system, procuring a water supply, or constructing or
8 acquiring a water system for a city or town which ~~shall own~~
9 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
12 indebtedness by borrowing money or issuing bonds.

13 ~~(b) Notwithstanding the provisions of 7-7-4201(2), an~~
14 ~~additional indebtedness shall be incurred when necessary to~~
15 ~~construct a sewer system or procure a water supply for the~~
16 ~~city or town which shall own or control said water supply~~
17 ~~and devote the revenue derived therefrom to the payment of~~
18 ~~the debt.~~

19 (2) ~~(e)~~ 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

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 additional indebtedness authorized, including~~
5 ~~all indebtedness theretofore contracted which is unpaid or~~
6 ~~outstanding, for the construction of a sewer system, for the~~
7 ~~procurement of a water supply, or for both such purposes~~
8 ~~shall not exceed in the aggregate 10% over and above the 5%~~
9 ~~referred to in 7-7-4201(2), of the total valuation of the~~
10 ~~taxable property of the city or town as ascertained by the~~
11 ~~last assessment for state and county taxes.~~

12 ~~(3) The above limit of 5% shall not be extended unless~~
13 ~~the question shall have been submitted to a vote and carried~~
14 ~~in the affirmative 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 ar
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%~~ 2% 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.

1 (2) A county may issue bonds which, with all
 2 outstanding bonds and warrants, will exceed ~~2-1/2% 2%~~ but
 3 will not exceed 5% ~~18%~~ of the taxable 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 ~~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."

15 Section 5. Section 7-14-2525, MCA, is amended to read:

16 "7-14-2525. Refunding agreements and refunding bonds
 17 authorized. (1) Whenever the total indebtedness of a county
 18 exceeds 5% ~~18%~~ of the taxable value of the ~~taxable~~ property
 19 therein and the board determines that the county is unable
 20 to pay such indebtedness in full, the board may:

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

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

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

-End-

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Senate BILL NO. 306

INTRODUCED BY *Mr. Ballou*

BY REQUEST OF THE CODE COMMISSIONER

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 7-14-2525, MCA."

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

Section 1. Section 7-7-2203, MCA, is amended to read:

"7-7-2203. Limitation on amount of bonded indebtedness. (1) Except as provided in subsections (2) and (3), no county ~~shall~~ may issue general obligation bonds for any purpose which, with all outstanding bonds and warrants except county high school bonds and emergency bonds, will exceed ~~2-1/2%~~ 2% of the taxable value of the ~~taxable~~ property therein, to be ascertained by the last assessment for state and county taxes previous prior to the proposed issuance of such bonds.

(2) A county may issue bonds which, with all outstanding bonds and warrants, will exceed ~~2-1/2%~~ 2% 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

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furnishing and equipping the same for county high school purposes.

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

(4) This part shall not be construed to extend limitations on bonded indebtedness for county high school purposes as fixed by ~~[75-4214]~~ 20-9-406, 20-9-407, and acts amendatory thereof."

Section 2. Section 7-7-4201, MCA, is amended to read:

"7-7-4201. Limitation on amount of bonded indebtedness. (1) Except as otherwise provided, no city or town may issue bonds or incur other indebtedness for any purpose in an amount which with all outstanding and unpaid indebtedness will exceed 18% of the taxable value of the property therein subject to taxation, to be ascertained by the last assessment for state and county taxes.

~~(2) Except as otherwise provided, the total amount of indebtedness authorized to be contracted in any form, including the then-existing indebtedness, must not at any time exceed 5% of the total value of the taxable property of the city or town as ascertained by the last assessment for state and county taxes.~~

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

1 incurring of a new or additional indebtedness but is merely
2 the changing of the evidence of outstanding indebtedness."

3 Section 3. Section 7-7-4202, MCA, is amended to read:

4 "7-7-4202. Special provisions relating to water and
5 sewer systems. (1) ~~(a)~~ Notwithstanding the provisions of
6 ~~7-7-4201(1)~~ 7-7-4201, for the purpose of constructing a
7 sewer system, procuring a water supply, or constructing or
8 acquiring a water system for a city or town which ~~shall own~~
9 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
12 indebtedness by borrowing money or issuing bonds.

13 ~~(b) Notwithstanding the provisions of 7-7-4201(2), an~~
14 ~~additional indebtedness shall be incurred when necessary to~~
15 ~~construct a sewer system or procure a water supply for the~~
16 ~~city or town which shall own or control said water supply~~
17 ~~and devote the revenue derived therefrom to the payment of~~
18 ~~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 10% over and
25 above the 18%, referred to in ~~7-7-4201(1)~~ 7-7-4201, of the

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 additional indebtedness authorized, including~~
5 ~~all indebtedness theretofore contracted which is unpaid or~~
6 ~~outstanding, for the construction of a sewer system, for the~~
7 ~~procurement of a water supply, or for both such purposes~~
8 ~~shall not exceed in the aggregate 10% over and above the 5%~~
9 ~~referred to in 7-7-4201(2), of the total valuation of the~~
10 ~~taxable property of the city or town as ascertained by the~~
11 ~~last assessment for state and county taxes.~~

12 ~~(3) The above limit of 5% shall not be extended unless~~
13 ~~the question shall have been submitted to a vote and carried~~
14 ~~in the affirmative 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 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 ~~2-1/2%~~ 2%
22 of 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.

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1 (2) A county may issue bonds which, with all
 2 outstanding bonds and warrants, will exceed ~~2-1/2%~~ 2% but
 3 will not exceed ~~5%~~ 18% of the taxable 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 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."

15 Section 5. Section 7-14-2525, MCA, is amended to read:

16 "7-14-2525. Refunding agreements and refunding bonds
 17 authorized. (1) Whenever the total indebtedness of a county
 18 exceeds ~~5%~~ 18% of the taxable value of the taxable property
 19 therein and the board determines that the county is unable
 20 to pay such indebtedness in full, the board may:

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

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

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

-End-

SB306

1 SENATE BILL NO. 306

2 INTRODUCED BY McCALLUM

3 BY REQUEST OF THE CODE COMMISSIONER

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

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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:

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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
16 exceed ~~2-1/2%~~ 2% of the taxable value of the taxable
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
21 outstanding bonds and warrants, will exceed ~~2-1/2%~~ 2% but
22 will not exceed ~~5%~~ 2.5% of the taxable value of such
23 taxable 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

1 and 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] 20-9-406, 20-9-407, and acts~~
9 ~~amendatory thereof."~~

10 Section 2. Section 7-7-4201, MCA, is amended to read:

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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 ~~(2) Except as otherwise provided, the total amount of~~
19 ~~indebtedness authorized to be contracted in any form,~~
20 ~~including the then-existing indebtedness, must not at any~~
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23 ~~state and county taxes.~~

24 ~~(3)(2)~~ The issuing of bonds for the purpose of funding
25 or refunding outstanding warrants or bonds is not the

1 incurring of a new or additional indebtedness but is merely
2 the changing of the evidence of outstanding indebtedness."

3 Section 3. Section 7-7-4202, MCA, is amended to read:

4 "7-7-4202. Special provisions relating to water and
5 sewer systems. (1) ~~(a)~~ Notwithstanding the provisions of
6 ~~7-7-4201(1)~~ 7-7-4201, for the purpose of constructing a
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 ~~divides~~ the revenues therefrom to the
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 7-7-4201(2), an~~
14 ~~additional indebtedness shall be incurred when necessary to~~
15 ~~construct a sewer system or procure a water supply for the~~
16 ~~city or town which shall own or control said water supply~~
17 ~~and devote the revenue derived therefrom to the payment of~~
18 ~~the debt.~~

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%~~ 36% over
25 and above the 18%, referred to in ~~7-7-4201(1)~~ 7-7-4201, of

1 the ~~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 additional indebtedness authorized, including~~
5 ~~all indebtedness theretofore contracted which is unpaid or~~
6 ~~outstanding, for the construction of a sewer system, for the~~
7 ~~procurement of a water supply, or for both such purposes~~
8 ~~shall not exceed in the aggregate 10% over and above the 5%~~
9 ~~referred to in 7-7-4201(2), of the total valuation of the~~
10 ~~taxable property of the city or town as ascertained by the~~
11 ~~last assessment for state and county taxes.~~

12 ~~(3) The above limit of 5% shall not be extended unless~~
13 ~~the question shall have been submitted to a vote and carried~~
14 ~~in the affirmative by a vote of the majority of the electors~~
15 ~~who vote upon such question."~~

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 and
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%~~ 2% 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.

1 (2) A county may issue bonds which, with all
 2 outstanding bonds and warrants EXCEPT COUNTY HIGH SCHOOL
 3 BONDS, will exceed ~~2-1/2%~~ 2% but will not exceed 5% ~~18%~~ of
 4 the taxable value of such taxable property when necessary
 5 for the purpose of replacing, rebuilding, or repairing
 6 county buildings, bridges, or highways which have been
 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, EXCEPT COUNTY HIGH
 11 SCHOOL BONDS, shall not exceed 5% ~~18%~~ of the taxable 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."

16 Section 5. Section 7-14-2525, NCA, is amended to read:

17 "7-14-2525. Refunding agreements and refunding bonds
 18 authorized. (1) Whenever the total indebtedness of a county
 19 exceeds 5% ~~18%~~ of the taxable value of the taxable property
 20 therein and the board determines that the county is unable
 21 to pay such indebtedness in full, the board may:

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

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

-End-

HOUSE OF REPRESENTATIVES
April 10, 1979

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