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replan*

SENATE BILL NO. 15
INTRODUCED BY MAZUREK

IN THE SENATE

January 5, 1981	Introduced and referred to Committee on Taxation.
February 21, 1981	Committee recommend bill do pass as amended. Report adopted.
February 23, 1981	Bill printed and placed on members' desks.
February 24, 1981	Second reading, do pass as amended.
February 25, 1981	On motion rules suspended. Bill placed on calendar for third reading this day. Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

March 2, 1981	Introduced and referred to Committee on State Administration.
March 9, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 11, 1981	Second reading, concurred in as amended.
March 14, 1981	Third reading, concurred in as amended. Ayes, 83; Noes, 11.

IN THE SENATE

March 16, 1981 Returned from House with amendments.

March 17, 1981 On motion, consideration be passed for the day.

March 18, 1981 Second reading, amendments not concurred in.

 On motion, Conference Committee requested and appointed.

March 24, 1981 Conference Committee reported.

March 26, 1981 Second reading, adopted.

March 27, 1981 On motion, Senate reconsider its action taken on second reading. Motion adopted.

 On motion, Conference Committee report not adopted.

 On motion, new Free Conference Committee requested and appointed.

March 28, 1981 Free Conference Committee reported.

 On motion, rules suspended. Free Conference Committee report referred to second reading for consideration this day.

 Second reading, adopted.

 On motion, rules suspended. Free Conference Committee report placed on calendar for third reading this day.

 Third reading, adopted.
Ayes, 49; Noes, 0.

IN THE HOUSE

March 30, 1981 Free Conference Committee
report adopted.

March 31, 1981 Sent to enrolling.

IN THE SENATE

April 2, 1981 On motion taken from Com-
mittee on Bills and Journal
and referred to Committee
on Rules.

April 4, 1981 Committee recommend bill do
pass as amended. Report
adopted.

April 6, 1981 Bill printed and placed on
members' desks.

April 8, 1981 Second reading, do pass.

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

Third reading, passed.
Ayes, 49; Nays, 0.
Transmitted to House.

IN THE HOUSE

April 9, 1981 On motion to accept Senate
Bill No. 15 from the Senate
and refer to Committee on
Rules. Motion adopted.

Rereferred to Committee on
Rules.

April 16, 1981 Committee recommend bill be
concurrent in. Report adopted.

April 17, 1981 Second reading, concurred in.

April 17, 1981

On motion rules suspended
and bill placed on third
reading this day.

Third reading, concurred in.
Ayes, 91; Noes, 3.

IN THE SENATE

April 20, 1981

Returned from House. Con-
curred in. Sent to enrolling.

Reported correctly enrolled.

1 SENATE BILL NO. 15
2 INTRODUCED BY MAZUREK

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
7 SECTION 17-5-102, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
8 DATE."

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

11 Section 1. Section 17-5-102, MCA, is amended to read:
12 "17-5-102. Rate of interest on bonds to be determined
13 by governing bodies ~~---limitations-and-exceptions.~~ Bonds of
14 a political subdivision shall bear interest at such rate or
15 rates as its governing body shall determine ~~except that no~~
16 ~~such rate shall exceed 7% except revenue bonds issued under~~
17 ~~the terms of Title 7, chapter 7, parts 44 and 45, Title 7,~~
18 ~~chapter 13, part 43, and 90-5-101 through 90-5-113, which~~
19 ~~rate shall not exceed 9%."~~

20 Section 2. Effective date. This act is effective on
21 passage and approval.

-End-

INTRODUCED BILL

SB15

Approved by Committee
on Taxation

1 SENATE BILL NO. 15

2 INTRODUCED BY MAZUREK

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
7 ~~SECTION SECTIONS 7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432,~~
8 ~~7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415,~~
9 ~~17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-440,~~
10 ~~67-11-303, AND 69-4-332, MCA; REPEALING SECTIONS 7-7-2208~~
11 ~~AND 7-7-4207, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE~~
12 DATE."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Refer to Introduced Bill

16 (Strike everything after the enacting clause and insert:)

17 Section 1. Section 7-7-2251, MCA, is amended to read:

18 "7-7-2251. Form of notice of sale of bonds. The notice
19 of sale shall state the purpose or purposes for which the
20 bonds are to be issued and the amount proposed to be issued
21 for each purpose and shall be substantially in the following
22 form:

23 NOTICE OF SALE OF COUNTY BONDS

24 Notice is hereby given by the board of county
25 commissioners of County, state of Montana, that the

1 board will on the day of, 19..., at the hour of
2M., at the office of the board in the courthouse in
3 the (town or city) of in the said county, sell to the
4 highest and best bidder for cash, either amortization or
5 serial bonds of the said county in the total amount of
6 dollars (\$....) for the purpose of

7 Amortization bonds will be the first choice and serial
8 bonds will be the second choice of the said board.

9 If amortization bonds are sold and issued, the entire
10 issue may be put into one single bond or divided into
11 several bonds, as the board may determine at the time of
12 sale, both principal and interest to be payable in
13 semiannual installments during a period of years from
14 the date of issue.

15 If serial bonds are issued and sold, they will be in
16 the amount of dollars (\$....) each, except the last
17 bond which will be in the amount of dollars (\$....);
18 the sum of dollars (\$....) of the said serial bonds
19 will become payable on the day of, 19..., and a
20 like amount on the same day each year thereafter until all
21 of such bonds are paid, except that the last installment
22 will be in the amount of dollars (\$....).

23 The bonds, whether amortization or serial bonds, will
24 bear date of, 19..., and will bear interest at a rate
25 not exceeding 6%% per annum, payable semiannually, on

1 the day of (month) and (month) in each year,
2 and will be redeemable in full (here insert the optional
3 provisions, if any, to be recited in the bonds).

4 The bonds will be sold for not less than their par
5 value with accrued interest to date of delivery, and all
6 bidders must state the lowest rate of interest at which they
7 will purchase the bonds at par. The board reserves the right
8 to reject any and all bids and to sell the bonds at private
9 sale.

10 All bids other than by or on behalf of the board of
11 investments of the state of Montana must be accompanied by a
12 certified check in the sum of dollars, (\$....), payable
13 to the order of the clerk, which will be forfeited by the
14 successful bidder in the event that he shall fail or refuse
15 to complete the purchase of the bonds in accordance with the
16 terms of his bid.

17 All bids should be addressed to the board of county
18 commissioners of said county and delivered to the county
19 clerk of said county.

20 ATTEST:

21

22 (Chairman, Board of County Commissioners)

23 of County

24 State of Montana

25

1 (Clerk of the Board of County Commissioners)
2 of County, Montana
3 Address, Montana"

4 Section 2. Section 7-7-4251, MCA, is amended to read:
5 "7-7-4251. Form of notice of sale of bonds. The notice
6 of sale shall state the purpose or purposes for which the
7 bonds are to be issued and the amount proposed to be issued
8 for each purpose and shall be substantially in the following
9 form:

10 NOTICE OF SALE OF (CITY OR TOWN) BONDS

11 Notice is hereby given by the council of the (city or
12 town) of, Montana, that the council will, on the
13 day of, 19.., at the hour of, at its council
14 chamber in the (city or town) of, Montana, sell to the
15 highest and best bidder for cash either amortization or
16 serial bonds of the said (city or town) in the total amount
17 of dollars, (\$....) for the purpose of

18 Amortization bonds will be the first choice and serial
19 bonds will be the second choice of the council.

20 If amortization bonds are sold and issued, the entire
21 issue may be put into one single bond or divided into
22 several bonds as the council may determine at the time of
23 sale, both principal and interest to be payable in
24 semiannual installments during a period of years from
25 the date of issue.

1 If serial bonds are issued and sold, they will be in
 2 the amount of dollars (\$....) each, except the last
 3 bond which will be in the amount of dollars (\$....);
 4 the sum of dollars (\$....) of said serial bonds will
 5 become due and payable on the day of, 19... and a
 6 like amount on the same day each year thereafter until all
 7 such bonds are paid, except that the last installment will
 8 be in the amount of dollars (\$....).

9 The bonds, whether amortization or serial bonds, will
 10 bear date of, 19..., will bear interest at a rate not
 11 exceeding 6%% per annum, payable semiannually, on the
 12 day of and on the day of in each year
 13 and will be redeemable (here insert the optional provisions,
 14 if any, recited in the bonds).

15 Said bonds will be sold for not less than their par
 16 value with accrued interest to date of delivery, and all
 17 bidders must state the lowest rate of interest at which they
 18 will purchase the bonds at par. The council reserves the
 19 right to reject any and all bids and to sell said bonds at
 20 private sale.

21 All bids other than by or on behalf of the board of
 22 investments of the state of Montana must be accompanied by a
 23 certified check in the sum of dollars (\$....), payable
 24 to the order of the (city or town) clerk, which will be
 25 forfeited by the successful bidder in the event he shall

1 fail or refuse to complete the purchase of said bonds in
 2 accordance with the terms of his bid.

3 All bids shall be addressed to the council of the (city
 4 or town) of and delivered to the clerk of said (city or
 5 town).

6
 7 Mayor of the (city or town) of
 8 Montana

9 ATTEST:

10(City or Town) Clerk"

11 Section 3. Section 7-7-4275, MCA, is amended to read:

12 "7-7-4275. Refunding of bond issue held by state by
 13 exchange for amortization bonds. (1) Subject to the approval
 14 of the board of investments, the council of any city or town
 15 is hereby authorized to issue amortization bonds for the
 16 purpose of refunding any outstanding bonds of such city or
 17 town held by the state and which were not issued either as
 18 amortization or serial bonds and to exchange the same for
 19 such outstanding bonds.

20 (2) Such amortization bonds shall conform in all
 21 respects to the definition of amortization bonds as set
 22 forth in 7-7-4209 and shall bear interest at such rate as
 23 may be agreed upon between the council of such city or town
 24 and the board of investments, ~~but the interest shall not~~
 25 ~~exceed--6%--per--annum pursuant to 17-5-102.~~ Such amortization

1 bonds may be issued and exchanged for such outstanding bonds
 2 without submitting the question of issuing the same at an
 3 election, and it shall not be necessary to publish any
 4 notice of sale of such bonds.

5 (3) This section shall not be construed so as to
 6 deprive city or town councils of the right to advertise,
 7 sell, and issue refunding bonds in the manner provided in
 8 part 43."

9 Section 4. Section 7-7-4432, MCA, is amended to read:

10 "7-7-4432. Details relating to revenue bonds. Bonds
 11 authorized to be issued under this part shall bear interest
 12 at such rate or rates not exceeding 9%--per--annum the
 13 limitation of 17-5-102, payable semiannually; may be in one
 14 or more series; may bear such date or dates; may mature at
 15 such time or times not exceeding 40 years from their
 16 respective dates; may be payable in such place or places;
 17 may carry such registration privileges; may be subject to
 18 such terms of redemption; may be executed in such manner;
 19 may contain such terms, covenants, and conditions; and may
 20 be in such form, either coupon or registered, as such
 21 resolution or subsequent resolutions may provide."

22 Section 5. Section 7-13-2510, MCA, is amended to read:

23 "7-13-2510. Powers of district. A television district
 24 organized under this part, acting through its board of
 25 trustees herein provided for, may:

1 (1) perform all the acts and take all the necessary or
 2 proper steps to assure that there will be a fair, efficient,
 3 and equitable distribution of television services within the
 4 area in order that all persons within such service area
 5 shall be supplied by means of an appropriate electrical or
 6 electronic system for television program distribution, such
 7 authorized system to provide such flexibility as to permit
 8 radical improvements in technical quality without rendering
 9 inoperative receivers therein, but discontinuance of service
 10 by the district for improvements or repairs for a temporary
 11 period shall not be construed as rendering inoperative;

12 (2) if necessary or proper in the furtherance of the
 13 objects of this part, acquire, build, construct, repair,
 14 own, maintain, and operate any necessary stations
 15 transmitting simultaneous visual and aural signals intended
 16 to be received by the general public, relay stations, pickup
 17 stations, or any other necessary electrical or electronic
 18 system;

19 (3) make contracts to compensate any owner of land or
 20 other property for the use of such property for the purposes
 21 of this part;

22 (4) make contracts with the United States, any state
 23 or municipality, or any department or agency of those
 24 entities for carrying out the general purposes for which the
 25 district is formed;

1 (5) acquire, by gift, devise, bequest, lease, or
2 purchase, real and personal property, tangible or
3 intangible, including lands, rights-of-way, and easements,
4 necessary or convenient for its purposes;

5 (6) to make contracts of any lawful nature (including
6 labor contracts or those for employees' benefits) and employ
7 engineers, laboratory personnel, attorneys, other technical
8 or professional assistants, and any other assistants or
9 employees necessary to carry out the provisions of this
10 part;

11 (7) issue warrants, payable at the time stated
12 therein, to evidence the obligation to repay money borrowed
13 or any other obligation incurred by the district, warrants
14 so issued to draw interest at a rate fixed by the board,
15 payable annually or semiannually as the board may prescribe;

16 (8) contract indebtedness or borrow money for
17 corporate purposes and issue revenue bonds therefor to be
18 repaid from rates and charges, bearing interest at a rate
19 not exceeding ~~7%~~the limitation of 17-5-102
20 payable semiannually, the bonds not to be sold for less than
21 par and accrued interest;

22 (9) prescribe tax rates for the providing of services
23 throughout the area in accordance with the provisions of
24 this part;

25 (10) prescribe such installation or ready-to-serve

1 charges to be used for any costs connected with preparation,
2 acquisition, or construction of the system;

3 (11) apply for, accept, and be the holder of any permit
4 or license issued by or required under federal or state law;
5 and

6 (12) provide FM translator services if authorized as
7 provided in 7-13-2512."

8 Section 6. Section 7-14-2745, MCA, is amended to read:
9 "7-14-2745. Mode of payment of assessment --
10 installment payments. (1) Installment payments shall be made
11 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

12 (2) Payments shall be in the form of bonds which shall
13 draw 6% interest, not to exceed the limitations of 17-5-102,
14 per annum from the date they are issued until they are paid.

15 (3) If the mode of payment is to be by installments,
16 the board and the committee shall approve and certify the
17 assessment roll.

18 (4) The board and the assessor shall, at the time of
19 levying the assessment and in their order setting the levy,
20 declare that the sum charged against each parcel of land may
21 be paid in equal annual installments with interest upon the
22 whole sum at the rate fixed by the board of county
23 commissioners in accordance with law. The order shall
24 specify the number of installments which shall be equal to
25 the number of years for which the bonds may run.

1 (5) Each year thereafter, the treasurer shall collect
2 one of the installments, together with the interest due
3 thereon and the interest due on the installments thereafter
4 to become due.

5 (6) Provisions concerning delinquency and the sale of
6 land set forth with relation to the mode of immediate
7 payment shall be likewise applicable to installment
8 payments."

9 Section 7. Section 7-15-4322, MCA, is amended to read:

10 "7-15-4322. Details relating to urban renewal bonds.

11 (1) Bonds issued under 7-15-4301 may be issued in one or
12 more series and shall bear such date or dates, be payable
13 upon demand or mature at such time or times, bear interest
14 at such rate or rates not exceeding ~~9%~~ a-year the limitation
15 of 17-5-102, be in such denomination or denominations, be in
16 such form (either coupon or registered), carry such
17 conversion or registration privileges, have such rank or
18 priority, be executed in such manner, be payable in such
19 medium of payment at such place or places, be subject to
20 such terms of redemption (with or without premium), be
21 secured in such manner, and have such other characteristics
22 as may be provided by the resolution, ordinance, or trust
23 indenture or mortgage authorized pursuant thereto.

24 (2) (a) The bonds may be sold at not less than 98% of
25 par at public or private sale or may be exchanged for other

1 bonds on the basis of par.

2 (b) The bonds may be sold to the federal government at
3 private sale at not less than par, and if less than all of
4 the authorized principal amount of the bonds is sold to the
5 federal government, the balance may be sold at public or
6 private sale at not less than 98% of par at an interest cost
7 to the municipality of not to exceed the interest cost to
8 the municipality of the portion of the bonds sold to the
9 federal government."

10 Section 8. Section 7-31-112, MCA, is amended to read:

11 "7-31-112. Details relating to bonds. (1) The bonds to
12 be issued upon the conditions and under the provisions
13 aforesaid shall:

14 (a) bear the date of their issuance;

15 (b) be designated as sanitary coupon bonds of the
16 county, city, or town issuing the same;

17 (c) be of a denomination not less than \$500 or more
18 than \$1,000 each;

19 (d) be payable at such place in New York City or
20 elsewhere, at the discretion of the board or council issuing
21 the same;

22 (e) bear interest at the a rate of 6% per annum not
23 exceeding the limitations of 17-5-102, payable 30 years
24 after the date thereof, with the privilege of paying the
25 same at any time after 5 years from such date, which

1 interest shall be payable semiannually at the place whereat
2 the principal is payable and for which interest coupons
3 shall be attached to said bonds.

4 (2) If said bonds and coupons are issued by any
5 county, they shall be signed by the chairman of the board of
6 county commissioners of such county and attested by the
7 clerk thereof and his seal attached thereto. If the bonds
8 and coupons are issued by any incorporated city or town, the
9 same shall be signed by the mayor and attested to by the
10 city or town clerk and the seal thereof attached."

11 Section 9. Section 7-34-2415, MCA, is amended to read:

12 "7-34-2415. Details of bonds. (1) The bonds may be
13 sold at public or private sale and shall bear interest at a
14 rate or rates not exceeding ~~10% a year~~ the limitation of
15 17-5-102. The bonds may be for a 40-year period.

16 (2) Except as otherwise provided in 7-34-2411 through
17 7-34-2418, any bonds issued pursuant to 7-34-2411 through
18 7-34-2418 by a county shall be payable as to principal and
19 interest solely from revenues of the county and shall state
20 on their face the applicable limitations or restrictions
21 regarding the source or sources from which such principal
22 and interest are payable."

23 Section 10. Section 17-5-102, MCA, is amended to read:

24 "17-5-102. Rate of interest on bonds to be determined
25 by governing bodies ~~---limitations-and-exceptions.~~ (1) Bonds

1 of a political subdivision shall bear interest at such rate
2 or rates as its governing body shall determine ~~except that~~
3 ~~no such rate shall exceed 7% except revenue bonds issued~~
4 ~~under the terms of Title 7, chapter 7, parts 44 and 45,~~
5 ~~Title 7, chapter 13, part 43, and 90-5-101 through 90-5-113,~~
6 ~~which rate shall not exceed 9%.~~

7 (2) The provisions of this section establish the rate
8 of interest on bonds of political subdivisions as defined in
9 17-5-101 and expressly supersede any other statutory
10 limitation on the rate of interest to be borne by bonds of
11 political subdivisions."

12 Section 11. Section 20-9-410, MCA, is amended to read:

13 "20-9-410. Limitation of term and interest -- timing
14 for redemption. School district bonds shall not be issued
15 for a term longer than 20 years, except that bonds issued to
16 refund or redeem outstanding bonds shall not be issued for a
17 term longer than 10 years unless the unexpired term of the
18 bonds to be refunded or redeemed is in excess of 10 years,
19 in which case the refunding or redeeming bonds may be issued
20 for such unexpired term. All bonds issued for a longer term
21 than 5 years shall be redeemable at the option of the school
22 district on any interest payment date after one-half of the
23 term for which they were issued has expired, and it shall be
24 so stated on the face of the bonds. The interest shall not
25 exceed 7% per annum the limitation of 17-5-102 and shall be

1 payable semiannually."

2 Section 12. Section 20-9-426, MCA, is amended to read:

3 "20-9-426. Preparation and form of ballots for bond
4 election. The school district shall cause ballots to be
5 prepared for all bond elections, and whenever bonds for more
6 than one purpose are to be voted upon at the same election,
7 separate ballots shall be prepared for each purpose. All
8 such ballots shall be substantially in the following form:

9 OFFICIAL BALLOT

10 SCHOOL DISTRICT BOND ELECTION

11 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
12 the vacant square before the words "BONDS--YES" if you wish
13 to vote for the bond issue; if you are opposed to the bond
14 issue make an X or similar mark in the square before the
15 words "BONDS--NO".

16 Shall the board of trustees be authorized to issue and
17 sell bonds of this school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven--percent--(7%)~~ percent (....%) per annum, payable
20 semiannually, during a period not more than years, for
21 the purpose (here state the purpose the same way as in
22 the notice of election)?

23 BONDS -- YES.

24 BONDS -- NO."

25 Section 13. Section 20-9-427, MCA, is amended to read:

1 "20-9-427. Notice of bond election by separate
2 purpose. (1) Any school district bond election shall be
3 conducted in accordance with the school election provisions
4 of this title, except that the election notice required
5 therein shall be in substantially the following form:

6 NOTICE OF SCHOOL DISTRICT BOND ELECTION

7 Notice is hereby given by the trustees of School
8 District No. of County, state of Montana, that
9 pursuant to a certain resolution duly adopted at a meeting
10 of the board of trustees of said school district held on the
11 day of, A.D., 19.., an election of the registered
12 electors of School District No. of County, state
13 of Montana, will be held on the day of, A.D.,
14 19.., at for the purpose of voting upon the question of
15 whether or not the trustees shall be authorized to issue and
16 sell bonds of said school district in the amount of
17 dollars (\$....), bearing interest at a rate not more than
18 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
19 semiannually, for the purpose of (here state purpose).
20 The bonds to be issued will be either amortization or serial
21 bonds, and amortization bonds will be the first choice of
22 the board of trustees. The bonds to be issued, whether
23 amortization or serial bonds, will be payable in
24 installments over a period not exceeding (state number)
25 years.

1 The polls will be open from o'clockm. and
2 until o'clockm. of the said day.

3 Dated and posted this day of, A.D., 19...
4
5 Chairman, School District No....
6 of County
7 Address.....

8 (2) If the bonds proposed to be issued are for more
9 than one purpose, then each purpose shall be separately
10 stated in the notice, together with the proposed amount of
11 bonds therefor."

12 Section 14. Section 20-9-430, MCA, is amended to read:
13 "20-9-430. Notice of sale of school district bonds.
14 The trustees shall cause the notice of the sale of the bonds
15 to be given. The notice shall state the purpose for which
16 the bonds are to be issued and the amount proposed to be
17 issued and shall be substantially in the following form:

18 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

19 Notice is hereby given by the trustees of School
20 District No. of County, state of Montana, that the
21 trustees will on the day of, 19..., at the hour of
22 o'clockm. at, in the school district, sell to
23 the highest and best bidder for cash either amortization or
24 serial bonds of the school district in the total amount of
25 dollars (\$....), for the purpose of

1 Amortization bonds will be the first choice and serial
2 bonds will be the second choice of the trustees.

3 If amortization bonds are sold and issued, the entire
4 issue may be put into one single bond or divided into
5 several bonds, as the trustees may determine upon at the
6 time of sale, both principal and interest to be payable in
7 semiannual installments during a period of years from
8 the date of issue.

9 If serial bonds are issued and sold, they will be in
10 the amount of dollars (\$....) each, the sum of
11 dollars (\$....) of the serial bonds will become payable on
12 the day of, 19..., and the sum of dollars
13 (\$....) will become payable on the same day each year
14 thereafter until all of the bonds are paid.

15 The bonds, whether amortization or serial bonds, will
16 bear date of, 19..., and will bear interest at a rate
17 not exceeding 7%% per annum, payable semiannually, on
18 the day of (month) and (month) in each year,
19 and will be redeemable in full. (Here insert optional
20 provisions, if any, to be recited on the bonds.)

21 The bonds will be sold for not less than their par
22 value with accrued interest, and all bidders must state the
23 lowest rate of interest at which they will purchase the
24 bonds at par. The bonds shall be sold in open competition
25 bidding, by written bids, or by sealed bids. The trustees

1 reserve the right to reject any and all bids and to sell the
2 bonds at private sale.

3 All bids other than by or on behalf of the state board
4 of land commissioners must be accompanied by money, a
5 certified check, cashier's check, bank money order, or bank
6 draft drawn and issued by a national banking association
7 located in Montana or by any banking corporation
8 incorporated under the laws of Montana, in the sum of
9 dollars (\$....) payable to the order of the district, which
10 will be forfeited by the successful bidder in the event that
11 he shall refuse to purchase the bonds.

12 All bids should be addressed to the undersigned
13 district.

14
15 Chairman, School District No. ...
16 of County
17 Address:

18 ATTEST: Subscribed and sworn to before me this day of
19, 19...; Notary Public for the State
20 Residing at, Montana. My Commission expires

21 Section 15, Section 20-9-448, MCA, is amended to read:

22 "20-9-448. Payment of debt service obligations ---
23 termination of interest. (1) The county treasurer shall
24 maintain a separate debt service fund for each school
25 district and shall credit all tax moneys collected for debt

1 service to such fund and use the moneys credited to such
2 fund for the payment of debt service obligations in
3 accordance with the school financial administration
4 provisions of this title.

5 (2) The county treasurer shall pay from the debt
6 service fund all amounts of interest and principal on school
7 district bonds as such interest or principal becomes due
8 when the coupons or bonds are presented and surrendered for
9 payment and shall pay all special improvement district
10 assessments as the same become due, if the bonds are held by
11 the state of Montana, then all payments shall be remitted to
12 the state treasurer who shall cancel the coupons or bonds
13 and return such coupons or bonds to the county treasurer
14 with his receipts if the bonds are not held by the state of
15 Montana and the interest or principal is made payable at
16 some designated bank or financial institution, the county
17 treasurer shall remit the amount due for interest or
18 principal to such bank or financial institution for payment
19 against the surrender of the canceled coupons or bonds.

20 (3) Whenever any school district bond or installment
21 on school district bonds shall become due and payable,
22 interest shall cease on such date unless sufficient funds
23 are available to pay such bond when it is presented for
24 payment or when payment of an installment is demanded, in
25 either case, interest on such bond or installment shall

1 ~~continue until payment is made.~~

2 ~~(4) Any installment on interest and principal on bonds~~
3 ~~held by the state that is not promptly paid when due shall~~
4 ~~draw interest at an annual rate of 6% from the date due~~
5 ~~until actual payment, irrespective of the rate of interest~~
6 ~~on the bonds.~~

7 Section 15. Section 67-11-303, MCA, is amended to
8 read:

9 "67-11-303. Bonds and obligations. (1) An authority
10 may borrow money for any of its corporate purposes and issue
11 its bonds therefor, including refunding bonds, in such form
12 and upon such terms as it may determine, payable out of any
13 revenues of the authority, including revenues derived from:

- 14 (a) an airport or air navigation facility or
- 15 facilities;
- 16 (b) taxes levied pursuant to 67-11-301 or other law
- 17 for airport purposes;
- 18 (c) grants or contributions from the federal
- 19 government; or
- 20 (d) other sources.

21 (2) The bonds may be issued by resolution of the
22 authority, without an election and without any limitation of
23 amount, except that no such bonds may be issued at any time
24 if the total amount of principal and interest to become due
25 in any year on such bonds and on any then outstanding bonds

1 for which revenues from the same source or sources are
2 pledged exceeds the amount of such revenues to be received
3 in that year as estimated in the resolution authorizing the
4 issuance of the bonds. The authority shall take all action
5 necessary and possible to impose, maintain, and collect
6 rates, charges, rentals, and taxes, if any are pledged,
7 sufficient to make the revenues from the pledged source in
8 such year at least equal to the amount of such principal and
9 interest due in that year.

10 (3) The bonds may be sold at public or private sale
11 and may bear interest at a rate not exceeding ~~10% a year~~ the
12 limitation of 17-5-102. Except as otherwise provided
13 herein, any bonds issued pursuant to this chapter by an
14 authority may be payable as to principal and interest solely
15 from revenues of the authority and shall state on their face
16 the applicable limitations or restrictions regarding the
17 source from which such principal and interest are payable.

18 (4) Bonds issued by an authority or municipality
19 pursuant to the provisions of this chapter are declared to
20 be issued for an essential public and governmental purpose
21 by a political subdivision within the meaning of
22 15-30-111(2)(a).

23 (5) For the security of any such bonds, the authority
24 or municipality may by resolution make and enter into any
25 covenant, agreement, or indenture and may exercise any

1 additional powers authorized to be exercised by a
 2 municipality under Title 7, chapter 7, parts 44 and 45. The
 3 sums required from time to time to pay principal and
 4 interest and to create and maintain a reserve for the bonds
 5 may be paid from any revenues referred to in this chapter,
 6 prior to the payment of current costs of operation and
 7 maintenance of the facilities.

8 (6) Subject to the conditions stated in this
 9 subsection (6), the governing body of any municipality
 10 having a population in excess of 10,000, with respect to
 11 bonds issued pursuant to this chapter by the municipality or
 12 by an authority in which the municipality is included, may
 13 by resolution covenant that in the event that at any time
 14 all revenues, including taxes, appropriated and collected
 15 for such bonds are insufficient to pay principal or interest
 16 then due, it will levy a general tax upon all of the taxable
 17 property in the municipality for the payment of such
 18 deficiency; and may further covenant that at any time a
 19 deficiency is likely to occur within 1 year for the payment
 20 of principal and interest due on such bonds, it will levy a
 21 general tax upon all the taxable property in the
 22 municipality for the payment of such deficiency, and such
 23 taxes are not subject to any limitation of rate or amount
 24 applicable to other municipal taxes but are limited to a
 25 rate estimated to be sufficient to produce the amount of the

1 deficiency. In the event more than one municipality having a
 2 population in excess of 10,000 is included in an authority
 3 issuing bonds pursuant to this chapter, the municipalities
 4 may apportion the obligation to levy taxes for the payment
 5 of, or in anticipation of, a deficiency in the revenues
 6 appropriated for such bonds in such manner as the
 7 municipalities may determine. The resolution shall state the
 8 principal amount and purpose of the bonds and the substance
 9 of the covenant respecting deficiencies. No such resolution
 10 becomes effective until the question of its approval has
 11 been submitted to the qualified electors of the municipality
 12 at a special election called for that purpose by the
 13 governing body of the municipality and a majority of the
 14 electors voting on the question have voted in favor thereof.
 15 The notice and conduct of the election is governed, to the
 16 extent applicable, by [7-7-4227 through 7-7-4234] for an
 17 election called by cities and towns, and [7-7-2229 through
 18 7-7-2236] for an election called by counties. If a majority
 19 of the electors voting thereon vote against approval of the
 20 resolution, the municipality has no authority to make the
 21 covenant or to levy a tax for the payment of deficiencies
 22 pursuant to this section, but such municipality or authority
 23 may nevertheless issue bonds under this chapter payable
 24 solely from the sources referred to in subsection (1)
 25 above."

1 Section 16. Section 69-4-332, MCA, is amended to read:

2 *69-4-332. Issuance of bonds. (1) After the expiration
3 of 30 days from the date of the adoption of the ordinance
4 levying the assessments, the governing body may issue
5 negotiable, interest-bearing bonds in a principal amount not
6 exceeding the unpaid balance of the assessments levied.
7 Whenever any ordinance authorizing the issuance of any bonds
8 pursuant to the improvement contemplated shall have been
9 adopted, such ordinance shall be published once in a
10 newspaper in which the original notice of hearing was
11 published.

12 (2) The bonds shall bear interest at a rate not
13 exceeding ~~8% per annum~~ the limitations of 17-5-102, payable
14 as specified by the governing body over a period not
15 exceeding 20 years. The bonds shall be of such form and
16 denomination and shall be payable in principal and interest
17 at such times and place and shall be sold, authorized, and
18 issued in such manner as the governing body may determine.
19 The bonds shall be dated no earlier than the date on which
20 the special assessment shall begin to bear interest and
21 shall be secured by and payable from the levy and collection
22 of the special assessments in anticipation of the collection
23 of which they are issued. Any premium received on the sale
24 of the bonds may be applied as other bond proceeds, or if
25 not so applied, the same shall be placed in the fund for the

1 payment of principal of and interest on the bonds.

2 (3) The bonds shall be signed by a member of the
3 governing body designated by the governing body and shall be
4 countersigned by the appropriate treasurer, with the
5 corporate seal thereto affixed as appropriate, and attested
6 to by the clerk of the governing body. Interest may be
7 evidenced by interest coupons attached to such bonds and
8 signed by a facsimile signature of one of the individuals
9 who signed the bond."

10 NEW SECTION. Section 17. Effect on bonds previously
11 authorized. If prior to [the effective date of this act] a
12 political subdivision was authorized to issue bonds pursuant
13 to a law that limited the rate of interest on the bonds, it
14 may issue all of the bonds so authorized under the
15 provisions of 17-5-102 even if the rate of interest on the
16 bonds exceeds the maximum rate permissible prior to [the
17 effective date of this act].

18 Section 18. Codification instruction. Section 18 is
19 intended to be codified as an integral part of Title 17,
20 chapter 5, part 1.

21 Section 19. Repealer. Sections 7-7-2208 and 7-7-4207,
22 MCA, are repealed.

23 Section 20. Effective date. This act is effective on
24 passage and approval.

-End-

Approved by Committee
on Taxation

1 SENATE BILL NO. 15
 2 INTRODUCED BY MAZUREK
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
 5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
 6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
 7 ~~SECTION SECTIONS 7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432,~~
 8 ~~7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415,~~
 9 ~~17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-440,~~
 10 ~~67-11-303, AND 69-4-332, MCA; REPEALING SUSPENDING THE~~
 11 ~~OPERATION OF SECTIONS 7-7-2208 AND 7-7-4207, MCA; AND~~
 12 ~~PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION~~
 13 ~~DATE."~~

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

16 Refer to Introduced Bill

17 (Strike everything after the enacting clause and insert:)

18 Section 1. Section 7-7-2251, MCA, is amended to read:

19 "7-7-2251. Form of notice of sale of bonds. The notice
 20 of sale shall state the purpose or purposes for which the
 21 bonds are to be issued and the amount proposed to be issued
 22 for each purpose and shall be substantially in the following
 23 form:

24 NOTICE OF SALE OF COUNTY BONDS

25 Notice is hereby given by the board of county

1 commissioners of County, state of Montana, that the
 2 board will on the day of, 19... at the hour of
 3m., at the office of the board in the courthouse in
 4 the (town or city) of in the said county, sell to the
 5 highest and best bidder for cash, either amortization or
 6 serial bonds of the said county in the total amount of
 7 dollars (\$....) for the purpose of

8 Amortization bonds will be the first choice and serial
9 bonds will be the second choice of the said board.

10 If amortization bonds are sold and issued, the entire
11 issue may be put into one single bond or divided into
12 several bonds, as the board may determine at the time of
13 sale, both principal and interest to be payable in
14 semiannual installments during a period of years from
15 the date of issue.

16 If serial bonds are issued and sold, they will be in
 17 the amount of dollars (\$....) each, except the last
 18 bond which will be in the amount of dollars (\$....);
 19 the sum of dollars (\$....) of the said serial bonds
 20 will become payable on the day of, 19... and a
 21 like amount on the same day each year thereafter until all
 22 of such bonds are paid, except that the last installment
 23 will be in the amount of dollars (\$....).

24 The bonds, whether amortization or serial bonds, will
25 bear date of, 19..., and will bear interest at a rate

1 not exceeding 6% per annum, payable semiannually, on
2 the day of (month) and (month) in each year,
3 and will be redeemable in full (here insert the optional
4 provisions, if any, to be recited in the bonds).

5 The bonds will be sold for not less than their par
6 value with accrued interest to date of delivery, and all
7 bidders must state the lowest rate of interest at which they
8 will purchase the bonds at par. The board reserves the right
9 to reject any and all bids and to sell the bonds at private
10 sale.

11 All bids other than by or on behalf of the board of
12 investments of the state of Montana must be accompanied by a
13 certified check in the sum of dollars, (\$.....), payable
14 to the order of the clerk, which will be forfeited by the
15 successful bidder in the event that he shall fail or refuse
16 to complete the purchase of the bonds in accordance with the
17 terms of his bid.

18 All bids should be addressed to the board of county
19 commissioners of said county and delivered to the county
20 clerk of said county.

21 ATTEST:

22 ..
23 (Chairman, Board of County Commissioners)
24 of County
25 State of Montana

1
2 (Clerk of the Board of County Commissioners)
3 of County, Montana
4 Address, Montana"

5 Section 2. Section 7-7-4251, MCA, is amended to read:
6 "7-7-4251. Form of notice of sale of bonds. The notice
7 of sale shall state the purpose or purposes for which the
8 bonds are to be issued and the amount proposed to be issued
9 for each purpose and shall be substantially in the following
10 form:

11 NOTICE OF SALE OF (CITY OR TOWN) BONDS
12 Notice is hereby given by the council of the (city or
13 town) of, Montana, that the council will, on the
14 day of, 19.., at the hour ofm., at its council
15 chamber in the (city or town) of, Montana, sell to the
16 highest and best bidder for cash either amortization or
17 serial bonds of the said (city or town) in the total amount
18 of dollars, (\$.....) for the purpose of

19 Amortization bonds will be the first choice and serial
20 bonds will be the second choice of the council.

21 If amortization bonds are sold and issued, the entire
22 issue may be put into one single bond or divided into
23 several bonds as the council may determine at the time of
24 sale, both principal and interest to be payable in
25 semiannual installments during a period of years from

1 the date of issue.

2 If serial bonds are issued and sold, they will be in
3 the amount of dollars (\$....) each, except the last
4 bond which will be in the amount of dollars (\$....);
5 the sum of dollars (\$....) of said serial bonds will
6 become due and payable on the day of, 19.., and a
7 like amount on the same day each year thereafter until all
8 such bonds are paid, except that the last installment will
9 be in the amount of dollars (\$....).

10 The bonds, whether amortization or serial bonds, will
11 bear date of, 19.., will bear interest at a rate not
12 exceeding 6% ~~....%~~ per annum, payable semiannually, on the
13 day of and on the day of in each year
14 and will be redeemable (here insert the optional provisions,
15 if any, recited in the bonds).

16 Said bonds will be sold for not less than their par
17 value with accrued interest to date of delivery, and all
18 bidders must state the lowest rate of interest at which they
19 will purchase the bonds at par. The council reserves the
20 right to reject any and all bids and to sell said bonds at
21 private sale.

22 All bids other than by or on behalf of the board of
23 investments of the state of Montana must be accompanied by a
24 certified check in the sum of dollars (\$....), payable
25 to the order of the (city or town) clerk, which will be

1 forfeited by the successful bidder in the event he shall
2 fail or refuse to complete the purchase of said bonds in
3 accordance with the terms of his bid.

4 All bids shall be addressed to the council of the (city
5 or town) of and delivered to the clerk of said (city or
6 town).

7
8 Mayor of the (city or town) of
9, Montana

10 ATTEST:

11(City or Town) Clerk"

12 Section 3. Section 7-7-4275, MCA, is amended to read:
13 "7-7-4275. Refunding of bond issue held by state by
14 exchange for amortization bonds. (1) Subject to the approval
15 of the board of investments, the council of any city or town
16 is hereby authorized to issue amortization bonds for the
17 purpose of refunding any outstanding bonds of such city or
18 town held by the state and which were not issued either as
19 amortization or serial bonds and to exchange the same for
20 such outstanding bonds.

21 (2) Such amortization bonds shall conform in all
22 respects to the definition of amortization bonds as set
23 forth in 7-7-4209 and shall bear interest at such rate as
24 may be agreed upon between the council of such city or town
25 and the board of investments, ~~but the interest shall not~~

1 exceed ~~6% per annum pursuant to 17-5-102~~. Such amortization
 2 bonds may be issued and exchanged for such outstanding bonds
 3 without submitting the question of issuing the same at an
 4 election, and it shall not be necessary to publish any
 5 notice of sale of such bonds.

6 (3) This section shall not be construed so as to
 7 deprive city or town councils of the right to advertise,
 8 sell, and issue refunding bonds in the manner provided in
 9 part 43."

10 Section 4. Section 7-7-4432, MCA, is amended to read:

11 "7-7-4432. Details relating to revenue bonds. Bonds
 12 authorized to be issued under this part shall bear interest
 13 at such rate or rates not exceeding ~~9% per annum~~ the
 14 limitation of 17-5-102, payable semiannually; may be in one
 15 or more series; may bear such date or dates; may mature at
 16 such time or times not exceeding 40 years from their
 17 respective dates; may be payable in such place or places;
 18 may carry such registration privileges; may be subject to
 19 such terms of redemption; may be executed in such manner;
 20 may contain such terms, covenants, and conditions; and may
 21 be in such form, either coupon or registered, as such
 22 resolution or subsequent resolutions may provide."

23 Section 5. Section 7-13-2510, MCA, is amended to read:

24 "7-13-2510. Powers of district. A television district
 25 organized under this part, acting through its board of

1 trustees herein provided for, may:

2 (1) perform all the acts and take all the necessary or
 3 proper steps to assure that there will be a fair, efficient,
 4 and equitable distribution of television services within the
 5 area in order that all persons within such service area
 6 shall be supplied by means of an appropriate electrical or
 7 electronic system for television program distribution, such
 8 authorized system to provide such flexibility as to permit
 9 radical improvements in technical quality without rendering
 10 inoperative receivers therein, but discontinuance of service
 11 by the district for improvements or repairs for a temporary
 12 period shall not be construed as rendering inoperative;

13 (2) if necessary or proper in the furtherance of the
 14 objects of this part, acquire, build, construct, repair,
 15 own, maintain, and operate any necessary stations
 16 transmitting simultaneous visual and aural signals intended
 17 to be received by the general public, relay stations, pickup
 18 stations, or any other necessary electrical or electronic
 19 system;

20 (3) make contracts to compensate any owner of land or
 21 other property for the use of such property for the purposes
 22 of this part;

23 (4) make contracts with the United States, any state
 24 or municipality, or any department or agency of those
 25 entities for carrying out the general purposes for which the

1 district is formed;

2 (5) acquire, by gift, devise, bequest, lease, or
3 purchase, real and personal property, tangible or
4 intangible, including lands, rights-of-way, and easements,
5 necessary or convenient for its purposes;

6 (6) to make contracts of any lawful nature (including
7 labor contracts or those for employees' benefits) and employ
8 engineers, laboratory personnel, attorneys, other technical
9 or professional assistants, and any other assistants or
10 employees necessary to carry out the provisions of this
11 part;

12 (7) issue warrants, payable at the time stated
13 therein, to evidence the obligation to repay money borrowed
14 or any other obligation incurred by the district, warrants
15 so issued to draw interest at a rate fixed by the board,
16 payable annually or semiannually as the board may prescribe;

17 (8) contract indebtedness or borrow money for
18 corporate purposes and issue revenue bonds therefor to be
19 repaid from rates and charges, bearing interest at a rate
20 not exceeding ~~7%--per--annum~~ the limitation of 17-5-102
21 payable semiannually, the bonds not to be sold for less than
22 par and accrued interest;

23 (9) prescribe tax rates for the providing of services
24 throughout the area in accordance with the provisions of
25 this part;

1 (10) prescribe such installation or ready-to-serve
2 charges to be used for any costs connected with preparation,
3 acquisition, or construction of the system;

4 (11) apply for, accept, and be the holder of any permit
5 or license issued by or required under federal or state law;
6 and

7 (12) provide FM translator services if authorized as
8 provided in 7-13-2512."

9 Section 6. Section 7-14-2745, MCA, is amended to read:
10 "7-14-2745. Mode of payment of assessment --
11 installment payments. (1) Installment payments shall be made
12 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

13 (2) Payments shall be in the form of bonds which shall
14 draw ~~6% interest, not to exceed the limitations of 17-5-102,~~
15 per annum from the date they are issued until they are paid.

16 (3) If the mode of payment is to be by installments,
17 the board and the committee shall approve and certify the
18 assessment roll.

19 (4) The board and the assessor shall, at the time of
20 levying the assessment and in their order setting the levy,
21 declare that the sum charged against each parcel of land may
22 be paid in equal annual installments with interest upon the
23 whole sum at the rate fixed by the board of county
24 commissioners in accordance with law. The order shall
25 specify the number of installments which shall be equal to

1 the number of years for which the bonds may run.

2 (5) Each year thereafter, the treasurer shall collect
3 one of the installments, together with the interest due
4 thereon and the interest due on the installments thereafter
5 to become due.

6 (6) Provisions concerning delinquency and the sale of
7 land set forth with relation to the mode of immediate
8 payment shall be likewise applicable to installment
9 payments."

10 Section 7. Section 7-15-4322, MCA, is amended to read:

11 "7-15-4322. Details relating to urban renewal bonds.

12 (1) Bonds issued under 7-15-4301 may be issued in one or
13 more series and shall bear such date or dates, be payable
14 upon demand or mature at such time or times, bear interest
15 at such rate or rates not exceeding ~~9%~~8-year the limitation
16 of 17-5-102, be in such denomination or denominations, be in
17 such form (either coupon or registered), carry such
18 conversion or registration privileges, have such rank or
19 priority, be executed in such manner, be payable in such
20 medium of payment at such place or places, be subject to
21 such terms of redemption (with or without premium), be
22 secured in such manner, and have such other characteristics
23 as may be provided by the resolution, ordinance, or trust
24 indenture or mortgage authorized pursuant thereto.

25 (2) (a) The bonds may be sold at not less than 98% of

1 par at public or private sale or may be exchanged for other
2 bonds on the basis of par.

3 (b) The bonds may be sold to the federal government at
4 private sale at not less than par, and if less than all of
5 the authorized principal amount of the bonds is sold to the
6 federal government, the balance may be sold at public or
7 private sale at not less than 98% of par at an interest cost
8 to the municipality of not to exceed the interest cost to
9 the municipality of the portion of the bonds sold to the
10 federal government."

11 Section 8. Section 7-31-112, MCA, is amended to read:

12 "7-31-112. Details relating to bonds. (1) The bonds to
13 be issued upon the conditions and under the provisions
14 aforesaid shall:

15 (a) bear the date of their issuance;

16 (b) be designated as sanitary coupon bonds of the
17 county, city, or town issuing the same;

18 (c) be of a denomination not less than \$500 or more
19 than \$1,000 each;

20 (d) be payable at such place in New York City or
21 elsewhere, at the discretion of the board or council issuing
22 the same;

23 (e) bear interest at the a rate of 6% per annum not
24 exceeding the limitations of 17-5-102, payable 30 years
25 after the date thereof, with the privilege of paying the

1 same at any time after 5 years from such date, which
2 interest shall be payable semiannually at the place whereat
3 the principal is payable and for which interest coupons
4 shall be attached to said bonds.

5 (2) If said bonds and coupons are issued by any
6 county, they shall be signed by the chairman of the board of
7 county commissioners of such county and attested by the
8 clerk thereof and his seal attached thereto. If the bonds
9 and coupons are issued by any incorporated city or town, the
10 same shall be signed by the mayor and attested to by the
11 city or town clerk and the seal thereof attached."

12 Section 9. Section 7-34-2415, MCA, is amended to read:

13 "7-34-2415. Details of bonds. (1) The bonds may be
14 sold at public or private sale and shall bear interest at a
15 rate or rates not exceeding ~~10% a year~~ the limitation of
16 17-5-102. The bonds may be for a 40-year period.

17 (2) Except as otherwise provided in 7-34-2411 through
18 7-34-2418, any bonds issued pursuant to 7-34-2411 through
19 7-34-2418 by a county shall be payable as to principal and
20 interest solely from revenues of the county and shall state
21 on their face the applicable limitations or restrictions
22 regarding the source or sources from which such principal
23 and interest are payable."

24 Section 10. Section 17-5-102, MCA, is amended to read:

25 "17-5-102. Rate of interest on bonds to be determined

1 by governing bodies ~~---limitations-and-exceptions. (1) Bonds~~
2 of a political subdivision shall bear interest at such rate
3 or rates as its governing body shall determine, ~~except--that~~
4 ~~no--such--rate--shall--exceed-7%--except-revenue-bonds-issued~~
5 ~~under-the-terms-of-title-7, chapter--7, parts--44--and--45,~~
6 ~~title-7, chapter-13, part-43, and 98-5-101 through 98-5-113,~~
7 ~~which-rate-shall-not-exceed-9%.~~

8 (2) The provisions of this section establish the rate
9 of interest on bonds of political subdivisions as defined in
10 17-5-101 and expressly supersede any other statutory
11 limitation on the rate of interest to be borne by bonds of
12 political subdivisions."

13 Section 11. Section 20-9-410, MCA, is amended to read:

14 "20-9-410. Limitation of term and interest -- timing
15 for redemption. School district bonds shall not be issued
16 for a term longer than 20 years, except that bonds issued to
17 refund or redeem outstanding bonds shall not be issued for a
18 term longer than 10 years unless the unexpired term of the
19 bonds to be refunded or redeemed is in excess of 10 years,
20 in which case the refunding or redeeming bonds may be issued
21 for such unexpired term. All bonds issued for a longer term
22 than 5 years shall be redeemable at the option of the school
23 district on any interest payment date after one-half of the
24 term for which they were issued has expired, and it shall be
25 so stated on the face of the bonds. The interest shall not

1 exceed ~~7% per annum~~ the limitation of 17-5-102 and shall be
2 payable semiannually."

3 Section 12. Section 20-9-426, MCA, is amended to read:
4 "20-9-426. Preparation and form of ballots for bond
5 election. The school district shall cause ballots to be
6 prepared for all bond elections, and whenever bonds for more
7 than one purpose are to be voted upon at the same election,
8 separate ballots shall be prepared for each purpose. All
9 such ballots shall be substantially in the following form:

10 OFFICIAL BALLOT

11 SCHOOL DISTRICT BOND ELECTION

12 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
13 the vacant square before the words "BONDS--YES" if you wish
14 to vote for the bond issue; if you are opposed to the bond
15 issue make an X or similar mark in the square before the
16 words "BONDS--NO".

17 Shall the board of trustees be authorized to issue and
18 sell bonds of this school district in the amount of
19 dollars (\$....), bearing interest at a rate not more than
20 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
21 semiannually, during a period not more than years, for
22 the purpose (here state the purpose the same way as in
23 the notice of election)?

- 24 BONDS -- YES.
- 25 BONDS -- NO."

1 Section 13. Section 20-9-427, MCA, is amended to read:
2 "20-9-427. Notice of bond election by separate
3 purpose. (1) Any school district bond election shall be
4 conducted in accordance with the school election provisions
5 of this title, except that the election notice required
6 therein shall be in substantially the following form:

7 NOTICE OF SCHOOL DISTRICT BOND ELECTION

8 Notice is hereby given by the trustees of School
9 District No. of County, state of Montana, that
10 pursuant to a certain resolution duly adopted at a meeting
11 of the board of trustees of said school district held on the
12 day of, A.D., 19.., an election of the registered
13 electors of School District No. of County, state
14 of Montana, will be held on the day of, A.D.,
15 19.., at for the purpose of voting upon the question of
16 whether or not the trustees shall be authorized to issue and
17 sell bonds of said school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
20 semiannually, for the purpose of (here state purpose).
21 The bonds to be issued will be either amortization or serial
22 bonds, and amortization bonds will be the first choice of
23 the board of trustees. The bonds to be issued, whether
24 amortization or serial bonds, will be payable in
25 installments over a period not exceeding (state number)

1 years.

2 The polls will be open from o'clockm. and
3 until o'clockm. of the said day.

4 Dated and posted this day of, A.D., 19...
5
6 Chairman, School District No....
7 of County
8 Address.....

9 (2) If the bonds proposed to be issued are for more
10 than one purpose, then each purpose shall be separately
11 stated in the notice, together with the proposed amount of
12 bonds therefor."

13 Section 14. Section 20-9-430, MCA, is amended to read:

14 "20-9-430. Notice of sale of school district bonds.
15 The trustees shall cause the notice of the sale of the bonds
16 to be given. The notice shall state the purpose for which
17 the bonds are to be issued and the amount proposed to be
18 issued and shall be substantially in the following form:

19 NOTICE OF SALE OF SCHOOL DISTRICT BONDS
20 Notice is hereby given by the trustees of School
21 District No. of County, state of Montana, that the
22 trustees will on the day of....., 19..., at the hour of
23 o'clockm. at in the school district, sell to
24 the highest and best bidder for cash either amortization or
25 serial bonds of the school district in the total amount of

1 dollars (\$....), for the purpose of

2 Amortization bonds will be the first choice and serial
3 bonds will be the second choice of the trustees.

4 If amortization bonds are sold and issued, the entire
5 issue may be put into one single bond or divided into
6 several bonds, as the trustees may determine upon at the
7 time of sale, both principal and interest to be payable in
8 semiannual installments during a period of years from
9 the date of issue.

10 If serial bonds are issued and sold, they will be in
11 the amount of dollars (\$....) each, the sum of
12 dollars (\$....) of the serial bonds will become payable on
13 the day of, 19..., and the sum of dollars
14 (\$....) will become payable on the same day each year
15 thereafter until all of the bonds are paid.

16 The bonds, whether amortization or serial bonds, will
17 bear date of, 19..., and will bear interest at a rate
18 not exceeding 7% ~~.....~~ per annum, payable semiannually, on
19 the day of (month) and (month) in each year,
20 and will be redeemable in full. (Here insert optional
21 provisions, if any, to be recited on the bonds.)

22 The bonds will be sold for not less than their par
23 value with accrued interest, and all bidders must state the
24 lowest rate of interest at which they will purchase the
25 bonds at par. The bonds shall be sold in open competition

1 bidding, by written bids, or by sealed bids. The trustees
2 reserve the right to reject any and all bids and to sell the
3 bonds at private sale.

4 All bids other than by or on behalf of the state board
5 of land commissioners must be accompanied by money, a
6 certified check, cashier's check, bank money order, or bank
7 draft drawn and issued by a national banking association
8 located in Montana or by any banking corporation
9 incorporated under the laws of Montana, in the sum of
10 dollars (\$....) payable to the order of the district, which
11 will be forfeited by the successful bidder in the event that
12 he shall refuse to purchase the bonds.

13 All bids should be addressed to the undersigned
14 district.

15
16 Chairman, School District No. ...
17 of County
18 Address:

19 ATTEST: Subscribed and sworn to before me this day of
20, 19...; Notary Public for the State
21 Residing at, Montana. My Commission expires

22 Section 15, Section 20-9-440, MCA, is amended to read
23 "20-9-440. Payment of debt service obligations ---
24 termination of interest --- (1) The county treasurer shall
25 maintain a separate debt service fund for each school

1 district and shall credit all tax moneys collected for debt
2 service to such fund and use the moneys credited to such
3 fund for the payment of debt service obligations in
4 accordance with the school financial administration
5 provisions of this title.

6 (2) The county treasurer shall pay from the debt
7 service fund all amounts of interest and principal on school
8 district bonds as such interest or principal becomes due
9 when the coupons or bonds are presented and surrendered for
10 payment and shall pay all special improvement district
11 assessments as the same become due, if the bonds are held by
12 the state of Montana, then all payments shall be remitted to
13 the state treasurer who shall cancel the coupons or bonds
14 and return such coupons or bonds to the county treasurer
15 with his receipts if the bonds are not held by the state of
16 Montana and the interest or principal is made payable at
17 some designated bank or financial institution, the county
18 treasurer shall remit the amount due for interest or
19 principal to such bank or financial institution for payment
20 against the surrender of the canceled coupons or bonds.

21 (3) Whenever any school district bond or installment
22 on school district bonds shall become due and payable,
23 interest shall cease on such date unless sufficient funds
24 are available to pay such bond when it is presented for
25 payment or when payment of an installment is demanded, in

1 either--~~case~~, interest--on--such--bond--or--installment--shall
2 continue--until--payment--is--made.

3 ~~(4) Any installment on interest and principal on bonds~~
4 ~~held by the state that is not promptly paid when due shall~~
5 ~~draw interest at an annual rate of 6% from the date due~~
6 ~~until actual payment, irrespective of the rate of interest~~
7 ~~on the bonds.~~"

8 Section 15. Section 67-11-303, MCA, is amended to
9 read:

10 "67-11-303. Bonds and obligations. (1) An authority
11 may borrow money for any of its corporate purposes and issue
12 its bonds therefor, including refunding bonds, in such form
13 and upon such terms as it may determine, payable out of any
14 revenues of the authority, including revenues derived from:

15 (a) an airport or air navigation facility or
16 facilities;

17 (b) taxes levied pursuant to 67-11-301 or other law
18 for airport purposes;

19 (c) grants or contributions from the federal
20 government; or

21 (d) other sources.

22 (2) The bonds may be issued by resolution of the
23 authority, without an election and without any limitation of
24 amount, except that no such bonds may be issued at any time
25 if the total amount of principal and interest to become due

1 in any year on such bonds and on any then outstanding bonds
2 for which revenues from the same source or sources are
3 pledged exceeds the amount of such revenues to be received
4 in that year as estimated in the resolution authorizing the
5 issuance of the bonds. The authority shall take all action
6 necessary and possible to impose, maintain, and collect
7 rates, charges, rentals, and taxes, if any are pledged,
8 sufficient to make the revenues from the pledged source in
9 such year at least equal to the amount of such principal and
10 interest due in that year.

11 (3) The bonds may be sold at public or private sale
12 and may bear interest at a rate not exceeding ~~10% a year~~ the
13 limitation of 17-5-102. Except as otherwise provided
14 herein, any bonds issued pursuant to this chapter by an
15 authority may be payable as to principal and interest solely
16 from revenues of the authority and shall state on their face
17 the applicable limitations or restrictions regarding the
18 source from which such principal and interest are payable.

19 (4) Bonds issued by an authority or municipality
20 pursuant to the provisions of this chapter are declared to
21 be issued for an essential public and governmental purpose
22 by a political subdivision within the meaning of
23 15-30-111(2)(a).

24 (5) For the security of any such bonds, the authority
25 or municipality may by resolution make and enter into any

1 covenant, agreement, or indenture and may exercise any
 2 additional powers authorized to be exercised by a
 3 municipality under Title 7, chapter 7, parts 44 and 45. The
 4 sums required from time to time to pay principal and
 5 interest and to create and maintain a reserve for the bonds
 6 may be paid from any revenues referred to in this chapter,
 7 prior to the payment of current costs of operation and
 8 maintenance of the facilities.

9 (b) Subject to the conditions stated in this
 10 subsection (b), the governing body of any municipality
 11 having a population in excess of 10,000, with respect to
 12 bonds issued pursuant to this chapter by the municipality or
 13 by an authority in which the municipality is included, may
 14 by resolution covenant that in the event that at any time
 15 all revenues, including taxes, appropriated and collected
 16 for such bonds are insufficient to pay principal or interest
 17 then due, it will levy a general tax upon all of the taxable
 18 property in the municipality for the payment of such
 19 deficiency; and may further covenant that at any time a
 20 deficiency is likely to occur within 1 year for the payment
 21 of principal and interest due on such bonds, it will levy a
 22 general tax upon all the taxable property in the
 23 municipality for the payment of such deficiency, and such
 24 taxes are not subject to any limitation of rate or amount
 25 applicable to other municipal taxes but are limited to a

1 rate estimated to be sufficient to produce the amount of the
 2 deficiency. In the event more than one municipality having a
 3 population in excess of 10,000 is included in an authority
 4 issuing bonds pursuant to this chapter, the municipalities
 5 may apportion the obligation to levy taxes for the payment
 6 of, or in anticipation of, a deficiency in the revenues
 7 appropriated for such bonds in such manner as the
 8 municipalities may determine. The resolution shall state the
 9 principal amount and purpose of the bonds and the substance
 10 of the covenant respecting deficiencies. No such resolution
 11 becomes effective until the question of its approval has
 12 been submitted to the qualified electors of the municipality
 13 at a special election called for that purpose by the
 14 governing body of the municipality and a majority of the
 15 electors voting on the question have voted in favor thereof.
 16 The notice and conduct of the election is governed, to the
 17 extent applicable, by [7-7-4227 through 7-7-4234] for an
 18 election called by cities and towns, and [7-7-2229 through
 19 7-7-2236] for an election called by counties. If a majority
 20 of the electors voting thereon vote against approval of the
 21 resolution, the municipality has no authority to make the
 22 covenant or to levy a tax for the payment of deficiencies
 23 pursuant to this section, but such municipality or authority
 24 may nevertheless issue bonds under this chapter payable
 25 solely from the sources referred to in subsection (1)

1 above."

2 Section 16. Section 69-4-332, MCA, is amended to read:

3 "69-4-332. Issuance of bonds. (1) After the expiration
4 of 30 days from the date of the adoption of the ordinance
5 levying the assessments, the governing body may issue
6 negotiable, interest-bearing bonds in a principal amount not
7 exceeding the unpaid balance of the assessments levied.
8 Whenever any ordinance authorizing the issuance of any bonds
9 pursuant to the improvement contemplated shall have been
10 adopted, such ordinance shall be published once in a
11 newspaper in which the original notice of hearing was
12 published.

13 (2) The bonds shall bear interest at a rate not
14 exceeding ~~8% per annum~~ the limitations of 17-5-102, payable
15 as specified by the governing body over a period not
16 exceeding 20 years. The bonds shall be of such form and
17 denomination and shall be payable in principal and interest
18 at such times and place and shall be sold, authorized, and
19 issued in such manner as the governing body may determine.
20 The bonds shall be dated no earlier than the date on which
21 the special assessment shall begin to bear interest and
22 shall be secured by and payable from the levy and collection
23 of the special assessments in anticipation of the collection
24 of which they are issued. Any premium received on the sale
25 of the bonds may be applied as other bond proceeds, or if

1 not so applied, the same shall be placed in the fund for the
2 payment of principal of and interest on the bonds.

3 (3) The bonds shall be signed by a member of the
4 governing body designated by the governing body and shall be
5 countersigned by the appropriate treasurer, with the
6 corporate seal thereto affixed as appropriate, and attested
7 to by the clerk of the governing body. Interest may be
8 evidenced by interest coupons attached to such bonds and
9 signed by a facsimile signature of one of the individuals
10 who signed the bond."

11 NEW SECTION. Section 17. Effect on bonds previously
12 authorized. If prior to [the effective date of this act] a
13 political subdivision was authorized to issue bonds pursuant
14 to a law that limited the rate of interest on the bonds, it
15 may issue all of the bonds so authorized under the
16 provisions of 17-5-102 even if the rate of interest on the
17 bonds exceeds the maximum rate permissible prior to [the
18 effective date of this act].

19 ~~NEW SECTION. SECTION 18. REDEMPTION OF BONDS. ALL
20 BONDS ISSUED BETWEEN THE EFFECTIVE DATE AND TERMINATION DATE
21 FOR A LONGER TERM THAN 5 YEARS SHALL BE REDEEMABLE AT THE
22 OPTION OF THE GOVERNING BODY ON ANY INTEREST PAYMENT DATE
23 AFTER THE FIFTH YEAR OF THE TERM FOR WHICH THEY WERE ISSUED
24 HAS EXPIRED, AND IT SHALL BE SO STATED ON THE BONDS.~~

25 NEW SECTION. SECTION 18. REDEMPTION OF BONDS.

1 OPTIONAL METHOD. BETWEEN THE EFFECTIVE DATE AND TERMINATION
2 DATE OF THIS ACT, A GOVERNING BODY IN CONNECTION WITH THE
3 ISSUANCE OF BONDS MAY, AT ITS OPTION, PROVIDE THAT SUCH
4 BONDS SHALL BE REDEEMABLE AT SUCH TIME OR TIMES AND UPON
5 SUCH TERMS AND CONDITIONS AS THE GOVERNING BODY SHALL DEEM
6 TO BE IN THE BEST INTEREST OF THE PUBLIC, NOTWITHSTANDING
7 ANY STATUTORY PROVISION TO THE CONTRARY.

8 Section 19. Codification instruction. Section SECTIONS
9 17 AND 18 ~~is~~ ARE intended to be codified as an integral part
10 of Title 17, chapter 5, part 1.

11 Section 20. ~~Repeater-----Sections~~ SUSPENSION. THE
12 OPERATION OF SECTIONS 7-7-2208 and 7-7-4207, MCA, are IS
13 repeated SUSPENDED UNTIL JULY 1, 1983.

14 Section 21. Effective date ~~is~~ TERMINATION. This act is
15 effective on passage and approval AND TERMINATES ON JULY 1,
16 1983.

-End-

1 SENATE BILL NO. 15
 2 INTRODUCED BY MAZUREK
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
 5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
 6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
 7 ~~SECTION SECTIONS~~ 7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432,
 8 7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415,
 9 17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-440,
 10 67-11-303, AND 69-4-332, MCA; REPEALING SUSPENDING THE
 11 OPERATION OF SECTIONS 7-7-2208 AND 7-7-4207, MCA; AND
 12 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
 13 DATE."

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

16 Refer to Introduced Bill

17 (Strike everything after the enacting clause and insert:)

18 Section 1. Section 7-7-2251, MCA, is amended to read:
 19 "7-7-2251. Form of notice of sale of bonds. The notice
 20 of sale shall state the purpose or purposes for which the
 21 bonds are to be issued and the amount proposed to be issued
 22 for each purpose and shall be substantially in the following
 23 form:

24 NOTICE OF SALE OF COUNTY BONDS

25 Notice is hereby given by the board of county

1 commissioners of County, state of Montana, that the
 2 board will on the day of, 19.., at the hour of
 3, at the office of the board in the courthouse in
 4 the (town or city) of in the said county, sell to the
 5 highest and best bidder for cash, either amortization or
 6 serial bonds of the said county in the total amount of
 7 dollars (\$....) for the purpose of

8 Amortization bonds will be the first choice and serial
9 bonds will be the second choice of the said board.

10 If amortization bonds are sold and issued, the entire
 11 issue may be put into one single bond or divided into
 12 several bonds, as the board may determine at the time of
 13 sale, both principal and interest to be payable in
 14 semiannual installments during a period of years from
 15 the date of issue.

16 If serial bonds are issued and sold, they will be in
 17 the amount of dollars (\$....) each, except the last
 18 bond which will be in the amount of dollars (\$....);
 19 the sum of dollars (\$....) of the said serial bonds
 20 will become payable on the day of, 19.., and a
 21 like amount on the same day each year thereafter until all
 22 of such bonds are paid, except that the last installment
 23 will be in the amount of dollars (\$....).

24 The bonds, whether amortization or serial bonds, will
25 bear date of, 19.., and will bear interest at a rate

1 not exceeding 6%% per annum, payable semiannually, on
2 the day of (month) and (month) in each year,
3 and will be redeemable in full (here insert the optional
4 provisions, if any, to be recited in the bonds).

5 The bonds will be sold for not less than their par
6 value with accrued interest to date of delivery, and all
7 bidders must state the lowest rate of interest at which they
8 will purchase the bonds at par. The board reserves the right
9 to reject any and all bids and to sell the bonds at private
10 sale.

11 All bids other than by or on behalf of the board of
12 investments of the state of Montana must be accompanied by a
13 certified check in the sum of dollars, (\$....), payable
14 to the order of the clerk, which will be forfeited by the
15 successful bidder in the event that he shall fail or refuse
16 to complete the purchase of the bonds in accordance with the
17 terms of his bid.

18 All bids should be addressed to the board of county
19 commissioners of said county and delivered to the county
20 clerk of said county.

21 ATTEST:

22
23 (Chairman, Board of County Commissioners)
24 of County
25 State of Montana

1
2 (Clerk of the Board of County Commissioners)
3 of County, Montana
4 Address, Montana"

5 Section 2. Section 7-7-4251, MCA, is amended to read:
6 "7-7-4251. Form of notice of sale of bonds. The notice
7 of sale shall state the purpose or purposes for which the
8 bonds are to be issued and the amount proposed to be issued
9 for each purpose and shall be substantially in the following
10 form:

11 NOTICE OF SALE OF (CITY OR TOWN) BONDS

12 Notice is hereby given by the council of the (city or
13 town) of, Montana, that the council will, on the
14 day of, 19.., at the hour ofM., at its council
15 chamber in the (city or town) of, Montana, sell to the
16 highest and best bidder for cash either amortization or
17 serial bonds of the said (city or town) in the total amount
18 of dollars, (\$....) for the purpose of

19 Amortization bonds will be the first choice and serial
20 bonds will be the second choice of the council.

21 If amortization bonds are sold and issued, the entire
22 issue may be put into one single bond or divided into
23 several bonds as the council may determine at the time of
24 sale, both principal and interest to be payable in
25 semiannual installments during a period of years from

1 the date of issue.

2 If serial bonds are issued and sold, they will be in
3 the amount of dollars (\$....) each, except the last
4 bond which will be in the amount of dollars (\$....);
5 the sum of dollars (\$....) of said serial bonds will
6 become due and payable on the day of, 19... and a
7 like amount on the same day each year thereafter until all
8 such bonds are paid, except that the last installment will
9 be in the amount of dollars (\$....).

10 The bonds, whether amortization or serial bonds, will
11 bear date of, 19..., will bear interest at a rate not
12 exceeding 6%% per annum, payable semiannually, on the
13 day of and on the day of in each year
14 and will be redeemable (here insert the optional provisions,
15 if any, recited in the bonds).

16 Said bonds will be sold for not less than their par
17 value with accrued interest to date of delivery, and all
18 bidders must state the lowest rate of interest at which they
19 will purchase the bonds at par. The council reserves the
20 right to reject any and all bids and to sell said bonds at
21 private sale.

22 All bids other than by or on behalf of the board of
23 investments of the state of Montana must be accompanied by a
24 certified check in the sum of dollars (\$....), payable
25 to the order of the (city or town) clerk, which will be

1 forfeited by the successful bidder in the event he shall
2 fail or refuse to complete the purchase of said bonds in
3 accordance with the terms of his bid.

4 All bids shall be addressed to the council of the (city
5 or town) of and delivered to the clerk of said (city or
6 town).

7
8 Mayor of the (city or town) of
9 Montana

10 ATTEST:

11(City or Town) Clerk"

12 Section 3. Section 7-7-4275, MCA, is amended to read:
13 "7-7-4275. Refunding of bond issue held by state by
14 exchange for amortization bonds. (1) Subject to the approval
15 of the board of investments, the council of any city or town
16 is hereby authorized to issue amortization bonds for the
17 purpose of refunding any outstanding bonds of such city or
18 town held by the state and which were not issued either as
19 amortization or serial bonds and to exchange the same for
20 such outstanding bonds.

21 (2) Such amortization bonds shall conform in all
22 respects to the definition of amortization bonds as set
23 forth in 7-7-4209 and shall bear interest at such rate as
24 may be agreed upon between the council of such city or town
25 and the board of investments, ~~but the interest shall not~~

1 exceed ~~6%~~ per-annum pursuant to 17-5-102. Such amortization
2 bonds may be issued and exchanged for such outstanding bonds
3 without submitting the question of issuing the same at an
4 election, and it shall not be necessary to publish any
5 notice of sale of such bonds.

6 (3) This section shall not be construed so as to
7 deprive city or town councils of the right to advertise,
8 sell, and issue refunding bonds in the manner provided in
9 part 43."

10 Section 4. Section 7-7-4432, MCA, is amended to read:

11 "7-7-4432. Details relating to revenue bonds. Bonds
12 authorized to be issued under this part shall bear interest
13 at such rate or rates not exceeding ~~9%~~ per-annum the
14 limitation of 17-5-102, payable semiannually; may be in one
15 or more series; may bear such date or dates; may mature at
16 such time or times not exceeding 40 years from their
17 respective dates; may be payable in such place or places;
18 may carry such registration privileges; may be subject to
19 such terms of redemption; may be executed in such manner;
20 may contain such terms, covenants, and conditions; and may
21 be in such form, either coupon or registered, as such
22 resolution or subsequent resolutions may provide."

23 Section 5. Section 7-13-2510, MCA, is amended to read:

24 "7-13-2510. Powers of district. A television district
25 organized under this part, acting through its board of

1 trustees herein provided for, may:

2 (1) perform all the acts and take all the necessary or
3 proper steps to assure that there will be a fair, efficient,
4 and equitable distribution of television services within the
5 area in order that all persons within such service area
6 shall be supplied by means of an appropriate electrical or
7 electronic system for television program distribution, such
8 authorized system to provide such flexibility as to permit
9 radical improvements in technical quality without rendering
10 inoperative receivers therein, but discontinuance of service
11 by the district for improvements or repairs for a temporary
12 period shall not be construed as rendering inoperative;

13 (2) if necessary or proper in the furtherance of the
14 objects of this part, acquire, build, construct, repair,
15 own, maintain, and operate any necessary stations
16 transmitting simultaneous visual and aural signals intended
17 to be received by the general public, relay stations, pickup
18 stations, or any other necessary electrical or electronic
19 system;

20 (3) make contracts to compensate any owner of land or
21 other property for the use of such property for the purposes
22 of this part;

23 (4) make contracts with the United States, any state
24 or municipality, or any department or agency of those
25 entities for carrying out the general purposes for which the

1 district is formed;

2 (5) acquire, by gift, devise, bequest, lease, or
3 purchase, real and personal property, tangible or
4 intangible, including lands, rights-of-way, and easements,
5 necessary or convenient for its purposes;

6 (6) to make contracts of any lawful nature (including
7 labor contracts or those for employees' benefits) and employ
8 engineers, laboratory personnel, attorneys, other technical
9 or professional assistants, and any other assistants or
10 employees necessary to carry out the provisions of this
11 part;

12 (7) issue warrants, payable at the time stated
13 therein, to evidence the obligation to repay money borrowed
14 or any other obligation incurred by the district, warrants
15 so issued to draw interest at a rate fixed by the board,
16 payable annually or semiannually as the board may prescribe;

17 (8) contract indebtedness or borrow money for
18 corporate purposes and issue revenue bonds therefor to be
19 repaid from rates and charges, bearing interest at a rate
20 not exceeding ~~7%--per--annum~~ the limitation of 17-5-102
21 payable semiannually, the bonds not to be sold for less than
22 par and accrued interest;

23 (9) prescribe tax rates for the providing of services
24 throughout the area in accordance with the provisions of
25 this part;

1 (10) prescribe such installation or ready-to-serve
2 charges to be used for any costs connected with preparation,
3 acquisition, or construction of the system;

4 (11) apply for, accept, and be the holder of any permit
5 or license issued by or required under federal or state law;
6 and

7 (12) provide FM translator services if authorized as
8 provided in 7-13-2512.*

9 Section 6. Section 7-14-2745, MCA, is amended to read:

10 "7-14-2745. Mode of payment of assessment --
11 installment payments. (1) Installment payments shall be made
12 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

13 (2) Payments shall be in the form of bonds which shall
14 draw 6% interest, not to exceed the limitations of 17-5-102,
15 per annum from the date they are issued until they are paid.

16 (3) If the mode of payment is to be by installments,
17 the board and the committee shall approve and certify the
18 assessment roll.

19 (4) The board and the assessor shall, at the time of
20 levying the assessment and in their order setting the levy,
21 declare that the sum charged against each parcel of land may
22 be paid in equal annual installments with interest upon the
23 whole sum at the rate fixed by the board of county
24 commissioners in accordance with law. The order shall
25 specify the number of installments which shall be equal to

1 the number of years for which the bonds may run.

2 (5) Each year thereafter, the treasurer shall collect
3 one of the installments, together with the interest due
4 thereon and the interest due on the installments thereafter
5 to become due.

6 (6) Provisions concerning delinquency and the sale of
7 land set forth with relation to the mode of immediate
8 payment shall be likewise applicable to installment
9 payments."

10 Section 7. Section 7-15-4322, MCA, is amended to read:

11 "7-15-4322. Details relating to urban renewal bonds.

12 (1) Bonds issued under 7-15-4301 may be issued in one or
13 more series and shall bear such date or dates, be payable
14 upon demand or mature at such time or times, bear interest
15 at such rate or rates not exceeding 9%~~a~~-year the limitation
16 of 17-5-102, be in such denomination or denominations, be in
17 such form (either coupon or registered), carry such
18 conversion or registration privileges, have such rank or
19 priority, be executed in such manner, be payable in such
20 medium of payment at such place or places, be subject to
21 such terms of redemption (with or without premium), be
22 secured in such manner, and have such other characteristics
23 as may be provided by the resolution, ordinance, or trust
24 indenture or mortgage authorized pursuant thereto.

25 (2) (a) The bonds may be sold at not less than 98% of

1 par at public or private sale or may be exchanged for other
2 bonds on the basis of par.

3 (b) The bonds may be sold to the federal government at
4 private sale at not less than par, and if less than all of
5 the authorized principal amount of the bonds is sold to the
6 federal government, the balance may be sold at public or
7 private sale at not less than 98% of par at an interest cost
8 to the municipality of not to exceed the interest cost to
9 the municipality of the portion of the bonds sold to the
10 federal government."

11 Section 8. Section 7-31-112, MCA, is amended to read:

12 "7-31-112. Details relating to bonds. (1) The bonds to
13 be issued upon the conditions and under the provisions
14 aforesaid shall:

15 (a) bear the date of their issuance;

16 (b) be designated as sanitary coupon bonds of the
17 county, city, or town issuing the same;

18 (c) be of a denomination not less than \$500 or more
19 than \$1,000 each;

20 (d) be payable at such place in New York City or
21 elsewhere, at the discretion of the board or council issuing
22 the same;

23 (e) bear interest at the a rate of 6% per annum not
24 exceeding the limitations of 17-5-102, payable 30 years
25 after the date thereof, with the privilege of paying the

1 same at any time after 5 years from such date, which
 2 interest shall be payable semiannually at the place whereat
 3 the principal is payable and for which interest coupons
 4 shall be attached to said bonds.

5 (2) If said bonds and coupons are issued by any
 6 county, they shall be signed by the chairman of the board of
 7 county commissioners of such county and attested by the
 8 clerk thereof and his seal attached thereto. If the bonds
 9 and coupons are issued by any incorporated city or town, the
 10 same shall be signed by the mayor and attested to by the
 11 city or town clerk and the seal thereof attached."

12 Section 9. Section 7-34-2415, MCA, is amended to read:
 13 "7-34-2415. Details of bonds. (1) The bonds may be
 14 sold at public or private sale and shall bear interest at a
 15 rate or rates not exceeding ~~10%~~ the limitation of
 16 17-5-102. The bonds may be for a 40-year period.

17 (2) Except as otherwise provided in 7-34-2411 through
 18 7-34-2418, any bonds issued pursuant to 7-34-2411 through
 19 7-34-2419 by a county shall be payable as to principal and
 20 interest solely from revenues of the county and shall state
 21 on their face the applicable limitations or restrictions
 22 regarding the source or sources from which such principal
 23 and interest are payable."

24 Section 10. Section 17-5-102, MCA, is amended to read:
 25 "17-5-102. Rate of interest on bonds to be determined

1 by governing bodies ~~---limitations-and-exceptions. (1) Bonds~~
 2 of a political subdivision shall bear interest at such rate
 3 or rates as its governing body shall determine ~~---except---that~~
 4 ~~no---such---rate---shall---exceed-7%---except-revenue-bonds-issued~~
 5 ~~under-the-terms-of-Title-7, chapter---7, parts--44--and--45,~~
 6 ~~Title-7, chapter-13, part-43, and 90-5-101 through 90-5-113,~~
 7 ~~which rate shall not exceed 9%.~~

8 (2) The provisions of this section establish the rate
 9 of interest on bonds of political subdivisions as defined in
 10 17-5-101 and expressly supersede any other statutory
 11 limitation on the rate of interest to be borne by bonds of
 12 political subdivisions."

13 Section 11. Section 20-9-410, MCA, is amended to read:
 14 "20-9-410. Limitation of term and interest -- timing
 15 for redemption. School district bonds shall not be issued
 16 for a term longer than 20 years, except that bonds issued to
 17 refund or redeem outstanding bonds shall not be issued for a
 18 term longer than 10 years unless the unexpired term of the
 19 bonds to be refunded or redeemed is in excess of 10 years,
 20 in which case the refunding or redeeming bonds may be issued
 21 for such unexpired term. All bonds issued for a longer term
 22 than 5 years shall be redeemable at the option of the school
 23 district on any interest payment date after one-half of the
 24 term for which they were issued has expired, and it shall be
 25 so stated on the face of the bonds. The interest shall not

1 exceed ~~7% per annum~~ the limitation of 17-5-102 and shall be
2 payable semiannually."

3 Section 12. Section 20-9-426, MCA, is amended to read:
4 "20-9-426. Preparation and form of ballots for bond
5 election. The school district shall cause ballots to be
6 prepared for all bond elections, and whenever bonds for more
7 than one purpose are to be voted upon at the same election,
8 separate ballots shall be prepared for each purpose. All
9 such ballots shall be substantially in the following form:

10 OFFICIAL BALLOT

11 SCHOOL DISTRICT BOND ELECTION

12 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
13 the vacant square before the words "BONDS--YES" if you wish
14 to vote for the bond issue; if you are opposed to the bond
15 issue make an X or similar mark in the square before the
16 words "BONDS--NO".

17 Shall the board of trustees be authorized to issue and
18 sell bonds of this school district in the amount of
19 dollars (\$....), bearing interest at a rate not more than
20 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
21 semiannually, during a period not more than years, for
22 the purpose (here state the purpose the same way as in
23 the notice of election)?

24 BONDS -- YES.

25 BONDS -- NO."

1 Section 13. Section 20-9-427, MCA, is amended to read:

2 "20-9-427. Notice of bond election by separate
3 purpose. (1) Any school district bond election shall be
4 conducted in accordance with the school election provisions
5 of this title, except that the election notice required
6 therein shall be in substantially the following form:

7 NOTICE OF SCHOOL DISTRICT BOND ELECTION

8 Notice is hereby given by the trustees of School
9 District No. of County, state of Montana, that
10 pursuant to a certain resolution duly adopted at a meeting
11 of the board of trustees of said school district held on the
12 day of, A.D., 19.., an election of the registered
13 electors of School District No. of County, state
14 of Montana, will be held on the day of, A.D.,
15 19.., at for the purpose of voting upon the question of
16 whether or not the trustees shall be authorized to issue and
17 sell bonds of said school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
20 semiannually, for the purpose of (here state purpose).
21 The bonds to be issued will be either amortization or serial
22 bonds, and amortization bonds will be the first choice of
23 the board of trustees. The bonds to be issued, whether
24 amortization or serial bonds, will be payable in
25 installments over a period not exceeding (state number)

1 years.

2 The polls will be open from o'clock and
3 until o'clock of the said day.

4 Dated and posted this day of, A.D., 19...
5
6 Chairman, School District No....
7 of County
8 Address.....

9 (2) If the bonds proposed to be issued are for more
10 than one purpose, then each purpose shall be separately
11 stated in the notice, together with the proposed amount of
12 bonds therefor."

13 Section 14. Section 20-9-430, MCA, is amended to read:
14 "20-9-430. Notice of sale of school district bonds.
15 The trustees shall cause the notice of the sale of the bonds
16 to be given. The notice shall state the purpose for which
17 the bonds are to be issued and the amount proposed to be
18 issued and shall be substantially in the following form:

19 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

20 Notice is hereby given by the trustees of School
21 District No. of County, state of Montana, that the
22 trustees will on the day of, 19.., at the hour of
23 o'clock at, in the school district, sell to
24 the highest and best bidder for cash either amortization or
25 serial bonds of the school district in the total amount of

1 dollars (\$....), for the purpose of

2 Amortization bonds will be the first choice and serial
3 bonds will be the second choice of the trustees.

4 If amortization bonds are sold and issued, the entire
5 issue may be put into one single bond or divided into
6 several bonds, as the trustees may determine upon at the
7 time of sale, both principal and interest to be payable in
8 semiannual installments during a period of years from
9 the date of issue.

10 If serial bonds are issued and sold, they will be in
11 the amount of dollars (\$....) each, the sum of
12 dollars (\$....) of the serial bonds will become payable on
13 the day of, 19.., and the sum of dollars
14 (\$....) will become payable on the same day each year
15 thereafter until all of the bonds are paid.

16 The bonds, whether amortization or serial bonds, will
17 bear date of, 19.., and will bear interest at a rate
18 not exceeding 7%% per annum, payable semiannually, on
19 the day of (month) and (month) in each year,
20 and will be redeemable in full. (Here insert optional
21 provisions, if any, to be recited on the bonds.)

22 The bonds will be sold for not less than their par
23 value with accrued interest, and all bidders must state the
24 lowest rate of interest at which they will purchase the
25 bonds at par. The bonds shall be sold in open competition

1 bidding, by written bids, or by sealed bids. The trustees
2 reserve the right to reject any and all bids and to sell the
3 bonds at private sale.

4 All bids other than by or on behalf of the state board
5 of land commissioners must be accompanied by money, a
6 certified check, cashier's check, bank money order, or bank
7 draft drawn and issued by a national banking association
8 located in Montana or by any banking corporation
9 incorporated under the laws of Montana, in the sum of
10 dollars (\$....) payable to the order of the district, which
11 will be forfeited by the successful bidder in the event that
12 he shall refuse to purchase the bonds.

13 All bids should be addressed to the undersigned
14 district.

15
16 Chairman, School District No. ...
17 of County
18 Address:

19 ATTEST: Subscribed and sworn to before me this day of
20, 19...; Notary Public for the State
21 Residing at Montana. My Commission expires

22 Section 15, Section 20-9-440, MCA, is amended to read
23 "20-9-440. Payment of debt service obligations ---
24 termination of interest. (1) The county treasurer shall
25 maintain a separate debt service fund for each school

1 district and shall credit all tax moneys collected for debt
2 service to such fund and use the moneys credited to such
3 fund for the payment of debt service obligations in
4 accordance with the school financial administration
5 provisions of this title.

6 (2) The county treasurer shall pay from the debt
7 service fund all amounts of interest and principal on school
8 district bonds as such interest or principal becomes due
9 when the coupons or bonds are presented and surrendered for
10 payment and shall pay all special improvement district
11 assessments as the same become due if the bonds are held by
12 the state of Montana, then all payments shall be remitted to
13 the state treasurer who shall cancel the coupons or bonds
14 and return such coupons or bonds to the county treasurer
15 with his receipt if the bonds are not held by the state of
16 Montana and the interest or principal is made payable at
17 some designated bank or financial institution, the county
18 treasurer shall remit the amount due for interest or
19 principal to such bank or financial institution for payment
20 against the surrender of the canceled coupons or bonds.

21 (3) Whenever any school district bond or installment
22 on school district bonds shall become due and payable,
23 interest shall cease on such date unless sufficient funds
24 are available to pay such bond when it is presented for
25 payment or when payment of an installment is demanded, in

~~1 either case, interest on such bond or installment shall
2 continue until payment is made.~~

~~3 (4) Any installment on interest and principal on bonds
4 held by the state that is not promptly paid when due shall
5 draw interest at an annual rate of 6% from the date due
6 until actual payment, irrespective of the rate of interest
7 on the bonds.~~

8 Section 15. Section 67-11-303, MCA, is amended to
9 read:

10 "67-11-303. Bonds and obligations. (1) An authority
11 may borrow money for any of its corporate purposes and issue
12 its bonds therefor, including refunding bonds, in such form
13 and upon such terms as it may determine, payable out of any
14 revenues of the authority, including revenues derived from:

15 (a) an airport or air navigation facility or
16 facilities;

17 (b) taxes levied pursuant to 67-11-301 or other law
18 for airport purposes;

19 (c) grants or contributions from the federal
20 government; or

21 (d) other sources.

22 (2) The bonds may be issued by resolution of the
23 authority, without an election and without any limitation of
24 amount, except that no such bonds may be issued at any time
25 if the total amount of principal and interest to become due

1 in any year on such bonds and on any then outstanding bonds
2 for which revenues from the same source or sources are
3 pledged exceeds the amount of such revenues to be received
4 in that year as estimated in the resolution authorizing the
5 issuance of the bonds. The authority shall take all action
6 necessary and possible to impose, maintain, and collect
7 rates, charges, rentals, and taxes, if any are pledged,
8 sufficient to make the revenues from the pledged source in
9 such year at least equal to the amount of such principal and
10 interest due in that year.

11 (3) The bonds may be sold at public or private sale
12 and may bear interest at a rate not exceeding ~~10% a year~~ the
13 limitation of 17-5-102. Except as otherwise provided
14 herein, any bonds issued pursuant to this chapter by an
15 authority may be payable as to principal and interest solely
16 from revenues of the authority and shall state on their face
17 the applicable limitations or restrictions regarding the
18 source from which such principal and interest are payable.

19 (4) Bonds issued by an authority or municipality
20 pursuant to the provisions of this chapter are declared to
21 be issued for an essential public and governmental purpose
22 by a political subdivision within the meaning of
23 15-30-111(2)(a).

24 (5) For the security of any such bonds, the authority
25 or municipality may by resolution make and enter into any

1 covenant, agreement, or indenture and may exercise any
 2 additional powers authorized to be exercised by a
 3 municipality under Title 7, chapter 7, parts 44 and 45. The
 4 sums required from time to time to pay principal and
 5 interest and to create and maintain a reserve for the bonds
 6 may be paid from any revenues referred to in this chapter,
 7 prior to the payment of current costs of operation and
 8 maintenance of the facilities.

9 (6) Subject to the conditions stated in this
 10 subsection (6), the governing body of any municipality
 11 having a population in excess of 10,000, with respect to
 12 bonds issued pursuant to this chapter by the municipality or
 13 by an authority in which the municipality is included, may
 14 by resolution covenant that in the event that at any time
 15 all revenues, including taxes, appropriated and collected
 16 for such bonds are insufficient to pay principal or interest
 17 then due, it will levy a general tax upon all of the taxable
 18 property in the municipality for the payment of such
 19 deficiency; and may further covenant that at any time a
 20 deficiency is likely to occur within 1 year for the payment
 21 of principal and interest due on such bonds, it will levy a
 22 general tax upon all the taxable property in the
 23 municipality for the payment of such deficiency, and such
 24 taxes are not subject to any limitation of rate or amount
 25 applicable to other municipal taxes but are limited to a

1 rate estimated to be sufficient to produce the amount of the
 2 deficiency. In the event more than one municipality having a
 3 population in excess of 10,000 is included in an authority
 4 issuing bonds pursuant to this chapter, the municipalities
 5 may apportion the obligation to levy taxes for the payment
 6 of, or in anticipation of, a deficiency in the revenues
 7 appropriated for such bonds in such manner as the
 8 municipalities may determine. The resolution shall state the
 9 principal amount and purpose of the bonds and the substance
 10 of the covenant respecting deficiencies. No such resolution
 11 becomes effective until the question of its approval has
 12 been submitted to the qualified electors of the municipality
 13 at a special election called for that purpose by the
 14 governing body of the municipality and a majority of the
 15 electors voting on the question have voted in favor thereof.
 16 The notice and conduct of the election is governed, to the
 17 extent applicable, by [7-7-4227 through 7-7-4234] for an
 18 election called by cities and towns, and [7-7-2229 through
 19 7-7-2236] for an election called by counties. If a majority
 20 of the electors voting thereon vote against approval of the
 21 resolution, the municipality has no authority to make the
 22 covenant or to levy a tax for the payment of deficiencies
 23 pursuant to this section, but such municipality or authority
 24 may nevertheless issue bonds under this chapter payable
 25 solely from the sources referred to in subsection (1)

1 above."

2 Section 16. Section 69-4-332, MCA, is amended to read:

3 "69-4-332. Issuance of bonds. (1) After the expiration
4 of 30 days from the date of the adoption of the ordinance
5 levying the assessments, the governing body may issue
6 negotiable, interest-bearing bonds in a principal amount not
7 exceeding the unpaid balance of the assessments levied.
8 Whenever any ordinance authorizing the issuance of any bonds
9 pursuant to the improvement contemplated shall have been
10 adopted, such ordinance shall be published once in a
11 newspaper in which the original notice of hearing was
12 published.

13 (2) The bonds shall bear interest at a rate not
14 exceeding 8% per annum the limitations of 17-5-102, payable
15 as specified by the governing body over a period not
16 exceeding 20 years. The bonds shall be of such form and
17 denomination and shall be payable in principal and interest
18 at such times and place and shall be sold, authorized, and
19 issued in such manner as the governing body may determine.
20 The bonds shall be dated no earlier than the date on which
21 the special assessment shall begin to bear interest and
22 shall be secured by and payable from the levy and collection
23 of the special assessments in anticipation of the collection
24 of which they are issued. Any premium received on the sale
25 of the bonds may be applied as other bond proceeds, or if

1 not so applied, the same shall be placed in the fund for the
2 payment of principal of and interest on the bonds.

3 (3) The bonds shall be signed by a member of the
4 governing body designated by the governing body and shall be
5 countersigned by the appropriate treasurer, with the
6 corporate seal thereto affixed as appropriate, and attested
7 to by the clerk of the governing body. Interest may be
8 evidenced by interest coupons attached to such bonds and
9 signed by a facsimile signature of one of the individuals
10 who signed the bond."

11 NEW SECTION. Section 17. Effect on bonds previously
12 authorized. If prior to [the effective date of this act] a
13 political subdivision was authorized to issue bonds pursuant
14 to a law that limited the rate of interest on the bonds, it
15 may issue all of the bonds so authorized under the
16 provisions of 17-5-102 even if the rate of interest on the
17 bonds exceeds the maximum rate permissible prior to [the
18 effective date of this act].

19 Section 18. Codification instruction. Section 18 is
20 intended to be codified as an integral part of Title 17,
21 chapter 5, part 1.

22 Section 19. ~~Repeater.~~ Sections SUSPENSION. THE
23 OPERATION OF SECTIONS 7-7-2208 and 7-7-4207, MCA, are
24 repeated SUSPENDED UNTIL JULY 1, 1983.

25 Section 20. Effective date — TERMINATION. This act is

SB 0015/03

- 1 effective on passage and approval AND TERMINATES ON JULY 1,
- 2 1983.

-End-

SENATE BILL NO. 15

INTRODUCED BY MAZUREK

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING SECTION SECTIONS ~~7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432, 7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415, 17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-440, 67-11-303, AND 69-4-332, MCA; REPEALING SUSPENDING THE OPERATION OF SECTIONS 7-7-2208 AND 7-7-4207, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."~~

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

Refer to Introduced Bill

(Strike everything after the enacting clause and insert:)

Section 1. Section 7-7-2251, MCA, is amended to read:

"7-7-2251. Form of notice of sale of bonds. The notice of sale shall state the purpose or purposes for which the bonds are to be issued and the amount proposed to be issued for each purpose and shall be substantially in the following form:

NOTICE OF SALE OF COUNTY BONDS

Notice is hereby given by the board of county

commissioners of County, state of Montana, that the board will on the day of, 19..., at the hour ofm., at the office of the board in the courthouse in the (town or city) of in the said county, sell to the highest and best bidder for cash, either amortization or serial bonds of the said county in the total amount of dollars (\$....) for the purpose of

Amortization bonds will be the first choice and serial bonds will be the second choice of the said board.

If amortization bonds are sold and issued, the entire issue may be put into one single bond or divided into several bonds, as the board may determine at the time of sale, both principal and interest to be payable in semiannual installments during a period of years from the date of issue.

If serial bonds are issued and sold, they will be in the amount of dollars (\$....) each, except the last bond which will be in the amount of dollars (\$....); the sum of dollars (\$....) of the said serial bonds will become payable on the day of, 19... and a like amount on the same day each year thereafter until all of such bonds are paid, except that the last installment will be in the amount of dollars (\$....).

The bonds, whether amortization or serial bonds, will bear date of, 19..., and will bear interest at a rate

THIRD READING
SB 15

1 not exceeding 6% ~~.....~~ per annum, payable semiannually, on
2 the day of (month) and (month) in each year,
3 and will be redeemable in full (here insert the optional
4 provisions, if any, to be recited in the bonds).

5 The bonds will be sold for not less than their par
6 value with accrued interest to date of delivery, and all
7 bidders must state the lowest rate of interest at which they
8 will purchase the bonds at par. The board reserves the right
9 to reject any and all bids and to sell the bonds at private
10 sale.

11 All bids other than by or on behalf of the board of
12 investments of the state of Montana must be accompanied by a
13 certified check in the sum of dollars, (\$.....), payable
14 to the order of the clerk, which will be forfeited by the
15 successful bidder in the event that he shall fail or refuse
16 to complete the purchase of the bonds in accordance with the
17 terms of his bid.

18 All bids should be addressed to the board of county
19 commissioners of said county and delivered to the county
20 clerk of said county.

21 ATTEST:
22
23 (Chairman, Board of County Commissioners)
24 of County
25 State of Montana

1
2 (Clerk of the Board of County Commissioners)
3 of County, Montana
4 Address Montana"

5 Section 2. Section 7-7-4251, MCA, is amended to read:
6 "7-7-4251. Form of notice of sale of bonds. The notice
7 of sale shall state the purpose or purposes for which the
8 bonds are to be issued and the amount proposed to be issued
9 for each purpose and shall be substantially in the following
10 form:

11 NOTICE OF SALE OF (CITY OR TOWN) BONDS
12 Notice is hereby given by the council of the (city or
13 town) of, Montana, that the council will, on the
14 day of, 19.., at the hour of, at its council
15 chamber in the (city or town) of, Montana, sell to the
16 highest and best bidder for cash either amortization or
17 serial bonds of the said (city or town) in the total amount
18 of dollars, (\$.....) for the purpose of

19 Amortization bonds will be the first choice and serial
20 bonds will be the second choice of the council.

21 If amortization bonds are sold and issued, the entire
22 issue may be put into one single bond or divided into
23 several bonds as the council may determine at the time of
24 sale, both principal and interest to be payable in
25 semiannual installments during a period of years from

1 the date of issue.

2 If serial bonds are issued and sold, they will be in
3 the amount of dollars (\$....) each, except the last
4 bond which will be in the amount of dollars (\$....);
5 the sum of dollars (\$....) of said serial bonds will
6 become due and payable on the day of, 19..., and a
7 like amount on the same day each year thereafter until all
8 such bonds are paid, except that the last installment will
9 be in the amount of dollars (\$....).

10 The bonds, whether amortization or serial bonds, will
11 bear date of, 19..., will bear interest at a rate not
12 exceeding 6% ~~....%~~ per annum, payable semiannually, on the
13 day of and on the day of in each year
14 and will be redeemable (here insert the optional provisions,
15 if any, recited in the bonds).

16 Said bonds will be sold for not less than their par
17 value with accrued interest to date of delivery, and all
18 bidders must state the lowest rate of interest at which they
19 will purchase the bonds at par. The council reserves the
20 right to reject any and all bids and to sell said bonds at
21 private sale.

22 All bids other than by or on behalf of the board of
23 investments of the state of Montana must be accompanied by a
24 certified check in the sum of dollars (\$....), payable
25 to the order of the (city or town) clerk, which will be

1 forfeited by the successful bidder in the event he shall
2 fail or refuse to complete the purchase of said bonds in
3 accordance with the terms of his bid.

4 All bids shall be addressed to the council of the (city
5 or town) of and delivered to the clerk of said (city or
6 town).

7
8 Mayor of the (city or town) of
9, Montana

10 ATTEST:

11(City or Town) Clerk"

12 Section 3. Section 7-7-4275, MCA, is amended to read:

13 "7-7-4275. Refunding of bond issue held by state by
14 exchange for amortization bonds. (1) Subject to the approval
15 of the board of investments, the council of any city or town
16 is hereby authorized to issue amortization bonds for the
17 purpose of refunding any outstanding bonds of such city or
18 town held by the state and which were not issued either as
19 amortization or serial bonds and to exchange the same for
20 such outstanding bonds.

21 (2) Such amortization bonds shall conform in all
22 respects to the definition of amortization bonds as set
23 forth in 7-7-4209 and shall bear interest at such rate as
24 may be agreed upon between the council of such city or town
25 and the board of investments, ~~but the interest shall not~~

1 ~~exceed 6% per annum pursuant to 17-5-102.~~ Such amortization
 2 bonds may be issued and exchanged for such outstanding bonds
 3 without submitting the question of issuing the same at an
 4 election, and it shall not be necessary to publish any
 5 notice of sale of such bonds.

6 (3) This section shall not be construed so as to
 7 deprive city or town councils of the right to advertise,
 8 sell, and issue refunding bonds in the manner provided in
 9 part 43."

10 Section 4. Section 7-7-4432, MCA, is amended to read:

11 "7-7-4432. Details relating to revenue bonds. Bonds
 12 authorized to be issued under this part shall bear interest
 13 at such rate or rates not exceeding 9% ~~per annum~~ the
 14 limitation of 17-5-102, payable semiannually; may be in one
 15 or more series; may bear such date or dates; may mature at
 16 such time or times not exceeding 40 years from their
 17 respective dates; may be payable in such place or places;
 18 may carry such registration privileges; may be subject to
 19 such terms of redemption; may be executed in such manner;
 20 may contain such terms, covenants, and conditions; and may
 21 be in such form, either coupon or registered, as such
 22 resolution or subsequent resolutions may provide."

23 Section 5. Section 7-13-2510, MCA, is amended to read:

24 "7-13-2510. Powers of district. A television district
 25 organized under this part, acting through its board of

1 trustees herein provided for, may:

2 (1) perform all the acts and take all the necessary or
 3 proper steps to assure that there will be a fair, efficient,
 4 and equitable distribution of television services within the
 5 area in order that all persons within such service area
 6 shall be supplied by means of an appropriate electrical or
 7 electronic system for television program distribution, such
 8 authorized system to provide such flexibility as to permit
 9 radical improvements in technical quality without rendering
 10 inoperative receivers therein, but discontinuance of service
 11 by the district for improvements or repairs for a temporary
 12 period shall not be construed as rendering inoperative;

13 (2) if necessary or proper in the furtherance of the
 14 objects of this part, acquire, build, construct, repair,
 15 own, maintain, and operate any necessary stations
 16 transmitting simultaneous visual and aural signals intended
 17 to be received by the general public, relay stations, pickup
 18 stations, or any other necessary electrical or electronic
 19 system;

20 (3) make contracts to compensate any owner of land or
 21 other property for the use of such property for the purposes
 22 of this part;

23 (4) make contracts with the United States, any state
 24 or municipality, or any department or agency of those
 25 entities for carrying out the general purposes for which the

1 district is formed;

2 (5) acquire, by gift, devise, bequest, lease, or
3 purchase, real and personal property, tangible or
4 intangible, including lands, rights-of-way, and easements,
5 necessary or convenient for its purposes;

6 (6) to make contracts of any lawful nature (including
7 labor contracts or those for employees' benefits) and employ
8 engineers, laboratory personnel, attorneys, other technical
9 or professional assistants, and any other assistants or
10 employees necessary to carry out the provisions of this
11 part;

12 (7) issue warrants, payable at the time stated
13 therein, to evidence the obligation to repay money borrowed
14 or any other obligation incurred by the district, warrants
15 so issued to draw interest at a rate fixed by the board,
16 payable annually or semiannually as the board may prescribe;

17 (8) contract indebtedness or borrow money for
18 corporate purposes and issue revenue bonds therefor to be
19 repaid from rates and charges, bearing interest at a rate
20 not exceeding ~~7%~~per annum the limitation of 17-5-102
21 payable semiannually, the bonds not to be sold for less than
22 par and accrued interest;

23 (9) prescribe tax rates for the providing of services
24 throughout the area in accordance with the provisions of
25 this part;

1 (10) prescribe such installation or ready-to-serve
2 charges to be used for any costs connected with preparation,
3 acquisition, or construction of the system;

4 (11) apply for, accept, and be the holder of any permit
5 or license issued by or required under federal or state law;
6 and

7 (12) provide FM translator services if authorized as
8 provided in 7-13-2512."

9 Section 6. Section 7-14-2745, MCA, is amended to read:
10 "7-14-2745. Mode of payment of assessment --
11 installment payments. (1) Installment payments shall be made
12 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

13 (2) Payments shall be in the form of bonds which shall
14 draw 6% interest, not to exceed the limitations of 17-5-102,
15 per annum from the date they are issued until they are paid.

16 (3) If the mode of payment is to be by installments,
17 the board and the committee shall approve and certify the
18 assessment roll.

19 (4) The board and the assessor shall, at the time of
20 levying the assessment and in their order setting the levy,
21 declare that the sum charged against each parcel of land may
22 be paid in equal annual installments with interest upon the
23 whole sum at the rate fixed by the board of county
24 commissioners in accordance with law. The order shall
25 specify the number of installments which shall be equal to

1 the number of years for which the bonds may run.

2 (5) Each year thereafter, the treasurer shall collect
3 one of the installments, together with the interest due
4 thereon and the interest due on the installments thereafter
5 to become due.

6 (6) Provisions concerning delinquency and the sale of
7 land set forth with relation to the mode of immediate
8 payment shall be likewise applicable to installment
9 payments."

10 Section 7. Section 7-15-4322, MCA, is amended to read:

11 "7-15-4322. Details relating to urban renewal bonds.

12 (1) Bonds issued under 7-15-4301 may be issued in one or
13 more series and shall bear such date or dates, be payable
14 upon demand or mature at such time or times, bear interest
15 at such rate or rates not exceeding 9% a year the limitation
16 of 17-5-102, be in such denomination or denominations, be in
17 such form (either coupon or registered), carry such
18 conversion or registration privileges, have such rank or
19 priority, be executed in such manner, be payable in such
20 medium of payment at such place or places, be subject to
21 such terms of redemption (with or without premium), be
22 secured in such manner, and have such other characteristics
23 as may be provided by the resolution, ordinance, or trust
24 indenture or mortgage authorized pursuant thereto.

25 (2) (a) The bonds may be sold at not less than 98% of

1 par at public or private sale or may be exchanged for other
2 bonds on the basis of par.

3 (b) The bonds may be sold to the federal government at
4 private sale at not less than par, and if less than all of
5 the authorized principal amount of the bonds is sold to the
6 federal government, the balance may be sold at public or
7 private sale at not less than 98% of par at an interest cost
8 to the municipality of not to exceed the interest cost to
9 the municipality of the portion of the bonds sold to the
10 federal government."

11 Section 8. Section 7-31-112, MCA, is amended to read:

12 "7-31-112. Details relating to bonds. (1) The bonds to
13 be issued upon the conditions and under the provisions
14 aforesaid shall:

15 (a) bear the date of their issuance;

16 (b) be designated as sanitary coupon bonds of the
17 county, city, or town issuing the same;

18 (c) be of a denomination not less than \$500 or more
19 than \$1,000 each;

20 (d) be payable at such place in New York City or
21 elsewhere, at the discretion of the board or council issuing
22 the same;

23 (e) bear interest at the a rate of 6% per annum not
24 exceeding the limitations of 17-5-102, payable 30 years
25 after the date thereof, with the privilege of paying the

1 same at any time after 5 years from such date, which
2 interest shall be payable semiannually at the place whereat
3 the principal is payable and for which interest coupons
4 shall be attached to said bonds.

5 (2) If said bonds and coupons are issued by any
6 county, they shall be signed by the chairman of the board of
7 county commissioners of such county and attested by the
8 clerk thereof and his seal attached thereto. If the bonds
9 and coupons are issued by any incorporated city or town, the
10 same shall be signed by the mayor and attested to by the
11 city or town clerk and the seal thereof attached."

12 Section 9. Section 7-34-2415, MCA, is amended to read:

13 "7-34-2415. Details of bonds. (1) The bonds may be
14 sold at public or private sale and shall bear interest at a
15 rate or rates not exceeding ~~10% a year~~ the limitation of
16 17-5-102. The bonds may be for a 40-year period.

17 (2) Except as otherwise provided in 7-34-2411 through
18 7-34-2418, any bonds issued pursuant to 7-34-2411 through
19 7-34-2418 by a county shall be payable as to principal and
20 interest solely from revenues of the county and shall state
21 on their face the applicable limitations or restrictions
22 regarding the source or sources from which such principal
23 and interest are payable."

24 Section 10. Section 17-5-102, MCA, is amended to read:

25 "17-5-102. Rate of interest on bonds to be determined

1 by governing bodies ~~---limitations-and-exceptions. (1) Bonds~~
2 of a political subdivision shall bear interest at such rate
3 or rates as its governing body shall determine ~~---except---that~~
4 ~~no---such---rate---shall---exceed-7%---except-revenue-bonds-issued~~
5 ~~under-the-terms-of-title-7, chapter--7,--parts--44--and--45,~~
6 ~~title-7, chapter-13, part-43, and 98-5-101 through 98-5-113,~~
7 ~~which-rate-shall-not-exceed-9%.~~

8 (2) The provisions of this section establish the rate
9 of interest on bonds of political subdivisions as defined in
10 17-5-101 and expressly supersede any other statutory
11 limitation on the rate of interest to be borne by bonds of
12 political subdivisions."

13 Section 11. Section 20-9-410, MCA, is amended to read:

14 "20-9-410. Limitation of term and interest -- timing
15 for redemption. School district bonds shall not be issued
16 for a term longer than 20 years, except that bonds issued to
17 refund or redeem outstanding bonds shall not be issued for a
18 term longer than 10 years unless the unexpired term of the
19 bonds to be refunded or redeemed is in excess of 10 years,
20 in which case the refunding or redeeming bonds may be issued
21 for such unexpired term. All bonds issued for a longer term
22 than 5 years shall be redeemable at the option of the school
23 district on any interest payment date after one-half of the
24 term for which they were issued has expired, and it shall be
25 so stated on the face of the bonds. The interest shall not

1 exceed ~~7% per annum~~ the limitation of 17-5-102 and shall be
2 payable semiannually."

3 Section 12. Section 20-9-426, MCA, is amended to read:

4 "20-9-426. Preparation and form of ballots for bond
5 election. The school district shall cause ballots to be
6 prepared for all bond elections, and whenever bonds for more
7 than one purpose are to be voted upon at the same election,
8 separate ballots shall be prepared for each purpose. All
9 such ballots shall be substantially in the following form:

10 OFFICIAL BALLOT

11 SCHOOL DISTRICT BOND ELECTION

12 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
13 the vacant square before the words "BONDS--YES" if you wish
14 to vote for the bond issue; if you are opposed to the bond
15 issue make an X or similar mark in the square before the
16 words "BONDS--NO".

17 Shall the board of trustees be authorized to issue and
18 sell bonds of this school district in the amount of
19 dollars (\$....), bearing interest at a rate not more than
20 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
21 semiannually, during a period not more than years, for
22 the purpose (here state the purpose the same way as in
23 the notice of election)?

24 BONDS -- YES.

25 BONDS -- NO."

1 Section 13. Section 20-9-427, MCA, is amended to read:

2 "20-9-427. Notice of bond election by separate
3 purpose. (1) Any school district bond election shall be
4 conducted in accordance with the school election provisions
5 of this title, except that the election notice required
6 therein shall be in substantially the following form:

7 NOTICE OF SCHOOL DISTRICT BOND ELECTION

8 Notice is hereby given by the trustees of School
9 District No. of County, state of Montana, that
10 pursuant to a certain resolution duly adopted at a meeting
11 of the board of trustees of said school district held on the
12 day of, A.D., 19.., an election of the registered
13 electors of School District No. of County, state
14 of Montana, will be held on the day of, A.D.,
15 19.., at for the purpose of voting upon the question of
16 whether or not the trustees shall be authorized to issue and
17 sell bonds of said school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
20 semiannually, for the purpose of (here state purpose).
21 The bonds to be issued will be either amortization or serial
22 bonds, and amortization bonds will be the first choice of
23 the board of trustees. The bonds to be issued, whether
24 amortization or serial bonds, will be payable in
25 installments over a period not exceeding (state number)

1 years.

2 The polls will be open from o'clock and
3 until o'clock of the said day.

4 Dated and posted this day of, A.D., 19...
5
6 Chairman, School District No....
7 of County
8 Address.....

9 (2) If the bonds proposed to be issued are for more
10 than one purpose, then each purpose shall be separately
11 stated in the notice, together with the proposed amount of
12 bonds therefor."

13 Section 14. Section 20-9-430, MCA, is amended to read:
14 "20-9-430. Notice of sale of school district bonds.
15 The trustees shall cause the notice of the sale of the bonds
16 to be given. The notice shall state the purpose for which
17 the bonds are to be issued and the amount proposed to be
18 issued and shall be substantially in the following form:

19 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

20 Notice is hereby given by the trustees of School
21 District No. of County, state of Montana, that the
22 trustees will on the day of, 19..., at the hour of
23 o'clock at in the school district, sell to
24 the highest and best bidder for cash either amortization or
25 serial bonds of the school district in the total amount of

1 dollars (\$....), for the purpose of

2 Amortization bonds will be the first choice and serial
3 bonds will be the second choice of the trustees.

4 If amortization bonds are sold and issued, the entire
5 issue may be put into one single bond or divided into
6 several bonds, as the trustees may determine upon at the
7 time of sale, both principal and interest to be payable in
8 semiannual installments during a period of years from
9 the date of issue.

10 If serial bonds are issued and sold, they will be in
11 the amount of dollars (\$....) each, the sum of
12 dollars (\$....) of the serial bonds will become payable on
13 the day of, 19..., and the sum of dollars
14 (\$....) will become payable on the same day each year
15 thereafter until all of the bonds are paid.

16 The bonds, whether amortization or serial bonds, will
17 bear date of, 19..., and will bear interest at a rate
18 not exceeding 7% per annum, payable semiannually, on
19 the day of (month) and (month) in each year,
20 and will be redeemable in full. (Here insert optional
21 provisions, if any, to be recited on the bonds.)

22 The bonds will be sold for not less than their par
23 value with accrued interest, and all bidders must state the
24 lowest rate of interest at which they will purchase the
25 bonds at par. The bonds shall be sold in open competition

1 bidding, by written bids, or by sealed bids. The trustees
2 reserve the right to reject any and all bids and to sell the
3 bonds at private sale.

4 All bids other than by or on behalf of the state board
5 of land commissioners must be accompanied by money, a
6 certified check, cashier's check, bank money order, or bank
7 draft drawn and issued by a national banking association
8 located in Montana or by any banking corporation
9 incorporated under the laws of Montana, in the sum of
10 dollars (\$....) payable to the order of the district, which
11 will be forfeited by the successful bidder in the event that
12 he shall refuse to purchase the bonds.

13 All bids should be addressed to the undersigned
14 district.

15
16 Chairman, School District No. ...
17 of County
18 Address:

19 ATTEST: Subscribed and sworn to before me this day of
20 19...; Notary Public for the State
21 Residing at, Montana. My Commission expires

22 Section 15, Section 20-9-440, MCA, is amended to read:
23 "20-9-440. Payment of debt service obligations ---
24 termination of interest. (1) The county treasurer shall
25 maintain a separate debt service fund for each school

1 district and shall credit all tax moneys collected for debt
2 service to such fund and use the moneys credited to such
3 fund for the payment of debt service obligations in
4 accordance with the school financial administration
5 provisions of this title.

6 (2) The county treasurer shall pay from the debt
7 service fund all amounts of interest and principal on school
8 district bonds as such interest or principal becomes due
9 when the coupons or bonds are presented and surrendered for
10 payment and shall pay all special improvement district
11 assessments as the same become due, if the bonds are held by
12 the state of Montana, then all payments shall be remitted to
13 the state treasurer who shall cancel the coupons or bonds
14 and return such coupons or bonds to the county treasurer
15 with his receipts if the bonds are not held by the state of
16 Montana and the interest or principal is made payable at
17 some designated bank or financial institution, the county
18 treasurer shall remit the amount due for interest or
19 principal to such bank or financial institution for payment
20 against the surrender of the canceled coupons or bonds.

21 (3) Whenever any school district bond or installment
22 on school district bonds shall become due and payable,
23 interest shall cease on such date unless sufficient funds
24 are available to pay such bond when it is presented for
25 payment or when payment of an installment is demanded, in

1 ~~either case interest on such bond or installment shall~~
2 ~~continue until payment is made.~~

3 ~~(4) Any installment on interest and principal on bonds~~
4 ~~held by the state that is not promptly paid when due shall~~
5 ~~draw interest at an annual rate of 6% from the date due~~
6 ~~until actual payment, irrespective of the rate of interest~~
7 ~~on the bonds."~~

8 Section 15. Section 67-11-303, MCA, is amended to
9 read:

10 "67-11-303. Bonds and obligations. (1) An authority
11 may borrow money for any of its corporate purposes and issue
12 its bonds therefor, including refunding bonds, in such form
13 and upon such terms as it may determine, payable out of any
14 revenues of the authority, including revenues derived from:

15 (a) an airport or air navigation facility or
16 facilities;

17 (b) taxes levied pursuant to 67-11-301 or other law
18 for airport purposes;

19 (c) grants or contributions from the federal
20 government; or

21 (d) other sources.

22 (2) The bonds may be issued by resolution of the
23 authority, without an election and without any limitation of
24 amount, except that no such bonds may be issued at any time
25 if the total amount of principal and interest to become due

1 in any year on such bonds and on any then outstanding bonds
2 for which revenues from the same source or sources are
3 pledged exceeds the amount of such revenues to be received
4 in that year as estimated in the resolution authorizing the
5 issuance of the bonds. The authority shall take all action
6 necessary and possible to impose, maintain, and collect
7 rates, charges, rentals, and taxes, if any are pledged,
8 sufficient to make the revenues from the pledged source in
9 such year at least equal to the amount of such principal and
10 interest due in that year.

11 (3) The bonds may be sold at public or private sale
12 and may bear interest at a rate not exceeding ~~10% a year~~ the
13 limitation of 17-5-102. Except as otherwise provided
14 herein, any bonds issued pursuant to this chapter by an
15 authority may be payable as to principal and interest solely
16 from revenues of the authority and shall state on their face
17 the applicable limitations or restrictions regarding the
18 source from which such principal and interest are payable.

19 (4) Bonds issued by an authority or municipality
20 pursuant to the provisions of this chapter are declared to
21 be issued for an essential public and governmental purpose
22 by a political subdivision within the meaning of
23 15-30-111(2)(a).

24 (5) For the security of any such bonds, the authority
25 or municipality may by resolution make and enter into any

1 covenant, agreement, or indenture and may exercise any
 2 additional powers authorized to be exercised by a
 3 municipality under Title 7, chapter 7, parts 44 and 45. The
 4 sums required from time to time to pay principal and
 5 interest and to create and maintain a reserve for the bonds
 6 may be paid from any revenues referred to in this chapter,
 7 prior to the payment of current costs of operation and
 8 maintenance of the facilities.

9 (b) Subject to the conditions stated in this
 10 subsection (6), the governing body of any municipality
 11 having a population in excess of 10,000, with respect to
 12 bonds issued pursuant to this chapter by the municipality or
 13 by an authority in which the municipality is included, may
 14 by resolution covenant that in the event that at any time
 15 all revenues, including taxes, appropriated and collected
 16 for such bonds are insufficient to pay principal or interest
 17 then due, it will levy a general tax upon all of the taxable
 18 property in the municipality for the payment of such
 19 deficiency; and may further covenant that at any time a
 20 deficiency is likely to occur within 1 year for the payment
 21 of principal and interest due on such bonds, it will levy a
 22 general tax upon all the taxable property in the
 23 municipality for the payment of such deficiency, and such
 24 taxes are not subject to any limitation of rate or amount
 25 applicable to other municipal taxes but are limited to a

1 rate estimated to be sufficient to produce the amount of the
 2 deficiency. In the event more than one municipality having a
 3 population in excess of 10,000 is included in an authority
 4 issuing bonds pursuant to this chapter, the municipalities
 5 may apportion the obligation to levy taxes for the payment
 6 of, or in anticipation of, a deficiency in the revenues
 7 appropriated for such bonds in such manner as the
 8 municipalities may determine. The resolution shall state the
 9 principal amount and purpose of the bonds and the substance
 10 of the covenant respecting deficiencies. No such resolution
 11 becomes effective until the question of its approval has
 12 been submitted to the qualified electors of the municipality
 13 at a special election called for that purpose by the
 14 governing body of the municipality and a majority of the
 15 electors voting on the question have voted in favor thereof.
 16 The notice and conduct of the election is governed, to the
 17 extent applicable, by [7-7-4227 through 7-7-4234] for an
 18 election called by cities and towns, and [7-7-2229 through
 19 7-7-2236] for an election called by counties. If a majority
 20 of the electors voting thereon vote against approval of the
 21 resolution, the municipality has no authority to make the
 22 covenant or to levy a tax for the payment of deficiencies
 23 pursuant to this section, but such municipality or authority
 24 may nevertheless issue bonds under this chapter payable
 25 solely from the sources referred to in subsection (1)

1 above."

2 Section 16. Section 69-4-332, MCA, is amended to read:

3 "69-4-332. Issuance of bonds. (1) After the expiration
4 of 30 days from the date of the adoption of the ordinance
5 levying the assessments, the governing body may issue
6 negotiable, interest-bearing bonds in a principal amount not
7 exceeding the unpaid balance of the assessments levied.
8 Whenever any ordinance authorizing the issuance of any bonds
9 pursuant to the improvement contemplated shall have been
10 adopted, such ordinance shall be published once in a
11 newspaper in which the original notice of hearing was
12 published.

13 (2) The bonds shall bear interest at a rate not
14 exceeding ~~8% per annum~~ the limitations of 17-5-102, payable
15 as specified by the governing body over a period not
16 exceeding 20 years. The bonds shall be of such form and
17 denomination and shall be payable in principal and interest
18 at such times and place and shall be sold, authorized, and
19 issued in such manner as the governing body may determine.
20 The bonds shall be dated no earlier than the date on which
21 the special assessment shall begin to bear interest and
22 shall be secured by and payable from the levy and collection
23 of the special assessments in anticipation of the collection
24 of which they are issued. Any premium received on the sale
25 of the bonds may be applied as other bond proceeds, or if

1 not so applied, the same shall be placed in the fund for the
2 payment of principal of and interest on the bonds.

3 (3) The bonds shall be signed by a member of the
4 governing body designated by the governing body and shall be
5 countersigned by the appropriate treasurer, with the
6 corporate seal thereto affixed as appropriate, and attested
7 to by the clerk of the governing body. Interest may be
8 evidenced by interest coupons attached to such bonds and
9 signed by a facsimile signature of one of the individuals
10 who signed the bond."

11 NEW SECTION. Section 17. Effect on bonds previously
12 authorized. If prior to [the effective date of this act] a
13 political subdivision was authorized to issue bonds pursuant
14 to a law that limited the rate of interest on the bonds, it
15 may issue all of the bonds so authorized under the
16 provisions of 17-5-102 even if the rate of interest on the
17 bonds exceeds the maximum rate permissible prior to [the
18 effective date of this act].

19 ~~NEW SECTION. SECTION 18. REDEMPTION OF BONDS. ALL
20 BONDS ISSUED BETWEEN THE EFFECTIVE DATE AND TERMINATION DATE
21 FOR A LONGER TERM THAN 5 YEARS SHALL BE REDEEMABLE AT THE
22 OPTION OF THE GOVERNING BODY ON ANY INTEREST PAYMENT DATE
23 AFTER THE FIFTH YEAR OF THE TERM FOR WHICH THEY WERE ISSUED
24 HAS EXPIRED, AND IT SHALL BE SO STATED ON THE BONDS.~~

25 NEW SECTION. SECTION 18. REDEMPTION OF BONDS. --

1 OPTIONAL METHOD. BETWEEN THE EFFECTIVE DATE AND TERMINATION
2 DATE OF THIS ACT, A GOVERNING BODY IN CONNECTION WITH THE
3 ISSUANCE OF BONDS MAY, AT ITS OPTION, PROVIDE THAT SUCH
4 BONDS SHALL BE REDEEMABLE AT SUCH TIME OR TIMES AND UPON
5 SUCH TERMS AND CONDITIONS AS THE GOVERNING BODY SHALL DEEM
6 TO BE IN THE BEST INTEREST OF THE PUBLIC, NOTWITHSTANDING
7 ANY STATUTORY PROVISION TO THE CONTRARY.

8 Section 19. Codification instruction. Section SECTIONS
9 17 AND 18 ~~is~~ ARE intended to be codified as an integral part
10 of Title 17, chapter 5, part 1.

11 Section 20. ~~Repeater-----Sections~~ SUSPENSION. THE
12 OPERATION OF SECTIONS 7-7-2208 and 7-7-4207, MCA, are IS
13 repeated SUSPENDED UNTIL JULY 1, 1983.

14 Section 21. Effective date --- TERMINATION. This act is
15 effective on passage and approval AND TERMINATES ON JULY 1,
16 1983.

-End-

1 SENATE BILL NO. 15
 2 INTRODUCED BY MAZUREK
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
 5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
 6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
 7 SECTION SECTIONS 7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432,
 8 7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415,
 9 17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-440,
 10 67-11-303, AND 69-4-332, MCA; REPEALING SUSPENDING THE
 11 OPERATION OF SECTIONS 7-7-2208 AND 7-7-4207, MCA; AND
 12 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
 13 DATE."

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

15 Refer to Introduced Bill

16 (Strike everything after the enacting clause and insert:)

17 Section 1. Section 7-7-2251, MCA, is amended to read:

18 "7-7-2251. Form of notice of sale of bonds. The notice
 19 of sale shall state the purpose or purposes for which the
 20 bonds are to be issued and the amount proposed to be issued
 21 for each purpose and shall be substantially in the following
 22 form:

23 NOTICE OF SALE OF COUNTY BONDS

24 Notice is hereby given by the board of county

1 commissioners of County, state of Montana, that the
 2 board will on the day of, 19... at the hour of
 3m., at the office of the board in the courthouse in
 4 the (town or city) of in the said county, sell to the
 5 highest and best bidder for cash, either amortization or
 6 serial bonds of the said county in the total amount of
 7 dollars (\$....) for the purpose of

8 Amortization bonds will be the first choice and serial
9 bonds will be the second choice of the said board.

10 If amortization bonds are sold and issued, the entire
 11 issue may be put into one single bond or divided into
 12 several bonds, as the board may determine at the time of
 13 sale, both principal and interest to be payable in
 14 semiannual installments during a period of years from
 15 the date of issue.

16 If serial bonds are issued and sold, they will be in
 17 the amount of dollars (\$....) each, except the last
 18 bond which will be in the amount of dollars (\$....);
 19 the sum of dollars (\$....) of the said serial bonds
 20 will become payable on the day of, 19... and a
 21 like amount on the same day each year thereafter until all
 22 of such bonds are paid, except that the last installment
 23 will be in the amount of dollars (\$....).

24 The bonds, whether amortization or serial bonds, will
25 bear date of, 19... and will bear interest at a rate

1 not exceeding 6% ~~....%~~ per annum, payable semiannually, on
2 the day of (month) and (month) in each year,
3 and will be redeemable in full (here insert the optional
4 provisions, if any, to be recited in the bonds).

5 The bonds will be sold for not less than their par
6 value with accrued interest to date of delivery, and all
7 bidders must state the lowest rate of interest at which they
8 will purchase the bonds at par. The board reserves the right
9 to reject any and all bids and to sell the bonds at private
10 sale.

11 All bids other than by or on behalf of the board of
12 investments of the state of Montana must be accompanied by a
13 certified check in the sum of dollars, (\$....), payable
14 to the order of the clerk, which will be forfeited by the
15 successful bidder in the event that he shall fail or refuse
16 to complete the purchase of the bonds in accordance with the
17 terms of his bid.

18 All bids should be addressed to the board of county
19 commissioners of said county and delivered to the county
20 clerk of said county.

21 ATTEST:

22
23 (Chairman, Board of County Commissioners)
24 of County
25 State of Montana

1
2 (Clerk of the Board of County Commissioners)
3 of County, Montana
4 Address, Montana*

5 Section 2. Section 7-7-4251, MCA, is amended to read:
6 "7-7-4251. Form of notice of sale of bonds. The notice
7 of sale shall state the purpose or purposes for which the
8 bonds are to be issued and the amount proposed to be issued
9 for each purpose and shall be substantially in the following
10 form:

11 NOTICE OF SALE OF (CITY OR TOWN) BONDS

12 Notice is hereby given by the council of the (city or
13 town) of, Montana, that the council will, on the
14 day of, 19.., at the hour of, at its council
15 chamber in the (city or town) of, Montana, sell to the
16 highest and best bidder for cash either amortization or
17 serial bonds of the said (city or town) in the total amount
18 of dollars, (\$....) for the purpose of

19 Amortization bonds will be the first choice and serial
20 bonds will be the second choice of the council.

21 If amortization bonds are sold and issued, the entire
22 issue may be put into one single bond or divided into
23 several bonds as the council may determine at the time of
24 sale, both principal and interest to be payable in
25 semiannual installments during a period of years from

1 the date of issue.

2 If serial bonds are issued and sold, they will be in
3 the amount of dollars (\$....) each, except the last
4 bond which will be in the amount of dollars (\$....);
5 the sum of dollars (\$....) of said serial bonds will
6 become due and payable on the day of, 19... and a
7 like amount on the same day each year thereafter until all
8 such bonds are paid, except that the last installment will
9 be in the amount of dollars (\$....).

10 The bonds, whether amortization or serial bonds, will
11 bear date of, 19... will bear interest at a rate not
12 exceeding 6%% per annum, payable semiannually, on the
13 day of and on the day of in each year
14 and will be redeemable (here insert the optional provisions,
15 if any, recited in the bonds).

16 Said bonds will be sold for not less than their par
17 value with accrued interest to date of delivery, and all
18 bidders must state the lowest rate of interest at which they
19 will purchase the bonds at par. The council reserves the
20 right to reject any and all bids and to sell said bonds at
21 private sale.

22 All bids other than by or on behalf of the board of
23 investments of the state of Montana must be accompanied by a
24 certified check in the sum of dollars (\$....), payable
25 to the order of the (city or town) clerk, which will be

1 forfeited by the successful bidder in the event he shall
2 fail or refuse to complete the purchase of said bonds in
3 accordance with the terms of his bid.

4 All bids shall be addressed to the council of the (city
5 or town) of and delivered to the clerk of said (city or
6 town).

7
8 Mayor of the (city or town) of
9, Montana

10 ATTEST:

11(City or Town) Clerk"

12 Section 3. Section 7-7-4275, MCA, is amended to read:
13 "7-7-4275. Refunding of bond issue held by state by
14 exchange for amortization bonds. (1) Subject to the approval
15 of the board of investments, the council of any city or town
16 is hereby authorized to issue amortization bonds for the
17 purpose of refunding any outstanding bonds of such city or
18 town held by the state and which were not issued either as
19 amortization or serial bonds and to exchange the same for
20 such outstanding bonds.

21 (2) Such amortization bonds shall conform in all
22 respects to the definition of amortization bonds as set
23 forth in 7-7-4209 and shall bear interest at such rate as
24 may be agreed upon between the council of such city or town
25 and the board of investments, ~~but the interest shall not~~

1 exceed ~~6%~~ per-annum pursuant to 17-5-102. Such amortization
 2 bonds may be issued and exchanged for such outstanding bonds
 3 without submitting the question of issuing the same at an
 4 election, and it shall not be necessary to publish any
 5 notice of sale of such bonds.

6 (3) This section shall not be construed so as to
 7 deprive city or town councils of the right to advertise,
 8 sell, and issue refunding bonds in the manner provided in
 9 part 43."

10 Section 4. Section 7-7-4432, MCA, is amended to read:

11 "7-7-4432. Details relating to revenue bonds. Bonds
 12 authorized to be issued under this part shall bear interest
 13 at such rate or rates not exceeding ~~9%~~ per-annum the
 14 limitation of 17-5-102, payable semiannually; may be in one
 15 or more series; may bear such date or dates; may mature at
 16 such time or times not exceeding 40 years from their
 17 respective dates; may be payable in such place or places;
 18 may carry such registration privileges; may be subject to
 19 such terms of redemption; may be executed in such manner;
 20 may contain such terms, covenants, and conditions; and may
 21 be in such form, either coupon or registered, as such
 22 resolution or subsequent resolutions may provide."

23 Section 5. Section 7-13-2510, MCA, is amended to read:

24 "7-13-2510. Powers of district. A television district
 25 organized under this part, acting through its board of

1 trustees herein provided for, may:

2 (1) perform all the acts and take all the necessary or
 3 proper steps to assure that there will be a fair, efficient,
 4 and equitable distribution of television services within the
 5 area in order that all persons within such service area
 6 shall be supplied by means of an appropriate electrical or
 7 electronic system for television program distribution, such
 8 authorized system to provide such flexibility as to permit
 9 radical improvements in technical quality without rendering
 10 inoperative receivers therein, but discontinuance of service
 11 by the district for improvements or repairs for a temporary
 12 period shall not be construed as rendering inoperative;

13 (2) if necessary or proper in the furtherance of the
 14 objects of this part, acquire, build, construct, repair,
 15 own, maintain, and operate any necessary stations
 16 transmitting simultaneous visual and aural signals intended
 17 to be received by the general public, relay stations, pickup
 18 stations, or any other necessary electrical or electronic
 19 system;

20 (3) make contracts to compensate any owner of land or
 21 other property for the use of such property for the purposes
 22 of this part;

23 (4) make contracts with the United States, any state
 24 or municipality, or any department or agency of those
 25 entities for carrying out the general purposes for which the

1 district is formed;

2 (5) acquire, by gift, devise, bequest, lease, or
3 purchase, real and personal property, tangible or
4 intangible, including lands, rights-of-way, and easements,
5 necessary or convenient for its purposes;

6 (6) to make contracts of any lawful nature (including
7 labor contracts or those for employees' benefits) and employ
8 engineers, laboratory personnel, attorneys, other technical
9 or professional assistants, and any other assistants or
10 employees necessary to carry out the provisions of this
11 part;

12 (7) issue warrants, payable at the time stated
13 therein, to evidence the obligation to repay money borrowed
14 or any other obligation incurred by the district, warrants
15 so issued to draw interest at a rate fixed by the board,
16 payable annually or semiannually as the board may prescribe;

17 (8) contract indebtedness or borrow money for
18 corporate purposes and issue revenue bonds therefor to be
19 repaid from rates and charges, bearing interest at a rate
20 not exceeding ~~7%--per--annum~~ the limitation of 17-5-102
21 payable semiannually, the bonds not to be sold for less than
22 par and accrued interest;

23 (9) prescribe tax rates for the providing of services
24 throughout the area in accordance with the provisions of
25 this part;

1 (10) prescribe such installation or ready-to-serve
2 charges to be used for any costs connected with preparation,
3 acquisition, or construction of the system;

4 (11) apply for, accept, and be the holder of any permit
5 or license issued by or required under federal or state law;
6 and

7 (12) provide FM translator services if authorized as
8 provided in 7-13-2512."

9 Section 6. Section 7-14-2745, MCA, is amended to read:
10 "7-14-2745. Mode of payment of assessment --
11 installment payments. (1) Installment payments shall be made
12 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

13 (2) Payments shall be in the form of bonds which shall
14 draw 6% interest, not to exceed the limitations of 17-5-102,
15 per annum from the date they are issued until they are paid.

16 (3) If the mode of payment is to be by installments,
17 the board and the committee shall approve and certify the
18 assessment roll.

19 (4) The board and the assessor shall, at the time of
20 levying the assessment and in their order setting the levy,
21 declare that the sum charged against each parcel of land may
22 be paid in equal annual installments with interest upon the
23 whole sum at the rate fixed by the board of county
24 commissioners in accordance with law. The order shall
25 specify the number of installments which shall be equal to

1 the number of years for which the bonds may run.

2 (5) Each year thereafter, the treasurer shall collect
3 one of the installments, together with the interest due
4 thereon and the interest due on the installments thereafter
5 to become due.

6 (6) Provisions concerning delinquency and the sale of
7 land set forth with relation to the mode of immediate
8 payment shall be likewise applicable to installment
9 payments."

10 Section 7. Section 7-15-4322, MCA, is amended to read:

11 "7-15-4322. Details relating to urban renewal bonds.

12 (1) Bonds issued under 7-15-4301 may be issued in one or
13 more series and shall bear such date or dates, be payable
14 upon demand or mature at such time or times, bear interest
15 at such rate or rates not exceeding 9%~~a~~-year the limitation
16 of 17-5-102, be in such denomination or denominations, be in
17 such form (either coupon or registered), carry such
18 conversion or registration privileges, have such rank or
19 priority, be executed in such manner, be payable in such
20 medium of payment at such place or places, be subject to
21 such terms of redemption (with or without premium), be
22 secured in such manner, and have such other characteristics
23 as may be provided by the resolution, ordinance, or trust
24 indenture or mortgage authorized pursuant thereto.

25 (2) (a) The bonds may be sold at not less than 98% of

1 par at public or private sale or may be exchanged for other
2 bonds on the basis of par.

3 (b) The bonds may be sold to the federal government at
4 private sale at not less than par, and if less than all of
5 the authorized principal amount of the bonds is sold to the
6 federal government, the balance may be sold at public or
7 private sale at not less than 98% of par at an interest cost
8 to the municipality of not to exceed the interest cost to
9 the municipality of the portion of the bonds sold to the
10 federal government."

11 Section 8. Section 7-31-112, MCA, is amended to read:

12 "7-31-112. Details relating to bonds. (1) The bonds to
13 be issued upon the conditions and under the provisions
14 aforesaid shall:

15 (a) bear the date of their issuance;

16 (b) be designated as sanitary coupon bonds of the
17 county, city, or town issuing the same;

18 (c) be of a denomination not less than \$500 or more
19 than \$1,000 each;

20 (d) be payable at such place in New York City or
21 elsewhere, at the discretion of the board or council issuing
22 the same;

23 (e) bear interest at the a rate of 6%~~per-annum~~ not
24 exceeding the limitations of 17-5-102, payable 30 years
25 after the date thereof, with the privilege of paying the

1 same at any time after 5 years from such date, which
2 interest shall be payable semiannually at the place whereat
3 the principal is payable and for which interest coupons
4 shall be attached to said bonds.

5 (2) If said bonds and coupons are issued by any
6 county, they shall be signed by the chairman of the board of
7 county commissioners of such county and attested by the
8 clerk thereof and his seal attached thereto. If the bonds
9 and coupons are issued by any incorporated city or town, the
10 same shall be signed by the mayor and attested to by the
11 city or town clerk and the seal thereof attached."

12 Section 9. Section 7-34-2415, MCA, is amended to read:

13 "7-34-2415. Details of bonds. (1) The bonds may be
14 sold at public or private sale and shall bear interest at a
15 rate or rates not exceeding ~~10%-a-year~~ the limitation of
16 17-5-102. The bonds may be for a 40-year period.

17 (2) Except as otherwise provided in 7-34-2411 through
18 7-34-2418, any bonds issued pursuant to 7-34-2411 through
19 7-34-2418 by a county shall be payable as to principal and
20 interest solely from revenues of the county and shall state
21 on their face the applicable limitations or restrictions
22 regarding the source or sources from which such principal
23 and interest are payable."

24 Section 10. Section 17-5-102, MCA, is amended to read:

25 "17-5-102. Rate of interest on bonds to be determined

1 by governing bodies ~~---limitations-and-exceptions.~~ (1) Bonds
2 of a political subdivision shall bear interest at such rate
3 or rates as its governing body shall determine ~~---except---that~~
4 ~~no--such--rate--shall--exceed-7%--except-revenue-bonds-issued~~
5 ~~under-the-terms-of-Title-7, chapter--7,--parts--44--and--45,~~
6 ~~Title-7, chapter-13, part-43, and-98-5-101-through-98-5-113,~~
7 ~~which-rate-shall-not-exceed-9%.~~

8 (2) The provisions of this section establish the rate
9 of interest on bonds of political subdivisions as defined in
10 17-5-101 and expressly supersede any other statutory
11 limitation on the rate of interest to be borne by bonds of
12 political subdivisions."

13 Section 11. Section 20-9-410, MCA, is amended to read:

14 "20-9-410. Limitation of term and interest -- timing
15 for redemption. School district bonds shall not be issued
16 for a term longer than 20 years, except that bonds issued to
17 refund or redeem outstanding bonds shall not be issued for a
18 term longer than 10 years unless the unexpired term of the
19 bonds to be refunded or redeemed is in excess of 10 years,
20 in which case the refunding or redeeming bonds may be issued
21 for such unexpired term. All bonds issued for a longer term
22 than 5 years shall be redeemable at the option of the school
23 district on any interest payment date after one-half of the
24 term for which they were issued has expired, and it shall be
25 so stated on the face of the bonds. The interest shall not

1 exceed ~~7% per annum~~ the limitation of 17-5-102 and shall be
2 payable semiannually."

3 Section 12. Section 20-9-426, MCA, is amended to read:

4 "20-9-426. Preparation and form of ballots for bond
5 election. The school district shall cause ballots to be
6 prepared for all bond elections, and whenever bonds for more
7 than one purpose are to be voted upon at the same election,
8 separate ballots shall be prepared for each purpose. All
9 such ballots shall be substantially in the following form:

10 OFFICIAL BALLOT

11 SCHOOL DISTRICT BOND ELECTION

12 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
13 the vacant square before the words "BONDS--YES" if you wish
14 to vote for the bond issue; if you are opposed to the bond
15 issue make an X or similar mark in the square before the
16 words "BONDS--NO".

17 Shall the board of trustees be authorized to issue and
18 sell bonds of this school district in the amount of
19 dollars (\$....), bearing interest at a rate not more than
20 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
21 semiannually, during a period not more than years, for
22 the purpose (here state the purpose the same way as in
23 the notice of election)?

- 24 BONDS -- YES.
- 25 BONDS -- NO."

1 Section 13. Section 20-9-427, MCA, is amended to read:
2 "20-9-427. Notice of bond election by separate
3 purpose. (1) Any school district bond election shall be
4 conducted in accordance with the school election provisions
5 of this title, except that the election notice required
6 therein shall be in substantially the following form:

7 NOTICE OF SCHOOL DISTRICT BOND ELECTION

8 Notice is hereby given by the trustees of School
9 District No. of County, state of Montana, that
10 pursuant to a certain resolution duly adopted at a meeting
11 of the board of trustees of said school district held on the
12 day of, A.D., 19.., an election of the registered
13 electors of School District No. of County, state
14 of Montana, will be held on the day of, A.D.,
15 19.., at for the purpose of voting upon the question of
16 whether or not the trustees shall be authorized to issue and
17 sell bonds of said school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven--percent--(7%)~~ percent (....%) per annum, payable
20 semiannually, for the purpose of (here state purpose).
21 The bonds to be issued will be either amortization or serial
22 bonds, and amortization bonds will be the first choice of
23 the board of trustees. The bonds to be issued, whether
24 amortization or serial bonds, will be payable in
25 installments over a period not exceeding (state number)

1 years.

2 The polls will be open from o'clockm. and
3 until o'clockm. of the said day.

4 Dated and posted this day of, A.D., 19...
5
6 Chairman, School District No....
7 of County
8 Address.....

9 {2} If the bonds proposed to be issued are for more
10 than one purpose, then each purpose shall be separately
11 stated in the notice, together with the proposed amount of
12 bonds therefor."

13 Section 14. Section 20-9-430, MCA, is amended to read:
14 "20-9-430. Notice of sale of school district bonds.
15 The trustees shall cause the notice of the sale of the bonds
16 to be given. The notice shall state the purpose for which
17 the bonds are to be issued and the amount proposed to be
18 issued and shall be substantially in the following form:

19 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

20 Notice is hereby given by the trustees of School
21 District No. of County, state of Montana, that the
22 trustees will on the day of, 19..., at the hour of
23 o'clockm. at, in the school district, sell to
24 the highest and best bidder for cash either amortization or
25 serial bonds of the school district in the total amount of

1 dollars (\$....), for the purpose of

2 Amortization bonds will be the first choice and serial
3 bonds will be the second choice of the trustees.

4 If amortization bonds are sold and issued, the entire
5 issue may be put into one single bond or divided into
6 several bonds, as the trustees may determine upon at the
7 time of sale, both principal and interest to be payable in
8 semiannual installments during a period of years from
9 the date of issue.

10 If serial bonds are issued and sold, they will be in
11 the amount of dollars (\$....) each, the sum of
12 dollars (\$....) of the serial bonds will become payable on
13 the day of, 19..., and the sum of dollars
14 (\$....) will become payable on the same day each year
15 thereafter until all of the bonds are paid.

16 The bonds, whether amortization or serial bonds, will
17 bear date of, 19..., and will bear interest at a rate
18 not exceeding 7%% per annum, payable semiannually, on
19 the day of (month) and (month) in each year,
20 and will be redeemable in full. (Here insert optional
21 provisions, if any, to be recited on the bonds.)

22 The bonds will be sold for not less than their par
23 value with accrued interest, and all bidders must state the
24 lowest rate of interest at which they will purchase the
25 bonds at par. The bonds shall be sold in open competition

1 bidding, by written bids, or by sealed bids. The trustees
2 reserve the right to reject any and all bids and to sell the
3 bonds at private sale.

4 All bids other than by or on behalf of the state board
5 of land commissioners must be accompanied by money, a
6 certified check, cashier's check, bank money order, or bank
7 draft drawn and issued by a national banking association
8 located in Montana or by any banking corporation
9 incorporated under the laws of Montana, in the sum of
10 dollars (\$....) payable to the order of the district, which
11 will be forfeited by the successful bidder in the event that
12 he shall refuse to purchase the bonds.

13 All bids should be addressed to the undersigned
14 district.

15
16 Chairman, School District No. ...
17 of County
18 Address:

19 ATTEST: Subscribed and sworn to before me this day of
20, 19...; Notary Public for the State
21 Residing at, Montana. My Commission expires"

22 ~~Section 15, Section 20-9-440, MCA, is amended to read:~~
23 ~~"20-9-440. Payment of debt service obligations ---~~
24 ~~termination of interest. (1) The county treasurer shall~~
25 ~~maintain a separate debt service fund for each school~~

1 ~~district and shall credit all tax moneys collected for debt~~
2 ~~service to such fund and use the moneys credited to such~~
3 ~~fund for the payment of debt service obligations in~~
4 ~~accordance with the school financial administration~~
5 ~~provisions of this title.~~

6 ~~(2) The county treasurer shall pay from the debt~~
7 ~~service fund all amounts of interest and principal on school~~
8 ~~district bonds as such interest or principal becomes due~~
9 ~~when the coupons or bonds are presented and surrendered for~~
10 ~~payment and shall pay all special improvement district~~
11 ~~assessments as the same become due, if the bonds are held by~~
12 ~~the state of Montana, then all payments shall be remitted to~~
13 ~~the state treasurer who shall cancel the coupons or bonds~~
14 ~~and return such coupons or bonds to the county treasurer~~
15 ~~with his receipt if the bonds are not held by the state of~~
16 ~~Montana and the interest or principal is made payable at~~
17 ~~some designated bank or financial institution, the county~~
18 ~~treasurer shall remit the amount due for interest or~~
19 ~~principal to such bank or financial institution for payment~~
20 ~~against the surrender of the canceled coupons or bonds.~~

21 ~~(3) Whenever any school district bond or installment~~
22 ~~on school district bonds shall become due and payable,~~
23 ~~interest shall cease on such date unless sufficient funds~~
24 ~~are available to pay such bond when it is presented for~~
25 ~~payment or when payment of an installment is demanded, in~~

1 ~~either case, interest on such bond or installment shall~~
2 ~~continue until payment is made.~~

3 ~~(4) Any installment on interest and principal on bonds~~
4 ~~held by the state that is not promptly paid when due shall~~
5 ~~draw interest at an annual rate of 6% from the date due~~
6 ~~until actual payment, irrespective of the rate of interest~~
7 ~~on the bonds.~~

8 Section 15. Section 67-11-303, MCA, is amended to
9 read:

10 "67-11-303. Bonds and obligations. (1) An authority
11 may borrow money for any of its corporate purposes and issue
12 its bonds therefor, including refunding bonds, in such form
13 and upon such terms as it may determine, payable out of any
14 revenues of the authority, including revenues derived from:

- 15 (a) an airport or air navigation facility or
- 16 facilities;
- 17 (b) taxes levied pursuant to 67-11-301 or other law
- 18 for airport purposes;
- 19 (c) grants or contributions from the federal
- 20 government; or
- 21 (d) other sources.

22 (2) The bonds may be issued by resolution of the
23 authority, without an election and without any limitation of
24 amount, except that no such bonds may be issued at any time
25 if the total amount of principal and interest to become due

1 in any year on such bonds and on any then outstanding bonds
2 for which revenues from the same source or sources are
3 pledged exceeds the amount of such revenues to be received
4 in that year as estimated in the resolution authorizing the
5 issuance of the bonds. The authority shall take all action
6 necessary and possible to impose, maintain, and collect
7 rates, charges, rentals, and taxes, if any are pledged,
8 sufficient to make the revenues from the pledged source in
9 such year at least equal to the amount of such principal and
10 interest due in that year.

11 (3) The bonds may be sold at public or private sale
12 and may bear interest at a rate not exceeding ~~10% a year~~ the
13 limitation of 17-5-102. Except as otherwise provided
14 herein, any bonds issued pursuant to this chapter by an
15 authority may be payable as to principal and interest solely
16 from revenues of the authority and shall state on their face
17 the applicable limitations or restrictions regarding the
18 source from which such principal and interest are payable.

19 (4) Bonds issued by an authority or municipality
20 pursuant to the provisions of this chapter are declared to
21 be issued for an essential public and governmental purpose
22 by a political subdivision within the meaning of
23 15-30-111(2)(a).

24 (5) For the security of any such bonds, the authority
25 or municipality may by resolution make and enter into any

1 covenant, agreement, or indenture and may exercise any
 2 additional powers authorized to be exercised by a
 3 municipality under Title 7, chapter 7, parts 44 and 45. The
 4 sums required from time to time to pay principal and
 5 interest and to create and maintain a reserve for the bonds
 6 may be paid from any revenues referred to in this chapter,
 7 prior to the payment of current costs of operation and
 8 maintenance of the facilities.

9 (b) Subject to the conditions stated in this
 10 subsection (6), the governing body of any municipality
 11 having a population in excess of 10,000, with respect to
 12 bonds issued pursuant to this chapter by the municipality or
 13 by an authority in which the municipality is included, may
 14 by resolution covenant that in the event that at any time
 15 all revenues, including taxes, appropriated and collected
 16 for such bonds are insufficient to pay principal or interest
 17 then due, it will levy a general tax upon all of the taxable
 18 property in the municipality for the payment of such
 19 deficiency; and may further covenant that at any time a
 20 deficiency is likely to occur within 1 year for the payment
 21 of principal and interest due on such bonds, it will levy a
 22 general tax upon all the taxable property in the
 23 municipality for the payment of such deficiency, and such
 24 taxes are not subject to any limitation of rate or amount
 25 applicable to other municipal taxes but are limited to a

1 rate estimated to be sufficient to produce the amount of the
 2 deficiency. In the event more than one municipality having a
 3 population in excess of 10,000 is included in an authority
 4 issuing bonds pursuant to this chapter, the municipalities
 5 may apportion the obligation to levy taxes for the payment
 6 of, or in anticipation of, a deficiency in the revenues
 7 appropriated for such bonds in such manner as the
 8 municipalities may determine. The resolution shall state the
 9 principal amount and purpose of the bonds and the substance
 10 of the covenant respecting deficiencies. No such resolution
 11 becomes effective until the question of its approval has
 12 been submitted to the qualified electors of the municipality
 13 at a special election called for that purpose by the
 14 governing body of the municipality and a majority of the
 15 electors voting on the question have voted in favor thereof.
 16 The notice and conduct of the election is governed, to the
 17 extent applicable, by [7-7-4227 through 7-7-4234] for an
 18 election called by cities and towns, and [7-7-2229 through
 19 7-7-2236] for an election called by counties. If a majority
 20 of the electors voting thereon vote against approval of the
 21 resolution, the municipality has no authority to make the
 22 covenant or to levy a tax for the payment of deficiencies
 23 pursuant to this section, but such municipality or authority
 24 may nevertheless issue bonds under this chapter payable
 25 solely from the sources referred to in subsection (1)

1 above."

2 Section 16. Section 69-4-332, MCA, is amended to read:

3 "69-4-332. Issuance of bonds. (1) After the expiration
4 of 30 days from the date of the adoption of the ordinance
5 levying the assessments, the governing body may issue
6 negotiable, interest-bearing bonds in a principal amount not
7 exceeding the unpaid balance of the assessments levied.
8 Whenever any ordinance authorizing the issuance of any bonds
9 pursuant to the improvement contemplated shall have been
10 adopted, such ordinance shall be published once in a
11 newspaper in which the original notice of hearing was
12 published.

13 (2) The bonds shall bear interest at a rate not
14 exceeding 8% per annum the limitations of 17-5-102, payable
15 as specified by the governing body over a period not
16 exceeding 20 years. The bonds shall be of such form and
17 denomination and shall be payable in principal and interest
18 at such times and place and shall be sold, authorized, and
19 issued in such manner as the governing body may determine.
20 The bonds shall be dated no earlier than the date on which
21 the special assessment shall begin to bear interest and
22 shall be secured by and payable from the levy and collection
23 of the special assessments in anticipation of the collection
24 of which they are issued. Any premium received on the sale
25 of the bonds may be applied as other bond proceeds, or if

1 not so applied, the same shall be placed in the fund for the
2 payment of principal of and interest on the bonds.

3 (3) The bonds shall be signed by a member of the
4 governing body designated by the governing body and shall be
5 countersigned by the appropriate treasurer, with the
6 corporate seal thereto affixed as appropriate, and attested
7 to by the clerk of the governing body. Interest may be
8 evidenced by interest coupons attached to such bonds and
9 signed by a facsimile signature of one of the individuals
10 who signed the bond."

11 NEW SECTION. Section 17. Effect on bonds previously
12 authorized. If prior to [the effective date of this act] a
13 political subdivision was authorized to issue bonds pursuant
14 to a law that limited the rate of interest on the bonds, it
15 may issue all of the bonds so authorized under the
16 provisions of 17-5-102 even if the rate of interest on the
17 bonds exceeds the maximum rate permissible prior to [the
18 effective date of this act].

19 NEW SECTION. SECTION 18. REDEMPTION OF BONDS. ALL
20 BONDS ISSUED BETWEEN THE EFFECTIVE DATE AND TERMINATION DATE
21 FOR A LONGER TERM THAN 5 YEARS SHALL BE REDEEMABLE AT THE
22 OPTION OF THE GOVERNING BODY ON ANY INTEREST PAYMENT DATE
23 AFTER THE FIFTH YEAR OF THE TERM FOR WHICH THEY WERE ISSUED
24 HAS EXPIRED, AND IT SHALL BE SO STATED ON THE BONDS.

25 Section 19. Codification instruction. Section SECTIONS

SB 0015/04

1 17 AND 18 ~~is~~ ARE intended to be codified as an integral part
2 of Title 17, chapter 5, part 1.

3 Section 20. ~~Repeater~~-----Sections SUSPENSION. THE
4 OPERATION OF SECTIONS 7-7-2208 and 7-7-4207, MCA, are
5 ~~repeated~~ SUSPENDED UNTIL JULY 1, 1983.

6 Section 21. Effective date ~~is~~ TERMINATION. This act is
7 effective on passage and approval AND TERMINATES ON JULY 1,
8 1983.

-End-

1 SENATE BILL NO. 15
 2 INTRODUCED BY MAZUREK
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
 5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
 6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
 7 SECTION SECTIONS 7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432,
 8 7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415,
 9 17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-448,
 10 67-11-303, AND 69-4-332, MCA; REPEALING SUSPENDING THE
 11 OPERATION OF SECTIONS 7-7-2208 AND 7-7-4207, MCA; AND
 12 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
 13 DATE."

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Refer to Introduced Bill

17 (Strike everything after the enacting clause and insert:)

18 Section 1. Section 7-7-2251, MCA, is amended to read:

19 "7-7-2251. Form of notice of sale of bonds. The notice
 20 of sale shall state the purpose or purposes for which the
 21 bonds are to be issued and the amount proposed to be issued
 22 for each purpose and shall be substantially in the following
 23 form:

24 NOTICE OF SALE OF COUNTY BONDS

25 Notice is hereby given by the board of county

1 commissioners of County, state of Montana, that the
 2 board will on the day of, 19..., at the hour of
 3m., at the office of the board in the courthouse in
 4 the (town or city) of in the said county, sell to the
 5 highest and best bidder for cash, either amortization or
 6 serial bonds of the said county in the total amount of
 7 dollars (\$....) for the purpose of

8 Amortization bonds will be the first choice and serial
9 bonds will be the second choice of the said board.

10 If amortization bonds are sold and issued, the entire
 11 issue may be put into one single bond or divided into
 12 several bonds, as the board may determine at the time of
 13 sale, both principal and interest to be payable in
 14 semiannual installments during a period of years from
 15 the date of issue.

16 If serial bonds are issued and sold, they will be in
 17 the amount of dollars (\$....) each, except the last
 18 bond which will be in the amount of dollars (\$....);
 19 the sum of dollars (\$....) of the said serial bonds
 20 will become payable on the day of, 19..., and a
 21 like amount on the same day each year thereafter until all
 22 of such bonds are paid, except that the last installment
 23 will be in the amount of dollars (\$....).

24 The bonds, whether amortization or serial bonds, will
25 bear date of, 19..., and will bear interest at a rate

1 not exceeding 6%% per annum, payable semiannually, on
2 the day of (month) and (month) in each year,
3 and will be redeemable in full (here insert the optional
4 provisions, if any, to be recited in the bonds).

5 The bonds will be sold for not less than their par
6 value with accrued interest to date of delivery, and all
7 bidders must state the lowest rate of interest at which they
8 will purchase the bonds at par. The board reserves the right
9 to reject any and all bids and to sell the bonds at private
10 sale.

11 All bids other than by or on behalf of the board of
12 investments of the state of Montana must be accompanied by a
13 certified check in the sum of dollars, (\$.....), payable
14 to the order of the clerk, which will be forfeited by the
15 successful bidder in the event that he shall fail or refuse
16 to complete the purchase of the bonds in accordance with the
17 terms of his bid.

18 All bids should be addressed to the board of county
19 commissioners of said county and delivered to the county
20 clerk of said county.

21 ATTEST:

22
23 (Chairman, Board of County Commissioners)
24 of County
25 State of Montana

1
2 (Clerk of the Board of County Commissioners)
3 of County, Montana
4 Address Montana"

5 Section 2. Section 7-7-4251, MCA, is amended to read:
6 "7-7-4251. Form of notice of sale of bonds. The notice
7 of sale shall state the purpose or purposes for which the
8 bonds are to be issued and the amount proposed to be issued
9 for each purpose and shall be substantially in the following
10 form:

11 NOTICE OF SALE OF (CITY OR TOWN) BONDS
12 Notice is hereby given by the council of the (city or
13 town) of Montana, that the council will, on the
14 day of, 19... at the hour ofm., at its council
15 chamber in the (city or town) of, Montana, sell to the
16 highest and best bidder for cash either amortization or
17 serial bonds of the said (city or town) in the total amount
18 of dollars, (\$.....) for the purpose of

19 Amortization bonds will be the first choice and serial
20 bonds will be the second choice of the council.

21 If amortization bonds are sold and issued, the entire
22 issue may be put into one single bond or divided into
23 several bonds as the council may determine at the time of
24 sale, both principal and interest to be payable in
25 semiannual installments during a period of years from

1 the date of issue.

2 If serial bonds are issued and sold, they will be in
3 the amount of dollars (\$....) each, except the last
4 bond which will be in the amount of dollars (\$....);
5 the sum of dollars (\$....) of said serial bonds will
6 become due and payable on the day of, 19... and a
7 like amount on the same day each year thereafter until all
8 such bonds are paid, except that the last installment will
9 be in the amount of dollars (\$....).

10 The bonds, whether amortization or serial bonds, will
11 bear date of, 19..., will bear interest at a rate not
12 exceeding 6% ~~....%~~ per annum, payable semiannually, on the
13 day of and on the day of in each year
14 and will be redeemable (here insert the optional provisions,
15 if any, recited in the bonds).

16 Said bonds will be sold for not less than their par
17 value with accrued interest to date of delivery, and all
18 bidders must state the lowest rate of interest at which they
19 will purchase the bonds at par. The council reserves the
20 right to reject any and all bids and to sell said bonds at
21 private sale.

22 All bids other than by or on behalf of the board of
23 investments of the state of Montana must be accompanied by a
24 certified check in the sum of dollars (\$....), payable
25 to the order of the (city or town) clerk, which will be

1 forfeited by the successful bidder in the event he shall
2 fail or refuse to complete the purchase of said bonds in
3 accordance with the terms of his bid.

4 All bids shall be addressed to the council of the (city
5 or town) of and delivered to the clerk of said (city or
6 town).

7
8 Mayor of the (city or town) of
9, Montana

10 ATTEST:

11(City or Town) Clerk"

12 Section 3. Section 7-7-4275, MCA, is amended to read:
13 "7-7-4275. Refunding of bond issue held by state by
14 exchange for amortization bonds. (1) Subject to the approval
15 of the board of investments, the council of any city or town
16 is hereby authorized to issue amortization bonds for the
17 purpose of refunding any outstanding bonds of such city or
18 town held by the state and which were not issued either as
19 amortization or serial bonds and to exchange the same for
20 such outstanding bonds.

21 (2) Such amortization bonds shall conform in all
22 respects to the definition of amortization bonds as set
23 forth in 7-7-4209 and shall bear interest at such rate as
24 may be agreed upon between the council of such city or town
25 and the board of investments, ~~but the interest shall not~~

1 ~~exceed-6%per-annum pursuant to 17-5-102.~~ Such amortization
2 bonds may be issued and exchanged for such outstanding bonds
3 without submitting the question of issuing the same at an
4 election, and it shall not be necessary to publish any
5 notice of sale of such bonds.

6 (3) This section shall not be construed so as to
7 deprive city or town councils of the right to advertise,
8 sell, and issue refunding bonds in the manner provided in
9 part 43."

10 Section 4. Section 7-7-4432, MCA, is amended to read:

11 "7-7-4432. Details relating to revenue bonds. Bonds
12 authorized to be issued under this part shall bear interest
13 at such rate or rates not exceeding ~~9%--per-annum the~~
14 limitation of 17-5-102, payable semiannually; may be in one
15 or more series; may bear such date or dates; may mature at
16 such time or times not exceeding 40 years from their
17 respective dates; may be payable in such place or places;
18 may carry such registration privileges; may be subject to
19 such terms of redemption; may be executed in such manner;
20 may contain such terms, covenants, and conditions; and may
21 be in such form, either coupon or registered, as such
22 resolution or subsequent resolutions may provide."

23 Section 5. Section 7-13-2510, MCA, is amended to read:

24 "7-13-2510. Powers of district. A television district
25 organized under this part, acting through its board of

1 trustees herein provided for, may:

2 (1) perform all the acts and take all the necessary or
3 proper steps to assure that there will be a fair, efficient,
4 and equitable distribution of television services within the
5 area in order that all persons within such service area
6 shall be supplied by means of an appropriate electrical or
7 electronic system for television program distribution, such
8 authorized system to provide such flexibility as to permit
9 radical improvements in technical quality without rendering
10 inoperative receivers therein, but discontinuance of service
11 by the district for improvements or repairs for a temporary
12 period shall not be construed as rendering inoperative;

13 (2) if necessary or proper in the furtherance of the
14 objects of this part, acquire, build, construct, repair,
15 own, maintain, and operate any necessary stations
16 transmitting simultaneous visual and aural signals intended
17 to be received by the general public, relay stations, pickup
18 stations, or any other necessary electrical or electronic
19 system;

20 (3) make contracts to compensate any owner of land or
21 other property for the use of such property for the purposes
22 of this part;

23 (4) make contracts with the United States, any state
24 or municipality, or any department or agency of those
25 entities for carrying out the general purposes for which the

1 district is formed;

2 (5) acquire, by gift, devise, bequest, lease, or
3 purchase, real and personal property, tangible or
4 intangible, including lands, rights-of-way, and easements,
5 necessary or convenient for its purposes;

6 (6) to make contracts of any lawful nature (including
7 labor contracts or those for employees' benefits) and employ
8 engineers, laboratory personnel, attorneys, other technical
9 or professional assistants, and any other assistants or
10 employees necessary to carry out the provisions of this
11 part;

12 (7) issue warrants, payable at the time stated
13 therein, to evidence the obligation to repay money borrowed
14 or any other obligation incurred by the district, warrants
15 so issued to draw interest at a rate fixed by the board,
16 payable annually or semiannually as the board may prescribe;

17 (8) contract indebtedness or borrow money for
18 corporate purposes and issue revenue bonds therefor to be
19 repaid from rates and charges, bearing interest at a rate
20 not exceeding ~~7%~~per--annum the limitation of 17-5-102
21 payable semiannually, the bonds not to be sold for less than
22 par and accrued interest;

23 (9) prescribe tax rates for the providing of services
24 throughout the area in accordance with the provisions of
25 this part;

1 (10) prescribe such installation or ready-to-serve
2 charges to be used for any costs connected with preparation,
3 acquisition, or construction of the system;

4 (11) apply for, accept, and be the holder of any permit
5 or license issued by or required under federal or state law;
6 and

7 (12) provide FM translator services if authorized as
8 provided in 7-13-2512."

9 Section 6. Section 7-14-2745, MCA, is amended to read:

10 "7-14-2745. Mode of payment of assessment --
11 installment payments. (1) Installment payments shall be made
12 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

13 (2) Payments shall be in the form of bonds which shall
14 draw 6% interest, not to exceed the limitations of 17-5-102,
15 per annum from the date they are issued until they are paid.

16 (3) If the mode of payment is to be by installments,
17 the board and the committee shall approve and certify the
18 assessment roll.

19 (4) The board and the assessor shall, at the time of
20 levying the assessment and in their order setting the levy,
21 declare that the sum charged against each parcel of land may
22 be paid in equal annual installments with interest upon the
23 whole sum at the rate fixed by the board of county
24 commissioners in accordance with law. The order shall
25 specify the number of installments which shall be equal to

1 the number of years for which the bonds may run.

2 (5) Each year thereafter, the treasurer shall collect
3 one of the installments, together with the interest due
4 thereon and the interest due on the installments thereafter
5 to become due.

6 (6) Provisions concerning delinquency and the sale of
7 land set forth with relation to the mode of immediate
8 payment shall be likewise applicable to installment
9 payments."

10 Section 7. Section 7-15-4322, MCA, is amended to read:

11 "7-15-4322. Details relating to urban renewal bonds.

12 (1) Bonds issued under 7-15-4301 may be issued in one or
13 more series and shall bear such date or dates, be payable
14 upon demand or mature at such time or times, bear interest
15 at such rate or rates not exceeding 9%-a-year the limitation
16 of 17-5-102, be in such denomination or denominations, be in
17 such form (either coupon or registered), carry such
18 conversion or registration privileges, have such rank or
19 priority, be executed in such manner, be payable in such
20 medium of payment at such place or places, be subject to
21 such terms of redemption (with or without premium), be
22 secured in such manner, and have such other characteristics
23 as may be provided by the resolution, ordinance, or trust
24 indenture or mortgage authorized pursuant thereto.

25 (2) (a) The bonds may be sold at not less than 98% of

1 par at public or private sale or may be exchanged for other
2 bonds on the basis of par.

3 (b) The bonds may be sold to the federal government at
4 private sale at not less than par, and if less than all of
5 the authorized principal amount of the bonds is sold to the
6 federal government, the balance may be sold at public or
7 private sale at not less than 98% of par at an interest cost
8 to the municipality of not to exceed the interest cost to
9 the municipality of the portion of the bonds sold to the
10 federal government."

11 Section 8. Section 7-31-112, MCA, is amended to read:

12 "7-31-112. Details relating to bonds. (1) The bonds to
13 be issued upon the conditions and under the provisions
14 aforesaid shall:

- 15 (a) bear the date of their issuance;
- 16 (b) be designated as sanitary coupon bonds of the
17 county, city, or town issuing the same;
- 18 (c) be of a denomination not less than \$500 or more
19 than \$1,000 each;
- 20 (d) be payable at such place in New York City or
21 elsewhere, at the discretion of the board or council issuing
22 the same;
- 23 (e) bear interest at the a rate of 6%-per-annum not
24 exceeding the limitations of 17-5-102, payable 30 years
25 after the date thereof, with the privilege of paying the

1 same at any time after 5 years from such date, which
 2 interest shall be payable semiannually at the place whereat
 3 the principal is payable and for which interest coupons
 4 shall be attached to said bonds.

5 (2) If said bonds and coupons are issued by any
 6 county, they shall be signed by the chairman of the board of
 7 county commissioners of such county and attested by the
 8 clerk thereof and his seal attached thereto. If the bonds
 9 and coupons are issued by any incorporated city or town, the
 10 same shall be signed by the mayor and attested to by the
 11 city or town clerk and the seal thereof attached."

12 Section 9. Section 7-34-2415, MCA, is amended to read:

13 "7-34-2415. Details of bonds. (1) The bonds may be
 14 sold at public or private sale and shall bear interest at a
 15 rate or rates not exceeding ~~10%~~ the limitation of
 16 17-5-102. The bonds may be for a 40-year period.

17 (2) Except as otherwise provided in 7-34-2411 through
 18 7-34-2418, any bonds issued pursuant to 7-34-2411 through
 19 7-34-2418 by a county shall be payable as to principal and
 20 interest solely from revenues of the county and shall state
 21 on their face the applicable limitations or restrictions
 22 regarding the source or sources from which such principal
 23 and interest are payable."

24 Section 10. Section 17-5-102, MCA, is amended to read:

25 "17-5-102. Rate of interest on bonds to be determined

1 by governing bodies ~~---limitations-and-exceptions. (1) Bonds~~
 2 of a political subdivision shall bear interest at such rate
 3 or rates as its governing body shall determine ~~---except---that~~
 4 ~~no---such---rate---shall---exceed-7%---except-revenue-bonds-issued~~
 5 ~~under-the-terms-of-title-7--chapter--7--parts--44--and--45~~
 6 ~~title-7--chapter-13--part-43--and-90-5-101-through-90-5-113,~~
 7 ~~which-rate-shall-not-exceed-9%.~~

8 (2) The provisions of this section establish the rate
 9 of interest on bonds of political subdivisions as defined in
 10 17-5-101 and expressly supersede any other statutory
 11 limitation on the rate of interest to be borne by bonds of
 12 political subdivisions."

13 Section 11. Section 20-9-410, MCA, is amended to read:

14 "20-9-410. Limitation of term and interest -- timing
 15 for redemption. School district bonds shall not be issued
 16 for a term longer than 20 years, except that bonds issued to
 17 refund or redeem outstanding bonds shall not be issued for a
 18 term longer than 10 years unless the unexpired term of the
 19 bonds to be refunded or redeemed is in excess of 10 years,
 20 in which case the refunding or redeeming bonds may be issued
 21 for such unexpired term. All bonds issued for a longer term
 22 than 5 years shall be redeemable at the option of the school
 23 district on any interest payment date after one-half of the
 24 term for which they were issued has expired, and it shall be
 25 so stated on the face of the bonds. The interest shall not

1 exceed ~~7% per annum~~ the limitation of 17-5-102 and shall be
2 payable semiannually."

3 Section 12. Section 20-9-426, MCA, is amended to read:
4 "20-9-426. Preparation and form of ballots for bond
5 election. The school district shall cause ballots to be
6 prepared for all bond elections, and whenever bonds for more
7 than one purpose are to be voted upon at the same election,
8 separate ballots shall be prepared for each purpose. All
9 such ballots shall be substantially in the following form:

10 OFFICIAL BALLOT

11 SCHOOL DISTRICT BOND ELECTION

12 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
13 the vacant square before the words "BONDS--YES" if you wish
14 to vote for the bond issue; if you are opposed to the bond
15 issue make an X or similar mark in the square before the
16 words "BONDS--NO".

17 Shall the board of trustees be authorized to issue and
18 sell bonds of this school district in the amount of
19 dollars (\$....), bearing interest at a rate not more than
20 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
21 semiannually, during a period not more than years, for
22 the purpose (here state the purpose the same way as in
23 the notice of election)?

- 24 BONDS -- YES.
- 25 BONDS -- NO."

1 Section 13. Section 20-9-427, MCA, is amended to read:
2 "20-9-427. Notice of bond election by separate
3 purpose. (1) Any school district bond election shall be
4 conducted in accordance with the school election provisions
5 of this title, except that the election notice required
6 therein shall be in substantially the following form:

7 NOTICE OF SCHOOL DISTRICT BOND ELECTION

8 Notice is hereby given by the trustees of School
9 District No. of County, state of Montana, that
10 pursuant to a certain resolution duly adopted at a meeting
11 of the board of trustees of said school district held on the
12 day of, A.D., 19.., an election of the registered
13 electors of School District No. of County, state
14 of Montana, will be held on the day of, A.D.,
15 19.., at for the purpose of voting upon the question of
16 whether or not the trustees shall be authorized to issue and
17 sell bonds of said school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
20 semiannually, for the purpose of (here state purpose).
21 The bonds to be issued will be either amortization or serial
22 bonds, and amortization bonds will be the first choice of
23 the board of trustees. The bonds to be issued, whether
24 amortization or serial bonds, will be payable in
25 installments over a period not exceeding (state number)

1 years.

2 The polls will be open from o'clockm. and
3 until o'clockm. of the said day.

4 Dated and posted this day of, A.D., 19...
5
6 Chairman, School District No....
7 of County
8 Address.....

9 (2) If the bonds proposed to be issued are for more
10 than one purpose, then each purpose shall be separately
11 stated in the notice, together with the proposed amount of
12 bonds therefor."

13 Section 14. Section 20-9-430, MCA, is amended to read:
14 "20-9-430. Notice of sale of school district bonds.
15 The trustees shall cause the notice of the sale of the bonds
16 to be given. The notice shall state the purpose for which
17 the bonds are to be issued and the amount proposed to be
18 issued and shall be substantially in the following form:

19 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

20 Notice is hereby given by the trustees of School
21 District No. of County, state of Montana, that the
22 trustees will on the day of, 19..., at the hour of
23 o'clockm. at, in the school district, sell to
24 the highest and best bidder for cash either amortization or
25 serial bonds of the school district in the total amount of

1 dollars (\$....), for the purpose of

2 Amortization bonds will be the first choice and serial
3 bonds will be the second choice of the trustees.

4 If amortization bonds are sold and issued, the entire
5 issue may be put into one single bond or divided into
6 several bonds, as the trustees may determine upon at the
7 time of sale, both principal and interest to be payable in
8 semiannual installments during a period of years from
9 the date of issue.

10 If serial bonds are issued and sold, they will be in
11 the amount of dollars (\$....) each, the sum of
12 dollars (\$....) of the serial bonds will become payable on
13 the day of, 19..., and the sum of dollars
14 (\$....) will become payable on the same day each year
15 thereafter until all of the bonds are paid.

16 The bonds, whether amortization or serial bonds, will
17 bear date of, 19..., and will bear interest at a rate
18 not exceeding 7% ~~....%~~ per annum, payable semiannually, on
19 the day of (month) and (month) in each year,
20 and will be redeemable in full. (Here insert optional
21 provisions, if any, to be recited on the bonds.)

22 The bonds will be sold for not less than their par
23 value with accrued interest, and all bidders must state the
24 lowest rate of interest at which they will purchase the
25 bonds at par. The bonds shall be sold in open competition

1 bidding, by written bids, or by sealed bids. The trustees
2 reserve the right to reject any and all bids and to sell the
3 bonds at private sale.

4 All bids other than by or on behalf of the state board
5 of land commissioners must be accompanied by money, a
6 certified check, cashier's check, bank money order, or bank
7 draft drawn and issued by a national banking association
8 located in Montana or by any banking corporation
9 incorporated under the laws of Montana, in the sum of
10 dollars (\$....) payable to the order of the district, which
11 will be forfeited by the successful bidder in the event that
12 he shall refuse to purchase the bonds.

13 All bids should be addressed to the undersigned
14 district.

15
16 Chairman, School District No. ...
17 of County
18 Address:

19 ATTEST: Subscribed and sworn to before me this day of
20, 19...; Notary Public for the State
21 Residing at, Montana. My Commission expires

22 Section 15, Section 20-9-440, MCA, is amended to read:
23 "20-9-440. Payment of debt service obligations ---
24 termination of interests --- (1) the county treasurer shall
25 maintain a separate debt service fund for each school

1 district and shall credit all tax moneys collected for debt
2 service to such fund and use the moneys credited to such
3 fund for the payment of debt service obligations in
4 accordance with the school financial administration
5 provisions of this title.

6 (2) the county treasurer shall pay from the debt
7 service fund all amounts of interest and principal on school
8 district bonds as such interest or principal becomes due
9 when the coupons or bonds are presented and surrendered for
10 payment and shall pay all special improvement district
11 assessments as the same become due, if the bonds are held by
12 the state of Montana, then all payments shall be remitted to
13 the state treasurer who shall cancel the coupons or bonds
14 and return such coupons or bonds to the county treasurer
15 with his receipts if the bonds are not held by the state of
16 Montana and the interest or principal is made payable at
17 some designated bank or financial institution, the county
18 treasurer shall remit the amount due for interest or
19 principal to such bank or financial institution for payment
20 against the surrender of the canceled coupons or bonds.

21 (3) Whenever any school district bond or installment
22 on school district bonds shall become due and payable,
23 interest shall cease on such date unless sufficient funds
24 are available to pay such bond when it is presented for
25 payment or when payment of an installment is demanded, in

1 either--case--interest--on--such--bond--or--installment--shall
2 continue--until--payment--is--made.

3 (4)--Any--installment--on--interest--and--principal--on--bonds
4 held--by--the--state--that--is--not--promptly--paid--when--due--shall
5 draw--interest--at--an--annual--rate--of--6%--from--the--date--due
6 until--actual--payment--irrespective--of--the--rate--of--interest
7 on--the--bonds."

8 Section 15. Section 67-11-303, MCA, is amended to
9 read:

10 "67-11-303. Bonds and obligations. (1) An authority
11 may borrow money for any of its corporate purposes and issue
12 its bonds therefor, including refunding bonds, in such form
13 and upon such terms as it may determine, payable out of any
14 revenues of the authority, including revenues derived from:

15 (a) an airport or air navigation facility or
16 facilities;

17 (b) taxes levied pursuant to 67-11-301 or other law
18 for airport purposes;

19 (c) grants or contributions from the federal
20 government; or

21 (d) other sources.

22 (2) The bonds may be issued by resolution of the
23 authority, without an election and without any limitation of
24 amount, except that no such bonds may be issued at any time
25 if the total amount of principal and interest to become due

1 in any year on such bonds and on any then outstanding bonds
2 for which revenues from the same source or sources are
3 pledged exceeds the amount of such revenues to be received
4 in that year as estimated in the resolution authorizing the
5 issuance of the bonds. The authority shall take all action
6 necessary and possible to impose, maintain, and collect
7 rates, charges, rentals, and taxes, if any are pledged,
8 sufficient to make the revenues from the pledged source in
9 such year at least equal to the amount of such principal and
10 interest due in that year.

11 (3) The bonds may be sold at public or private sale
12 and may bear interest at a rate not exceeding ~~10% a year~~ the
13 limitation of 17-5-102. Except as otherwise provided
14 herein, any bonds issued pursuant to this chapter by an
15 authority may be payable as to principal and interest solely
16 from revenues of the authority and shall state on their face
17 the applicable limitations or restrictions regarding the
18 source from which such principal and interest are payable.

19 (4) Bonds issued by an authority or municipality
20 pursuant to the provisions of this chapter are declared to
21 be issued for an essential public and governmental purpose
22 by a political subdivision within the meaning of
23 15-30-111(2)(a).

24 (5) For the security of any such bonds, the authority
25 or municipality may by resolution make and enter into any

1 covenant, agreement, or indenture and may exercise any
 2 additional powers authorized to be exercised by a
 3 municipality under Title 7, chapter 7, parts 44 and 45. The
 4 sums required from time to time to pay principal and
 5 interest and to create and maintain a reserve for the bonds
 6 may be paid from any revenues referred to in this chapter,
 7 prior to the payment of current costs of operation and
 8 maintenance of the facilities.

9 (b) Subject to the conditions stated in this
 10 subsection (b), the governing body of any municipality
 11 having a population in excess of 10,000, with respect to
 12 bonds issued pursuant to this chapter by the municipality or
 13 by an authority in which the municipality is included, may
 14 by resolution covenant that in the event that at any time
 15 all revenues, including taxes, appropriated and collected
 16 for such bonds are insufficient to pay principal or interest
 17 then due, it will levy a general tax upon all of the taxable
 18 property in the municipality for the payment of such
 19 deficiency; and may further covenant that at any time a
 20 deficiency is likely to occur within 1 year for the payment
 21 of principal and interest due on such bonds, it will levy a
 22 general tax upon all the taxable property in the
 23 municipality for the payment of such deficiency, and such
 24 taxes are not subject to any limitation of rate or amount
 25 applicable to other municipal taxes but are limited to a

1 rate estimated to be sufficient to produce the amount of the
 2 deficiency. In the event more than one municipality having a
 3 population in excess of 10,000 is included in an authority
 4 issuing bonds pursuant to this chapter, the municipalities
 5 may apportion the obligation to levy taxes for the payment
 6 of, or in anticipation of, a deficiency in the revenues
 7 appropriated for such bonds in such manner as the
 8 municipalities may determine. The resolution shall state the
 9 principal amount and purpose of the bonds and the substance
 10 of the covenant respecting deficiencies. No such resolution
 11 becomes effective until the question of its approval has
 12 been submitted to the qualified electors of the municipality
 13 at a special election called for that purpose by the
 14 governing body of the municipality and a majority of the
 15 electors voting on the question have voted in favor thereof.
 16 The notice and conduct of the election is governed, to the
 17 extent applicable, by [7-7-4227 through 7-7-4234] for an
 18 election called by cities and towns, and [7-7-2229 through
 19 7-7-2236] for an election called by counties. If a majority
 20 of the electors voting thereon vote against approval of the
 21 resolution, the municipality has no authority to make the
 22 covenant or to levy a tax for the payment of deficiencies
 23 pursuant to this section, but such municipality or authority
 24 may nevertheless issue bonds under this chapter payable
 25 solely from the sources referred to in subsection (1)

1 above."

2 Section 16. Section 69-4-332, MCA, is amended to read:

3 "69-4-332. Issuance of bonds. (1) After the expiration
4 of 30 days from the date of the adoption of the ordinance
5 levying the assessments, the governing body may issue
6 negotiable, interest-bearing bonds in a principal amount not
7 exceeding the unpaid balance of the assessments levied.
8 Whenever any ordinance authorizing the issuance of any bonds
9 pursuant to the improvement contemplated shall have been
10 adopted, such ordinance shall be published once in a
11 newspaper in which the original notice of hearing was
12 published.

13 (2) The bonds shall bear interest at a rate not
14 exceeding ~~8%~~ per annum the limitations of 17-5-102, payable
15 as specified by the governing body over a period not
16 exceeding 20 years. The bonds shall be of such form and
17 denomination and shall be payable in principal and interest
18 at such times and place and shall be sold, authorized, and
19 issued in such manner as the governing body may determine.
20 The bonds shall be dated no earlier than the date on which
21 the special assessment shall begin to bear interest and
22 shall be secured by and payable from the levy and collection
23 of the special assessments in anticipation of the collection
24 of which they are issued. Any premium received on the sale
25 of the bonds may be applied as other bond proceeds, or if

1 not so applied, the same shall be placed in the fund for the
2 payment of principal of and interest on the bonds.

3 (3) The bonds shall be signed by a member of the
4 governing body designated by the governing body and shall be
5 countersigned by the appropriate treasurer, with the
6 corporate seal thereto affixed as appropriate, and attested
7 to by the clerk of the governing body. Interest may be
8 evidenced by interest coupons attached to such bonds and
9 signed by a facsimile signature of one of the individuals
10 who signed the bond."

11 NEW SECTION. Section 17. Effect on bonds previously
12 authorized. If prior to [the effective date of this act] a
13 political subdivision was authorized to issue bonds pursuant
14 to a law that limited the rate of interest on the bonds, it
15 may issue all of the bonds so authorized under the
16 provisions of 17-5-102 even if the rate of interest on the
17 bonds exceeds the maximum rate permissible prior to [the
18 effective date of this act].

19 ~~NEW SECTION. SECTION 18. REDEMPTION OF BONDS. ALL
20 BONDS ISSUED BETWEEN THE EFFECTIVE DATE AND TERMINATION DATE
21 FOR A LONGER TERM THAN 5 YEARS SHALL BE REDEEMABLE AT THE
22 OPTION OF THE GOVERNING BODY ON ANY INTEREST PAYMENT DATE
23 AFTER THE FIFTH YEAR OF THE TERM FOR WHICH THEY WERE ISSUED
24 HAS EXPIRED, AND IT SHALL BE SO STATED ON THE BONDS.~~

25 NEW SECTION. SECTION 18. REDEMPTION OF BONDS. --

1 OPTIONAL METHOD. BETWEEN THE EFFECTIVE DATE AND TERMINATION
2 DATE OF THIS ACT, A GOVERNING BODY IN CONNECTION WITH THE
3 ISSUANCE OF BONDS MAY, AT ITS OPTION, PROVIDE THAT SUCH
4 BONDS SHALL BE REDEEMABLE AT SUCH TIME OR TIMES AND UPON
5 SUCH TERMS AND CONDITIONS AS THE GOVERNING BODY SHALL DEEM
6 TO BE IN THE BEST INTEREST OF THE PUBLIC, NOTWITHSTANDING
7 ANY STATUTORY PROVISION TO THE CONTRARY.

8 Section 19. Codification instruction. Section SECTIONS
9 17 AND 18 ~~is~~ ARE intended to be codified as an integral part
10 of Title 17, chapter 5, part 1.

11 Section 20. ~~Repeaters-----Sections~~ SUSPENSION. THE
12 OPERATION OF SECTIONS 7-7-2208 and 7-7-4207, MCA, are IS
13 repeated SUSPENDED UNTIL JULY 1, 1983.

14 Section 21. Effective date ~~--~~ TERMINATION. This act is
15 effective on passage and approval AND TERMINATES ON JULY 1,
16 1983.

-End-

1 SENATE BILL NO. 15

2 INTRODUCED BY MAZUREK

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW POLITICAL
5 SUBDIVISIONS OF THE STATE TO SET THE INTEREST RATE FOR BONDS
6 BY DELETING SPECIFIC MAXIMUM RATES ALLOWABLE; AMENDING
7 ~~SECTION SECTIONS~~ 7-7-2251, 7-7-4251, 7-7-4275, 7-7-4432,
8 7-13-2510, 7-14-2745, 7-15-4322, 7-31-112, 7-34-2415,
9 17-5-102, 20-9-410, 20-9-426, 20-9-427, 20-9-430, 20-9-440,
10 67-11-303, AND 69-4-332, MCA; REPEATING SUSPENDING THE
11 OPERATION OF SECTIONS 7-7-2208 AND 7-7-4207, MCA; AND
12 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
13 DATE."

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Refer to Introduced Bill

17 (Strike everything after the enacting clause and insert:)

18 Section 1. Section 7-7-2251, MCA, is amended to read:
19 "7-7-2251. Form of notice of sale of bonds. The notice
20 of sale shall state the purpose or purposes for which the
21 bonds are to be issued and the amount proposed to be issued
22 for each purpose and shall be substantially in the following
23 form:

24 NOTICE OF SALE OF COUNTY BONDS

25 Notice is hereby given by the board of county

1 commissioners of County, state of Montana, that the
2 board will on the day of, 19..., at the hour of
3, at the office of the board in the courthouse in
4 the (town or city) of in the said county, sell to the
5 highest and best bidder for cash, either amortization or
6 serial bonds of the said county in the total amount of
7 dollars (\$....) for the purpose of

8 Amortization bonds will be the first choice and serial
9 bonds will be the second choice of the said board.

10 If amortization bonds are sold and issued, the entire
11 issue may be put into one single bond or divided into
12 several bonds, as the board may determine at the time of
13 sale, both principal and interest to be payable in
14 semiannual installments during a period of years from
15 the date of issue.

16 If serial bonds are issued and sold, they will be in
17 the amount of dollars (\$....) each, except the last
18 bond which will be in the amount of dollars (\$....);
19 the sum of dollars (\$....) of the said serial bonds
20 will become payable on the day of, 19..., and a
21 like amount on the same day each year thereafter until all
22 of such bonds are paid, except that the last installment
23 will be in the amount of dollars (\$....).

24 The bonds, whether amortization or serial bonds, will
25 bear date of, 19..., and will bear interest at a rate

1 not exceeding 6%% per annum, payable semiannually, on
2 the day of (month) and (month) in each year,
3 and will be redeemable in full (here insert the optional
4 provisions, if any, to be recited in the bonds).

5 The bonds will be sold for not less than their par
6 value with accrued interest to date of delivery, and all
7 bidders must state the lowest rate of interest at which they
8 will purchase the bonds at par. The board reserves the right
9 to reject any and all bids and to sell the bonds at private
10 sale.

11 All bids other than by or on behalf of the board of
12 investments of the state of Montana must be accompanied by a
13 certified check in the sum of dollars, (\$.....), payable
14 to the order of the clerk, which will be forfeited by the
15 successful bidder in the event that he shall fail or refuse
16 to complete the purchase of the bonds in accordance with the
17 terms of his bid.

18 All bids should be addressed to the board of county
19 commissioners of said county and delivered to the county
20 clerk of said county.

21 ATTEST:

22
23 (Chairman, Board of County Commissioners)
24 of County
25 State of Montana

1
2 (Clerk of the Board of County Commissioners)
3 of County, Montana
4 Address Montana"

5 Section 2. Section 7-7-4251, MCA, is amended to read:
6 "7-7-4251. Form of notice of sale of bonds. The notice
7 of sale shall state the purpose or purposes for which the
8 bonds are to be issued and the amount proposed to be issued
9 for each purpose and shall be substantially in the following
10 form:

11 NOTICE OF SALE OF (CITY OR TOWN) BONDS
12 Notice is hereby given by the council of the (city or
13 town) of, Montana, that the council will, on the
14 day of, 19.., at the hour ofm., at its council
15 chamber in the (city or town) of, Montana, sell to the
16 highest and best bidder for cash either amortization or
17 serial bonds of the said (city or town) in the total amount
18 of dollars, (\$.....) for the purpose of

19 Amortization bonds will be the first choice and serial
20 bonds will be the second choice of the council.

21 If amortization bonds are sold and issued, the entire
22 issue may be put into one single bond or divided into
23 several bonds as the council may determine at the time of
24 sale, both principal and interest to be payable in
25 semiannual installments during a period of years from

1 the date of issue.

2 If serial bonds are issued and sold, they will be in
3 the amount of dollars (\$....) each, except the last
4 bond which will be in the amount of dollars (\$....);
5 the sum of dollars (\$....) of said serial bonds will
6 become due and payable on the day of, 19... and a
7 like amount on the same day each year thereafter until all
8 such bonds are paid, except that the last installment will
9 be in the amount of dollars (\$....).

10 The bonds, whether amortization or serial bonds, will
11 bear date of, 19..., will bear interest at a rate not
12 exceeding 6%% per annum, payable semiannually, on the
13 day of and on the day of in each year
14 and will be redeemable (here insert the optional provisions,
15 if any, recited in the bonds).

16 Said bonds will be sold for not less than their par
17 value with accrued interest to date of delivery, and all
18 bidders must state the lowest rate of interest at which they
19 will purchase the bonds at par. The council reserves the
20 right to reject any and all bids and to sell said bonds at
21 private sale.

22 All bids other than by or on behalf of the board of
23 investments of the state of Montana must be accompanied by a
24 certified check in the sum of dollars (\$....), payable
25 to the order of the (city or town) clerk, which will be

1 forfeited by the successful bidder in the event he shall
2 fail or refuse to complete the purchase of said bonds in
3 accordance with the terms of his bid.

4 All bids shall be addressed to the council of the (city
5 or town) of and delivered to the clerk of said (city or
6 town).

7
8 Mayor of the (city or town) of
9 Montana

10 ATTEST:

11(City or Town) Clerk"

12 Section 3. Section 7-7-4275, MCA, is amended to read:
13 *7-7-4275. Refunding of bond issue held by state by
14 exchange for amortization bonds. (1) Subject to the approval
15 of the board of investments, the council of any city or town
16 is hereby authorized to issue amortization bonds for the
17 purpose of refunding any outstanding bonds of such city or
18 town held by the state and which were not issued either as
19 amortization or serial bonds and to exchange the same for
20 such outstanding bonds.

21 (2) Such amortization bonds shall conform in all
22 respects to the definition of amortization bonds as set
23 forth in 7-7-4209 and shall bear interest at such rate as
24 may be agreed upon between the council of such city or town
25 and the board of investments, ~~but the interest shall not~~

1 ~~exceed 6% per annum pursuant to 17-5-102.~~ Such amortization
 2 bonds may be issued and exchanged for such outstanding bonds
 3 without submitting the question of issuing the same at an
 4 election, and it shall not be necessary to publish any
 5 notice of sale of such bonds.

6 (3) This section shall not be construed so as to
 7 deprive city or town councils of the right to advertise,
 8 sell, and issue refunding bonds in the manner provided in
 9 part 43."

10 Section 4. Section 7-7-4432, MCA, is amended to read:

11 "7-7-4432. Details relating to revenue bonds. Bonds
 12 authorized to be issued under this part shall bear interest
 13 at such rate or rates not exceeding ~~9% per annum~~ the
 14 limitation of 17-5-102, payable semiannually; may be in one
 15 or more series; may bear such date or dates; may mature at
 16 such time or times not exceeding 40 years from their
 17 respective dates; may be payable in such place or places;
 18 may carry such registration privileges; may be subject to
 19 such terms of redemption; may be executed in such manner;
 20 may contain such terms, covenants, and conditions; and may
 21 be in such form, either coupon or registered, as such
 22 resolution or subsequent resolutions may provide."

23 Section 5. Section 7-13-2510, MCA, is amended to read:

24 "7-13-2510. Powers of district. A television district
 25 organized under this part, acting through its board of

1 trustees herein provided for, may:

2 (1) perform all the acts and take all the necessary or
 3 proper steps to assure that there will be a fair, efficient,
 4 and equitable distribution of television services within the
 5 area in order that all persons within such service area
 6 shall be supplied by means of an appropriate electrical or
 7 electronic system for television program distribution, such
 8 authorized system to provide such flexibility as to permit
 9 radical improvements in technical quality without rendering
 10 inoperative receivers therein, but discontinuance of service
 11 by the district for improvements or repairs for a temporary
 12 period shall not be construed as rendering inoperative;

13 (2) if necessary or proper in the furtherance of the
 14 objects of this part, acquire, build, construct, repair,
 15 own, maintain, and operate any necessary stations
 16 transmitting simultaneous visual and aural signals intended
 17 to be received by the general public, relay stations, pickup
 18 stations, or any other necessary electrical or electronic
 19 system;

20 (3) make contracts to compensate any owner of land or
 21 other property for the use of such property for the purposes
 22 of this part;

23 (4) make contracts with the United States, any state
 24 or municipality, or any department or agency of those
 25 entities for carrying out the general purposes for which the

1 district is formed;

2 (5) acquire, by gift, devise, bequest, lease, or
3 purchase, real and personal property, tangible or
4 intangible, including lands, rights-of-way, and easements,
5 necessary or convenient for its purposes;

6 (6) to make contracts of any lawful nature (including
7 labor contracts or those for employees' benefits) and employ
8 engineers, laboratory personnel, attorneys, other technical
9 or professional assistants, and any other assistants or
10 employees necessary to carry out the provisions of this
11 part;

12 (7) issue warrants, payable at the time stated
13 therein, to evidence the obligation to repay money borrowed
14 or any other obligation incurred by the district, warrants
15 so issued to draw interest at a rate fixed by the board,
16 payable annually or semiannually as the board may prescribe;

17 (8) contract indebtedness or borrow money for
18 corporate purposes and issue revenue bonds therefor to be
19 repaid from rates and charges, bearing interest at a rate
20 not exceeding ~~7%--per--annum~~ the limitation of 17-5-102
21 payable semiannually, the bonds not to be sold for less than
22 par and accrued interest;

23 (9) prescribe tax rates for the providing of services
24 throughout the area in accordance with the provisions of
25 this part;

1 (10) prescribe such installation or ready-to-serve
2 charges to be used for any costs connected with preparation,
3 acquisition, or construction of the system;

4 (11) apply for, accept, and be the holder of any permit
5 or license issued by or required under federal or state law;
6 and

7 (12) provide FM translator services if authorized as
8 provided in 7-13-2512."

9 Section 6. Section 7-14-2745, MCA, is amended to read:
10 "7-14-2745. Mode of payment of assessment --
11 installment payments. (1) Installment payments shall be made
12 in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

13 (2) Payments shall be in the form of bonds which shall
14 draw 6% interest, not to exceed the limitations of 17-5-102,
15 per annum from the date they are issued until they are paid.

16 (3) If the mode of payment is to be by installments,
17 the board and the committee shall approve and certify the
18 assessment roll.

19 (4) The board and the assessor shall, at the time of
20 levying the assessment and in their order setting the levy,
21 declare that the sum charged against each parcel of land may
22 be paid in equal annual installments with interest upon the
23 whole sum at the rate fixed by the board of county
24 commissioners in accordance with law. The order shall
25 specify the number of installments which shall be equal to

1 the number of years for which the bonds may run.

2 (5) Each year thereafter, the treasurer shall collect
3 one of the installments, together with the interest due
4 thereon and the interest due on the installments thereafter
5 to become due.

6 (6) Provisions concerning delinquency and the sale of
7 land set forth with relation to the mode of immediate
8 payment shall be likewise applicable to installment
9 payments."

10 Section 7. Section 7-15-4322, MCA, is amended to read:

11 "7-15-4322. Details relating to urban renewal bonds.

12 (1) Bonds issued under 7-15-4301 may be issued in one or
13 more series and shall bear such date or dates, be payable
14 upon demand or mature at such time or times, bear interest
15 at such rate or rates not exceeding ~~9% a year~~ the limitation
16 of 17-5-102, be in such denomination or denominations, be in
17 such form (either coupon or registered), carry such
18 conversion or registration privileges, have such rank or
19 priority, be executed in such manner, be payable in such
20 medium of payment at such place or places, be subject to
21 such terms of redemption (with or without premium), be
22 secured in such manner, and have such other characteristics
23 as may be provided by the resolution, ordinance, or trust
24 indenture or mortgage authorized pursuant thereto.

25 (2) (a) The bonds may be sold at not less than 98% of

1 par at public or private sale or may be exchanged for other
2 bonds on the basis of par.

3 (b) The bonds may be sold to the federal government at
4 private sale at not less than par, and if less than all of
5 the authorized principal amount of the bonds is sold to the
6 federal government, the balance may be sold at public or
7 private sale at not less than 98% of par at an interest cost
8 to the municipality of not to exceed the interest cost to
9 the municipality of the portion of the bonds sold to the
10 federal government."

11 Section 8. Section 7-31-112, MCA, is amended to read:

12 "7-31-112. Details relating to bonds. (1) The bonds to
13 be issued upon the conditions and under the provisions
14 aforesaid shall:

15 (a) bear the date of their issuance;

16 (b) be designated as sanitary coupon bonds of the
17 county, city, or town issuing the same;

18 (c) be of a denomination not less than \$500 or more
19 than \$1,000 each;

20 (d) be payable at such place in New York City or
21 elsewhere, at the discretion of the board or council issuing
22 the same;

23 (e) bear interest at the a rate of 6% per annum not
24 exceeding the limitations of 17-5-102, payable 30 years
25 after the date thereof, with the privilege of paying the

1 same at any time after 5 years from such date, which
 2 interest shall be payable semiannually at the place whereat
 3 the principal is payable and for which interest coupons
 4 shall be attached to said bonds.

5 (2) If said bonds and coupons are issued by any
 6 county, they shall be signed by the chairman of the board of
 7 county commissioners of such county and attested by the
 8 clerk thereof and his seal attached thereto. If the bonds
 9 and coupons are issued by any incorporated city or town, the
 10 same shall be signed by the mayor and attested to by the
 11 city or town clerk and the seal thereof attached."

12 Section 9. Section 7-34-2415, MCA, is amended to read:

13 "7-34-2415. Details of bonds. (1) The bonds may be
 14 sold at public or private sale and shall bear interest at a
 15 rate or rates not exceeding ~~10% a year~~ the limitation of
 16 17-5-102. The bonds may be for a 40-year period.

17 (2) Except as otherwise provided in 7-34-2411 through
 18 7-34-2418, any bonds issued pursuant to 7-34-2411 through
 19 7-34-2418 by a county shall be payable as to principal and
 20 interest solely from revenues of the county and shall state
 21 on their face the applicable limitations or restrictions
 22 regarding the source or sources from which such principal
 23 and interest are payable."

24 Section 10. Section 17-5-102, MCA, is amended to read:

25 "17-5-102. Rate of interest on bonds to be determined

1 by governing bodies ~~---limitations and exceptions. (1) Bonds~~
 2 of a political subdivision shall bear interest at such rate
 3 or rates as its governing body shall determine, ~~except that~~
 4 ~~no such rate shall exceed 7% except revenue bonds issued~~
 5 ~~under the terms of title 7, chapter 7, parts 44 and 45,~~
 6 ~~title 7, chapter 13, part 43, and 90-5-101 through 90-5-113,~~
 7 ~~which rate shall not exceed 9%.~~

8 (2) The provisions of this section establish the rate
 9 of interest on bonds of political subdivisions as defined in
 10 17-5-101 and expressly supersede any other statutory
 11 limitation on the rate of interest to be borne by bonds of
 12 political subdivisions."

13 Section 11. Section 20-9-410, MCA, is amended to read:

14 "20-9-410. Limitation of term and interest -- timing
 15 for redemption. School district bonds shall not be issued
 16 for a term longer than 20 years, except that bonds issued to
 17 refund or redeem outstanding bonds shall not be issued for a
 18 term longer than 10 years unless the unexpired term of the
 19 bonds to be refunded or redeemed is in excess of 10 years,
 20 in which case the refunding or redeeming bonds may be issued
 21 for such unexpired term. All bonds issued for a longer term
 22 than 5 years shall be redeemable at the option of the school
 23 district on any interest payment date after one-half of the
 24 term for which they were issued has expired, and it shall be
 25 so stated on the face of the bonds. The interest shall not

1 exceed ~~7% per annum~~ the limitation of 17-5-102 and shall be
2 payable semiannually."

3 Section 12. Section 20-9-426, MCA, is amended to read:
4 "20-9-426. Preparation and form of ballots for bond
5 election. The school district shall cause ballots to be
6 prepared for all bond elections, and whenever bonds for more
7 than one purpose are to be voted upon at the same election,
8 separate ballots shall be prepared for each purpose. All
9 such ballots shall be substantially in the following form:

10 OFFICIAL BALLOT

11 SCHOOL DISTRICT BOND ELECTION

12 INSTRUCTIONS TO VOTERS: Make an X or similar mark in
13 the vacant square before the words "BONDS--YES" if you wish
14 to vote for the bond issue; if you are opposed to the bond
15 issue make an X or similar mark in the square before the
16 words "BONDS--NO".

17 Shall the board of trustees be authorized to issue and
18 sell bonds of this school district in the amount of
19 dollars (\$....), bearing interest at a rate not more than
20 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
21 semiannually, during a period not more than years, for
22 the purpose ~~...~~ (here state the purpose the same way as in
23 the notice of election)?

24 BONDS -- YES.
25 BONDS -- NO."

1 Section 13. Section 20-9-427, MCA, is amended to read:
2 "20-9-427. Notice of bond election by separate
3 purpose. (1) Any school district bond election shall be
4 conducted in accordance with the school election provisions
5 of this title, except that the election notice required
6 therein shall be in substantially the following form:

7 NOTICE OF SCHOOL DISTRICT BOND ELECTION

8 Notice is hereby given by the trustees of School
9 District No. of County, state of Montana, that
10 pursuant to a certain resolution duly adopted at a meeting
11 of the board of trustees of said school district held on the
12 day of, A.D., 19.., an election of the registered
13 electors of School District No. of County, state
14 of Montana, will be held on the day of, A.D.,
15 19.., at for the purpose of voting upon the question of
16 whether or not the trustees shall be authorized to issue and
17 sell bonds of said school district in the amount of
18 dollars (\$....), bearing interest at a rate not more than
19 ~~seven-percent-(7%)~~ percent (....%) per annum, payable
20 semiannually, for the purpose of (here state purpose).
21 The bonds to be issued will be either amortization or serial
22 bonds, and amortization bonds will be the first choice of
23 the board of trustees. The bonds to be issued, whether
24 amortization or serial bonds, will be payable in
25 installments over a period not exceeding (state number)

1 years.

2 The polls will be open from o'clockm. and
3 until o'clockm. of the said day.

4 Dated and posted this day of, A.D., 19...
5
6 Chairman, School District No....
7 of County
8 Address.....

9 (2) If the bonds proposed to be issued are for more
10 than one purpose, then each purpose shall be separately
11 stated in the notice, together with the proposed amount of
12 bonds therefor."

13 Section 14. Section 20-9-430, MCA, is amended to read:
14 "20-9-430. Notice of sale of school district bonds.
15 The trustees shall cause the notice of the sale of the bonds
16 to be given. The notice shall state the purpose for which
17 the bonds are to be issued and the amount proposed to be
18 issued and shall be substantially in the following form:

19 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

20 Notice is hereby given by the trustees of School
21 District No. of County, state of Montana, that the
22 trustees will on the day of, 19..., at the hour of
23 o'clockm. at, in the school district, sell to
24 the highest and best bidder for cash either amortization or
25 serial bonds of the school district in the total amount of

1 dollars (\$....), for the purpose of

2 Amortization bonds will be the first choice and serial
3 bonds will be the second choice of the trustees.

4 If amortization bonds are sold and issued, the entire
5 issue may be put into one single bond or divided into
6 several bonds, as the trustees may determine upon at the
7 time of sale, both principal and interest to be payable in
8 semiannual installments during a period of years from
9 the date of issue.

10 If serial bonds are issued and sold, they will be in
11 the amount of dollars (\$....) each, the sum of
12 dollars (\$....) of the serial bonds will become payable on
13 the day of, 19..., and the sum of dollars
14 (\$....) will become payable on the same day each year
15 thereafter until all of the bonds are paid.

16 The bonds, whether amortization or serial bonds, will
17 bear date of, 19..., and will bear interest at a rate
18 not exceeding ~~7%~~% per annum, payable semiannually, on
19 the day of (month) and (month) in each year,
20 and will be redeemable in full. (Here insert optional
21 provisions, if any, to be recited on the bonds.)

22 The bonds will be sold for not less than their par
23 value with accrued interest, and all bidders must state the
24 lowest rate of interest at which they will purchase the
25 bonds at par. The bonds shall be sold in open competition

1 bidding, by written bids, or by sealed bids. The trustees
2 reserve the right to reject any and all bids and to sell the
3 bonds at private sale.

4 All bids other than by or on behalf of the state board
5 of land commissioners must be accompanied by money, a
6 certified check, cashier's check, bank money order, or bank
7 draft drawn and issued by a national banking association
8 located in Montana or by any banking corporation
9 incorporated under the laws of Montana, in the sum of
10 dollars (\$....) payable to the order of the district, which
11 will be forfeited by the successful bidder in the event that
12 he shall refuse to purchase the bonds.

13 All bids should be addressed to the undersigned
14 district.

15
16 Chairman, School District No. ...
17 of County
18 Address:

19 ATTEST: Subscribed and sworn to before me this day of
20, 19...; Notary Public for the State
21 Residing at, Montana. My Commission expires

22 Section 15, Section 28-9-440, MCA, is amended to read
23 "28-9-440. Payment of debt service obligations
24 termination of interest. (1) The county treasurer shall
25 maintain a separate debt service fund for each school

1 district and shall credit all tax moneys collected for debt
2 service to such fund and use the moneys credited to such
3 fund for the payment of debt service obligations in
4 accordance with the school financial administration
5 provisions of this title.

6 (2) The county treasurer shall pay from the debt
7 service fund all amounts of interest and principal on school
8 district bonds as such interest or principal becomes due
9 when the coupons or bonds are presented and surrendered for
10 payment and shall pay all special improvement district
11 assessments as the same become due if the bonds are held by
12 the state of Montana; then all payments shall be remitted to
13 the state treasurer who shall cancel the coupons or bonds
14 and return such coupons or bonds to the county treasurer
15 with his receipt; if the bonds are not held by the state of
16 Montana and the interest or principal is made payable at
17 some designated bank or financial institution, the county
18 treasurer shall remit the amount due for interest or
19 principal to such bank or financial institution for payment
20 against the surrender of the canceled coupons or bonds.

21 (3) Whenever any school district bond or installment
22 on school district bonds shall become due and payable,
23 interest shall cease on such date unless sufficient funds
24 are available to pay such bond when it is presented for
25 payment or when payment of an installment is demanded in

1 either--case,--interest--on--such--bond--or--installment--shall
2 continue--until--payment--is--made.

3 ~~(4)--Any--installment--on--interest--and--principal--on--bonds
4 held--by--the--state--that--is--not--promptly--paid--when--due--shall
5 draw--interest--at--an--annual--rate--of--6%--from--the--date--due
6 until--actual--payment,--irrespective--of--the--rate--of--interest
7 on--the--bonds=*~~

8 Section 15. Section 67-11-303, MCA, is amended to
9 read:

10 "67-11-303. Bonds and obligations. (1) An authority
11 may borrow money for any of its corporate purposes and issue
12 its bonds therefor, including refunding bonds, in such form
13 and upon such terms as it may determine, payable out of any
14 revenues of the authority, including revenues derived from:

15 (a) an airport or air navigation facility or
16 facilities;

17 (b) taxes levied pursuant to 67-11-301 or other law
18 for airport purposes;

19 (c) grants or contributions from the federal
20 government; or

21 (d) other sources.

22 (2) The bonds may be issued by resolution of the
23 authority, without an election and without any limitation of
24 amount, except that no such bonds may be issued at any time
25 if the total amount of principal and interest to become due

1 in any year on such bonds and on any then outstanding bonds
2 for which revenues from the same source or sources are
3 pledged exceeds the amount of such revenues to be received
4 in that year as estimated in the resolution authorizing the
5 issuance of the bonds. The authority shall take all action
6 necessary and possible to impose, maintain, and collect
7 rates, charges, rentals, and taxes, if any are pledged,
8 sufficient to make the revenues from the pledged source in
9 such year at least equal to the amount of such principal and
10 interest due in that year.

11 (3) The bonds may be sold at public or private sale
12 and may bear interest at a rate not exceeding ~~10%~~ the
13 limitation of 17-5-102. Except as otherwise provided
14 herein, any bonds issued pursuant to this chapter by an
15 authority may be payable as to principal and interest solely
16 from revenues of the authority and shall state on their face
17 the applicable limitations or restrictions regarding the
18 source from which such principal and interest are payable.

19 (4) Bonds issued by an authority or municipality
20 pursuant to the provisions of this chapter are declared to
21 be issued for an essential public and governmental purpose
22 by a political subdivision within the meaning of
23 15-30-111(2)(a).

24 (5) For the security of any such bonds, the authority
25 or municipality may by resolution make and enter into any

1 covenant, agreement, or indenture and may exercise any
 2 additional powers authorized to be exercised by a
 3 municipality under Title 7, chapter 7, parts 44 and 45. The
 4 sums required from time to time to pay principal and
 5 interest and to create and maintain a reserve for the bonds
 6 may be paid from any revenues referred to in this chapter,
 7 prior to the payment of current costs of operation and
 8 maintenance of the facilities.

9 (6) Subject to the conditions stated in this
 10 subsection (6), the governing body of any municipality
 11 having a population in excess of 10,000, with respect to
 12 bonds issued pursuant to this chapter by the municipality or
 13 by an authority in which the municipality is included, may
 14 by resolution covenant that in the event that at any time
 15 all revenues, including taxes, appropriated and collected
 16 for such bonds are insufficient to pay principal or interest
 17 then due, it will levy a general tax upon all of the taxable
 18 property in the municipality for the payment of such
 19 deficiency; and may further covenant that at any time a
 20 deficiency is likely to occur within 1 year for the payment
 21 of principal and interest due on such bonds, it will levy a
 22 general tax upon all the taxable property in the
 23 municipality for the payment of such deficiency, and such
 24 taxes are not subject to any limitation of rate or amount
 25 applicable to other municipal taxes but are limited to a

1 rate estimated to be sufficient to produce the amount of the
 2 deficiency. In the event more than one municipality having a
 3 population in excess of 10,000 is included in an authority
 4 issuing bonds pursuant to this chapter, the municipalities
 5 may apportion the obligation to levy taxes for the payment
 6 of, or in anticipation of, a deficiency in the revenues
 7 appropriated for such bonds in such manner as the
 8 municipalities may determine. The resolution shall state the
 9 principal amount and purpose of the bonds and the substance
 10 of the covenant respecting deficiencies. No such resolution
 11 becomes effective until the question of its approval has
 12 been submitted to the qualified electors of the municipality
 13 at a special election called for that purpose by the
 14 governing body of the municipality and a majority of the
 15 electors voting on the question have voted in favor thereof.
 16 The notice and conduct of the election is governed, to the
 17 extent applicable, by [7-7-4227 through 7-7-4234] for an
 18 election called by cities and towns, and [7-7-2229 through
 19 7-7-2236] for an election called by counties. If a majority
 20 of the electors voting thereon vote against approval of the
 21 resolution, the municipality has no authority to make the
 22 covenant or to levy a tax for the payment of deficiencies
 23 pursuant to this section, but such municipality or authority
 24 may nevertheless issue bonds under this chapter payable
 25 solely from the sources referred to in subsection (1)

1 above."

2 Section 16. Section 69-4-332, MCA, is amended to read:

3 "69-4-332. Issuance of bonds. (1) After the expiration
4 of 30 days from the date of the adoption of the ordinance
5 levying the assessments, the governing body may issue
6 negotiable, interest-bearing bonds in a principal amount not
7 exceeding the unpaid balance of the assessments levied.
8 Whenever any ordinance authorizing the issuance of any bonds
9 pursuant to the improvement contemplated shall have been
10 adopted, such ordinance shall be published once in a
11 newspaper in which the original notice of hearing was
12 published.

13 (2) The bonds shall bear interest at a rate not
14 exceeding 8% per annum the limitations of 17-5-102, payable
15 as specified by the governing body over a period not
16 exceeding 20 years. The bonds shall be of such form and
17 denomination and shall be payable in principal and interest
18 at such times and place and shall be sold, authorized, and
19 issued in such manner as the governing body may determine.
20 The bonds shall be dated no earlier than the date on which
21 the special assessment shall begin to bear interest and
22 shall be secured by and payable from the levy and collection
23 of the special assessments in anticipation of the collection
24 of which they are issued. Any premium received on the sale
25 of the bonds may be applied as other bond proceeds, or if

1 not so applied, the same shall be placed in the fund for the
2 payment of principal of and interest on the bonds.

3 (3) The bonds shall be signed by a member of the
4 governing body designated by the governing body and shall be
5 countersigned by the appropriate treasurer, with the
6 corporate seal thereto affixed as appropriate, and attested
7 to by the clerk of the governing body. Interest may be
8 evidenced by interest coupons attached to such bonds and
9 signed by a facsimile signature of one of the individuals
10 who signed the bond."

11 NEW SECTION. Section 17. Effect on bonds previously
12 authorized. If prior to [the effective date of this act] a
13 political subdivision was authorized to issue bonds pursuant
14 to a law that limited the rate of interest on the bonds, it
15 may issue all of the bonds so authorized under the
16 provisions of 17-5-102 even if the rate of interest on the
17 bonds exceeds the maximum rate permissible prior to [the
18 effective date of this act].

19 ~~NEW SECTION. SECTION 18. REDEMPTION OF BONDS. ALL~~
20 ~~BONDS ISSUED BETWEEN THE EFFECTIVE DATE AND TERMINATION DATE~~
21 ~~FOR A LONGER TERM THAN 5 YEARS SHALL BE REDEEMABLE AT THE~~
22 ~~OPTION OF THE GOVERNING BODY ON ANY INTEREST PAYMENT DATE~~
23 ~~AFTER THE FIFTH YEAR OF THE TERM FOR WHICH THEY WERE ISSUED~~
24 ~~HAS EXPIRED, AND IF SHALL BE SO STATED ON THE BONDS.~~

25 NEW SECTION. SECTION 18. REDEMPTION OF BONDS. --

1 OPTIONAL METHOD. BETWEEN THE EFFECTIVE DATE AND TERMINATION
2 DATE OF THIS ACT, A GOVERNING BODY IN CONNECTION WITH THE
3 ISSUANCE OF BONDS MAY, AT ITS OPTION, PROVIDE THAT SUCH
4 BONDS SHALL BE REDEEMABLE AT SUCH TIME OR TIMES AND UPON
5 SUCH TERMS AND CONDITIONS AS THE GOVERNING BODY SHALL DEEM
6 TO BE IN THE BEST INTEREST OF THE PUBLIC, NOTWITHSTANDING
7 ANY STATUTORY PROVISION TO THE CONTRARY.

8 Section 19. Codification instruction. Section SECTIONS
9 17 AND 18 ~~is~~ ARE intended to be codified as an integral part
10 of Title 17, chapter 5, part 1.

11 Section 20. ~~Repeater,-----Sections~~ SUSPENSION. THE
12 OPERATION OF SECTIONS 7-7-2208 and 7-7-4207, MCA, are IS
13 repeated SUSPENDED UNTIL JULY 1, 1983.

14 Section 21. Effective date ~~--~~ TERMINATION. This act is
15 effective on passage and approval AND TERMINATES ON JULY 1,
16 1983.

-End-

House amendments to Senate Bill 15

1. Page 26.

Following: line 18

Insert: "NEW SECTION. Section 18. Redemption of bonds. All bonds issued between the effective date and termination date for a longer term than 5 years shall be redeemable at the option of the governing body on any interest payment date after the fifth year of the term for which they were issued has expired, and it shall be so stated on the bonds."

Renumber: subsequent sections

2. Page 26, line 19.

Following: "instruction."

Strike: "Section 18"

Insert: "Sections 17 and 18"

STATE ADMINISTRATION OF THE HOUSE

HOUSE AMENDMENT TO SB 15 (3rd reading copy)

1. Page 26, line 19.
Following: "Section"
Strike: "18"
Insert: "17"