

SENATE BILL NO. 96

INTRODUCED BY VAN VALKENBURG

IN THE SENATE

January 12, 1981	Introduced and referred to Committee on Taxation.
March 11, 1981	Committee recommend bill do pass as amended. Report adopted.
March 12, 1981	Bill printed and placed on members' desks.
March 13, 1981	Second reading, do pass.
March 16, 1981	Correctly engrossed.
March 17, 1981	Third reading, passed. Ayes, 48; Noes, 0. Transmitted to House.

IN THE HOUSE

March 18, 1981	Introduced and referred to Committee on Local Government.
March 27, 1981	Committee recommend bill be concurrred in as amended. Report adopted.
March 30, 1981	Second reading, concurrred in. On motion rules suspended and bill placed on third reading this day. On motion rules suspended and bill allowed to be transmitted on the 71st legislative day. Motion adopted.
March 31, 1981	Third reading, concurrred in as amended. Ayes, 92; Noes, 4.

IN THE SENATE

April 1, 1981	Returned from House with amendments.
April 3, 1981	Second reading, pass consideration until April 6, 1981.
April 9, 1981	Second reading, amendments concurred in.
April 11, 1981	Third reading, amendments concurred in. Ayes, 46; Noes, 0. Sent to enrolling. Reported correctly enrolled.

1 *Scott* BILL NO. 96
 2 INTRODUCED BY *John Callenberg*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FUNDS FOR
 5 SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS BY ALLOWING 5%
 6 OF THE IMPROVEMENT COST TO BE AN INITIAL INCIDENTAL EXPENSE
 7 TO BE DEPOSITED IN THE REVOLVING FUND; AMENDING SECTIONS
 8 7-12-4169 AND 7-12-4222, MCA."
 9

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

11 Section 1. Section 7-12-4169, MCA, is amended to read:

12 "7-12-4169. Incidental expenses considered as cost of
 13 improvements. (1) The costs and expenses connected with and
 14 incidental to the formation of any special improvement
 15 district, including costs of preparation of plans,
 16 specifications, maps, and plats; engineering,
 17 superintendence, and inspection; and preparation of
 18 assessment rolls, shall be considered a part of the cost and
 19 expenses of making the improvements within such special
 20 improvement district.

21 ~~(2) The costs of any improvement may, at the option of~~
 22 ~~the municipal governing body, include an amount not to~~
 23 ~~exceed 5% of the principal amount of any bonds or warrants~~
 24 ~~to be issued which shall be deposited in the revolving fund~~
 25 ~~created in 7-12-4221."~~

1 Section 2. Section 7-12-4222, MCA, is amended to read:
 2 "7-12-4222. Sources of money for revolving fund. (1)
 3 For the purpose of providing funds for such revolving fund
 4 the city or town council:

5 (a) ~~(i)~~ may, in its discretion and from time to time,
 6 transfer to the revolving fund from the general fund of the
 7 city or town such amount or amounts as may be deemed
 8 necessary, which amount or amounts so transferred shall be
 9 deemed and considered and shall be loans from such general
 10 fund to the revolving fund; ~~and or~~

11 ~~(iii) may include in the cost of the improvement to be~~
 12 ~~defrayed from the proceeds of the bond or warrants an amount~~
 13 ~~up to 5% of the principal amount of the bonds or warrants~~
 14 ~~and deposit it in the revolving fund upon receipt of such~~
 15 ~~proceeds; and~~

16 (b) shall, in addition to such transfer or transfers
 17 from the general fund or in lieu thereof, levy and collect
 18 for such revolving fund such a tax, hereby declared to be
 19 for a public purpose, on all the taxable property in such
 20 city or town as shall be necessary to meet the financial
 21 requirements of such fund; such levy, together with such
 22 transfer, not to exceed in any one year 5% of the principal
 23 amount of the then-outstanding special improvement district
 24 bonds or sidewalk, curb, and alley approach warrants.

25 (2) Whenever there shall be money in the district fund

LC 0965/01

1 which is not required for payment of any bond or warrant of
2 such district or of interest thereon, so much of such money
3 as may be necessary to pay the loan provided for in
4 7-12-4223 shall by order of the council be transferred to
5 the revolving fund. After all the bonds and warrants issued
6 on any special improvement district or sidewalk, curb, and
7 alley approach warrants have been fully paid, all money
8 remaining in such district fund shall by order of the
9 council be transferred to and become part of the revolving
10 fund."

-End-

Approved by Committee
on Taxation

SENATE BILL NO. 96

INTRODUCED BY VAN VALKENBURG

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FUNDS FOR SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS BY ALLOWING 5% OF THE IMPROVEMENT COST TO BE AN INITIAL INCIDENTAL EXPENSE TO BE DEPOSITED IN THE REVOLVING FUND; AMENDING SECTIONS 7-12-4169 AND, 7-12-4222, AND 7-12-4227, MCA."

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

Section 1. Section 7-12-4169, MCA, is amended to read:

"7-12-4169. Incidental expenses considered as cost of improvements. (1) The costs and expenses connected with and incidental to the formation of any special improvement district, including costs of preparation of plans, specifications, maps, and plats; engineering, superintendence, and inspection; and preparation of assessment rolls, shall be considered a part of the cost and expenses of making the improvements within such special improvement district.

(2) The costs of any improvement may, at the option of the municipal governing body, include an amount not to exceed 5% of the principal amount of any bonds or warrants to be issued which shall be deposited in the revolving fund created in 7-12-4221."

Section 2. Section 7-12-4222, MCA, is amended to read:

"7-12-4222. Sources of money for revolving fund. (1) For the purpose of providing funds for such revolving fund the city or town council:

(a) (i) may, in its discretion and from time to time, transfer to the revolving fund from the general fund of the city or town such amount or amounts as may be deemed necessary, which amount or amounts so transferred shall be deemed and considered and shall be loans from such general fund to the revolving fund; and or

(ii) may include in the cost of the improvement to be defrayed from the proceeds of the bond or warrants an amount up to 5% of the principal amount of the bonds or warrants and deposit it in the revolving fund upon receipt of such proceeds; and

(b) shall, in addition to such transfer or transfers from the general fund or in lieu thereof, levy and collect for such revolving fund such a tax, hereby declared to be for a public purpose, on all the taxable property in such city or town as shall be necessary to meet the financial requirements of such fund; such levy, together with such transfer, not to exceed in any one year 5% of the principal amount of the then-outstanding special improvement district bonds or sidewalk, curb, and alley approach warrants.

(2) Whenever there shall be money in the district fund

1 which is not required for payment of any bond or warrant of
 2 such district or of interest thereon, so much of such money
 3 as may be necessary to pay the loan provided for in
 4 7-12-4223 shall by order of the council be transferred to
 5 the revolving fund. After all the bonds and warrants issued
 6 on any special improvement district or sidewalk, curb, and
 7 alley approach warrants have been fully paid, all money
 8 remaining in such district fund shall by order of the
 9 council be transferred to and become part of the revolving
 10 fund."

11 SECTION 3. SECTION 7-12-4227, MCA, IS AMENDED TO READ:

12 "7-12-4227. Utilization of excess money in revolving
 13 fund. Whenever there is an amount in the revolving fund in
 14 excess of the amount deposited in the revolving fund under
 15 7-12-4169(2) and in excess of the amount which the council
 16 deems necessary for payment or redemption of maturing bonds
 17 or warrants or interest thereon, the council may:

18 (1) by vote of all of its members at a meeting called
 19 for that purpose, order such excess or any part thereof
 20 transferred to the general fund of such city or town; or

21 (2) use such excess or any part thereof for the
 22 purchase of property at sales for delinquent taxes or
 23 assessments, or both, or property which may have been struck
 24 off or sold to the county for delinquent taxes or
 25 assessments, or both, and against which property there then

1 be any unpaid assessment for special improvements on account
 2 whereof there are outstanding special improvement district
 3 bonds or warrants of the city or town."

4 NEW SECTION. SECTION 4. DISPOSAL OF FUNDS DEPOSITED
 5 IN REVOLVING FUND. ANY FUNDS WITHOUT INTEREST DEPOSITED IN
 6 THE REVOLVING FUND UNDER 7-12-4169(2) LESS THE AMOUNT OF ANY
 7 LOAN TO THE DISTRICT FUND NOT REPAID SHALL BE USED TO MAKE
 8 THE FINAL PAYMENT OR PAYMENTS ON THE DISTRICT'S BONDS OR
 9 WARRANTS. THE ASSESSMENT ON THE PROPERTY OF THE DISTRICT
 10 SHALL BE REDUCED FOR THE FINAL PAYMENT OR PAYMENTS OF THE
 11 BONDS OR WARRANTS BY THE AMOUNT THE REVOLVING FUND PAID
 12 UNDER THIS SECTION.

-End-

1 SENATE BILL NO. 96

2 INTRODUCED BY VAN VALKENBURG

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FUNDS FOR
5 SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS BY ALLOWING 5%
6 OF THE IMPROVEMENT COST TO BE AN INITIAL INCIDENTAL EXPENSE
7 TO BE DEPOSITED IN THE REVOLVING FUND; AMENDING SECTIONS
8 7-12-4169 AND 7-12-4222, AND 7-12-4227, MCA."

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

11 Section 1. Section 7-12-4169, MCA, is amended to read:

12 "7-12-4169. Incidental expenses considered as cost of
13 improvements. (1) The costs and expenses connected with and
14 incidental to the formation of any special improvement
15 district, including costs of preparation of plans,
16 specifications, maps, and plats; engineering,
17 superintendence, and inspection; and preparation of
18 assessment rolls, shall be considered a part of the cost and
19 expenses of making the improvements within such special
20 improvement district.

21 (2) The costs of any improvement may, at the option of
22 the municipal governing body, include an amount not to
23 exceed 5% of the principal amount of any bonds or warrants
24 to be issued which shall be deposited in the revolving fund
25 created in 7-12-4221."

1 Section 2. Section 7-12-4222, MCA, is amended to read:

2 "7-12-4222. Sources of money for revolving fund. (1)
3 For the purpose of providing funds for such revolving fund
4 the city or town council:

5 (a) (i) may, in its discretion and from time to time,
6 transfer to the revolving fund from the general fund of the
7 city or town such amount or amounts as may be deemed
8 necessary, which amount or amounts so transferred shall be
9 deemed and considered and shall be loans from such general
10 fund to the revolving fund; and or

11 (ii) may include in the cost of the improvement to be
12 defrayed from the proceeds of the bond or warrants an amount
13 up to 5% of the principal amount of the bonds or warrants
14 and deposit it in the revolving fund upon receipt of such
15 proceeds; and

16 (b) shall, in addition to such transfer or transfers
17 from the general fund or in lieu thereof, levy and collect
18 for such revolving fund such a tax, hereby declared to be
19 for a public purpose, on all the taxable property in such
20 city or town as shall be necessary to meet the financial
21 requirements of such fund; such levy, together with such
22 transfer, not to exceed in any one year 5% of the principal
23 amount of the then-outstanding special improvement district
24 bonds or sidewalk, curb, and alley approach warrants.

25 (2) Whenever there shall be money in the district fund

1 which is not required for payment of any bond or warrant of
 2 such district or of interest thereon, so much of such money
 3 as may be necessary to pay the loan provided for in
 4 7-12-4223 shall by order of the council be transferred to
 5 the revolving fund. After all the bonds and warrants issued
 6 on any special improvement district or sidewalk, curb, and
 7 alley approach warrants have been fully paid, all money
 8 remaining in such district fund shall by order of the
 9 council be transferred to and become part of the revolving
 10 fund."

11 SECTION 3. SECTION 7-12-4227, MCA, IS AMENDED TO READ:

12 "7-12-4227. Utilization of excess money in revolving
 13 fund. Whenever there is an amount in the revolving fund in
 14 excess of the amount deposited in the revolving fund under
 15 7-12-4169(2) and in excess of the amount which the council
 16 deems necessary for payment or redemption of maturing bonds
 17 or warrants or interest thereon, the council may:

18 (1) by vote of all of its members at a meeting called
 19 for that purpose, order such excess or any part thereof
 20 transferred to the general fund of such city or town; or

21 (2) use such excess or any part thereof for the
 22 purchase of property at sales for delinquent taxes or
 23 assessments, or both, or property which may have been struck
 24 off or sold to the county for delinquent taxes or
 25 assessments, or both, and against which property there then

1 be any unpaid assessment for special improvements on account
 2 whereof there are outstanding special improvement district
 3 bonds or warrants of the city or town."

4 NEW SECTION. SECTION 4. DISPOSAL OF FUNDS DEPOSITED
 5 IN REVOLVING FUND. ANY FUNDS WITHOUT INTEREST DEPOSITED IN
 6 THE REVOLVING FUND UNDER 7-12-4169(2) LESS THE AMOUNT OF ANY
 7 LOAN TO THE DISTRICT FUND NOT REPAID SHALL BE USED TO MAKE
 8 THE FINAL PAYMENT OR PAYMENTS ON THE DISTRICT'S BONDS OR
 9 WARRANTS. THE ASSESSMENT ON THE PROPERTY OF THE DISTRICT
 10 SHALL BE REDUCED FOR THE FINAL PAYMENT OR PAYMENTS OF THE
 11 BONDS OR WARRANTS BY THE AMOUNT THE REVOLVING FUND PAID
 12 UNDER THIS SECTION.

-End-

SENATE BILL NO. 96

INTRODUCED BY VAN VALKENBURG

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE FUNDS FOR SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS BY ALLOWING 5 PERCENT OF THE IMPROVEMENT COST TO BE AN INITIAL INCIDENTAL EXPENSE TO BE DEPOSITED IN THE REVOLVING FUND; AMENDING SECTIONS 7-12-4169 AND 7-12-4222, AND 7-12-4227, MCA."

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

Section 1. Section 7-12-4169, MCA, is amended to read:

"7-12-4169. Incidental expenses considered as cost of improvements. (1) The costs and expenses connected with and incidental to the formation of any special improvement district, including costs of preparation of plans, specifications, maps, and plats; engineering, superintendence, and inspection; and preparation of assessment rolls, shall be considered a part of the cost and expenses of making the improvements within such special improvement district.

(2) The costs of any improvement may, at the option of the municipal governing body, include an amount not to exceed 5% of the principal amount of any bonds or warrants to be issued which shall be deposited in the revolving fund created in 7-12-4221."

Section 2. Section 7-12-4222, MCA, is amended to read:

"7-12-4222. Sources of money for revolving fund. (1) For the purpose of providing funds for such revolving fund the city or town council:

(a) (i) may, in its discretion and from time to time, transfer to the revolving fund from the general fund of the city or town such amount or amounts as may be deemed necessary, which amount or amounts so transferred shall be deemed and considered and shall be loans from such general fund to the revolving fund; and ~~or~~ AND

(ii) may include in the cost of the improvement to be defrayed from the proceeds of the bond or warrants an amount up to 5% of the principal amount of the bonds or warrants and deposit it in the revolving fund upon receipt of such proceeds; and

(b) shall, in addition to such transfer or transfers from the general fund or in lieu thereof, levy and collect for such revolving fund such a tax, hereby declared to be for a public purpose, on all the taxable property in such city or town as shall be necessary to meet the financial requirements of such fund; such levy, together with such transfer, not to exceed in any one year 5% of the principal amount of the then-outstanding special improvement district bonds or sidewalk, curb, and alley approach warrants.

(2) Whenever there shall be money in the district fund

1 which is not required for payment of any bond or warrant of
 2 such district or of interest thereon, so much of such money
 3 as may be necessary to pay the loan provided for in
 4 7-12-4223 shall by order of the council be transferred to
 5 the revolving fund. After all the bonds and warrants issued
 6 on any special improvement district or sidewalk, curb, and
 7 alley approach warrants have been fully paid, all money
 8 remaining in such district fund shall by order of the
 9 council be transferred to and become part of the revolving
 10 fund."

11 SECTION 3. SECTION 7-12-4227, MCA, IS AMENDED TO READ:

12 "7-12-4227. Utilization of excess money in revolving
 13 fund. Whenever there is an amount in the revolving fund in
 14 excess of the amount deposited in the revolving fund under
 15 7-12-4169(2) and in excess of the amount which the council
 16 deems necessary for payment or redemption of maturing bonds
 17 or warrants or interest thereon, the council may:

18 (1) by vote of all of its members at a meeting called
 19 for that purpose, order such excess or any part thereof
 20 transferred to the general fund of such city or town; or

21 (2) use such excess or any part thereof for the
 22 purchase of property at sales for delinquent taxes or
 23 assessments, or both, or property which may have been struck
 24 off or sold to the county for delinquent taxes or
 25 assessments, or both, and against which property there then

1 be any unpaid assessment for special improvements on account
 2 whereof there are outstanding special improvement district
 3 bonds or warrants of the city or town."

4 NEW SECTION. SECTION 4. DISPOSAL OF FUNDS DEPOSITED
 5 IN REVOLVING FUND. ANY FUNDS WITHOUT INTEREST DEPOSITED IN
 6 THE REVOLVING FUND UNDER 7-12-4169(2) LESS THE AMOUNT OF ANY
 7 LOAN TO THE DISTRICT FUND NOT REPAID SHALL BE USED TO MAKE
 8 THE FINAL PAYMENT OR PAYMENTS ON THE DISTRICT'S BONDS OR
 9 WARRANTS. THE ASSESSMENT ON THE PROPERTY OF THE DISTRICT
 10 SHALL BE REDUCED FOR THE FINAL PAYMENT OR PAYMENTS OF THE
 11 BONDS OR WARRANTS BY THE AMOUNT THE REVOLVING FUND PAID
 12 UNDER THIS SECTION. MAY BE RETURNED TO THE OWNERS OF RECORD
 13 OF THE PROPERTY OF THE DISTRICT IN DIRECT PROPORTION OF THE
 14 ORIGINAL ASSESSMENT ON EACH PIECE OF PROPERTY OR AS AN
 15 ALTERNATIVE A MUNICIPALITY MAY TRANSFER THE FUNDS PLACED IN
 16 THE REVOLVING FUND AS A RESULT OF 7-12-4169(2) TO THE
 17 GENERAL FUND AFTER THE FINAL PAYMENT OF THE DISTRICT'S BONDS
 18 OR WARRANTS ARE PAID.

-End-