

SENATE BILL NO. 382

INTRODUCED BY TURNAGE, NORMAN

IN THE SENATE

February 6, 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, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

March 18, 1981	Introduced and referred to Committee on Local Government.
March 25, 1981	Committee recommend bill be concurred in. Report adopted.
March 28, 1981	Second reading, concurred in.
March 30, 1981	On motion rules suspended and bill allowed to be transmitted on 71st legislative day. Motion adopted.
March 31, 1981	Third reading, concurred in. Ayes, 99; Noes, 0.

IN THE SENATE

April 1, 1981	Returned from House. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 *State* BILL NO. *382*
2 INTRODUCED BY *Turnage Norman*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE
5 THE ISSUANCE AND PAYMENT OF SPECIAL IMPROVEMENT DISTRICT AND
6 RURAL SPECIAL IMPROVEMENT DISTRICT BONDS; CLARIFYING THAT
7 THE BONDS ARE NOT GENERAL OBLIGATION BONDS; CLARIFYING THAT
8 THE REVOLVING FUND MAY NOT EXCEED 5 PERCENT OF THE
9 OUTSTANDING BONDS; AND REQUIRING THAT THE VOTERS APPROVE ANY
10 AGREEMENT CONCERNING THE REVOLVING FUND MADE IN CONNECTION
11 WITH A BOND ISSUE; AMENDING SECTIONS 7-12-2170, 7-12-2182,
12 7-12-2185, 7-12-4202, 7-12-4222, AND 7-12-4225, MCA."

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

15 Section 1. Section 7-12-2170, MCA, is amended to read:

16 "7-12-2170. Form of bond or warrant. Such bonds or
17 warrants shall be drawn in substantially the following form:

18 District No.
19 United States of America
20 State of Montana

21 Warrant or Dollars
22 (Bond No.) \$.....

23 Interest at the rate of % per annum, payable annually.

24 Special Improvement District Coupon

25 Warrant or Bond

1, Montana
2 Issued by the county of, Montana

3 The county treasurer of County, Montana, will pay
4 to or bearer the sum of dollars as authorized by
5 resolution No., as passed on the day of,
6 19... creating or maintaining the special improvement
7 district No. for the construction (or maintenance) of
8 the improvements and work performed as authorized in said
9 resolution to be done in said district, and all laws,
10 resolutions, and ordinances relating thereto, in payment of
11 the contract in accordance therewith. The principal and
12 interest of this warrant (or bond) are payable at the office
13 of the county treasurer of County, Montana.

14 This warrant (or bond) bears interest at the rate of
15 % per annum from the date of the registration of this
16 warrant (or bond), as expressed herein, until the date
17 called for the redemption by the county treasurer. The
18 interest on this warrant (or bond) is payable annually on
19 the first day of each year, unless paid previous
20 thereto, and as expressed by the interest coupons hereto
21 attached which bear the signatures of the chairman of the
22 board of county commissioners and the county clerk.

23 This warrant (or bond) is payable from the collection
24 of a special tax or assessment which is a lien against the
25 real estate within said improvement districts as described

1 in said resolution hereinbefore referred to and is not a
2 general obligation of the county.

3 This warrant (or bond) is redeemable at the option of
4 the county at any time there are funds to the credit of said
5 special improvement district fund (construction and
6 maintenance) for the redemption thereof and in the manner
7 provided for the redemption of the same.

8 It is hereby certified and recited that all things
9 required to be done precedent to the issuance of this
10 warrant (or bond) have been properly done, happened, and
11 been performed in the manner prescribed by the laws of the
12 state of Montana and the resolution and ordinances of the
13 county of, Montana, relating to the issuance thereof.

14 Dated at, Montana, this day of, 19...
15 County of, Montana.

16 (SEAL)

17 By, chairman of the board of county commissioners.

18 (SEAL)

19 County clerk

20 Registered at the office of the county treasurer of
21 County, Montana, this day of, 19...

22 County treasurer*

23 Section 2. Section 7-12-2182, MCA, is amended to read:

24 *7-12-2182. Sources of money for revolving fund. (1)

25 For the purpose of providing funds for such revolving fund

1 the board of county commissioners:

2 (a) may, in its discretion and from time to time,
3 transfer to the revolving fund from the general fund of the
4 county such amount or amounts as may be deemed necessary,
5 which amount or amounts so transferred shall be considered
6 and shall be loans from such general fund to the revolving
7 fund; and

8 (b) shall, in addition to such transfer or transfers
9 from the general fund or in lieu thereof, levy and collect
10 for such revolving fund such a tax, hereby declared to be
11 for a public purpose, on all the taxable property in such
12 county as shall be necessary to meet the financial
13 requirements of such fund; such levy, together with such
14 transfer, not to exceed in any one year 5% of the principal
15 amount of the then-outstanding rural special improvement
16 district bonds and warrants.

17 ~~(2) The balance in the revolving fund may not exceed~~
18 ~~2% of the principal amount of the then-outstanding rural~~
19 ~~special improvement district bonds and warrants.~~

20 {2}{2} Whenever there shall be money in the district
21 fund which is not required for payment of any bond or
22 warrant of such district or of interest thereon, so much of
23 such money as may be necessary to pay the loan provided for
24 in 7-12-2183 shall, by order of the board, be transferred to
25 the revolving fund. After all the bonds and warrants issued

1 on any rural special improvement district have been fully
2 paid, all money remaining in such district fund shall by the
3 order of the board be transferred to and become part of the
4 revolving fund."

5 Section 3. Section 7-12-2185, MCA, is amended to read:

6 "7-12-2185. Covenants to utilize revolving fund. (1)
7 In connection with the issuance of rural special improvement
8 district bonds or warrants, the board of county
9 commissioners may, subject to the approval of a majority of
10 the electors of the county voting upon the question at a
11 general or special election, undertake and agree:

12 (a) to issue orders annually authorizing loans or
13 advances from the revolving fund to the district fund
14 involved in amounts sufficient to make good any deficiency
15 in the bond and interest accounts thereof, to the extent
16 that funds are available; and

17 (b) to provide funds for such revolving fund pursuant
18 to the provisions of 7-12-2182 by annually making such tax
19 levy (or, in lieu thereof, such loan from the general fund)
20 as the board may so agree to and undertake, subject to the
21 maximum limitations imposed by 7-12-2182.

22 (2) The undertakings and agreements approved by the
23 electors of the county shall be binding upon said county so
24 long as any of said special improvement district bonds or
25 warrants so offered or any interest thereon remain unpaid."

1 Section 4. Section 7-12-4202, MCA, is amended to read:

2 "7-12-4202. Form of bond or warrant. Such bonds or
3 warrants shall be drawn in substantially the following form:

4 District No.
5 United States of America
6 State of Montana
7 Warrant or Dollars
8 (Bond No.) \$.....
9 Interest at the rate of% per annum, payable
10 semiannually.
11 Special Improvement District Coupon Warrant or Bond
12 Montana
13 Issued by the city of, Montana

14 The treasurer of the city of, Montana, will pay to
15 bearer the sum of dollars as authorized by resolution
16 No. as passed on the day of, 19.., creating
17 special improvement district No. for the construction
18 of the improvements and the work performed as authorized by
19 said resolution to be done in said district, and all laws,
20 resolutions, and ordinances relating thereto, in payment of
21 the contract in accordance therewith. The principal and
22 interest of this warrant (or bond) are payable at the office
23 of the city treasurer of, Montana.

24 This warrant (or bond) bears interest at the rate of
25% per annum from the day of registration of this warrant

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1 (or bond), as expressed herein, until the date called for
 2 redemption by the city treasurer. The interest on this
 3 warrant (or bond) is payable semiannually on the first day
 4 of in each year and on the first day of in each
 5 year, unless paid previous thereto, and as expressed by the
 6 interest coupons hereto attached, which bear the engraved
 7 facsimile signature of the mayor and city clerk.

8 This warrant (or bond) is payable from the collection
 9 of a special tax or assessment which is a lien against the
 10 real estate within said improvement district, as described
 11 in said resolution hereinbefore referred to, and is not a
 12 general obligation of the city.

13 This warrant (or bond) is redeemable at the option of
 14 the city at any time there are funds to the credit of said
 15 special improvement district fund for the redemption thereof
 16 and in the manner provided for the redemption of the same.

17 It is hereby certified and recited that all things
 18 required to be done precedent to the issuance of this
 19 warrant (or bond) have been properly done, happened and been
 20 performed in the manner prescribed by the laws of the state
 21 of Montana and the resolutions and ordinances of the city of
 22, Montana, relating to the issuance thereof.

23 (seal)
 24 Dated at, Montana, this day of, 19...
 25 City of, Montana

1 By:, Mayor
 2, City Clerk
 3 Registered at the office of the city treasurer of,
 4 Montana, this day of, 19...
 5, City Treasurer"

6 Section 5. Section 7-12-4222, MCA, is amended to read:
 7 "7-12-4222. Sources of money for revolving fund. (1)
 8 For the purpose of providing funds for such revolving fund
 9 the city or town council:

10 (a) may, in its discretion and from time to time,
 11 transfer to the revolving fund from the general fund of the
 12 city or town such amount or amounts as may be deemed
 13 necessary, which amount or amounts so transferred shall be
 14 deemed and considered and shall be loans from such general
 15 fund to the revolving fund; 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) The balance in the revolving fund may not exceed

1 ~~5% of the principal amount of the then-outstanding special~~
2 ~~improvement district bonds or sidewalk, curb, and alley~~
3 ~~approach warrants.~~

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

15 Section 6. Section 7-12-4225, MCA, is amended to read:

16 "7-12-4225. Covenants to utilize revolving fund. (1)
17 In connection with any public offering of special
18 improvement district bonds or sidewalk, curb, and alley
19 approach warrants, the city or town council may, subject to
20 the approval of a majority of the electors of the city or
21 town voting on the question at a general or special
22 election, undertake and agree:

23 (a) to issue orders annually authorizing loans or
24 advances from the revolving fund to the district fund
25 involved in amounts sufficient to make good any deficiency

1 in the bond and interest accounts thereof to the extent that
2 funds are available;

3 (b) to provide funds for such revolving fund pursuant
4 to the provisions of 7-12-4222(1) by annually making such
5 tax levy (or, in lieu thereof, such loan from the general
6 fund) as the city or town council may so agree to and
7 undertake, subject to the maximum limitations imposed by
8 7-12-4222(1).

9 (2) The undertakings and agreements approved by the
10 electors of the city or town referred to in subsection (1)
11 shall be binding upon said city or town so long as any of
12 said special improvement district bonds or sidewalk, curb,
13 and alley approach warrants so offered or any interest
14 thereon remain unpaid."

-End-

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Approved by Committee
on Taxation

SENATE BILL NO. 382

INTRODUCED BY TURNAGE, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE THE ISSUANCE AND PAYMENT OF SPECIAL IMPROVEMENT DISTRICT AND RURAL SPECIAL IMPROVEMENT DISTRICT BONDS; CLARIFYING THAT THE BONDS ARE NOT GENERAL OBLIGATION BONDS; ~~CLARIFYING--THAT RESTRICTING THE LEVYING OF A TAX TO PROVIDE FUNDS FOR THE REVOLVING FUND TO INSTANCES WHEN THE REVOLVING FUND MAY DOES~~ NOT EXCEED 5 PERCENT OF THE OUTSTANDING BONDS; ~~AND--REQUIRING THAT--THE--VOTERS--APPROVE--ANY--AGREEMENT--CONCERNING--THE REVOLVING--FUND--MADE--IN--CONNECTION--WITH--A--BOND--ISSUE AND~~ REQUIRING THAT FUNDS IN THE REVOLVING FUND MAY NOT BE TRANSFERRED TO THE GENERAL FUND IF THE BALANCE IN THE REVOLVING FUND IS LESS THAN 5 PERCENT; AMENDING SECTIONS 7-12-2170, 7-12-2182, ~~7-12-2185~~ 7-12-2186, 7-12-4202, 7-12-4222, AND ~~7-12-4225~~ 7-12-4227, MCA."

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

Section 1. Section 7-12-2170, MCA, is amended to read:

"7-12-2170. Form of bond or warrant. Such bonds or warrants shall be drawn in substantially the following form:

District No.

United States of America

State of Montana

Warrant or Dollars
 (Bond No.) \$....
 Interest at the rate of % per annum, payable annually.
 Special Improvement District Coupon
 Warrant or Bond
, Montana
 Issued by the county of, Montana
 The county treasurer of County, Montana, will pay to or bearer the sum of dollars as authorized by resolution No., as passed on the day of, 19.., creating or maintaining the special improvement district No. for the construction (or maintenance) of the improvements and work performed as authorized in said resolution to be done in said district, and all laws, resolutions, and ordinances relating thereto, in payment of the contract in accordance therewith. The principal and interest of this warrant (or bond) are payable at the office of the county treasurer of County, Montana.
 This warrant (or bond) bears interest at the rate of % per annum from the date of the registration of this warrant (or bond), as expressed herein, until the date called for the redemption by the county treasurer. The interest on this warrant (or bond) is payable annually on the first day of each year, unless paid previous thereto, and as expressed by the interest coupons hereto

1 attached which bear the signatures of the chairman of the
2 board of county commissioners and the county clerk.

3 This warrant (or bond) is payable from the collection
4 of a special tax or assessment which is a lien against the
5 real estate within said improvement districts as described
6 in said resolution hereinbefore referred to and is not a
7 general obligation of the county.

8 This warrant (or bond) is redeemable at the option of
9 the county at any time there are funds to the credit of said
10 special improvement district fund (construction and
11 maintenance) for the redemption thereof and in the manner
12 provided for the redemption of the same.

13 It is hereby certified and recited that all things
14 required to be done precedent to the issuance of this
15 warrant (or bond) have been properly done, happened, and
16 been performed in the manner prescribed by the laws of the
17 state of Montana and the resolution and ordinances of the
18 county of, Montana, relating to the issuance thereof.

19 Dated at, Montana, this day of, 19...
20 County of, Montana.

21 (SEAL)

22 By, chairman of the board of county commissioners.

23 (SEAL)

24, County clerk

25 Registered at the office of the county treasurer of

1 County, Montana, this day of, 19...

2 County treasurer"

3 Section 2. Section 7-12-2182, MCA, is amended to read:

4 "7-12-2182. Sources of money for revolving fund. (1)
5 For the purpose of providing funds for such revolving fund
6 the board of county commissioners:

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

13 (b) shall, in addition to such transfer or transfers
14 from the general fund or in lieu thereof, levy and collect
15 for such revolving fund such a tax, hereby declared to be
16 for a public purpose, on all the taxable property in such
17 county as shall be necessary to meet the financial
18 requirements of such fund; ~~such levy, together with such~~
19 ~~transfers not to exceed in any one year 5% of the principal~~
20 ~~amount of the then outstanding rural special improvement~~
21 ~~district bonds and warrants. HOWEVER, A TAX MAY NOT BE~~
22 LEVIED IF THE BALANCE IN THE REVOLVING FUND EXCEEDS 5% OF
23 THE PRINCIPAL AMOUNT OF THE THEN OUTSTANDING RURAL SPECIAL
24 IMPROVEMENT DISTRICT BONDS AND WARRANTS. IF A TAX IS LEVIED,
25 THE TAX MAY NOT BE AN AMOUNT THAT WOULD INCREASE THE BALANCE

1 IN THE REVOLVING FUND ABOVE 5% OF THE THEN OUTSTANDING RURAL
2 SPECIAL IMPROVEMENT DISTRICT BONDS AND WARRANTS.

3 ~~{2}--The balance in the revolving fund may not exceed~~
4 ~~5% of the principal amount of the then outstanding rural~~
5 ~~special improvement district bonds and warrants.~~

6 {2}{3}{2} Whenever there shall be money in the
7 district fund which is not required for payment of any bond
8 or warrant of such district or of interest thereon, so much
9 of such money as may be necessary to pay the loan provided
10 for in 7-12-2183 shall, by order of the board, be
11 transferred to the revolving fund. After all the bonds and
12 warrants issued on any rural special improvement district
13 have been fully paid, all money remaining in such district
14 fund shall by the order of the board be transferred to and
15 become part of the revolving fund."

16 Section 3. Section 7-12-2185, MCA, is amended to read:

17 "7-12-2185. Covenants to utilize revolving funds. (1)
18 In connection with the issuance of rural special improvement
19 district bonds or warrants, the board of county
20 commissioners may, subject to the approval of a majority of
21 the electors of the county voting upon the question at a
22 general or special election, undertake and agree:

23 (a) to issue orders annually authorizing loans or
24 advances from the revolving fund to the district fund
25 involved in amounts sufficient to make good any deficiency

1 in the bond and interest accounts thereof, to the extent
2 that funds are available and

3 (b) to provide funds for such revolving fund pursuant
4 to the provisions of 7-12-2182 by annually making such tax
5 levy (or in lieu thereof, such loan from the general fund)
6 as the board may so agree to and undertake, subject to the
7 maximum limitations imposed by 7-12-2182.

8 {2}--The undertakings and agreements approved by the
9 electors of the county shall be binding upon said county so
10 long as any of said special improvement district bonds or
11 warrants so offered or any interest thereon remain unpaid."

12 SECTION 3. SECTION 7-12-2186, MCA, IS AMENDED TO READ:

13 "7-12-2186. Utilization of excess money in revolving
14 fund. Whenever there is in the revolving fund an amount in
15 excess of the amount which the board deems 5% of the then
16 outstanding rural special improvement district bonds and
17 warrants and the board considers any part of the excess to
18 be greater than the amount necessary for payment or
19 redemption of maturing bonds or warrants or interest
20 thereon, the board may order such excess the amount the
21 board considers greater than the amount necessary or any
22 part thereof transferred to the general fund of the county."

23 Section 4. Section 7-12-4202, MCA, is amended to read:

24 "7-12-4202. Form of bond or warrant. Such bonds or
25 warrants shall be drawn in substantially the following form:

1 District No.
 2 United States of America
 3 State of Montana
 4 Warrant or Dollars
 5 (Bond No.) \$.....
 6 Interest at the rate of% per annum, payable
 7 semiannually.
 8 Special Improvement District Coupon Warrant or Bond
 9 , Montana

10 Issued by the city of, Montana

11 The treasurer of the city of, Montana, will pay to
 12 bearer the sum of dollars as authorized by resolution
 13 No. as passed on the day of, 19... creating
 14 special improvement district No. for the construction
 15 of the improvements and the work performed as authorized by
 16 said resolution to be done in said district, and all laws,
 17 resolutions, and ordinances relating thereto, in payment of
 18 the contract in accordance therewith. The principal and
 19 interest of this warrant (or bond) are payable at the office
 20 of the city treasurer of, Montana.

21 This warrant (or bond) bears interest at the rate of
 22 % per annum from the day of registration of this warrant
 23 (or bond), as expressed herein, until the date called for
 24 redemption by the city treasurer. The interest on this
 25 warrant (or bond) is payable semiannually on the first day

1 of in each year and on the first day of in each
 2 year, unless paid previous thereto, and as expressed by the
 3 interest coupons hereto attached, which bear the engraved
 4 facsimile signature of the mayor and city clerk.

5 This warrant (or bond) is payable from the collection
 6 of a special tax or assessment which is a lien against the
 7 real estate within said improvement district, as described
 8 in said resolution hereinbefore referred to, and is not a
 9 general obligation of the city.

10 This warrant (or bond) is redeemable at the option of
 11 the city at any time there are funds to the credit of said
 12 special improvement district fund for the redemption thereof
 13 and in the manner provided for the redemption of the same.

14 It is hereby certified and recited that all things
 15 required to be done precedent to the issuance of this
 16 warrant (or bond) have been properly done, happened and been
 17 performed in the manner prescribed by the laws of the state
 18 of Montana and the resolutions and ordinances of the city of
 19 , Montana, relating to the issuance thereof.

20 (seal)

21 Dated at, Montana, this day of, 19...

22 City of, Montana

23 By:, Mayor
 24 , City Clerk

25 Registered at the office of the city treasurer of,

1 Montana, this day of, 19...

2, City Treasurer"

3 Section 5. Section 7-12-4222, MCA, is amended to read:

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

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

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

22 HOWEVER, A TAX MAY NOT BE LEVIED IF THE BALANCE IN THE
23 REVOLVING FUND EXCEEDS 5% OF THE PRINCIPAL AMOUNT OF THE
24 THEN OUTSTANDING SPECIAL IMPROVEMENT DISTRICT BONDS AND
25 WARRANTS. IF A TAX IS LEVIED, THE TAX MAY NOT BE AN AMOUNT

1 THAT WOULD INCREASE THE BALANCE IN THE REVOLVING FUND ABOVE
2 5% OF THE THEN OUTSTANDING SPECIAL IMPROVEMENT DISTRICT
3 BONDS AND WARRANTS.

4 ~~(2) The balance in the revolving fund may not exceed~~
5 ~~5% of the principal amount of the then outstanding special~~
6 ~~improvement district bonds or sidewalky curby and alley~~
7 ~~approach warrants.~~

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

19 Section 6. Section 7-12-4225, MCA, is amended to read:
20 "7-12-4225. Covenants to utilize revolving fund--(1)
21 in--connection--with--any--public--offering--of--special
22 improvement--district--bonds--or--sidewalky--curby--and--alley
23 approach--warrants, the city or town council may subject to
24 the approval of a majority of the electors of the city or
25 town voting on the question at a general or special

1 ~~electionary~~ undertake and agree:

2 ~~(a) to issue orders annually authorizing loans or~~
3 ~~advances from the revolving fund to the district fund~~
4 ~~involved in amounts sufficient to make good any deficiency~~
5 ~~in the bond and interest accounts thereof to the extent that~~
6 ~~funds are available;~~

7 ~~(b) to provide funds for such revolving fund pursuant~~
8 ~~to the provisions of 7-12-4222(1) by annually asking such~~
9 ~~tax levy for in lieu thereof, such loan from the general~~
10 ~~fund as the city or town council may so agree to and~~
11 ~~undertake, subject to the maximum limitations imposed by~~
12 ~~7-12-4222(1);~~

13 ~~(2) The undertakings and agreements approved by the~~
14 ~~electors of the city or town referred to in subsection (1)~~
15 ~~shall be binding upon said city or town so long as any of~~
16 ~~said special improvement district bonds or sidewalk, curb,~~
17 ~~and alley approach warrants so offered or any interest~~
18 ~~thereon remain unpaid."~~

19 SECTION 6. SECTION 7-12-4227, MCA, IS AMENDED TO READ:

20 "7-12-4227. Utilization of excess money in revolving
21 fund. Whenever there is an amount in the revolving fund in
22 excess of the amount which the council deems 5% of the
23 outstanding special improvement district bonds and warrants
24 and the council considers any part of the excess to be
25 greater than the amount necessary for payment or redemption

1 of maturing bonds or warrants or interest thereon, the
2 council may:

3 (1) by vote of all of its members at a meeting called
4 for that purpose, order such the amount of the excess that
5 is greater than the amount necessary for the payment or
6 redemption of maturing bonds or warrants or interest thereon
7 or any part thereof transferred to the general fund of such
8 city or town; or

9 (2) use such the excess that is greater than the
10 amount necessary for the payment or redemption of maturing
11 bonds or warrants or interest thereon or any part thereof
12 for the purchase of property at sales for delinquent taxes
13 or assessments, or both, or property which may have been
14 struck off or sold to the county for delinquent taxes or
15 assessments, or both, and against which property there then
16 be any unpaid assessment for special improvements on account
17 whereof there are outstanding special improvement district
18 bonds or warrants of the city or town."

-End-

SENATE BILL NO. 382

INTRODUCED BY TURNAGE, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE THE ISSUANCE AND PAYMENT OF SPECIAL IMPROVEMENT DISTRICT AND RURAL SPECIAL IMPROVEMENT DISTRICT BONDS; CLARIFYING THAT THE BONDS ARE NOT GENERAL OBLIGATION BONDS; ~~CLARIFYING THAT~~ RESTRICTING THE LEVYING OF A TAX TO PROVIDE FUNDS FOR THE REVOLVING FUND TO INSTANCES WHEN THE REVOLVING FUND MAY DOES NOT EXCEED 5 PERCENT OF THE OUTSTANDING BONDS; AND ~~REQUIRING THAT THE VOTERS APPROVE ANY AGREEMENT CONCERNING THE REVOLVING FUND MADE IN CONNECTION WITH A BOND ISSUE AND~~ REQUIRING THAT FUNDS IN THE REVOLVING FUND MAY NOT BE TRANSFERRED TO THE GENERAL FUND IF THE BALANCE IN THE REVOLVING FUND IS LESS THAN 5 PERCENT; AMENDING SECTIONS 7-12-2170, 7-12-2182, ~~7-12-2185~~ 7-12-2186, 7-12-4202, 7-12-4222, AND ~~7-12-4225~~ 7-12-4227, MCA."

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

Section 1. Section 7-12-2170, MCA, is amended to read:

"7-12-2170. Form of bond or warrant. Such bonds or warrants shall be drawn in substantially the following form:

District No.
 United States of America
 State of Montana

Warrant or Dollars
 (Bond No.) \$....
 Interest at the rate of % per annum, payable annually.
 Special Improvement District Coupon

Warrant or Bond
, Montana
 Issued by the county of, Montana

The county treasurer of County, Montana, will pay to or bearer the sum of dollars as authorized by resolution No. as passed on the day of, 19.., creating or maintaining the special improvement district No. for the construction (or maintenance) of the improvements and work performed as authorized in said resolution to be done in said district, and all laws, resolutions, and ordinances relating thereto, in payment of the contract in accordance therewith. The principal and interest of this warrant (or bond) are payable at the office of the county treasurer of County, Montana.

This warrant (or bond) bears interest at the rate of % per annum from the date of the registration of this warrant (or bond), as expressed herein, until the date called for the redemption by the county treasurer. The interest on this warrant (or bond) is payable annually on the first day of each year, unless paid previous thereto, and as expressed by the interest coupons hereto

1 attached which bear the signatures of the chairman of the
2 board of county commissioners and the county clerk.

3 This warrant (or bond) is payable from the collection
4 of a special tax or assessment which is a lien against the
5 real estate within said improvement districts as described
6 in said resolution hereinbefore referred to and is not a
7 general obligation of the county.

8 This warrant (or bond) is redeemable at the option of
9 the county at any time there are funds to the credit of said
10 special improvement district fund (construction and
11 maintenance) for the redemption thereof and in the manner
12 provided for the redemption of the same.

13 It is hereby certified and recited that all things
14 required to be done precedent to the issuance of this
15 warrant (or bond) have been properly done, happened, and
16 been performed in the manner prescribed by the laws of the
17 state of Montana and the resolution and ordinances of the
18 county of, Montana, relating to the issuance thereof.

19 Dated at, Montana, this day of, 19...
20 County of, Montana.

21 (SEAL)

22 By, chairman of the board of county commissioners.

23 (SEAL)

24 County clerk

25 Registered at the office of the county treasurer of

1 County, Montana, this day of, 19...

2 County treasurer"

3 Section 2. Section 7-12-2182, MCA, is amended to read:

4 "7-12-2182. Sources of money for revolving fund. (1)
5 For the purpose of providing funds for such revolving fund
6 the board of county commissioners:

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

13 (b) shall, in addition to such transfer or transfers
14 from the general fund or in lieu thereof, levy and collect
15 for such revolving fund such a tax, hereby declared to be
16 for a public purpose, on all the taxable property in such
17 county as shall be necessary to meet the financial
18 requirements of such fund; ~~such levy, together with such~~
19 ~~transfers not to exceed in any one year 5% of the principal~~
20 ~~amount of the then outstanding rural special improvement~~
21 ~~district bonds and warrants. HOWEVER, A TAX MAY NOT BE~~
22 LEVIED IF THE BALANCE IN THE REVOLVING FUND EXCEEDS 5% OF
23 THE PRINCIPAL AMOUNT OF THE THEN OUTSTANDING RURAL SPECIAL
24 IMPROVEMENT DISTRICT BONDS AND WARRANTS. IF A TAX IS LEVIED,
25 THE TAX MAY NOT BE AN AMOUNT THAT WOULD INCREASE THE BALANCE

1 IN THE REVOLVING FUND ABOVE 5% OF THE THEN OUTSTANDING RURAL
 2 SPECIAL IMPROVEMENT DISTRICT BONDS AND WARRANTS.

3 ~~(2) The balance in the revolving fund may not exceed~~
 4 ~~5% of the principal amount of the then outstanding rural~~
 5 ~~special improvement district bonds and warrants.~~

6 (2)(2) Whenever there shall be money in the
 7 district fund which is not required for payment of any bond
 8 or warrant of such district or of interest thereon, so much
 9 of such money as may be necessary to pay the loan provided
 10 for in 7-12-2183 shall, by order of the board, be
 11 transferred to the revolving fund. After all the bonds and
 12 warrants issued on any rural special improvement district
 13 have been fully paid, all money remaining in such district
 14 fund shall by the order of the board be transferred to and
 15 become part of the revolving fund."

16 ~~Section 3. Section 7-12-2185, MCA, is amended to read:~~

17 ~~"7-12-2185. Covenants to utilize revolving funds. (1)~~
 18 ~~In connection with the issuance of rural special improvement~~
 19 ~~district bonds or warrants, the board of county~~
 20 ~~commissioners may, subject to the approval of a majority of~~
 21 ~~the electors of the county voting upon the question at a~~
 22 ~~general or special election, undertake and agree:~~

23 ~~(a) to issue orders annually authorizing loans or~~
 24 ~~advances from the revolving fund to the district fund~~
 25 ~~involved in amounts sufficient to make good any deficiency~~

1 ~~in the bond and interest accounts thereof to the extent~~
 2 ~~that funds are available; and~~

3 ~~(b) to provide funds for such revolving fund pursuant~~
 4 ~~to the provisions of 7-12-2182 by annually making such tax~~
 5 ~~levy (or in lieu thereof, such loan from the general fund)~~
 6 ~~as the board may so agree to and undertake, subject to the~~
 7 ~~maximum limitations imposed by 7-12-2182.~~

8 ~~(2) The undertakings and agreements approved by the~~
 9 ~~electors of the county shall be binding upon said county so~~
 10 ~~long as any of said special improvement district bonds or~~
 11 ~~warrants so offered or any interest thereon remain unpaid."~~

12 SECTION 3. SECTION 7-12-2186, MCA, IS AMENDED TO READ:

13 "7-12-2186. Utilization of excess money in revolving
 14 fund. Whenever there is in the revolving fund an amount in
 15 excess of the amount which the board deems 5% of the then
 16 outstanding rural special improvement district bonds and
 17 warrants and the board considers any part of the excess to
 18 be greater than the amount necessary for payment or
 19 redemption of maturing bonds or warrants or interest
 20 thereon, the board may order such excess the amount the
 21 board considers greater than the amount necessary or any
 22 part thereof transferred to the general fund of the county."

23 Section 4. Section 7-12-4202, MCA, is amended to read:

24 "7-12-4202. Form of bond or warrant. Such bonds or
 25 warrants shall be drawn in substantially the following form:

1 District No.
2 United States of America
3 State of Montana
4 Warrant or Dollars
5 (Bond No.) \$.....
6 Interest at the rate of% per annum, payable
7 semiannually.

8 Special Improvement District Coupon Warrant or Bond
9 Montana
10 Issued by the city of, Montana

11 The treasurer of the city of, Montana, will pay to
12 bearer the sum of dollars as authorized by resolution
13 No. as passed on the day of, 19.... creating
14 special improvement district No. for the construction
15 of the improvements and the work performed as authorized by
16 said resolution to be done in said district, and all laws,
17 resolutions, and ordinances relating thereto, in payment of
18 the contract in accordance therewith. The principal and
19 interest of this warrant (or bond) are payable at the office
20 of the city treasurer of, Montana.

21 This warrant (or bond) bears interest at the rate of
22% per annum from the day of registration of this warrant
23 (or bond), as expressed herein, until the date called for
24 redemption by the city treasurer. The interest on this
25 warrant (or bond) is payable semiannually on the first day

1 of in each year and on the first day of in each
2 year, unless paid previous thereto, and as expressed by the
3 interest coupons hereto attached, which bear the engraved
4 facsimile signature of the mayor and city clerk.

5 This warrant (or bond) is payable from the collection
6 of a special tax or assessment which is a lien against the
7 real estate within said improvement district, as described
8 in said resolution hereinbefore referred to, and is not a
9 general obligation of the city.

10 This warrant (or bond) is redeemable at the option of
11 the city at any time there are funds to the credit of said
12 special improvement district fund for the redemption thereof
13 and in the manner provided for the redemption of the same.

14 It is hereby certified and recited that all things
15 required to be done precedent to the issuance of this
16 warrant (or bond) have been properly done, happened and been
17 performed in the manner prescribed by the laws of the state
18 of Montana and the resolutions and ordinances of the city of
19, Montana, relating to the issuance thereof.

20 (Seal)
21 Dated at, Montana, this day of, 19....
22 City of, Montana

23 By:, Mayor
24, City Clerk
25 Registered at the office of the city treasurer of,

1 Montana, this day of, 19...

2 City Treasurer"

3 Section 5. Section 7-12-4222, MCA, is amended to read:

4 "7-12-4222. Sources of money for revolving fund. (1)

5 For the purpose of providing funds for such revolving fund
6 the city or town council:

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

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

22 HOWEVER, A TAX MAY NOT BE LEVIED IF THE BALANCE IN THE
23 REVOLVING FUND EXCEEDS 5% OF THE PRINCIPAL AMOUNT OF THE
24 THEN OUTSTANDING SPECIAL IMPROVEMENT DISTRICT BONDS AND
25 WARRANTS. IF A TAX IS LEVIED, THE TAX MAY NOT BE AN AMOUNT

1 THAT WOULD INCREASE THE BALANCE IN THE REVOLVING FUND ABOVE
2 5% OF THE THEN OUTSTANDING SPECIAL IMPROVEMENT DISTRICT
3 BONDS AND WARRANTS.

4 ~~(1) The balance in the revolving fund may not exceed~~
5 ~~5% of the principal amount of the then outstanding special~~
6 ~~improvement district bonds or sidewalk, curb, and alley~~
7 ~~approach warrants.~~

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

19 Section 6. Section 7-12-4225, MCA, is amended to read:

20 "7-12-4225. Covenants to utilize revolving funds. (1)
21 in connection with any public offering of special
22 improvement district bonds or sidewalk, curb, and alley
23 approach warrants, the city or town council may, subject to
24 the approval of a majority of the electors of the city or
25 town voting on the question at a general or special

1 ~~elections~~ undertake and agree:

2 (a) ~~to issue orders annually authorizing loans or~~
3 ~~advances from the revolving fund to the district fund~~
4 ~~involved in amounts sufficient to make good any deficiency~~
5 ~~in the bond and interest accounts thereof to the extent that~~
6 ~~funds are available;~~

7 (b) ~~to provide funds for such revolving fund pursuant~~
8 ~~to the provisions of 7-12-4222(1) by annually making such~~
9 ~~tax levy for in lieu thereof such loan from the general~~
10 ~~fund as the city or town council may so agree to and~~
11 ~~undertake subject to the maximum limitations imposed by~~
12 ~~7-12-4222(1).~~

13 (2) ~~The undertakings and agreements approved by the~~
14 ~~electors of the city or town referred to in subsection (1)~~
15 ~~shall be binding upon said city or town so long as any of~~
16 ~~said special improvement district bonds or sidewalk curbs~~
17 ~~and alley approach warrants so offered or any interest~~
18 ~~thereon remain unpaid."~~

19 SECTION 6. SECTION 7-12-4227, MCA, IS AMENDED TO READ:

20 "7-12-4227. Utilization of excess money in revolving
21 fund. Whenever there is an amount in the revolving fund in
22 excess of the amount which the council deems 5% of the
23 outstanding special improvement district bonds and warrants
24 and the council considers any part of the excess to be
25 greater than the amount necessary for payment or redemption

1 of maturing bonds or warrants or interest thereon, the
2 council may:

3 (1) by vote of all of its members at a meeting called
4 for that purpose, order such the amount of the excess that
5 is greater than the amount necessary for the payment or
6 redemption of maturing bonds or warrants or interest thereon
7 or any part thereof transferred to the general fund of such
8 city or town; or

9 (2) use such the excess that is greater than the
10 amount necessary for the payment or redemption of maturing
11 bonds or warrants or interest thereon or any part thereof
12 for the purchase of property at sales for delinquent taxes
13 or assessments, or both, or property which may have been
14 struck off or sold to the county for delinquent taxes or
15 assessments, or both, and against which property there then
16 be any unpaid assessment for special improvements on account
17 whereof there are outstanding special improvement district
18 bonds or warrants of the city or town."

-End-

SENATE BILL NO. 382

INTRODUCED BY TURNAGE, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY AND REVISE THE ISSUANCE AND PAYMENT OF SPECIAL IMPROVEMENT DISTRICT AND RURAL SPECIAL IMPROVEMENT DISTRICT BONDS; CLARIFYING THAT THE BONDS ARE NOT GENERAL OBLIGATION BONDS; ~~CLARIFYING--THAT~~ RESTRICTING THE LEVYING OF A TAX TO PROVIDE FUNDS FOR THE REVOLVING FUND TO INSTANCES WHEN THE REVOLVING FUND MAY DOES NOT EXCEED 5 PERCENT OF THE OUTSTANDING BONDS; ~~AND--REQUIRING~~ ~~THAT--THE--VOTERS--APPROVE--ANY--AGREEMENT--CONCERNING--THE~~ ~~REVOLVING--FUND--MADE--IN--CONNECTION--WITH--A--BOND--ISSUE~~ AND REQUIRING THAT FUNDS IN THE REVOLVING FUND MAY NOT BE TRANSFERRED TO THE GENERAL FUND IF THE BALANCE IN THE REVOLVING FUND IS LESS THAN 5 PERCENT; AMENDING SECTIONS 7-12-2170, 7-12-2182, 7-12-2185, 7-12-2186, 7-12-4202, 7-12-4222, AND 7-12-4225 7-12-4227, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 Section 1. Section 7-12-2170, MCA, is amended to read:
 "7-12-2170. Form of bond or warrant. Such bonds or warrants shall be drawn in substantially the following form:
 District No.
 United States of America
 State of Montana

Warrant or Dollars
 (Bond No.) \$....
 Interest at the rate of % per annum, payable annually.
 Special Improvement District Coupon
 Warrant or Bond
, Montana
 Issued by the county of, Montana
 The county treasurer of County, Montana, will pay to or bearer the sum of dollars as authorized by resolution No., as passed on the day of, 19.., creating or maintaining the special improvement district No. for the construction (or maintenance) of the improvements and work performed as authorized in said resolution to be done in said district, and all laws, resolutions, and ordinances relating thereto, in payment of the contract in accordance therewith. The principal and interest of this warrant (or bond) are payable at the office of the county treasurer of County, Montana.
 This warrant (or bond) bears interest at the rate of % per annum from the date of the registration of this warrant (or bond), as expressed herein, until the date called for the redemption by the county treasurer. The interest on this warrant (or bond) is payable annually on the first day of each year, unless paid previous thereto, and as expressed by the interest coupons hereto

1 attached which bear the signatures of the chairman of the
2 board of county commissioners and the county clerk.

3 This warrant (or bond) is payable from the collection
4 of a special tax or assessment which is a lien against the
5 real estate within said improvement districts as described
6 in said resolution hereinbefore referred to and is not a
7 general obligation of the county.

8 This warrant (or bond) is redeemable at the option of
9 the county at any time there are funds to the credit of said
10 special improvement district fund (construction and
11 maintenance) for the redemption thereof and in the manner
12 provided for the redemption of the same.

13 It is hereby certified and recited that all things
14 required to be done precedent to the issuance of this
15 warrant (or bond) have been properly done, happened, and
16 been performed in the manner prescribed by the laws of the
17 state of Montana and the resolution and ordinances of the
18 county of, Montana, relating to the issuance thereof.

19 Dated at, Montana, this day of, 19...
20 County of, Montana.

21 (SEAL)

22 By, chairman of the board of county commissioners.

23 (SEAL)

24 County clerk

25 Registered at the office of the county treasurer of

1 County, Montana, this day of, 19...

2 County treasurer"

3 Section 2. Section 7-12-2182, MCA, is amended to read:

4 "7-12-2182. Sources of money for revolving fund. (1)

5 For the purpose of providing funds for such revolving fund
6 the board of county commissioners:

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

13 (b) shall, in addition to such transfer or transfers
14 from the general fund or in lieu thereof, levy and collect
15 for such revolving fund such a tax, hereby declared to be
16 for a public purpose, on all the taxable property in such
17 county as shall be necessary to meet the financial
18 requirements of such fund ~~such levy together with such~~
19 ~~transfers not to exceed in any one year 5% of the principal~~
20 ~~amount of the then outstanding rural special improvement~~
21 ~~district bonds and warrants. HOWEVER, A TAX MAY NOT BE~~
22 LEVIED IF THE BALANCE IN THE REVOLVING FUND EXCEEDS 5% OF
23 THE PRINCIPAL AMOUNT OF THE THEN OUTSTANDING RURAL SPECIAL
24 IMPROVEMENT DISTRICT BONDS AND WARRANTS. IF A TAX IS LEVIED,
25 THE TAX MAY NOT BE AN AMOUNT THAT WOULD INCREASE THE BALANCE

1 IN THE REVOLVING FUND ABOVE 5% OF THE THEN OUTSTANDING RURAL
2 SPECIAL IMPROVEMENT DISTRICT BONDS AND WARRANTS.

3 ~~{2}--The balance in the revolving fund may not exceed~~
4 ~~5% of the principal amount of the then outstanding rural~~
5 ~~special improvement district bonds and warrants.~~

6 {2}{3}{2} Whenever there shall be money in the
7 district fund which is not required for payment of any bond
8 or warrant of such district or of interest thereon, so much
9 of such money as may be necessary to pay the loan provided
10 for in 7-12-2183 shall, by order of the board, be
11 transferred to the revolving fund. After all the bonds and
12 warrants issued on any rural special improvement district
13 have been fully paid, all money remaining in such district
14 fund shall by the order of the board be transferred to and
15 become part of the revolving fund."

16 Section 3. Section 7-12-2185, MCA, is amended to read:

17 "7-12-2185. Covenants to utilize revolving funds--(1)
18 in connection with the issuance of rural special improvement
19 district bonds or warrants, the board of county
20 commissioners may, subject to the approval of a majority of
21 the electors of the county voting upon the question at a
22 general or special election, undertake and agree

23 {a) to issue orders annually authorizing loans or
24 advances from the revolving fund to the district fund
25 involved in amounts sufficient to make good any deficiency

1 in the bond and interest accounts thereof, to the extent
2 that funds are available, and

3 {b) to provide funds for such revolving fund pursuant
4 to the provisions of 7-12-2182 by annually making such tax
5 levy for, in lieu thereof, such loan from the general fund,
6 as the board may so agree to and undertake, subject to the
7 maximum limitations imposed by 7-12-2182.

8 {2}--The undertakings and agreements approved by the
9 electors of the county shall be binding upon said county, so
10 long as any of said special improvement district bonds or
11 warrants so offered or any interest thereon remain unpaid."

12 SECTION 3. SECTION 7-12-2186, MCA, IS AMENDED TO READ:

13 "7-12-2186. Utilization of excess money in revolving
14 fund. Whenever there is in the revolving fund an amount in
15 excess of the amount which the board deems 5% of the then
16 outstanding rural special improvement district bonds and
17 warrants and the board considers any part of the excess to
18 be greater than the amount necessary for payment or
19 redemption of maturing bonds or warrants or interest
20 thereon, the board may order such excess the amount the
21 board considers greater than the amount necessary or any
22 part thereof transferred to the general fund of the county."

23 Section 4. Section 7-12-4202, MCA, is amended to read:

24 "7-12-4202. Form of bond or warrant. Such bonds or
25 warrants shall be drawn in substantially the following form:

1 District No.
 2 United States of America
 3 State of Montana
 4 Warrant or Dollars
 5 (Bond No.) \$.....
 6 Interest at the rate of% per annum, payable
 7 semiannually.
 8 Special Improvement District Coupon Warrant or Bond

9 Montana
 10 Issued by the city of, Montana

11 The treasurer of the city of, Montana, will pay to
 12 bearer the sum of dollars as authorized by resolution
 13 No. as passed on the day of, 19..., creating
 14 special improvement district No. for the construction
 15 of the improvements and the work performed as authorized by
 16 said resolution to be done in said district, and all laws,
 17 resolutions, and ordinances relating thereto, in payment of
 18 the contract in accordance therewith. The principal and
 19 interest of this warrant (or bond) are payable at the office
 20 of the city treasurer of, Montana.

21 This warrant (or bond) bears interest at the rate of
 22 % per annum from the day of registration of this warrant
 23 (or bond), as expressed herein, until the date called for
 24 redemption by the city treasurer. The interest on this
 25 warrant (or bond) is payable semiannually on the first day

1 of in each year and on the first day of in each
 2 year, unless paid previous thereto, and as expressed by the
 3 interest coupons hereto attached, which bear the engraved
 4 facsimile signature of the mayor and city clerk.

5 This warrant (or bond) is payable from the collection
 6 of a special tax or assessment which is a lien against the
 7 real estate within said improvement district, as described
 8 in said resolution hereinbefore referred to, and is not a
 9 general obligation of the city.

10 This warrant (or bond) is redeemable at the option of
 11 the city at any time there are funds to the credit of said
 12 special improvement district fund for the redemption thereof
 13 and in the manner provided for the redemption of the same.

14 It is hereby certified and recited that all things
 15 required to be done precedent to the issuance of this
 16 warrant (or bond) have been properly done, happened and been
 17 performed in the manner prescribed by the laws of the state
 18 of Montana and the resolutions and ordinances of the city of
 19 , Montana, relating to the issuance thereof.

20 (seal)

21 Dated at, Montana, this day of, 19...

22 City of, Montana

23 By:, Mayor

24 , City Clerk

25 Registered at the office of the city treasurer of,

1 Montana, this day of, 19...

2 City Treasurer"

3 Section 5. Section 7-12-4222, MCA, is amended to read:

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

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

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

22 HOWEVER, A TAX MAY NOT BE LEVIED IF THE BALANCE IN THE
23 REVOLVING FUND EXCEEDS 5% OF THE PRINCIPAL AMOUNT OF THE
24 THEN OUTSTANDING SPECIAL IMPROVEMENT DISTRICT BONDS AND
25 WARRANTS. IF A TAX IS LEVIED, THE TAX MAY NOT BE AN AMOUNT

1 THAT WOULD INCREASE THE BALANCE IN THE REVOLVING FUND ABOVE
2 5% OF THE THEN OUTSTANDING SPECIAL IMPROVEMENT DISTRICT
3 BONDS AND WARRANTS.

4 ~~(2)---The---balance---in---the---revolving---fund---may---not---exceed~~
5 ~~5%---of---the---principal---amount---of---the---then---outstanding---special~~
6 ~~improvement---district---bonds---or---sidewalks---curbs---and---alley~~
7 ~~approach---warrants.~~

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

19 Section 6~~---Section-7-12-4225~~ MCA~~---is-amended-to-read~~

20 "7-12-4225~~---Covenants-to-utilize-revolving-fund---~~(1)
21 ~~In---connection---with---any---public---offering---of---special~~
22 ~~improvement-district-bonds--or--sidewalks--curbs--and--alley~~
23 ~~approach--warrants, the city or town council may subject to~~
24 ~~the approval of a majority of the electors of the city or~~
25 ~~town voting on the question of a general or special~~

1 ~~election;~~ undertake and agree
 2 ~~(a) to issue orders annually authorizing loans or~~
 3 ~~advances from the revolving fund to the district fund~~
 4 ~~involved in amounts sufficient to make good any deficiency~~
 5 ~~in the bond and interest accounts thereof to the extent that~~
 6 ~~funds are available;~~
 7 ~~(b) to provide funds for such revolving fund pursuant~~
 8 ~~to the provisions of 7-12-4222(f) by annually making such~~
 9 ~~tax levy for, in lieu thereof, such loan from the general~~
 10 ~~fund) as the city or town council may so agree to and~~
 11 ~~undertake, subject to the maximum limitations imposed by~~
 12 ~~7-12-4222(f);~~
 13 ~~(2) the undertakings and agreements approved by the~~
 14 ~~electors of the city or town referred to in subsection (1)~~
 15 ~~shall be binding upon said city or town so long as any of~~
 16 ~~said special improvement district bonds or sidewalk, curb,~~
 17 ~~and alley approach warrants so offered or any interest~~
 18 ~~thereon remain unpaid."~~

19 SECTION 6. SECTION 7-12-4227, MCA, IS AMENDED TO READ:

20 "7-12-4227. Utilization of excess money in revolving
 21 fund. Whenever there is an amount in the revolving fund in
 22 excess of the ~~amount which the council deems 5% of the~~
 23 outstanding special improvement district bonds and warrants
 24 and the council considers any part of the excess to be
 25 greater than the amount necessary for payment or redemption

1 of maturing bonds or warrants or interest thereon, the
 2 council may:

3 (1) by vote of all of its members at a meeting called
 4 for that purpose, order such the amount of the excess that
 5 is greater than the amount necessary for the payment or
 6 redemption of maturing bonds or warrants or interest thereon
 7 or any part thereof transferred to the general fund of such
 8 city or town; or

9 (2) use such the excess that is greater than the
 10 amount necessary for the payment or redemption of maturing
 11 bonds or warrants or interest thereon or any part thereof
 12 for the purchase of property at sales for delinquent taxes
 13 or assessments, or both, or property which may have been
 14 struck off or sold to the county for delinquent taxes or
 15 assessments, or both, and against which property there then
 16 be any unpaid assessment for special improvements on account
 17 whereof there are outstanding special improvement district
 18 bonds or warrants of the city or town."

-End-