

HOUSE BILL NO. 716
INTRODUCED BY METCALF

IN THE HOUSE

February 11, 1983	Introduced and referred to Committee on Local Government.
February 14, 1983	Rereferred to Committee on Business and Industry.
February 16, 1983	Committee recommend bill do pass. Report adopted.
February 17, 1983	Bill printed and placed on members' desks.
February 18, 1983	Second reading, do pass.
February 21, 1983	Considered correctly engrossed.
February 22, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Taxation.
April 7, 1983	Committee recommend bill be concurred in as amended. Report adopted.
April 8, 1983	Second reading, concurred in.
April 11, 1983	Third reading, concurred in. Ayes, 50; Noes, 0.

IN THE HOUSE

April 11, 1983

Returned to House with amendments.

April 13, 1983

On motion, rules suspended to allow House to act upon Senate amendments.

On motion, Senate amendments placed on second reading this day.

Second reading, amendments concurred in.

April 14, 1983

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 716
 2 INTRODUCED BY Mitkoff
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
 5 REDEMPTION OF COUNTY GENERAL OBLIGATION, MUNICIPAL GENERAL
 6 OBLIGATION, AND SCHOOL DISTRICT BONDS AT A PREMIUM; ALLOWING
 7 SUCH BONDS, TOGETHER WITH SPECIAL IMPROVEMENT DISTRICT
 8 BONDS, TO BE SOLD AT A DISCOUNT; ALLOWING THE PAYMENT OF
 9 FEES IN CONNECTION WITH THE SALE OF SUCH BONDS; REDEFINING
 10 THE TERM "SERIAL BONDS" AS IT RELATES TO SUCH GENERAL
 11 OBLIGATION BONDS; AND ALLOWING FLEXIBILITY AS TO THE FIRST
 12 INTEREST PAYMENT DATE ON ALL SUCH BONDS; AMENDING SECTIONS
 13 7-7-2207, 7-7-2211, 7-7-2251, 7-7-2254, 7-7-4206, 7-7-4210,
 14 7-7-4251, 7-7-4254, 20-9-408, 20-9-410, 20-9-430, AND
 15 20-9-432, MCA."

16
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 Section 1. Section 7-7-2207, MCA, is amended to read:

19 "7-7-2207. Redemption of bonds. All bonds issued for a
 20 longer term than 5 years shall be redeemable at par or at a
 21 premium fixed at the option of the county on any interest
 22 payment date after one-half of the term for which they were
 23 issued has expired, and it such redemption feature shall be
 24 so stated on the face of the bonds."

25 Section 2. Section 7-7-2211, MCA, is amended to read:

1 "7-7-2211. Serial bonds. The term "serial bonds", as
 2 used in this part, is hereby defined as being a bond issue
 3 payable in equal annual installments, one installment
 4 consisting of one or more bonds, becoming due and payable
 5 each year; ~~however, the principal amount to be paid and~~
 6 ~~redeemed each year being determined by dividing the total~~
 7 ~~amount of the bonds to be issued by the total number of~~
 8 ~~years the issue is to run, so that the total amount of~~
 9 ~~principal to be paid each year the bonds are to run will be~~
 10 ~~the same, provided, however, that the installments becoming~~
 11 ~~due and payable the first year or the first and second years~~
 12 ~~may vary in amount from the others to the extent resulting~~
 13 ~~from fixing the amount of each bond of the other~~
 14 ~~installments at \$100, \$500, or \$1,000 as may be determined~~
 15 ~~by the board of county commissioners maturing in each~~
 16 ~~installment may not be more than three times the principal~~
 17 ~~amount of the bonds maturing in the immediately preceding~~
 18 ~~installment."~~

19 Section 3. Section 7-7-2251, MCA, is amended to read:

20 "7-7-2251. (Revived July 1, 1983) Form of notice of
 21 sale of bonds. The notice of sale shall state the purpose or
 22 purposes for which the bonds are to be issued and the amount
 23 proposed to be issued for each purpose and shall be
 24 substantially in the following form:

25 NOTICE OF SALE OF COUNTY BONDS

-2- INTRODUCED BILL

HB 716

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

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

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

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

1 ~~schedule adopted by the board of county commissioners).~~

2 The bonds, whether amortization or serial bonds, will
3 bear date of, 19..., and will bear interest at a rate
4 not exceeding 6% per annum commencing on the day of
5 (month), 19... and payable semiannually, on the
6 day of (month) and (month) in each year
7 thereafter, and will be redeemable in full (here insert the
8 optional provisions, if any, to be recited in the bonds).

9 The bonds will be sold for not less than 97% of their
10 par value with accrued interest to date of delivery, and all
11 bidders must state the lowest rate of interest at which they
12 will purchase the bonds at par. The board reserves the right
13 to reject any and all bids and to sell the bonds at private
14 sale.

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

22 All bids should be addressed to the board of county
23 commissioners of said county and delivered to the county
24 clerk of said county.

25 ATTEST:

1
 2 (Chairman, Board of County Commissioners)
 3 of County
 4 State of Montana

5
 6 (Clerk of the Board of County Commissioners)
 7 of County, Montana
 8 Address Montana"

9 Section 4. Section 7-7-2254, MCA, is amended to read:

10 "7-7-2254. Procedure for sale of bonds. (1) The board
 11 of county commissioners shall meet at the time and place
 12 fixed in the notice to consider bids for the bonds.

13 (2) The bonds shall be sold at not less than 97% of
 14 par and with accrued interest to date of delivery, and each
 15 bidder shall specify the form of bonds to be issued, whether
 16 amortization or serial, and the rate of interest at which he
 17 will purchase the bonds. A bid for amortization bonds shall
 18 have preference over a bid for serial bonds, all other
 19 things being equal. In determining the kind of bonds to be
 20 issued, the board shall take into consideration not only the
 21 rate of interest demanded on each kind but also all other
 22 known elements affecting the interests of the county. The
 23 board shall accept the bid which they shall judge most
 24 advantageous to the county. The board is authorized to
 25 reject any or all bids and to sell the bonds at private sale

1 If they deem it for the best interests of the county;
 2 provided, however, that such bonds shall not be sold at less
 3 than 97% of par and with accrued interest to date of
 4 delivery.

5 (3) No consultants' fees and attorneys' fees or
 6 brokerage or other fees or commissions of any kind shall may
 7 be paid to any person or corporation for assisting in the
 8 proceedings, in the preparation of the bonds, or in
 9 negotiating the sale thereof."

10 Section 5. Section 7-7-4206, MCA, is amended to read:

11 "7-7-4206. Redemption of bonds. All bonds issued for a
 12 longer term than 5 years shall be redeemable at par or at a
 13 premium fixed at the option of the city or town on any
 14 interest payment date after one-half of the term for which
 15 they were issued has expired, and it such redemption feature
 16 shall be so recited in the bonds."

17 Section 6. Section 7-7-4210, MCA, is amended to read:

18 "7-7-4210. Serial bonds. The term "serial bonds", as
 19 used in this part, is hereby defined as being a bond issue
 20 payable in equal annual installments, one installment
 21 consisting of one or more bonds, becoming due and payable
 22 each year, however, the principal amount to be paid and
 23 redeemed each year being determined by dividing the total
 24 amount of the bonds to be issued by the total number of
 25 years the issue is to run, so that the total amount of

1 principal to be paid each year the bonds are to run will be
 2 the same provided, however, that the payments becoming due
 3 the first year or the first and second years may vary in
 4 amount from the other payments to the extent resulting from
 5 fixing the amount of each bond of the other payments at
 6 \$100, \$500, or some multiple thereof maturing in each
 7 installment may not be more than three times the principal
 8 amount of the bonds maturing in the immediately preceding
 9 installment."

10 Section 7. Section 7-7-4251, MCA, is amended to read:
 11 "7-7-4251. (Revised July 1, 1983) Form of notice of
 12 sale of bonds. The notice of sale shall state the purpose or
 13 purposes for which the bonds are to be issued and the amount
 14 proposed to be issued for each purpose and shall be
 15 substantially in the following form:

16 NOTICE OF SALE OF (CITY OR TOWN) BONDS

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

24 Amortization bonds will be the first choice and serial
 25 bonds will be the second choice of the council.

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

7 If serial bonds are issued and sold, they will be in
 8 the amount of dollars (\$....) each, except the last
 9 bond which will be in the amount of dollars (\$....) if
 10 the sum of dollars (\$....) of said serial bonds and
 11 will become due and payable on the day of 19...
 12 and a like amount on the same day each year thereafter until
 13 all such bonds are paid, except that the last installment
 14 will be in the amount of dollars (\$....) according to
 15 the maturity schedule set forth below (set forth maturity
 16 schedule adopted by the city or town council).

17 The bonds, whether amortization or serial bonds, will
 18 bear date of, 19..., will bear interest at a rate not
 19 exceeding 6% per annum, commencing on the day of
 20 (month) 19... and payable semiannually, on the day of
 21 and on the day of in each year thereafter and
 22 will be redeemable (here insert the optional provisions, if
 23 any, recited in the bonds).

24 Said bonds will be sold for not less than 97% of their
 25 par value with accrued interest to date of delivery, and all

bidders must state the lowest rate of interest at which they will purchase the bonds at par. The council reserves the right to reject any and all bids and to sell said bonds at private sale.

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

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

.....

Mayor of the (city or town) of

..... Montana

ATTEST:

.....

(City or Town) Clerk"

Section 8. Section 7-7-4254, MCA, is amended to read:

"7-7-4254. Procedure for sale of bonds. (1) The city or town council shall meet at the time and place fixed in the notice to consider bids for the bonds.

(2) The bonds shall be sold at not less than 97 1/2 of

par ~~and with~~ accrued interest to date of delivery, and each bidder shall specify the form of bonds to be issued, whether amortization or serial, and the rate of interest at which he will purchase the bonds. A bid for amortization bonds shall have preference over a bid for serial bonds, all other things being equal. In determining the kind of bonds to be issued, the council shall take into consideration not only the rate of interest demanded on each kind but also all other known elements affecting the interests of the city or town. The council shall accept the bid it considers most advantageous to the city or town. The council may reject any and all bids and sell the bonds at private sale if this is considered to be in the best interests of the city or town; provided, however, that the bonds may not be sold at less than 97 1/2 of par and ~~with~~ accrued interest to date of delivery.

(3) ~~No Consultants' fees and attorneys' fees or brokerage--or--other--fees--or--commissions--of--any--kind~~ may be paid to any person or corporation for assisting in the proceedings, in the preparation of the bonds, or in negotiating the sale thereof."

Section 9. Section 20-9-408, MCA, is amended to read:

"20-9-408. Definition of forms of bonds. As used in this title, unless the context clearly indicates otherwise:

(1) "amortization bonds" means the form of bonds on

which a part of the principal must be paid each time interest becomes payable. The part payment of principal increases at each installment in the same amount that the interest decreases. The combined interest and principal due on each due date remains the same until the bonds are paid. The final payment may vary from prior payments in the amount resulting from disregarding fractional cents in prior payments.

(2) "serial bonds" means the form of bonds which are payable in annual installments and on which the amount to be redeemed maturing each year is determined by dividing the total ~~may not be more than three times the principal~~ amount of the bonds by the term of the bond issues. However, the first or the first and second installments may vary from the others to the extent resulting from fixing the amounts of each bond of the other installments at \$100, at \$500, or at some multiple thereof maturing in the immediately preceding year."

Section 10. Section 20-9-410, MCA, is amended to read:

"20-9-410. (Revived July 1, 1983) Limitation of term and interest -- timing for redemption. School district bonds shall not be issued for a term longer than 20 years, except that bonds issued to refund or redeem outstanding bonds shall not be issued for a term longer than 10 years unless the unexpired term of the bonds to be refunded or redeemed

is in excess of 10 years, in which case the refunding or redeeming bonds may be issued for such unexpired term. All bonds issued for a longer term than 5 years shall be redeemable at par or at a premium fixed at the option of the school district on any interest payment date after one-half of the term for which they were issued has expired, and ~~it~~ such redemption feature shall be so stated on the face of the bonds. The interest shall not exceed 7% per annum and shall be payable semiannually."

Section 11. Section 20-9-430, MCA, is amended to read:

"20-9-430. (Revived July 1, 1983) Notice of sale of school district bonds. The trustees shall cause the notice of the sale of the bonds to be given. The notice shall state the purpose for which the bonds are to be issued and the amount proposed to be issued and shall be substantially in the following form:

NOTICE OF SALE OF SCHOOL DISTRICT BONDS

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

Amortization bonds will be the first choice and serial

1 bonds will be the second choice of the trustees.

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

8 If serial bonds are issued and sold, they will be in
9 the amount of dollars (\$....) each; ~~the sum of~~
10 ~~dollars--(\$....)--of the serial bonds~~ and will become payable
11 ~~on the day of, 19... and the sum of dollars~~
12 ~~(\$....) will become payable on the same day each year~~
13 ~~thereafter until all of the bonds are paid according to the~~
14 ~~maturity schedule set forth below (set forth maturity~~
15 ~~schedule adopted by the school district).~~

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, ~~commencing on the day of~~
19 ~~.... (month) 19... and payable semiannually~~ on the
20 day of (month) and (month) in each year
21 ~~thereafter~~ and will be redeemable in full. (Here insert
22 optional provisions, if any, to be recited on the bonds.)

23 The bonds will be sold for not less than 97% of their
24 par value with accrued interest, and all bidders must state
25 the lowest rate of interest at which they will purchase the

1 bonds at par. The bonds shall be sold in open competition
2 bidding, by written bids, or by sealed bids. The trustees
3 reserve the right to reject any and all bids and to sell the
4 bonds at private sale.

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

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

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

20 ATTEST:

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

24 Section 12. Section 20-9-432, MCA, is amended to read:
25 "20-9-432. Sale of school district bonds. (1) The

1 trustees shall meet at the time and place fixed in the
 2 notice to consider bids on the bond issue. The bonds shall
 3 be sold at not less than 97% of par and ~~with~~ accrued
 4 interest to date of delivery, and each bidder shall specify
 5 the form of bonds to be issued, whether amortization or
 6 serial, and the rate of interest at which he will purchase
 7 the bonds. A bid for amortization bonds shall have the
 8 preference over a bid for serial bonds, all other things
 9 being equal; and in considering bids on these classes of
 10 bonds, the trustees shall take into consideration not only
 11 the rate of interest demanded on each kind but also every
 12 other known element affecting the total cost of the bonds to
 13 the district when paid in full. The trustees shall accept
 14 the bid which they shall judge most advantageous to the
 15 school district. No ~~consultants' fees and~~ attorney fees
 16 ~~brokerage or other fees or commissions of any kind shall~~
 17 ~~may~~ be paid to any person or corporation for assisting in
 18 the proceedings or in the preparation of the bonds or in
 19 negotiating the sale. The trustees are authorized to reject
 20 any or all bids and to sell the bonds at private sale if
 21 they deem it for the best interests of the school district,
 22 except that such bonds shall not be sold at less than 97% of
 23 par and ~~with~~ accrued interest to date of delivery.

24 (2) The trustees may cooperate and combine with other
 25 school districts within the same county for the purpose of

1 preparing and negotiating for sale of bond issues if, in the
 2 opinion of the trustees, such cooperation or combination
 3 will facilitate the sale of school district bonds under more
 4 advantageous terms or with lower interest rates. Provided,
 5 however, that bond issues prepared or negotiated for sale
 6 under this section shall not be combined for any other
 7 purpose but shall be entered separately on the books of the
 8 county treasurer and shall be otherwise treated as separate
 9 bond issues."

-End-

Rereferred and
Approved by Committee
on Business and Industry

1 House BILL NO. 716
2 INTRODUCED BY Mitcally
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
5 REDEMPTION OF COUNTY GENERAL OBLIGATION, MUNICIPAL GENERAL
6 OBLIGATION, AND SCHOOL DISTRICT BONDS AT A PREMIUM; ALLOWING
7 SUCH BONDS, TOGETHER WITH SPECIAL IMPROVEMENT DISTRICT
8 BONDS, TO BE SOLD AT A DISCOUNT; ALLOWING THE PAYMENT OF
9 FEES IN CONNECTION WITH THE SALE OF SUCH BONDS; REDEFINING
10 THE TERM "SERIAL BONDS" AS IT RELATES TO SUCH GENERAL
11 OBLIGATION BONDS; AND ALLOWING FLEXIBILITY AS TO THE FIRST
12 INTEREST PAYMENT DATE ON ALL SUCH BONDS; AMENDING SECTIONS
13 7-7-2207, 7-7-2211, 7-7-2251, 7-7-2254, 7-7-4206, 7-7-4210,
14 7-7-4251, 7-7-4254, 20-9-408, 20-9-410, 20-9-430, AND
15 20-9-432, MCA."
16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18 Section 1. Section 7-7-2207, MCA, is amended to read:
19 "7-7-2207. Redemption of bonds. All bonds issued for a
20 longer term than 5 years shall be redeemable at par or at a
21 premium fixed at the option of the county on any interest
22 payment date after one-half of the term for which they were
23 issued has expired, and it such redemption feature shall be
24 so stated on the face of the bonds."
25 Section 2. Section 7-7-2211, MCA, is amended to read:

1 "7-7-2211. Serial bonds. The term "serial bonds", as
2 used in this part, is hereby defined as being a bond issue
3 payable in equal annual installments, one installment
4 consisting of one or more bonds, becoming due and payable
5 each year; ~~however, the principal amount to be paid and~~
6 ~~redeemed each year being determined by dividing the total~~
7 ~~amount of the bonds to be issued by the total number of~~
8 ~~years the issue is to run, so that the total amount of~~
9 ~~principal to be paid each year the bonds are to run will be~~
10 ~~the same; provided, however, that the installments becoming~~
11 ~~due and payable the first year or the first and second years~~
12 ~~may vary in amount from the others to the extent resulting~~
13 ~~from fixing the amount of each bond of the other~~
14 ~~installments at \$100, \$500, or \$1,000, as may be determined~~
15 ~~by the board of county commissioners maturing in each~~
16 ~~installment may not be more than three times the principal~~
17 ~~amount of the bonds maturing in the immediately preceding~~
18 ~~installment."~~

19 Section 3. Section 7-7-2251, MCA, is amended to read:
20 "7-7-2251. (Revived July 1, 1983) Form of notice of
21 sale of bonds. The notice of sale shall state the purpose or
22 purposes for which the bonds are to be issued and the amount
23 proposed to be issued for each purpose and shall be
24 substantially in the following form:

25 NOTICE OF SALE OF COUNTY BONDS

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

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

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

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

1 schedule adopted by the board of county commissioners).

2 The bonds, whether amortization or serial bonds, will
3 bear date of, 19..., and will bear interest at a rate
4 not exceeding 6% per annum, commencing on the day of
5 (months) 19... and payable semiannually, on the
6 day of (month) and (month) in each year
7 thereafter, and will be redeemable in full (here insert the
8 optional provisions, if any, to be recited in the bonds).

9 The bonds will be sold for not less than 97% of their
10 par value with accrued interest to date of delivery, and all
11 bidders must state the lowest rate of interest at which they
12 will purchase the bonds at par. The board reserves the right
13 to reject any and all bids and to sell the bonds at private
14 sale.

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

22 All bids should be addressed to the board of county
23 commissioners of said county and delivered to the county
24 clerk of said county.

25 ATTEST:

1
 2 (Chairman, Board of County Commissioners)
 3 of County
 4 State of Montana
 5
 6 (Clerk of the Board of County Commissioners)
 7 of County, Montana
 8 Address Montana"
 9 Section 4. Section 7-7-2254, MCA, is amended to read:
 10 "7-7-2254. Procedure for sale of bonds. (1) The board
 11 of county commissioners shall meet at the time and place
 12 fixed in the notice to consider bids for the bonds.
 13 (2) The bonds shall be sold at not less than 97% of
 14 par and with accrued interest to date of delivery, and each
 15 bidder shall specify the form of bonds to be issued, whether
 16 amortization or serial, and the rate of interest at which he
 17 will purchase the bonds. A bid for amortization bonds shall
 18 have preference over a bid for serial bonds, all other
 19 things being equal. In determining the kind of bonds to be
 20 issued, the board shall take into consideration not only the
 21 rate of interest demanded on each kind but also all other
 22 known elements affecting the interests of the county. The
 23 board shall accept the bid which they shall judge most
 24 advantageous to the county. The board is authorized to
 25 reject any or all bids and to sell the bonds at private sale

1 if they deem it for the best interests of the county;
 2 provided, however, that such bonds shall not be sold at less
 3 than 97% of par and with accrued interest to date of
 4 delivery.
 5 (3) ~~No Consultants' fees and attorneys' fees or~~
 6 ~~brokerage or other fees or commissions of any kind shall~~ may
 7 be paid to any person or corporation for assisting in the
 8 proceedings, in the preparation of the bonds, or in
 9 negotiating the sale thereof."

10 Section 5. Section 7-7-4206, MCA, is amended to read:
 11 "7-7-4206. Redemption of bonds. All bonds issued for a
 12 longer term than 5 years shall be redeemable at par or at a
 13 premium fixed at the option of the city or town on any
 14 interest payment date after one-half of the term for which
 15 they were issued has expired, and ~~it such redemption feature~~
 16 shall be so recited in the bonds."

17 Section 6. Section 7-7-4210, MCA, is amended to read:
 18 "7-7-4210. Serial bonds. The term "serial bonds", as
 19 used in this part, is hereby defined as being a bond issue
 20 payable in equal annual installments, one installment
 21 consisting of one or more bonds, becoming due and payable
 22 each year, ~~however, the principal amount to be paid and~~
 23 ~~redeemed each year being determined by dividing the total~~
 24 ~~amount of the bonds to be issued by the total number of~~
 25 ~~years the issue is to run, so that the total amount of~~

1 principal to be paid each year the bonds are to run will be
 2 the same, provided, however, that the payments becoming due
 3 the first year or the first and second years may vary in
 4 amount from the other payments to the extent resulting from
 5 fixing the amount of each bond of the other payments at
 6 \$100, \$500, or some multiple thereof maturing in each
 7 installment may not be more than three times the principal
 8 amount of the bonds maturing in the immediately preceding
 9 installment."

10 Section 7. Section 7-7-4251, MCA, is amended to read:
 11 "7-7-4251. (Revised July 1, 1983) Form of notice of
 12 sale of bonds. The notice of sale shall state the purpose or
 13 purposes for which the bonds are to be issued and the amount
 14 proposed to be issued for each purpose and shall be
 15 substantially in the following form:

16 NOTICE OF SALE OF (CITY OR TOWN) BONDS

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

24 Amortization bonds will be the first choice and serial
 25 bonds will be the second choice of the council.

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

7 If serial bonds are issued and sold, they will be in
 8 the amount of dollars (\$....) each, except the last
 9 bond which will be in the amount of dollars (\$....);
 10 the sum of dollars (\$....) of said serial bonds and
 11 will become due and payable on the day of, 19..
 12 and a like amount on the same day each year thereafter until
 13 all such bonds are paid, except that the last installment
 14 will be in the amount of dollars (\$....) according to
 15 the maturity schedule set forth below (set forth maturity
 16 schedule adopted by the city or town council).

17 The bonds, whether amortization or serial bonds, will
 18 bear date of, 19.., will bear interest at a rate not
 19 exceeding 6% per annum, commencing on the day of
 20 (month), 19... and payable semiannually, on the day of
 21 and on the day of in each year thereafter and
 22 will be redeemable (here insert the optional provisions, if
 23 any, recited in the bonds).

24 Said bonds will be sold for not less than 97% of their
 25 par value with accrued interest to date of delivery, and all

1 bidders must state the lowest rate of interest at which they
2 will purchase the bonds at par. The council reserves the
3 right to reject any and all bids and to sell said bonds at
4 private sale.

5 All bids other than by or on behalf of the board of
6 investments of the state of Montana must be accompanied by a
7 certified check in the sum of dollars (\$....), payable
8 to the order of the (city or town) clerk, which will be
9 forfeited by the successful bidder in the event he shall
10 fail or refuse to complete the purchase of said bonds in
11 accordance with the terms of his bid.

12 All bids shall be addressed to the council of the (city
13 or town) of and delivered to the clerk of said (city or
14 town).

15
16 Mayor of the (city or town) of
17 Montana

18 ATTEST:

19
20 (City or Town) Clerk"

21 Section 8. Section 7-7-4254, MCA, is amended to read:

22 "7-7-4254. Procedure for sale of bonds. (1) The city
23 or town council shall meet at the time and place fixed in
24 the notice to consider bids for the bonds.

25 (2) The bonds shall be sold at not less than 97% of

1 par ~~and with~~ accrued interest to date of delivery, and each
2 bidder shall specify the form of bonds to be issued, whether
3 amortization or serial, and the rate of interest at which he
4 will purchase the bonds. A bid for amortization bonds shall
5 have preference over a bid for serial bonds, all other
6 things being equal. In determining the kind of bonds to be
7 issued, the council shall take into consideration not only
8 the rate of interest demanded on each kind but also all
9 other known elements affecting the interests of the city or
10 town. The council shall accept the bid it considers most
11 advantageous to the city or town. The council may reject any
12 and all bids and sell the bonds at private sale if this is
13 considered to be in the best interests of the city or town;
14 provided, however, that the bonds may not be sold at less
15 than 97% of par ~~and with~~ accrued interest to date of
16 delivery.

17 (3) ~~No Consultants' fees and attorneys' fees or~~
18 ~~brokerage--or--other--fees--or--commissions--of--any--kind~~ may be
19 paid to any person or corporation for assisting in the
20 proceedings, in the preparation of the bonds, or in
21 negotiating the sale thereof."

22 Section 9. Section 20-9-408, MCA, is amended to read:

23 "20-9-408. Definition of forms of bonds. As used in
24 this title, unless the context clearly indicates otherwise:

25 (1) "amortization bonds" means the form of bonds on

1 which a part of the principal must be paid each time
 2 interest becomes payable. The part payment of principal
 3 increases at each installment in the same amount that the
 4 interest decreases. The combined interest and principal due
 5 on each due date remains the same until the bonds are paid.
 6 The final payment may vary from prior payments in the amount
 7 resulting from disregarding fractional cents in prior
 8 payments.

9 (2) "serial bonds" means the form of bonds which are
 10 payable in annual installments and on which the amount to be
 11 ~~redeemed maturing~~ each year ~~is determined by dividing the~~
 12 ~~total may not be more than three times the principal~~ amount
 13 ~~of the bonds by the term of the bond issues--However, the~~
 14 ~~first or the first and second installments may vary from the~~
 15 ~~others to the extent resulting from fixing the amounts of~~
 16 ~~each bond of the other installments at \$100 or at \$500 or at~~
 17 ~~some multiple thereof maturing in the immediately preceding~~
 18 ~~year."~~

19 Section 10. Section 20-9-410, MCA, is amended to read:

20 "20-9-410. (Revised July 1, 1983) Limitation of term
 21 and interest -- timing for redemption. School district bonds
 22 shall not be issued for a term longer than 20 years, except
 23 that bonds issued to refund or redeem outstanding bonds
 24 shall not be issued for a term longer than 10 years unless
 25 the unexpired term of the bonds to be refunded or redeemed

1 is in excess of 10 years, in which case the refunding or
 2 redeeming bonds may be issued for such unexpired term. All
 3 bonds issued for a longer term than 5 years shall be
 4 redeemable at par or at a premium fixed at the option of the
 5 school district on any interest payment date after one-half
 6 of the term for which they were issued has expired, and ~~it~~
 7 such redemption feature shall be so stated on the face of
 8 the bonds. The interest shall not exceed 7% per annum and
 9 shall be payable semiannually."

10 Section 11. Section 20-9-430, MCA, is amended to read:

11 "20-9-430. (Revised July 1, 1983) Notice of sale of
 12 school district bonds. The trustees shall cause the notice
 13 of the sale of the bonds to be given. The notice shall state
 14 the purpose for which the bonds are to be issued and the
 15 amount proposed to be issued and shall be substantially in
 16 the following form:

17 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

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

25 Amortization bonds will be the first choice and serial

1 bonds will be the second choice of the trustees.

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

8 If serial bonds are issued and sold, they will be in
9 the amount of dollars (\$....) each; ~~the sum of~~
10 ~~dollars of the serial bonds~~ and will become payable
11 ~~on the day of, 19.... and the sum of dollars~~
12 ~~(\$....) will become payable on the same day each year~~
13 ~~thereafter until all of the bonds are paid according to the~~
14 ~~maturity schedule set forth below (set forth maturity~~
15 ~~schedule adopted by the school district).~~

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 ~~commencing on the day of~~
19 ~~.... (month), 19....~~ and payable semiannually, on the
20 day of (month) and (month) in each year
21 ~~thereafter~~ and will be redeemable in full. (Here insert
22 optional provisions, if any, to be recited on the bonds.)

23 The bonds will be sold for not less than 97% of their
24 par value with accrued interest, and all bidders must state
25 the lowest rate of interest at which they will purchase the

1 bonds at par. The bonds shall be sold in open competition
2 bidding, by written bids, or by sealed bids. The trustees
3 reserve the right to reject any and all bids and to sell the
4 bonds at private sale.

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

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

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

20 ATTEST:

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

24 Section 12. Section 20-9-432, MCA, is amended to read:
25 "20-9-432. Sale of school district bonds. (1) The

1 trustees shall meet at the time and place fixed in the
 2 notice to consider bids on the bond issue. The bonds shall
 3 be sold at not less than 97% of par and with accrued
 4 interest to date of delivery, and each bidder shall specify
 5 the form of bonds to be issued, whether amortization or
 6 serial, and the rate of interest at which he will purchase
 7 the bonds. A bid for amortization bonds shall have the
 8 preference over a bid for serial bonds, all other things
 9 being equal; and in considering bids on these classes of
 10 bonds, the trustees shall take into consideration not only
 11 the rate of interest demanded on each kind but also every
 12 other known element affecting the total cost of the bonds to
 13 the district when paid in full. The trustees shall accept
 14 the bid which they shall judge most advantageous to the
 15 school district. No ~~consultants' fees and attorney fees~~
 16 ~~brokerage or other fees, or commissions of any kind shall~~
 17 ~~may~~ be paid to any person or corporation for assisting in
 18 the proceedings or in the preparation of the bonds or in
 19 negotiating the sale. The trustees are authorized to reject
 20 any or all bids and to sell the bonds at private sale if
 21 they deem it for the best interests of the school district,
 22 except that such bonds shall not be sold at less than 97% of
 23 par and with accrued interest to date of delivery.

24 (2) The trustees may cooperate and combine with other
 25 school districts within the same county for the purpose of

1 preparing and negotiating for sale of bond issues if, in the
 2 opinion of the trustees, such cooperation or combination
 3 will facilitate the sale of school district bonds under more
 4 advantageous terms or with lower interest rates. Provided,
 5 however, that bond issues prepared or negotiated for sale
 6 under this section shall not be combined for any other
 7 purpose but shall be entered separately on the books of the
 8 county treasurer and shall be otherwise treated as separate
 9 bond issues."

-End-

1 House BILL NO. 716
 2 INTRODUCED BY Mitchell
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
 5 REDEMPTION OF COUNTY GENERAL OBLIGATION, MUNICIPAL GENERAL
 6 OBLIGATION, AND SCHOOL DISTRICT BONDS AT A PREMIUM; ALLOWING
 7 SUCH BONDS, TOGETHER WITH SPECIAL IMPROVEMENT DISTRICT
 8 BONDS, TO BE SOLD AT A DISCOUNT; ALLOWING THE PAYMENT OF
 9 FEES IN CONNECTION WITH THE SALE OF SUCH BONDS; REDEFINING
 10 THE TERM "SERIAL BONDS" AS IT RELATES TO SUCH GENERAL
 11 OBLIGATION BONDS; AND ALLOWING FLEXIBILITY AS TO THE FIRST
 12 INTEREST PAYMENT DATE ON ALL SUCH BONDS; AMENDING SECTIONS
 13 7-7-2207, 7-7-2211, 7-7-2251, 7-7-2254, 7-7-4206, 7-7-4210,
 14 7-7-4251, 7-7-4254, 20-9-408, 20-9-410, 20-9-430, AND
 15 20-9-432, MCA."
 16

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

18 Section 1. Section 7-7-2207, MCA, is amended to read:

19 "7-7-2207. Redemption of bonds. All bonds issued for a
 20 longer term than 5 years shall be redeemable at par or at a
 21 premium fixed at the option of the county on any interest
 22 payment date after one-half of the term for which they were
 23 issued has expired, and if such redemption feature shall be
 24 so stated on the face of the bonds."

25 Section 2. Section 7-7-2211, MCA, is amended to read:

1 "7-7-2211. Serial bonds. The term "serial bonds", as
 2 used in this part, is hereby defined as being a bond issue
 3 payable in equal annual installments, one installment
 4 consisting of one or more bonds, becoming due and payable
 5 each year; ~~however, the principal amount to be paid and~~
 6 ~~redeemed each year being determined by dividing the total~~
 7 ~~amount of the bonds to be issued by the total number of~~
 8 ~~years the issue is to run, so that the total amount of~~
 9 ~~principal to be paid each year the bonds are to run will be~~
 10 ~~the same; provided, however, that the installments becoming~~
 11 ~~due and payable the first year or the first and second years~~
 12 ~~may vary in amount from the others to the extent resulting~~
 13 ~~from fixing the amount of each bond of the other~~
 14 ~~installments at \$100, \$500, or \$1,000, as may be determined~~
 15 ~~by the board of county commissioners maturing in each~~
 16 ~~installment may not be more than three times the principal~~
 17 ~~amount of the bonds maturing in the immediately preceding~~
 18 ~~installment."~~

19 Section 3. Section 7-7-2251, MCA, is amended to read:

20 "7-7-2251. (Revived July 1, 1993) Form of notice of
 21 sale of bonds. The notice of sale shall state the purpose or
 22 purposes for which the bonds are to be issued and the amount
 23 proposed to be issued for each purpose and shall be
 24 substantially in the following form:

25 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 of a.m., 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 principal 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 and 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--(\$....) according to the maturity schedule set forth below (set forth maturity

schedule adopted by the board of county commissioners).

The bonds, whether amortization or serial bonds, will bear date of, 19..., and will bear interest at a rate not exceeding 6% per annum commencing on the day of (month) 19... and payable semiannually, on the day of (month) and (month) in each year thereafter and will be redeemable in full (here insert the optional provisions, if any, to be recited in the bonds).

The bonds will be sold for not less than 97% of their par value with accrued interest to date of delivery, and all bidders must state the lowest rate of interest at which they will purchase the bonds at par. The board reserves the right to reject any and all bids and to sell the bonds at private sale.

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

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

ATTEST:

1
 2 (Chairman, Board of County Commissioners)
 3 of County
 4 State of Montana

5
 6 (Clerk of the Board of County Commissioners)
 7 of County, Montana
 8 Address Montana"

9 Section 4. Section 7-7-2254, MCA, is amended to read:

10 "7-7-2254. Procedure for sale of bonds. (1) The board
 11 of county commissioners shall meet at the time and place
 12 fixed in the notice to consider bids for the bonds.

13 (2) The bonds shall be sold at not less than 97% of
 14 par and with accrued interest to date of delivery, and each
 15 bidder shall specify the form of bonds to be issued, whether
 16 amortization or serial, and the rate of interest at which he
 17 will purchase the bonds. A bid for amortization bonds shall
 18 have preference over a bid for serial bonds, all other
 19 things being equal. In determining the kind of bonds to be
 20 issued, the board shall take into consideration not only the
 21 rate of interest demanded on each kind but also all other
 22 known elements affecting the interests of the county. The
 23 board shall accept the bid which they shall judge most
 24 advantageous to the county. The board is authorized to
 25 reject any or all bids and to sell the bonds at private sale

1 if they deem it for the best interests of the county;
 2 provided, however, that such bonds shall not be sold at less
 3 than 97% of par and with accrued interest to date of
 4 delivery.

5 (3) ~~No Consultants' fees and attorneys' fees or~~
 6 ~~brokerage or other fees or commissions of any kind shall~~ may
 7 be paid to any person or corporation for assisting in the
 8 proceedings, in the preparation of the bonds, or in
 9 negotiating the sale thereof."

10 Section 5. Section 7-7-4206, MCA, is amended to read:

11 "7-7-4206. Redemption of bonds. All bonds issued for a
 12 longer term than 5 years shall be redeemable at par or at a
 13 premium fixed at the option of the city or town on any
 14 interest payment date after one-half of the term for which
 15 they were issued has expired, and it such redemption feature
 16 shall be so recited in the bonds."

17 Section 6. Section 7-7-4210, MCA, is amended to read:

18 "7-7-4210. Serial bonds. The term "serial bonds", as
 19 used in this part, is hereby defined as being a bond issue
 20 payable in equal annual installments, one installment
 21 consisting of one or more bonds, becoming due and payable
 22 each year; ~~however, the principal amount to be paid and~~
 23 ~~redeemed each year being determined by dividing the total~~
 24 ~~amount of the bonds to be issued by the total number of~~
 25 ~~years the issue is to run, so that the total amount of~~

principal-to-be-paid-each-year-the-bonds-are-to-run-will-be
 the-same-provided-however-that-the-payments-becoming-due
 the-first-year-or-the-first-and-second-years-may-vary-in
 amount-from-the-other-payments-to-the-extent-resulting-from
 fixing-the-amount-of-each-bond-of-the-other-payments-at
 \$100, \$500, or some multiple thereof maturing in each
installment may not be more than three times the principal
amount of the bonds maturing in the immediately preceding
installment."

Section 7. Section 7-7-4251, MCA, is amended to read:

"7-7-4251. (Revised July 1, 1983) 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 (CITY OR TOWN) BONDS

Notice is hereby given by the council of the (city or
 town) of, Montana, that the council will, on the
 day of, 19.., at the hour of, at its council
 chamber in the (city or town) of, Montana, sell to the
 highest and best bidder for cash either amortization or
 serial bonds of the said (city or town) 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 council.

If amortization bonds are sold and issued, the entire
 issue may be put into one single bond or divided into
 several bonds as the council 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--said--serial--bonds and
 will become due and payable on the ----day-of-----19--
 and-a-like-amount-on-the-same-day-each-year-thereafter-until
 all-such-bonds-are-paid-except-that--the--last--installment
 will--be--in--the--amount--of--....--dollars--(\$....) according to
 the maturity schedule set forth below (set forth maturity
 schedule adopted by the city or town council).

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

Said bonds will be sold for not less than 97% of their
 par value with accrued interest to date of delivery, and all

1 bidders must state the lowest rate of interest at which they
2 will purchase the bonds at par. The council reserves the
3 right to reject any and all bids and to sell said bonds at
4 private sale.

5 All bids other than by or on behalf of the board of
6 investments of the state of Montana must be accompanied by a
7 certified check in the sum of dollars (\$....), payable
8 to the order of the (city or town) clerk, which will be
9 forfeited by the successful bidder in the event he shall
10 fail or refuse to complete the purchase of said bonds in
11 accordance with the terms of his bid.

12 All bids shall be addressed to the council of the (city
13 or town) of and delivered to the clerk of said (city or
14 town).

15
16 Mayor of the (city or town) of
17 Montana

18 ATTEST:

19

20 (City or Town) Clerk"

21 Section 8. Section 7-7-4254, MCA, is amended to read:

22 "7-7-4254. Procedure for sale of bonds. (1) The city
23 or town council shall meet at the time and place fixed in
24 the notice to consider bids for the bonds.

25 (2) The bonds shall be sold at not less than 91% of

1 par and ~~with~~ accrued interest to date of delivery, and each
2 bidder shall specify the form of bonds to be issued, whether
3 amortization or serial, and the rate of interest at which he
4 will purchase the bonds. A bid for amortization bonds shall
5 have preference over a bid for serial bonds, all other
6 things being equal. In determining the kind of bonds to be
7 issued, the council shall take into consideration not only
8 the rate of interest demanded on each kind but also all
9 other known elements affecting the interests of the city or
10 town. The council shall accept the bid it considers most
11 advantageous to the city or town. The council may reject any
12 and all bids and sell the bonds at private sale if this is
13 considered to be in the best interests of the city or town;
14 provided, however, that the bonds may not be sold at less
15 than 91% of par and ~~with~~ accrued interest to date of
16 delivery.

17 (3) No ~~consultants' fees and~~ attorneys' fees or
18 ~~brokerage--or--other--fees--or--commissions--of--any--kind~~ may be
19 paid to any person or corporation for assisting in the
20 proceedings, in the preparation of the bonds, or in
21 negotiating the sale thereof."

22 Section 9. Section 20-9-408, MCA, is amended to read:

23 "20-9-408. Definition of forms of bonds. As used in
24 this title, unless the context clearly indicates otherwise:

25 (1) "amortization bonds" means the form of bonds on

1 which a part of the principal must be paid each time
 2 interest becomes payable. The part payment of principal
 3 increases at each installment in the same amount that the
 4 interest decreases. The combined interest and principal due
 5 on each due date remains the same until the bonds are paid.
 6 The final payment may vary from prior payments in the amount
 7 resulting from disregarding fractional cents in prior
 8 payments.

9 (2) "serial bonds" means the form of bonds which are
 10 payable in annual installments and on which the amount to be
 11 redeemed ~~maturing~~ each year is determined by dividing the
 12 ~~total may not be more than three times the principal amount~~
 13 ~~of the bonds by the term of the bond issues. However, the~~
 14 ~~first or the first and second installments may vary from the~~
 15 ~~others to the extent resulting from fixing the amounts of~~
 16 ~~each bond of the other installments at \$100, at \$500, or at~~
 17 ~~some multiple thereof maturing in the immediately preceding~~
 18 ~~year."~~

19 Section 10. Section 20-9-410, MCA, is amended to read:
 20 "20-9-410. (Revised July 1, 1983) Limitation of term
 21 and interest -- timing for redemption. School district bonds
 22 shall not be issued for a term longer than 20 years, except
 23 that bonds issued to refund or redeem outstanding bonds
 24 shall not be issued for a term longer than 10 years unless
 25 the unexpired term of the bonds to be refunded or redeemed

1 is in excess of 10 years, in which case the refunding or
 2 redeeming bonds may be issued for such unexpired term. All
 3 bonds issued for a longer term than 5 years shall be
 4 redeemable at par or at a premium fixed at the option of the
 5 school district on any interest payment date after one-half
 6 of the term for which they were issued has expired, and if
 7 such redemption feature shall be so stated on the face of
 8 the bonds. The interest shall not exceed 7% per annum and
 9 shall be payable semiannually."

10 Section 11. Section 20-9-430, MCA, is amended to read:
 11 "20-9-430. (Revised July 1, 1983) Notice of sale of
 12 school district bonds. The trustees shall cause the notice
 13 of the sale of the bonds to be given. The notice shall state
 14 the purpose for which the bonds are to be issued and the
 15 amount proposed to be issued and shall be substantially in
 16 the following form:

17 NOTICE OF SALE OF SCHOOL DISTRICT BONDS

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

25 Amortization bonds will be the first choice and serial

1 bonds will be the second choice of the trustees.

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

8 If serial bonds are issued and sold, they will be in
9 the amount of dollars (\$....) each; ~~the sum of~~
10 ~~dollars--(\$....) of the serial bonds~~ and will become payable
11 ~~on the day of 19.... and the sum of dollars~~
12 ~~(\$....) will become payable on the same day each year~~
13 ~~thereafter until all of the bonds are paid according to the~~
14 ~~maturity schedule set forth below (set forth maturity~~
15 ~~schedule adopted by the school district).~~

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, commencing on the day of
19 (month), 19.... and payable semiannually, on the
20 day of (month) and (month) in each year
21 thereafter and will be redeemable in full. (Here insert
22 optional provisions, if any, to be recited on the bonds.)

23 The bonds will be sold for not less than 97% of their
24 par value with accrued interest, and all bidders must state
25 the lowest rate of interest at which they will purchase the

1 bonds at par. The bonds shall be sold in open competition
2 bidding, by written bids, or by sealed bids. The trustees
3 reserve the right to reject any and all bids and to sell the
4 bonds at private sale.

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

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

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

20 ATTEST:

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

24 Section 12. Section 20-9-432, MCA, is amended to read:
25 "20-9-432. Sale of school district bonds. (1) The

1 trustees shall meet at the time and place fixed in the
 2 notice to consider bids on the bond issue. The bonds shall
 3 be sold at not less than 97% of par and with accrued
 4 interest to date of delivery, and each bidder shall specify
 5 the form of bonds to be issued, whether amortization or
 6 serial, and the rate of interest at which he will purchase
 7 the bonds. A bid for amortization bonds shall have the
 8 preference over a bid for serial bonds, all other things
 9 being equal; and in considering bids on these classes of
 10 bonds, the trustees shall take into consideration not only
 11 the rate of interest demanded on each kind but also every
 12 other known element affecting the total cost of the bonds to
 13 the district when paid in full. The trustees shall accept
 14 the bid which they shall judge most advantageous to the
 15 school district. No ~~consultants' fees and attorney fees~~
 16 ~~brokerage or other fees or commissions of any kind shall~~
 17 ~~may~~ be paid to any person or corporation for assisting in
 18 the proceedings or in the preparation of the bonds or in
 19 negotiating the sale. The trustees are authorized to reject
 20 any or all bids and to sell the bonds at private sale if
 21 they deem it for the best interests of the school district,
 22 except that such bonds shall not be sold at less than 97% of
 23 par and with accrued interest to date of delivery.

24 (2) The trustees may cooperate and combine with other
 25 school districts within ~~the~~ same county for the purpose of

1 preparing and negotiating for sale of bond issues if, in the
 2 opinion of the trustees, such cooperation or combination
 3 will facilitate the sale of school district bonds under more
 4 advantageous terms or with lower interest rates. Provided,
 5 however, that bond issues prepared or negotiated for sale
 6 under this section shall not be combined for any other
 7 purpose but shall be entered separately on the books of the
 8 county treasurer and shall be otherwise treated as separate
 9 bond issues."

-End-

April 7, 1983

SENATE STANDING COMMITTEE REPORT
(Taxation)

That House Bill No. 716 be amended as follows:

1. Title, line 4.
Following: "AN ACT"
Strike: through "AT A DISCOUNT;" on line 8
2. Title, line 9.
Following: "THE SALE OF"
Strike: "SUCH"
Insert: "COUNTY GENERAL OBLIGATION, MUNICIPAL GENERAL
OBLIGATION, AND SCHOOL DISTRICT"
3. Title, line 13.
Following: line 12
Strike: "7-7-2207,"
Following: "7-7-2254,"
Strike: "7-7-4206,"
4. Title, line 14.
Following: "20-9-408,"
Strike: "20-9-410,"
5. Page 1, lines 18 through 24.
Strike: section 1 in its entirety
Re-number: subsequent sections
6. Page 4, line 9.
Following: "not less than"
Strike: "97% of"
7. Page 5, line 13.
Following: "not less than"
Strike: "97% of"
8. Page 6, line 3.
Following: "than"
Strike: "97% of"
9. Page 6, lines 10 through 16.
Strike: section 5 in its entirety
Re-number: subsequent sections
10. Page 8, line 24.
Following: "not less than"
Strike: "97% of"

SENATE STANDING COMMITTEE REPORT
Taxation - House Bill No. 716
April 7, 1983
Page 2

11. Page 9, line 25.
Following: "not less than"
Strike: "97% of"
12. Page 10, line 15.
Following: "than"
Strike: "97% of"
13. Page 11, line 19 through page 12, line 9.
Strike: section 10 in its entirety
Re-number: subsequent sections
14. Page 13, line 23.
Following: "not less than"
Strike: "97% of"
15. Page 15, line 3.
Following: "not less than"
Strike: "97% of"
16. Page 15, line 22.
Following: "at less than"
Strike: "97% of"

HOUSE BILL NO. 716

INTRODUCED BY METCALF

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING---FOR
 REDEMPTION--OF--COUNTY-GENERAL-OBLIGATION-MUNICIPAL-GENERAL
 OBLIGATION-AND-SCHOOL-DISTRICT-BONDS-AT-A-PREMIUM, ALLOWING
 SUCH--BONDS--TOGETHER--WITH--SPECIAL--IMPROVEMENT--DISTRICT
 BONDS--TO--BE--SOLD--AT--A-DISCOUNT; ALLOWING THE PAYMENT OF
 FEES IN CONNECTION WITH THE SALE OF SUCH COUNTY GENERAL
 OBLIGATION, MUNICIPAL GENERAL OBLIGATION, AND SCHOOL
 DISTRICT BONDS; REDEFINING THE TERM "SERIAL BONDS" AS IT
 RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING
 FLEXIBILITY AS TO THE FIRST INTEREST PAYMENT DATE ON ALL
 SUCH BONDS; AMENDING SECTIONS 7-7-2207, 7-7-2211, 7-7-2251,
 7-7-2254, 7-7-4206, 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408,
 20-9-410, 20-9-430, AND 20-9-432, MCA."

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

Section 1. Section 7-7-2207, MCA, is amended to read:

"7-7-2207. Redemption of bonds. All bonds issued for
 a longer term than 5 years shall be redeemable at par or at
 a premium fixed at the option of the county on any interest
 payment date after one-half of the term for which they were
 issued has expired, and if such redemption feature shall be
 so stated on the face of the bonds."

Section 1. Section 7-7-2211, MCA, is amended to read:

"7-7-2211. Serial bonds. The term "serial bonds", as
 used in this part, is hereby defined as being a bond issue
 payable in equal annual installments, one installment
 consisting of one or more bonds, becoming due and payable
 each year; however, the principal amount to be paid and
 redeemed each year being determined by dividing the total
 amount of the bonds to be issued by the total number of
 years the issue is to run so that the total amount of
 principal to be paid each year the bonds are to run will be
 the same provided, however, that the installments becoming
 due and payable the first year or the first and second years
 may vary in amount from the others to the extent resulting
 from fixing the amount of each bond of the other
 installments at \$100, \$500, or \$1000 as may be determined
 by the board of county commissioners maturing in each
 installment may not be more than three times the principal
 amount of the bonds maturing in the immediately preceding
 installment."

Section 2. Section 7-7-2251, MCA, is amended to read:

"7-7-2251. (Revised July 1, 1983) 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 principal 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 and 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 (\$....) according to~~

~~the maturity schedule set forth below (set forth maturity schedule adopted by the board of county commissioners).~~

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

The bonds will be sold for not less than ~~97% of~~ their par value with accrued interest to date of delivery, and all bidders must state the lowest rate of interest at which they will purchase the bonds at par. The board reserves the right to reject any and all bids and to sell the bonds at private sale.

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

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

1 ATTEST:
 2
 3 (Chairman, Board of County Commissioners)
 4 of County
 5 State of Montana
 6
 7 (Clerk of the Board of County Commissioners)
 8 of County, Montana
 9 Address Montana"

10 Section 3. Section 7-7-2254, MCA, is amended to read:
 11 "7-7-2254. Procedure for sale of bonds. (1) The board
 12 of county commissioners shall meet at the time and place
 13 fixed in the notice to consider bids for the bonds.
 14 (2) The bonds shall be sold at not less than ~~97 1/2~~ of
 15 par and with accrued interest to date of delivery, and each
 16 bidder shall specify the form of bonds to be issued, whether
 17 amortization or serial, and the rate of interest at which he
 18 will purchase the bonds. A bid for amortization bonds shall
 19 have preference over a bid for serial bonds, all other
 20 things being equal. In determining the kind of bonds to be
 21 issued, the board shall take into consideration not only the
 22 rate of interest demanded on each kind but also all other
 23 known elements affecting the interests of the county. The
 24 board shall accept the bid which they shall judge most
 25 advantageous to the county. The board is authorized to

1 reject any or all bids and to sell the bonds at private sale
 2 if they deem it for the best interests of the county;
 3 provided, however, that such bonds shall not be sold at less
 4 than ~~97 1/2~~ of par and with accrued interest to date of
 5 delivery.
 6 (3) No ~~consultants' fees and attorneys' fees or~~
 7 ~~brokerage or other fees or commissions of any kind shall~~ ~~may~~
 8 be paid to any person or corporation for assisting in the
 9 proceedings, in the preparation of the bonds, or in
 10 negotiating the sale thereof."
 11 Section 5. Section ~~7-7-4206~~, MCA, is amended to read:
 12 "7-7-4206. --Redemption of bonds. --All bonds issued --for
 13 a --longer term than 5 years shall be redeemable ~~at par or at~~
 14 ~~a premium fixed at the option of the city or town on any~~
 15 ~~interest payment date after one-half of the term for which~~
 16 ~~they were issued has expired and it such redemption feature~~
 17 ~~shall be so recited in the bonds."~~
 18 Section 4. Section 7-7-4210, MCA, is amended to read:
 19 "7-7-4210. Serial bonds. The term "serial bonds", as
 20 used in this part, is hereby defined as being a bond issue
 21 payable in equal annual installments, one installment
 22 consisting of one or more bonds, becoming due and payable
 23 each year; ~~however, the principal amount to be paid and~~
 24 ~~redeemed each year being determined by dividing the total~~
 25 ~~amount of the bonds to be issued by the total number of~~

1 years the issue is to run, so that the total amount of
 2 principal to be paid each year the bonds are to run will be
 3 the same provided, however, that the payments becoming due
 4 the first year or the first and second years may vary in
 5 amount from the other payments to the extent resulting from
 6 fixing the amount of each bond of the other payments at
 7 \$100, \$500, or some multiple thereof maturing in each
 8 installment may not be more than three times the principal
 9 amount of the bonds maturing in the immediately preceding
 10 installment."

11 Section 5. Section 7-7-4251, MCA, is amended to read:

12 "7-7-4251. (Revived July 1, 1983) Form of notice of
 13 sale of bonds. The notice of sale shall state the purpose or
 14 purposes for which the bonds are to be issued and the amount
 15 proposed to be issued for each purpose and shall be
 16 substantially in the following form:

17 NOTICE OF SALE OF (CITY OR TOWN) BONDS

18 Notice is hereby given by the council of the (city or
 19 town) of, Montana, that the council will, on the
 20 day of, 19..., at the hour ofm., at its council
 21 chamber in the (city or town) of, Montana, sell to the
 22 highest and best bidder for cash either amortization or
 23 serial bonds of the said (city or town) in the total amount
 24 of dollars, (\$....) for the purpose of

25 Amortization bonds will be the first choice and serial

1 bonds will be the second choice of the council.

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

8 If serial bonds are issued and sold, they will be in
 9 the amount of dollars (\$....) each, except the last
 10 bond which will be in the amount of dollars (\$.....)
 11 the sum of dollars (\$.....) of said serial bonds and
 12 will become due and payable on the day of 19...
 13 and a like amount on the same day each year thereafter until
 14 all such bonds are paid, except that the last installment
 15 will be in the amount of dollars (\$.....) according to
 16 the maturity schedule set forth below (set forth maturity
 17 schedule adopted by the city or town council).

18 The bonds, whether amortization or serial bonds, will
 19 bear date of, 19..., will bear interest at a rate not
 20 exceeding 6% per annum, commencing on the day of
 21 (month), 19... and payable semiannually, on the day of
 22 and on the day of in each year thereafter and
 23 will be redeemable (here insert the optional provisions, if
 24 any, recited in the bonds).

25 Said bonds will be sold for not less than 97% of their

1 par value with accrued interest to date of delivery, and all
 2 bidders must state the lowest rate of interest at which they
 3 will purchase the bonds at par. The council reserves the
 4 right to reject any and all bids and to sell said bonds at
 5 private sale.

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

13 All bids shall be addressed to the council of the (city
 14 or town) of and delivered to the clerk of said (city or
 15 town).

16
 17 Mayor of the (city or town) of
 18 Montana

19 ATTEST:

20
 21 (City or Town) Clerk"

22 Section 6. Section 7-7-4254, MCA, is amended to read:

23 "7-7-4254. Procedure for sale of bonds. (1) The city
 24 or town council shall meet at the time and place fixed in
 25 the notice to consider bids for the bonds.

1 (2) The bonds shall be sold at not less than ~~22 1/2~~ of
 2 par and with accrued interest to date of delivery, and each
 3 bidder shall specify the form of bonds to be issued, whether
 4 amortization or serial, and the rate of interest at which he
 5 will purchase the bonds. A bid for amortization bonds shall
 6 have preference over a bid for serial bonds, all other
 7 things being equal. In determining the kind of bonds to be
 8 issued, the council shall take into consideration not only
 9 the rate of interest demanded on each kind but also all
 10 other known elements affecting the interests of the city or
 11 town. The council shall accept the bid it considers most
 12 advantageous to the city or town. The council may reject any
 13 and all bids and sell the bonds at private sale if this is
 14 considered to be in the best interests of the city or town;
 15 provided, however, that the bonds may not be sold at less
 16 than ~~22 1/2~~ of par and with accrued interest to date of
 17 delivery.

18 (3) No Consultants' fees and attorneys' fees or
 19 brokerage or other fees or commissions of any kind may be
 20 paid to any person or corporation for assisting in the
 21 proceedings, in the preparation of the bonds, or in
 22 negotiating the sale thereof."

23 Section 7. Section 20-9-408, MCA, is amended to read:
 24 "20-9-408. Definition of forms of bonds. As used in
 25 this title, unless the context clearly indicates otherwise:

(1) "amortization bonds" means the form of bonds on which a part of the principal must be paid each time interest becomes payable. The part payment of principal increases at each installment in the same amount that the interest decreases. The combined interest and principal due on each due date remains the same until the bonds are paid. The final payment may vary from prior payments in the amount resulting from disregarding fractional cents in prior payments.

(2) "serial bonds" means the form of bonds which are payable in annual installments and on which the amount to be redeemed maturing each year is determined by dividing the total ~~may not be more than three times the principal~~ amount of the bonds by the term of the bond ~~issue~~. However, the first or the first and second installments may vary from the others to the extent resulting from fixing the amounts of each bond of the other installments at \$100, at \$500, or at some multiple thereof maturing in the immediately preceding year."

~~Section 10. Section 20-9-410, MCA, is amended to read:~~

~~"20-9-410. (Revived July 1, 1983) Limitation of term and interest--Timing for redemption--School district bonds shall not be issued for a term longer than 20 years except that bonds issued to refund or redeem outstanding bonds shall not be issued for a term longer than 10 years~~

~~unless the unexpired term of the bonds to be refunded or redeemed is in excess of 10 years in which case the refunding or redeeming bonds may be issued for such unexpired term. All bonds issued for a longer term than 5 years shall be redeemable at par or at a premium fixed at the option of the school district on any interest payment date after one-half of the term for which they were issued has expired and the such redemption feature shall be so stated on the face of the bonds. The interest shall not exceed 7% per annum and shall be payable semiannually."~~

Section 8. Section 20-9-430, MCA, is amended to read:

"20-9-430. (Revived July 1, 1983) Notice of sale of school district bonds. The trustees shall cause the notice of the sale of the bonds to be given. The notice shall state the purpose for which the bonds are to be issued and the amount proposed to be issued and shall be substantially in the following form:

NOTICE OF SALE OF SCHOOL DISTRICT BONDS

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

1 "20-9-432. Sale of school district bonds. (1) The
 2 trustees shall meet at the time and place fixed in the
 3 notice to consider bids on the bond issue. The bonds shall
 4 be sold at not less than ~~97 1/2~~ of par and with accrued
 5 interest to date of delivery, and each bidder shall specify
 6 the form of bonds to be issued, whether amortization or
 7 serial, and the rate of interest at which he will purchase
 8 the bonds. A bid for amortization bonds shall have the
 9 preference over a bid for serial bonds, all other things
 10 being equal; and in considering bids on these classes of
 11 bonds, the trustees shall take into consideration not only
 12 the rate of interest demanded on each kind but also every
 13 other known element affecting the total cost of the bonds to
 14 the district when paid in full. The trustees shall accept
 15 the bid which they shall judge most advantageous to the
 16 school district. ~~No consultants' fees and attorney fees,~~
 17 ~~brokerage--or--other--fees--or--commissions--of--any--kind--shall~~
 18 ~~may~~ be paid to any person or corporation for assisting in
 19 the proceedings or in the preparation of the bonds or in
 20 negotiating the sale. The trustees are authorized to reject
 21 any or all bids and to sell the bonds at private sale if
 22 they deem it for the best interests of the school district,
 23 except that such bonds shall not be sold at less than ~~97 1/2~~ of
 24 par and with accrued interest to date of delivery.
 25 (2) The trustees may cooperate and combine with other

1 school districts within the same county for the purpose of
 2 preparing and negotiating for sale of bond issues if, in the
 3 opinion of the trustees, such cooperation or combination
 4 will facilitate the sale of school district bonds under more
 5 advantageous terms or with lower interest rates. Provided,
 6 however, that bond issues prepared or negotiated for sale
 7 under this section shall not be combined for any other
 8 purpose but shall be entered separately on the books of the
 9 county treasurer and shall be otherwise treated as separate
 10 bond issues."

-End-