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 S	ENATE
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

April 13, 1983

Returned to House with amendments.

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.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

April 14, 1983

House BILL NO. 716 1 INTRODUCED BY MULTCALL , 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR 4 REDEMPTION OF COUNTY GENERAL OBLIGATION, MUNICIPAL GENERAL 5 6 OBLIGATION. AND SCHOOL DISTRICT BONDS AT A PREMIUM; ALLOWING 7 SUCH BONDS. TOGETHER WITH SPECIAL IMPROVEMENT DISTRICT BONDS, TO BE SOLD AT A DISCOUNT; ALLOWING THE PAYMENT OF 8 FEES IN CONNECTION WITH THE SALE OF SUCH BONDS; REDEFINING 9 10 THE TERM "SERIAL BONDS" AS IT RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING FLEXIBILITY AS TO THE FIRST 11 INTEREST PAYMENT DATE ON ALL SUCH BONDS; AMENDING SECTIONS 12 7-7-2207, 7-7-2211, 7-7-2251, 7-7-2254, 7-7-4206, 7-7-4210, 13 7-7-4251, 7-7-4254, 20-9-408, 20-9-410, 20-9-430, AND 14 20-9-432, MCA.* 15 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 17

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 <u>at pat or at a</u> 21 <u>premlum_fixed</u> 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 the 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 payable in equal annual installments, one installment 2 consisting of one or more bonds, becoming due and payable 5 each yeari_however. {the principal amount to--be--paid--and redeemed--each--year--being-determined-by-dividing-the-total 6 7 emount of the bonds to-be-issued--by--the--totol--number--of years--the--issue--is--to--runjy-so-that-the-total-amount-of 3 9 srinciest-to-be-psid-esch-year-the-bonds-are-to-run-with--be 10 the--samet-providedy-howevery-that-the-instalinents-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---omount--of--the--other 14 instoll ments-at-steey-s500y-or-sty000y-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:

NOTICE OF SALE OF COUNTY BONDS

25

-2- INTRODUCED BILL HP 716 .

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

9 Amortization bonds will be the first choice and serial10 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 isemiannual installments during a period of years from 16 the date of issue.

17 If serial bonds are issued and soldy they will be in 18 the amount of dollars (\$....) eachy--except--the--last 19 bond--which--will--be-in-the-amount-of-www-dollars-fivewwy; 20 the-sum-of-wwww-dollars-ffwwwwl-of-the-sold-serial-bonds and will become payable on-the-systeday-of--systey--these and--o 21 like--amount--on-the-same-day-each-year-thereafter-until-al 22 of-such-bonds-are-paidy-except--that--the--last--installment 23 24 will--be--in-the-amount-of-www-dollars-ffewwwt according_* the maturity_schedule_set_forth_below_(set__forth__Baturity 25

1 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 annumy <u>commencing on the serieday of</u> <u>serie (month): 19 seried payable semiannually</u> on the day of (month) and (month) in each year <u>thereaftery</u> and will be redeemable in full (here insert the optional provisions, if any, to be recited in the bonds).

9 The bonds will be sold for not less than <u>97% of</u> 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 forfelted 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.

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

25 ATTEST:

-3-

-4-

1	
2	(Chairman, Board of County Commissioners)
3	ofCounty
4	State of Montana
5	••••••
6	(Clerk of the Board of County Commissioners)
7	ofMontana
8	Address
9	Saction 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 <u>97% of</u>
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

if they deem it for the best interests of the county;
 provided, however, that such bonds shall not be sold at less
 than <u>97%_of</u> par end with accrued interest to date of
 delivery.

5 (3) No <u>Consultants</u><u>fees</u><u>and</u> attorneys^{*} fees<u>or</u> 6 brokeroge-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 <u>at_par_or_at_a</u> 13 <u>premium_fixed</u> 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 <u>such_redemption_feature</u> 16 shall be so recited in the bonds.*

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

1	princloal-to-be-paid-each-year-the-bonds-are-to-run-willbe
2	thessmeg-providedy-howevery-that-the-payments-becoming-due
3	the-first-year-or-the -first-and-secondy ears mayvaryin
4	amountfrom-the-other-payments-to-the-extent-resulting-from
5	fixing-the-amount-of-each-bond-oftheotherpaymentsat
6	\$100v\$500vorsomemultiplethereof <u>waturing_in_sac</u> b
7	installment_may_oot_be_more_than_three_timestheprincipal
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. (Revived 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 of, man, 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, (S....) for the purpose of

Amortization bonds will be the first choice and serial 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.

If serial bonds are issued and sold, they will be in 7 the amount of dollars (\$....) eachy--except--the--last 8 bond--which--witt--be-in-che-amount-of-www-dollars-t#www.jt 9 the-sum-of-www-dollars-t#wwwy-of--said--serial--bonds and 10 11 will become due and payable on-the-****-day-of-*****-19*** 12 and-a-like-amount-an-the-same-day-each-year-thereafter-until 13 sll-such-bonds-are-paidy-except-that--the--last--installment will--be--in-the-emount-of-wwww-dollars-ffwwwwj according to 14 15 the maturity schedule set forth below__1set__forth__maturity 16 schedule_adopted_by_the_city_or_town_council)+ The bonds, whether amortization or serial bonds, will 17 bear date of, 19.., will bear interest at a rate not 18 19 exceeding 6% per annumy commencing on the same day of sees 20 (month) = 19 and payable semiannually on the day of and on the day of in each year thereafter and 21

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 <u>972 of</u> their 25 par value with accrued interest to date of delivery, and all

-7-

-8-

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.

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	

18 ATTEST:

19

20 (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.

25 (2) The bonds shall be sold at not less than 972 of

par and with accrued interest to date of delivery, and each 1 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 ourchase the bonds. A bid for amortization bonds shall have preference over a bid for serial bonds+ all other 5 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 <u>97% of</u> par and with accrued interest to date of 16 delivery.

17 (3) No <u>Consultants</u>.<u>fees_and</u> 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."

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

-9-

-10-

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

9 (2) "serial bonds" means the form of bonds which are cavable in annual installments and on which the amount torbe 10 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-issuey--Howevery-the first-pr-the-first-and-second-installments-may-vary-from-the 14 15 others-to-the-extent-resulting-from-fixing--the--amounts--of 16 each--bond-of-the-other-instaliments-at-\$200y-at-\$500y-or-at 17 some-multiple-thereof <u>maturing_in_the_immediately_preceding</u> 18 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 1 is in excess of 10 years, in which case the refunding or redeening bonds may be issued for such unexpired term. All 2 bonds issued for a longer term than 5 years shall be 3 redeemable at par or at a premium fixed at the option of the 4 school district on any interest payment date after one-half 5 6 of the term for which they were issued has expired, and it such_redenotion_feature shall be so stated on the face of 7 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. (Revived July 1, 1933) 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:

NOTICE OF SALE OF SCHOOL DISTRICT BONDS

17

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'clockm. 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 Anortization bonds will be the first choice and serial

LC 2141/01

-12-

issue may be put into one single bond or divided into 3 several bonds, as the trustees may determine upon at the 4 time of sale, both principal and interest to be payable in 5 semiannual installments during a period of years from 6 7 the date of issue. 8 If serial bonds are issued and sold, they will be in the amount of dollars (\$....) eachy--the--sum--of--yyww 9 dollars--theway-of-the-serial-bonds and will become payable 10 on-the-seve-day-of-weave-lyeev-and-the-sum-of--ever-dollars 11 tswwww--will--become--payable--on--the--same--day-each-year 12 thereafter-until-all-of-the-bonds-ara-paid according_to__the 13 maturity_schedule_set_forth_below_fset_forth_maturity 14 15 schedule_adopted_by_the_school_districtl. The bonds, whether amortization or serial bonds, will 16 17 bear date of, 19..., and will bear interest at a rate 18 not exceeding 7% per annumy commencing on the sees day of assa (month)s_19sas_and payable semiannually on the 19 20 day of (month) and (month) in each year thereaftery and will be redeemable in full. (Here insert 21

bonds will be the second choice of the trustees.

If amortization bonds are sold and issued, the entire

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22

The bonds will be sold for not less than <u>972_of</u> their par value with accrued interest, and all bidders must state the lowest rate of interest at which they will purchase the

optional provisions, if any, to be recited on the bonds.)

bonds at par. The bonds shall be sold in open competition
 bidding, by written bids, or by sealed bids. The trustees
 reserve 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 state board 5 of land commissioners must be accompanied by money, a 6 certified check, cashier's check, bank money order, or bank 7 8 draft drawn and issued by a national banking association located in Montana or by any banking corporation 9 incorporated under the laws of Montana, in the sum of 10 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 undersigned15 district.

16			•	********	******	*****		••••	
17			C	hairman,	School	Dist	rict	No	• •
18			a)f ++++++	•••••	••••		Coun	ty
19			A	ddress:		••••		• • • • •	••
20	ATTEST:								
21	Subscrib	ed and	sworn	to befo	ore me	this	••••	day	of

trustees shall meet at the time and place fixed in the 1 notice to consider bids on the bond issue. The bonds shall 2 3 be sold at not less than <u>972_of</u> par end 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 preference over a bid for serial bonds, all other things 8 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 the bid which they shall judge most advantageous to the 14 15 school district. No Consultants' Fees and attorney feesy brokerage-or-other-fecty-or-commissions-of--any--kind--shall 16 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 any or all bids and to sell the bonds at private sale if 20 they deem it for the best interests of the school district, 21 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 other25 school districts within the same county for the purpose of

preparing and negotiating for sale of bond issues if, in the 1 opinion of the trustees, such cooperation or combination 2 will facilitate the sale of school district bonds under more 3 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 bond issues.* 9

-End-

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-16-

House BILL NO. 7/6 1 INTRODUCED BY MUTCHILL 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR 4 REDEMPTION OF COUNTY GENERAL OBLIGATION, MUNICIPAL GENERAL 5 OBLIGATION. AND SCHOOL DISTRICT BONDS AT A PREMIUM; ALLOWING 6 T SUCH BONDS. TOGETHER WITH SPECIAL IMPROVEMENT DISTRICT R BONDS, TO BE SOLD AT A DISCOUNT; ALLOWING THE PAYMENT OF 9 FEES IN CONNECTION WITH THE SALE OF SUCH BONDS; REDEFINING 10 THE TEPH "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 7-7-2207, 7-7-2211, 7-7-2251, 7-7-2254, 7-7-4206, 7-7-4210, 13 7-7-4251, 7-7-4254, 20-9-408, 20-9-410, 20-9-430, AND 14 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 premium fixed at the option of the county on any interest 21 22 payment date after one-half of the term for which they were 23 issued has expired, and it such redemption feature shall be so stated on the face of the bonds." 24

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: howevers fthe principal amount to--be--paid--and redeemed--each--year--being-determined-by-dividing-the-total 6 7 amount of the bonds to-be-issued--by--the--total--number--of 8 years--the--issue--is--to--runjy-so-that-the-total-amount-of 9 principal-to-be-ppid-each-year-the-bonds-are-to-run-will--be 10 the--somet-providedy-howevery-thet-the-installments-becoming 11 dwe-and-payable-the-first-year-or-the-first-and-second-years 12 may-wary-in-amount-from-the-others-to-the--extent--resulting from---fixing---the---amount--of--each--bond--of--the--other 13 14 installments-at-\$100y-\$500y-or-\$1y000y-as-may-be--determined 15 by--the--board--of--county--commissioners maturing_in_each 16 installment_may_oot_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, 1953) 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:

NUTICE OF SALE OF COUNTY BONDS

25

-2- SECOND READING HB 716

1 Notice is hereby given by the board of county commissioners of County, state of Montana, that the 2 3 board will on the day of, 19..., at the hour of 4 assa assames 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 serial10 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 orincipal and interest to be payable in 15 semiainual 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 (\$....) eachy--except--the--last pond--which--will--be-in-the-amount-of-www-dollars-(fwwwy); 19 20 the-sum-of-wave-dollars-t#wwwl-of-the-said-serial-bonds and will become payable on-the-seas-day-of--wwwwy--19**y--and--a 21 22 like---amount--on-the-same-day-each-year-thereafter-until-all 23 of-such-bonds-ere-paidy-except--that--the--tast--instattment 24 w+77--be--in-the-amount-of-esev-doffars-fsvers; according_to the maturity schedule_set_forth_below_(set_forth_maturity 25

1 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 annumy <u>commencing on the serie</u> day of <u>assa (BODTh): 19...</u> and payable semiannually, on the day of (month) and (month) in each year <u>thereaftery</u> and will be redeemable in full (here insert the optional provisions, if any, to be recited in the bonds).

9 The bonds will be sold for not less than <u>97% of</u> 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, (S....), payable 18 to the order of the clerk, which will be forfelted 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.

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

25 ATTEST:

1	
2	(Chairman, Board of County Commissioners)
3	ofCounty
4	State of Montana
5	******
6	(Clerk of the Board of County Commissioners)
7	of
8	Address
9	Saction 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 <u>97% of</u>
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

if they deem it for the best interests of the county;
 provided, however, that such bonds shall not be sold at less
 than <u>275_of</u> par and <u>with</u> accrued interest to date of
 delivery.

5 (3) No <u>Consultants</u> <u>fees</u> 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 <u>at_par_or_at_a</u> 13 <u>premiun_fixed</u> 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 <u>such_redemption_feature</u> 16 shall be so recited in the bonds."

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

LC 2141/01

1	principal-to-be-paid-each-year-the-bonds-are-to-ran-willbe
2	thesame;-providedy-howevery-that-the-psyments-becoming-due
3	the-first-year-or-the-first-and-secondyearsmayvoryin
4	amountfrom-the-other-payments-to-the-extent-resulting-from
5	fixing-the-amount-of-each-bondoftheotherpaymentsat
6	\$100y\$500yorsomemultiplethereof <u>maturing_in_sac</u> b
7	installment_may_not_be_wore_than_three_times_theprincipal
8	amountofthebonds_maturing_in_the_immediately_preceding
9	installment."
10	Section 7. Section 7-7-4251, MCA, is amended to read:
11	#7-7-4251. (Revived 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 29 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. (S....) 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.

T If serial bonds are issued and sold, they will be in 8 the amount of dollars (\$....) eachy--except--the--tast 9 bond--which--witt--be-in-the-omount-of-www-dollars-tfreett; the-sum-of-wave-dollors-flowerlof--said--serial--bonds and 10 11 will become due and payable on-the-www-dey-of-wwwwy-19wwy 12 and-a-++ke-emount-on-the-same-day-each-year-thereafter-unt++ 13 off-such-bonds-are-paidy-except-that--the--fast--instaliment 14 will--be--in-the-amount-of-www-dollars-(fwwww) according_to the maturity schedule set forth below ... (set forth maturity 15 16 schedule_adopted_by_the_city_pr_town_council) . 17 The bonds, whether amortization or serial bonds, will bear date of, 19.., will bear interest at a rate not 18 exceeding 6% per annumy commencing on the same day of same 19

20 <u>(month): 12*** and payable semiannually</u> on the **** day of 21 **** and on the **** day of **** in each year <u>thereafter</u> 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 <u>97% of</u> their 25 par value with accrued interest to date of delivery, and all

-7-

-8-

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.

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 <u>97% of</u>

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

17 (3) No <u>Consultants!_feas_and</u> 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

-9-

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

9 (2) "serial bonds" means the form of bonds which are payable in annual installments and on which the amount to-be 10 redeemed maturing each year is-determined-by-dividing-the 11 totof may not be more than three times the principal amount 12 of the bonds by-the-term-of-the-bond-issuev--Howevery-the 13 14 first-or-the-first-and-second-installments-may-vary-from-the others-to-the-extent-resulting-from-fixing--the--amounts--of 15 each--bond-of-the-other-installments-at-\$100y-at-\$500y-or-at 16 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. (Revived 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 inexpired term of the bonds to be refunded or redeemed

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

10 Section 11. Section 20-9-430, MCA, is amended to read: 11 "20-9-430. (Revived July 1, 1933) 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:

NOTICE OF SALE OF SCHOOL DISTRICT BONDS 17 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 p'clockm. at, in the school district, sell to the highest and best bidder for cash either amortization or 22 23 serial bonds of the school district in the total amount of dollars (\$....), for the purpose of 24

25 Amortization bonds will be the first choice and serial

-12-

bonds will be the second choice of the trustees. 1

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 time of sale, both principal and interest to be pavable in 5 semiannual installments during a period of years from 6 7 the date of issue.

If serial bonds are issued and sold, they will be in 8 9 the amount of dollars (\$....) eachy--the--sum--of--yyyy 10 dollars--ferret-of-the-serial-bonds and will become payable 11 on-the-suwa-day-of-every-l9evy-and-the-sum-of--every-dallars 12 therese -- witte--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 annumy commencing conthe day of 17 sess_(month)s_l2sss_and payable semiannually, on the day of (month) and (month) in each year 20 thereaftery and will be redeemable in full. (Here insert 21 optional provisions, if any, to be recited on the bonds.) 22 23 The bonds will be sold for not less than 972 __of their

24 par value with accrued interest, and all bidders must state the lowest rate of interest at which they will purchase the 25

-13-

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

-14-

1 bonds at par. The bonds shall be sold in open competition 2 bidding, by written bids, or by sealed bids. The trustees reserve the right to reject any and all bids and to sell the 3 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 he shall refuse to purchase the bonds. 13

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

16	•••••••••••••••••••
17	Chairman, School District No
18	ofCounty
19	Address:
20	ATTEST:
21	Subscribed and sworn to before me this day of
22	19; Notary Public for the State
23	Residing at anne Montanas My Commission expires anneason

1 trustees shall meet at the time and place fixed in the notice to consider bids on the bond issue. The bonds shall 2 3 be sold at not less than <u>97% of</u> par and with accrued interest to date of delivery, and each bidder shall specify 4 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 preference over a bid for serial bonds, all other things 8 9 being equal; and in considering bids on these classes of 10 bonds, the trustees shall take into consideration not only the rate of interest demanded on each kind but also every 11 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 <u>Consultants! fees and</u> attorney fees, 16 brokerage-or-other-feest-or-commissions-of--env--kind--sheit 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 any or all bids and to sell the bonds at private sale if 20 21 they deem it for the best interests of the school district, ZŻ 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 other25 school districts within the same county for the purpose of

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

-End-

LC 2141/01

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 17 Section 1. Section 7-7-2207, MCA, is amended to read: 18 "7-7-2207. Redemption of bonds. All bonds issued for a 15 20 longer term than 5 years shall be redeemable at par or at a premiun_fixed at the option of the county on any interest 21 payment date after one-half of the term for which they were 22 issued has expired, and it such redemotion feature shall be 23 so stated on the face of the bonds." 24

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

"7-7-2211. Serial bonds. The term "serial bonds", as 1 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 yeari_however. {the principal amount to--be--paid--end 6 redeemad--each--year--being-determined-by-dividing-the-total 7 amount of the bonds to-be-issued--by--the--total--number--of 9 years--the--issue--is--to--runjy-so-that-the-total-emount-of 9 principal-to-be-poid-each-year-the-bonds-are-to-run-will--be 10 the--samet-providedy-howevery-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--rasulting 13 from---fixing---the---amount--of--aach--bond--of--the--other 14 install ments-at-\$108y-\$508y-or-\$1y008y-as-may-be--determined 15 by--the--boord--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:

NOTICE OF SALE OF COUNTY BONDS

25

-2- THIRD READING HR716

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

9 Amortization bonds will be the first choice and serial
10 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.

17 If serial bonds are issued and sold, they will be in 18 the amount of dollars (\$....) eachy--except--the--last bond--which--will--be-in-the-bacunt-of-www-dollars-if****** 19 the-sum-of-www-dollars-(fewww)-of-the-said-serial-bonds and 20 will become payable on-the-www-day-of--wwwwy-l9vvy--end--a 21 like--amount--on-the-same-day-each-year-thereafter-until-all 22 of-such-bonds-ore-paidy-except--that--the--tast--installment 23 will-when-in-the-amount-of-www-dollars-fiwawwy according_in 24 the maturity schedule set forth below (set forth maturity 25

1 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 annumy <u>commencing on the series day of</u> <u>essa (month): 19_ess and</u> payable semiannually, on the day of (month) and (month) in each year <u>thermaftary</u> and will be redeemable in full (here insert the optional provisions, if any, to be recited in the bonds).

9 The bonds will be sold for not less than <u>97% of</u> 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.

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

-4-

25 ATTEST:

-3-

1	***************************************
Z	(Chairman: Board of County Commissioners)
3	ofCounty
4	State of Montana
5	
5	(Clerk of the Board of County Commissioners)
7	of
8	Address
9	Saction 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 <u>97% of</u>
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

-5-

if they deem it for the best interests of the county;
 provided, however, that such bonds shall not be sold at less
 than <u>975_of</u> par and <u>with</u> accrued interest to date of
 delivery.

5 (3) No <u>Consultants' fees</u> 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 <u>at_par_or_at_a</u> 13 <u>premium_fixed</u> 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 <u>such_redemption_feature</u> 16 shall be so recited in the bonds."

17 Saction 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 consisting of one or more bonds, becoming due and payable 21 22 each yeari 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--runiy-so-that-the-total-amount-of

-6-

LC 2141/01

1 principal-to-be-paid-each-year-the-bonds-are-to-run-will-be the--samag-providedy-howevery-that-the-payments-bacoming-due 2 the-first-year-or-the-first-and-second--years--may--vary--tn 3 amount--from-the-other-payments-to-the-extent-resulting-from 4 fixing-the-emount-of-coch-bond--of--the--other--payments--at 5 \$100y--\$500y--or--some--multiple--thereof maturing__io_each 6 7 iostallment.max.not_be_Gore_than_three_times__the__principal amount_of_the_bonds_maturing_io_the_immediately_preceding 8 9 iostall ment.* 10 Section 7. Section 7-7-4251, MCA, is amended to read: "7-7-4251. (Revived July 1, 1983) Form of notice of 11 12 sale of bonds. The notice of sale shall state the purpose or purposes for which the bonds are to be issued and the amount 13 proposed to be issued for each purpose and shall be 14 substantially in the following form: 15 16 NOTICE OF SALE OF (CITY OR TOWN) BONDS 17 Notice is hereby given by the council of the (city or town) of ***** Nontana, that the council will, on the **** 18 day of 19... at the hour of at its council 19 20 chamber in the (city or town) of Montana, sell to the highest and best bidder for cash either amortization or 21 serial bonds of the said (city or town) in the total amount 22 23 of dollars, (\$....) for the purpose of 24

Amortization bonds will be the first choice and serial 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.

T If serial bonds are issued and sold, they will be in 8 the amount of dollars (\$....) eachy--except--the--tast 9 bond--which--witti--bc-in-the-amount-of-waxa-dollars-tawayit 10 the-sum-of-wwww-dollars-thewwwl-of--sold--serial--bonds and 11 will become due and payable on-the-weve-dey-of-wever-19ver 12 end-e-tike-amount-on-the-same-day-each-year-thereofter-until 13 all-such-bonds-are-paidr-except-that--the--last--installment 14 will-be--in-the-smount-of-www-dollars-(fwww-) according to 15 the maturity schedule set forth_below_iset_forth_maturity 16 schedule_adopted_by_the_city_pr_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, <u>commoncing on the same day of series</u> <u>imonthis_19...</u> and payable semiannually, on the day of and on the same day of in each year <u>thereafter</u> and will be redeemable (here insert the optional provisions, if any, recited in the bonds).

24 Said bonds will be sold for not less than <u>972 of</u> their 25 par value with accrued interest to date of delivery; and all

-7-

-8-

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 blds 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.

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).

Mayor of the (city or town) of

15

16

17

19 ATTEST:

19

20 (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.

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

par and with accrued interest to date of delivery, and each 1 Z bidder shall specify the form of bonds to be issued, whether 3 amortization or serial, and the rate of interest at which he will gurchase the bonds. A bid for amortization bonds shall 4 5 have preference over a bid for serial bonds, all other things being equal. In determining the kind of bonds to be 6 issued, the council shall take into consideration not only 7 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 advantageous to the city or town. The council may reject any 11 and all bids and sell the bonds at private sale if this is 12 considered to be in the best interests of the city or town; 13 provided, however, that the bonds may not be sold at less 14 than <u>97% of</u> par and with accrued interest to date of 15 16 delivery.

17 (3) No <u>Consultants</u> 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.[#]

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

-9-

-10-

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

(2) "serial bonds" means the form of bonds which are 9 payable in annual installments and on which the amount to-be 10 redeemed maturing each year is-determined-by-dividing-the 11 12 total say not be sore than three times the principal amount of the bonds by-the-term-of-the-bond-issues--Howavary-the 13 14 ffrst-or-the-ffrst-and-second-instaitments-may-vary-from-the 15 others-to-the-extent-fesuiting-from-fixing-the--amounts--of 16 each--bond-of-Whe-other-tastall ments-at-\$200y-at-\$500y-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. (Revived 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 inexpired term of the immedia to be refunded or redeemed

1.00

is in excess of 10 years, in which case the refunding or 1 2 redeening bonds may be issued for such unexpired term. All 3 bonds issued for a longer term than 5 years shall be redeemable at oar or at a premium fixed at the option of the 4 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 redemation 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. (Revived 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:

NOTICE OF SALE OF SCHOOL DISTRICT BONDS

17

18 Notice is hereby given by the trustees of School 19 District No. of County, state of Hontana, that the 20 trustees will on the day of...., 19..., at the hour of 21 0°Clockm. 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 dallars (\$....), for the purpose of

25 Amortization bonds will be the first choice and serial

-11-

-12-

LC 2141/01

bonds will be the second choice of the trustees.
If amortization bonds are sold and issued, the entire issue may be put into one single bond or divided into several bonds, as the trustees may determine upon 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.

3.

If serial bonds are issued and sold, they will be in 8 the amount of dollars (\$....) eachy--the--sum--of--www 9 dollars--ferret-of-the-serial-bonds and will become payable 10 11 on-the-sess-day-of-sessy-lyssy-and-the-sum-of---sess-datters 12 <u>tseeset--witt--become--payabte--on--the--same--day-each-year</u> 13 thereafter-until-all-of-the-bonds-are-paid according_to__the maturity_schedule_set_forth_below_iset_forth_maturity 14 15 schedule_adopted_by_the_school_districtl.

The bonds, whether amortization or serial bonds, will 16 17 bear date of, 19.., and will bear interest at a rate 18 not exceeding 7% per annumy commencing on the day of 19 20 day of (month) and (month) in each year thereaftery and will be redeemable in full. (Here insert 21 optional provisions, if any, to be recited on the bonds.) 22 The bonds will be sold for not less than <u>972 of</u> their 23 par value with accrued interest, and all bidders must state 24 the lowest rate of interest at which they will purchase the Z5

bonds at par. The bonds shall be sold in open competition
 bidding, by written bids, or by sealed bids. The trustees
 reserve the right to reject any and all bids and to sell the
 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 certified check, cashier's check, bank money order, or bank 7 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 undersigned15 district.

• • • • • • • • • • • • • • • • • • •	••
7 Chairman, School District No	••
8 ofCoun	tγ
9 Address:	••
D ATTEST:	
Subscribed and sworn to before me this •••• day a	of
2	te
3 Residing at Nontana. My Commission expires	, n
Section 12. Section 20-9-432, MCA, is amended to read	j:

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 <u>972 of</u> par and with accrued interest to date of delivery, and each bidder shall specify 4 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 bonds, the trustees shall take into consideration not only 10 11 the rate of interest demanded on each kind but also every other known element affecting the total cost of the bonds to 12 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 <u>Consultants! fees and</u> attorney feesy 16 brokera ae-or-other-feesy-or-countsstons-of--any--kind--shatt 17 hay be paid to any person or corporation for assisting in 18 the proceedings or in the proparation 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 #1% #same county for the purpose of

-15-

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 advantageous terms or with lower interest rates. Provided, 4 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 bond issues." Q

-End-

-16-

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 Renumber: 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 Renumber: 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: "<u>978_of</u>"

12. Page 10, line 15. Following: "than" Strike: "<u>97% of</u>"

13. Page 11, line 19 through page 12, line 9. Strike: section 10 in its entirety Renumber: subsequent sections

14. Page 13; line 23. Following: "not less than" Strike: "<u>97% of</u>"

15. Page 15, line 3. Following: "not less than" Strike: "<u>97% of</u>"

16. Page 15, line 22. Following: "at less than" Strike: "<u>97% of</u>" *

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HB 0716/02

2 INTRODUCED BY NETCALF 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDENSFOR 5 AEDEMPTIONOFCOUNTY-GENERAL-OBLIGATION,-MUNICIPAL-GENERAL 6 ODEIGATION,-AND-SENORL-DISTRICT-DONDS-AT-A-PREMIUM;-ALLOWING 7 SUGHBONDSYTOGETHERWITHSPECIALIMPROVEMENTDISTRICT 8 BONDS,-TGDESGLDAT-A-DISCOUNTY, ALLOWING THE PAYMENT OF 7 FEES IN CONNECTION MITH THE SALE OF SUGH COUNTY_GENERAL 10 DBLIGATION,	1	HOUSE BILL NO. 716
 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDINGFOR REDEMPTIONOFCOUNTY-GENERAL-OBLIGATION,-MUNICIPAL-GENERAL OBLIGATION,-AND-SCHOOL-DIGTRICT-BONDS-AT-A-PREMIWH,-ALLOWING SUGHBONDS,TOGETHERWITH-SPECIALIMPROVEMENTDIGTRICT BONDS,TOBESOLDAT-A-DIGCOUNT, ALLOWING THE PAYMENT OF FEES IN CONNECTION WITH THE SALE OF SWEH COUNTY_GENERAL OBLIGATION,NUNICIPALGENERAL_OBLIGATION,_AND_SCHOOL DISIRICI 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:Section7-7-2207, MEA,-is-amended-to-rends *7-7-2207,-Redemption-of-bonds,-All-bonds-issuedfor *7-7-2207,-Redemption-of-bonds,-All-bonds-issuedfor *7-7-2207,-Redemption-of-the-county-on-anyinterest paymentdate-after-one-holf-of-the-term-for-which-they-were ************************************	2	INTRODUCED BY NETCALF
NEDEMPTION -OFCOUNTY-GENERAL-OBLIGATION,-NUNICIPAL-GENERAL OBLIGATION,-AND-SCHOOL-DIGTRICT-BONDS-AT-A-PREMIUM;-ALLOWING SUCHBONDS,TOGETHERWITHSPECIALIMPROVEMENTDIGTRICT BONDS,TOBOLDAT-A-DISCOUNT; ALLOWING THE PAYMENT OF FEES IN CONNECTION WITH THE SALE OF SUCH COUNTY_GENERAL OBLIGATIONHUNICIPALGENERALOBLIGATIONANDSCHOOL 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.*	3	
6 GDLIGATION, -AND-SEHGOL-DISTRICT-BONDS-AT-A-PREMIUM, -ALLOWING 7 SUCHBONDS,TOGETHERWITHSPECIALIMPROVEMENTDISTRICT 8 BONOS,TODESOLDAT-A-DISCOUNT, ALLOWING THE PAYMENT OF 9 FEES IN CONNECTION WITH THE SALE OF SUCH <u>COUNTY</u> _ <u>GENERAL</u> 10 <u>DELIGATION</u> <u>MUNICIPAL</u> _ <u>GENERAL</u> _ <u>OBLIGATION</u> <u>AND</u> _ <u>SCHOOL</u> 11 <u>DISTRICI</u> BONDS; REDEFINING THE TERM "SERIAL BONDS" AS IT 12 RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING 13 FLEXIBILITY AS TO THE FIRST INTEREST PAYMENT DATE ON ALL 14 SUCH BONDS; AMENDING SECTIONS 7-7-2207+ 7-7-2211, 7-7-2251, 15 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.* 17 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 <u>Section-tsSection-7-7-2207+MEA</u> is-smended-to-reads 17 18 DE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 <u>section-tsSection-7-7-2207+MEA</u> is-smended-to-reads 20 <u>T-7-2207Redemption-of-bondssAll-bonds-issuedfor</u> 21 <u>stonger-torm-thon-5-years-sholl-be-redeemption-entyinterest</u> 22 <u>Apremium_fixed</u> et-the-option-of-the-torm-for-which-they-were 23 psymentdate-ofter-onc-holf-of-the-term-for-which-they-were 24 jssued-hos-expiredy-end-tt <u>such-redeemption-feature</u> shollbe	4	A BILL FOR AN ACT ENTITLED: "AN ACT providingfor
7 SUGHBONDSyFOGETHERWITHSPECIALIMPROVEMENTDISTRICT 8 BONDSyFOG-BESOLDAT-A-DISCOUNTY ALLOWING THE PAYMENT OF 9 FEES IN CONNECTION WITH THE SALE OF SUGH COUNTY_GENERAL 10 DBLIGATIONOUNICIPALGENERALOBLIGATIONAND_SCHOOL 11 DISIRICI BONDS; REDEFINING THE TERM "SERIAL BONDS" AS IT 12 RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING 13 FLEXIBILITY AS TO THE FIRST INTEREST PAYMENT DATE ON ALL 14 SUCH BONDS; AMENDING SECTIONS 7-7-42007 T-7-22011, T-7-22017, T-7-	5	REDEMPTIONOFCOUNTY-GENERAL-OBLIGATION+-MUNICIPAL-GENERAL
 BONDS,TODESOLOAT-A-DISCOUNT; ALLOWING THE PAYMENT OF FEES IN CONNECTION WITH THE SALE OF SUCH COUNTY_GENERAL OBLIGATIONNUNICIPALGENERALOBLIGATIONSANDSCHOOL DISIRICI 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 7-7-4251, 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-taSectionT-7-2207+NEA+-ta-Bmended-to-read+ T-7-2207+-Redemption-of-bonds+-All-bonds-issuedfor elonger-term-thon-5-years-shall-be-redeemable <u>at:par:or:st</u> paymentdate-after-one-half-of-the-term-for-which-they-were issued-has-expiredy-ond-it <u>such-redemption-feature</u> shallbe 	6	OBLIGATIONy-AND- SEH ODL-DISTRICT-BONDS -A T-A-PREMIUM; -A LLONING
 FEES IN CONNECTION WITH THE SALE OF SUCH COUNTY_GENERAL OBLIGATION:MUNICIPALGENERALOBLIGATION:ANDSCHOOL 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-taSection7-7-2207+ NEA+-ta-Bmended-to-read+ #7-7-2207+Redemption-of-bondsAll-bonds-issuedfor #7-7-2207+Redemption-of-the-county-on-onyinterest paymentdate-after-one-holf-of-the-term-for-which-they-were issued-has-expiredy-and-it sugh-rsdeaption_feature shallbe 	7	SUCHBONDS+TOGETHERWITHSPECIALIMPROVEMENTDISTRICT
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11 DISIRICI BONDS; REDEFINING THE TERN "SERIAL BONDS" AS IT 12 RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING 13 FLEXIBILITY AS TO THE FIRST INTEREST PAYMENT DATE ON ALL 14 SUCH BONDS; AMENDING SECTIONS 7-7-2287* 7-7-2211, 7-7-2251, 15 7-7-2254, 7-7-4206* 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408, 16 20-9-418* 20-9-430, AND 20-9-432, MCA.* 17 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-lsSection7-7-2287* NEA*-is-smended-to-reads 20 *7-7-2287*Redempt*on-of-bondssAll-bonds-issuedfor 21 slonger-term-than-5-years-shall-be-redeemable nt:nterest 22 A::::::::::::::::::::::::::::::::::::	9	FEES IN CONNECTION WITH THE SALE OF Such <u>County_general</u>
12 RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING 13 FLEXIBILITY AS TO THE FIRST INTEREST PAYMENT DATE ON ALL 14 SUCH BONDS; AMENDING SECTIONS 7-7-2207, 7-7-2211, 7-7-2251, 15 7-7-2254, 7-7-4206, 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408, 16 20-9-410, 20-9-430, AND 20-9-432, MCA.* 17 18 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-1xSection7-7-220Ty-NEAx-is-amended-to-reads 20 *7-7-2207Redemption-of-bondssAll-bonds-issuedfor 21 \$longer-term-than-5-years-shall-be-redeemable <a as="" bonds"="" href="mailto:at:patient:at:at:at:patient:at:at:at:at:at:at:at:at:at:at:at:at:at</th><th>10</th><th>OBLIGATIONNUNICIPALGENERALOBLIGATIONANDSCHOOL</th></tr><tr><th>13 FLEXIBILITY AS TO THE FIRST INTEREST PAYMENT DATE ON ALL 14 SUCH BONDS; AMENDING SECTIONS 7-7-2207* 7-7-2211, 7-7-2251, 15 7-7-2254, 7-7-4206* 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408, 16 20-9-410* 20-9-430, AND 20-9-432, MCA.* 17 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-1*Section7-7-2207*-NEA*-**s-smended-to-read* 20 *7-7-2207*Redemption-of-bonds*All-bonds-**ssuedfor 21 stonger-term-thon-5-years-shall-be-redeemoble at:pat:or:st 22 A::premium:fixed st-the-option-of-the-term-for-which-they-were 23 paymentdate-ofter-one-half-of-the-term-for-which-they-were 24 issued-has-expiredy-and-it sugh:redemption:frature shallbe</th><th>11</th><th><u>DISTRICT</u> BONDS; REDEFINING THE TERM " it<="" serial="" th="">		
14 SUCH BONDS; AMENDING SECTIONS 7-7-2207, 7-7-2211, 7-7-2251, 15 7-7-2254, 7-7-4206, 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408, 16 20-9-410, 20-9-430, AND 20-9-432, MCA.* 17 18 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-1xSection7-7-2207y-NEAy-is-amended-to-reads 20 *7-7-2207yRedemption-of-bondssAll-bonds-issuedfor 21 elonger-term-than-5-years-shall-be-redeemable <u>nt-par-or-section-all-system-of-the-county-on-anyinterest</u> 22 <u>a-premium_fixed</u> at-the-option-of-the-term-for-which-they-ware 23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it <u>auch-redeemption-feature</u> shallbe	12	RELATES TO SUCH GENERAL OBLIGATION BONDS; AND ALLOWING
15 7-7-2254, 7-7-4206+ 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408, 16 20-9-410+ 20-9-430, AND 20-9-432, MCA.* 17 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-tw-Saction7-7-2207y-NEAy-is-smended-to-reads 20 #7-7-2207yRedemption-of-bondssAll-bonds-issuedfor 21 \$\$tormger-term-thon-5-years-shall-be-redeemsble 22 \$\$\frac{1}{200000000000000000000000000000000000	13	FLEXIBILITY AS TO THE FIRST INTEREST PAYNENT DATE ON ALL
16 20-9-410; 20-9-430; AND 20-9-432; MCA.* 17 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-1:-Section-7-7-2207y-NEAy-is-amended-to-reads 20 #7-7-2207y-Redemption-of-bondsAll-bonds-issuedfor 21 a-rionger-term-than-5-years-shall-be-redeemable <u>nt:parcorist</u> 22 <u>a-premium:fixed</u> at-the-option-of-the-county-on-anyinterest 23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it <u>such:redeemation:feature</u> shallbe	14	SUCH BONDS; AMENDING SECTIONS 7-7-2207+ 7-7-2211, 7-7-2251,
17 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-twSection7-7-2207y-NGAy-is-smended-to-reads 20 #7-7-2207yRedemption-of-bondssAll-bonds-issuedfor 21 olonger-term-thon-5-years-shall-be-redeemsble <u>nt=Rat=or=nt</u> 22 <u>A=premium=fixed</u> at-the-option-of-the-county-on-anyinterest 23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it <u>auch=redeemstion=feature</u> shallbe	15	7-7-2254, 7-7-4286, 7-7-4210, 7-7-4251, 7-7-4254, 20-9-408,
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 19 Section-1xSection7-7-220Ty-NEAy-is-smended-to-resd; 20 #7-7-220TyRedemption-of-bondsstill-bonds-issuedfor 21 slonger-term-then-5-years-shell-be-redeemable nterest 22 slonger-term-then-5-years-shell-be-redeemable nterest 23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it suet-redeemption-feature	16	28-9-418, 20-9-430, AND 20-9-432, MCA.*
19 Section-1:Section7-7-2207y-NEAy-is-smended-to-read; 20 #7-7-2207yRedemption-of-bondsyAll-bonds-issuedfor 21 olonger-term-then-5-years-shall-be-redeemable 22 <u>A:premium_fixed</u> at-the-option-of-the-county-on-anyinterest 23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it auch_redeemation_feature	17	
20 #7-7-2287*Redemption-of-bonds*All-bonds-issuedfor 21 slonger-term-then-5-years-shall-be-redeemable <u>st_Par_or_st</u> 22 <u>s_premium_fixed</u> st-the-option-of-the-county-on-anyinterest 23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it <u>such_redemption_feature</u> shallbe	18	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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22 <u>A=premium_fixed</u> at-the-option-of-the-county-on-onyinterest 23 paymentdate-ofter-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it <u>such=redemption=feature</u> shall-be	20	#7-7-2287*Redemption-of-bonds*All-bonds-issuedfor
23 paymentdate-after-one-half-of-the-term-for-which-they-ware 24 issued-has-expiredy-and-it <u>auch-redemption-feature</u> shallbe	21	stonger-tarm-than-5-years-shatt-be-redeemable <u>at:par:ar:st</u>
24 issued -has-expiredy-and-it <u>such=redenation=feature</u> shallbe	22	<u>a-premium_fixed</u> st-the-option-of-the-county-on-onyinterest
	23	paymentdate-ofter-one-half-of-the-term-for-which-they-ware
25 son act to the foce of the bonds 4	24	issued -has-expiredy-and-it <u>such:redemption-feature</u> shallbe
	25	so-statenenetherfacerof+therbondss [#]

1	Section 1. Section 7-7-2211, NCA, is amended to read:
2	*7-7-2211. Serial bonds. The term "serial bonds", as
3	used in this part, is hereby defined as being a bond issue
4	payable in equal annual installments, one installment
5	consisting of one or more bonds, becoming due and payable
6	each year <u>: however, f</u> the <u>principal</u> amount tobapaid and
7	redeemedeachyearbaing-datarminad-by-dividing-the-total
8	amount of the bonds to-be-issuedbythetotalnumberof
9	yearsthe issueistorunjy-so-th et -the-total-amount-of
10	principal-to-be-paid-each-year-the-bonds-are-to-run-will-be
11	thesames-providedhowavery-that-the-installments-becoming
12	due-and-payable-the-first-year-or-the-first-and-second-years
13	may-vary-in-amount-from-the-others-to-theextentresulting
14	fromfixingtheemountefeachbondoftheother
15	installments-at-slogy-5500y-or-sly000y-as-may-bedetermined
16	bytheboardofcountycommissioners maturing_in_each
17	installment_may_oot_be_more_than_three_timestheprincipal
19	<u>amount_of_the_bonds_maturing_in_the_immediately_preceding</u>
19	installment."
20	Section 2. Section 7-7-2251, MCA, is amended to read:
21	#7-7-2251。 (Revived July 1, 1983) Form of notice of
22	sale of bonds. The notice of sale shall state the purpose or
23	purposes for which the bonds are to be issued and the amount
24	propused to be issued for each purpose and shall be
25	substantially in the following form:

-2-

1

1

NOTICE OF SALE OF COUNTY BONDS

Z Notice is hereby given by the board of county 3 commissioners of County, state of Montana, that the 4 board will on the day of 19..., at the hour of 5 6 the (town or city) of In the said county, sell to the highest and best bidder for cash, either amortization or 7 8 serial bonds of the said county in the total principal 9 amount of **** dollars (\$****) for the purpose of *****

10 Amortization bonds will be the first choice and serial bonds will be the second choice of the said board. 11

12 If amortization bonds are sold and issued, the entire 13 issue may be put into one single bond or divided into 14 several bonds, as the board may determine at the time of 15 sale, both principal and interest to be payable in 16 semiannual installments during a period of years from 17 the date of issue.

18 If serial bonds are issued and sold, they will be in 19 the amount of dollars (\$....) eachy--except--the--last 20 bond--which--will-be-in-the-BROWNt-of-wave-dollars-flower; 21 the-sum-of-wwww-dollars-tiwwwwl-of-the-said-serial-bonds and 22 will become payable on-the-sees-day-of--seesy--19eey--and--a 23 1+ke--amount--on-the-seme-dey-each-yeer-thereafter-unt+}-a+} 24 of-such-bonds-are-paidy-except--that--the--last--installen at 25 will--be--in-the-smount-of-sever-dollars-(fever) according to

-3-

HB 716

the maturity schedule set forth below. (set forth maturity 2

schedule_adopted_by_the_board_of_county_commissioners).

3 The bonds, whether amortization or serial bonds, will bear date of, 19..., and will bear interest at a rate 4 5 not exceeding 6% per annumy compensing on the same day of 6 Assa (month)s 19 ese and payable semiannually on the day of (month) and (month) in each year 7 thereaftery and will be redeemable in full (here insert the R optional provisions, if any, to be recited in the bonds). 9

The bonds will be sold for not less than 978-of their 10 11 par value with accrued interest to date of delivery, and all 12 bidders must state the lowest rate of interest at which they will purchase the bonds at par. The board reserves the right 13 14 to reject any and all bids and to sell the bonds at private 15 sale.

All bids other than by or on behalf of the board of 16 investments of the state of Nontana must be accompanied by a 17 certified check in the sum of dollars, (\$....), payable 18 to the order of the clark, which will be forfaited by the 19 successful bidder in the event that he shall fail or refuse 20 21 to complete the purchase of the bonds in accordance with the 22 terms of his bid.

All bids should be addressed to the board of county 23 24 commissioners of said county and delivered to the county clerk of said county. 25

-4-

HB 0716/02

1	ATTEST:
2	***************************************
3	(Chairman, Board of County Commissioners)
4	ofCounty
5	State of Montana
6	•••••
7	(Clerk of the Board of County Commissioners)
8	of 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 <u>971-of</u>
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

t 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 <u>97%==of</u> par and <u>with</u> accrued interest to date of 5 delivery. 6 (3) No <u>Consultants' fees</u> and attorneys' fees or 7 brokerage-or-other-fees-or-commissions-of-eny-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-Sw--Section--7-7-4206y-MEAy-is-amended-to-reads 12 #7-7-4286s--Redamptton-of-bondss--All-bonds-tssued--for 13 a--tonder-ters-thon-5-vears-sholl-be-redeemoble at-sar-og-at appresium_fixed at-the-option-of-the-city--or--town--on--any 14 interest--payment--date-after-one-haif-of-the-term-for-which 15 16 they-were-issued-has-expiredy-and-it <u>such-redemption-festure</u> 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 yeari_<u>however</u>, fthe <u>principal</u> amount to-be-paid-and 24 redeenod-coch-year-being-determined-by--dividing--the--total 25 amount of the bonds to-be-issued-by-the-total-number-of

-6-

HB 716

HB 0716/02

1 years-the-issue-is-to-runjy-so--that--the--totol--amount--of z principal--to-be-paid-each-year-the-bonds-are-to-run-will-be 3 the-samet-providedy-howevery-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 ftxing--the--amount--of--each--bond-of-the-other-payments-at 7 \$100y-\$500y-or-some--multiple--thereof maturing_in_each B installment__may__not_be_more_than_three.times_the_principal 9 amount_of_the_boods_maturing_in_the_immediately_preceding 10 installment." 11 Section 5. Section 7-7-4251: NCA. 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 Votice 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 of ..., ..., 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

-7-

HB 716

1 bonds will be the second choice of the council.

If amortization bonds are sold and issued, the entire a 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.

8 If serial bonds are issued and sold, they will be in 9 the amount of dollars (\$....) eachy-except-the-last 10 bond-which-will-be-in-the-amount-of--www--dollars-- (******) 11 the--sum--of--wwww--dollars-ffwwwwl-of-soid-serial-bonds and 12 will become due and payable on-the-www-day-of--****** and-a-like-omount-on-the-some-day-each-year-thereafter-until 13 14 off--such--bonds--aro-paidy-except-that-the-fast-instaliment will-be-in-the-amount-of-syst-dollars-tistest according....tp 15 16 the maturity schedule set forth below (set forth maturity 17 schedule_adopted_by_the_city_or_town_council)+ The bonds, whether amortization or serial bonds, will

The bonds, whether amortization or serial bonds, will bear date of, 19..., will bear interest at J rate not exceeding 6% per annumy <u>commencing on the serie day of</u> <u>ease</u> <u>fmonthle_l9....</u> and payable semiannually, on the day of and on the day of in each year <u>thereafter</u> and will be redeemable (here insert the optional provisions, if any, recited in the bonds).

25 Said bonds will be sold for not less than <u>271-of</u> their

-8-

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.

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.

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

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 978--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 amortization or serial, and the rate of interest at which he 4 will surchase the bonds. A bid for amortization bonds shall 5 6 have preference over a bid for serial bonds, all other things being equal. In determining the kind of bonds to be 7 issued, the council shall take into consideration not only 8 9 the rate of interest demanded on each kind but also all other known elements affecting the interests of the city or 10 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 than'978_of par and with accrued interest to date of 16 17 delivery.

18 (3) No <u>Consultants!_fees_and</u> attorneys' fees or 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:

-9-

-10-

HB 716

HB 0716/02

1 (1) #amortization bonds# means the form of bonds on 2 which a part of the principal must be paid each time з interest becomes payable. The part payment of principal increases at each installment in the same amount that the 4 5 interest decreases. The combined interest and principal due 6 on each due date remains the same until the bonds are paid. 7 The final payment may vary from prior payments in the amount 8 resulting from disregarding fractional cents in prior 9 payments.

(2) "serial bonds" means the form of bonds which are 10 11 payable in annual installments and on which the amount to-be 12 redeemed maturing each year is-determined-by--dividing--the 13 total may not be pore than three times the principal amount 14 of the bonds by-the-term-of-the-bond--issuey---Howevery--the 15 first-or-the-first-ond-second-installments-may-vary-from-the 16 others--to--the--extent-resulting-from-fixing-the-amounts-of 17 each-bond-of-the-other-installments-at-\$186y-at-\$588y-ar-at 18 some -- multiple-thereof maturing_in_the_immediately_preceding 19 Year .* 20

21 #28-9-418*--(Revived-duiy-1y-1983)-Limitation--of--term and--interest-----timing--for--redemption*--School-district bonds-shall-not-be-issued-for-a-term-longer-than--20--yearsy except--that--bonds--issued--to-refund-or-redeem-outstanding bonds-shall-not-be-issued-for-a-term-longer--than--18--years

-11-

HB 716

3 refunding---or--redeesing--bonds--may--be--issued--for--such unexpired-terms-All-bonds-issued-for-a-longer--term--thon--5 4 veers--shell--be--redeemable <u>straterorat-a-premium-fixed</u> at 5 6 the-option-of-the-school-district-on--any--interest--payment 7 date--after--one-half-of-the-term-for-which-they-were-issued 8 has-expiredy-and-it <u>such==redemption==festure</u> shait--be--so 9 stated--on--the--Face--of--the-bonds+-The-interest-shail-not 10 exceed-78-per-annum-ond-shaff-be-peyabte-semi-annuaffy#* Section 8. Section 20-9-430, NCA, is amended to read: 11 #20-9-430. (Revived 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

unless--the--unexptred--term--of-the-bonds-to-be-refundtd-

redeemed-is-in--axcass--of--20--yearsy--in--which--case--the

17 the following form:

1

2

18

NOTICE OF SALE OF SCHOOL DISTRICT BONDS

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

-12-

HB 0716/02

HB 0716/02

1	Amortization bonds will be the first choice and serial
2	bonds will be the second choice of the trustees.
3	If amortization bonds are sold and issued, the entire
4	issue may be put into one single bond or divided into
5	several bonds, as the trustees may determine upon at the
6	time of sale, both principal and interest to be payable in
7	semiannual installments during a period of years from
8	the date of issue.
9	If serial bonds are issued and sold, they will be in
10	the amount of **** dollars (\$****) eachythasumofwww
11	do llars{\$****}-of-the-script-bonds <u>and</u> will become payable
12	on-the-www-day-of-wwwwy-l9wwy-and-the-sum-ofwwwwdollars
13	t\$ssssjwiiibecomepayableanthesameday-each-year
14	thereafter-until-all-of-the-bonds-are-paid <u>according_totb</u> e
15	<u>maturity_schedule_set_forth_below_(set_forth_maturity</u>
16	schedule_adopted_by_the_school_districtl.
17	The bonds, whether amortization or serial bonds, will
18	bear date of, 19, and will bear interest at a rate
19	not exceeding 7% per annu my <u>commencing on the seer</u> day of
20	<pre>sest{monthls_l9*** and payable semiannuallyy on the ****</pre>
21	day of •••• (month) and •••• (month) in each year
22	thereaftery and will be redeemable in full. (Here insert
23	optional provisions, if any, to be recited on the bonds.)
24	The bonds will be sold for not less than <u>97%ef</u> their

-

*

25

1	the lowest rate of interest at which they will purchase the
2	bonds at par. The bonds shall be sold in open competition
3	bidding, by written bids, or by sealed bids. The trustees
4	reserve the right to reject any and all bids and to sell the
5	bonds at private sale.
6	All bids other than by or on behalf of the state board
7	of land commissioners must be accompanied by money, a
8	certified check, cashier's check, bank money order, or bank
9	draft drawn and issued by a national banking association
10	located in Montana or by any banking corporation
11	incorporated under the laws of Montanay in the sum of ****
12	dollars (\$) payable to the order of the district, which
13	will be forfeited by the successful bidder in the event that
14	he shall refuse to purchase the bonds.
15	All bids should be addressed to the undersigned
16	district.
17	*************************************
18	Chairman, School District No
19	ofCounty
20	Address:
21	ATTEST:
22	Subscribed and sworn to before me this day of
23	••••• 19•••; ••••• Notary Public for the State
24	Residing at, Montana. My Commission expires
25	Section 9. Section 20-9-432, MCA, is amended to read:

par value with accrued interest, and all bidders must state

-14-

HB 716

1 "20-9-432. Sale of school district bonds. (1) The 2 trustees shall meet at the time and place fixed in the notice to consider bids on the bond issue. The bonds shall з 4 be sold at not less than <u>971-of</u> par and with accrued interest to date of delivery, and each bidder shall specify 5 the form of bonds to be issued, whether amortization or 6 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 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 15 the bid which they shall judge most advantageous to the school district. No Consultants! fees and attorney feesy 16 brokerege--or--ether--feesy-or-commissions-ef-eny-kind-shell 17 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 negotlating the sale. The trustees are authorized to reject any or all bids and to sell the bonds at private sale if 21 22 they deem it for the best interests of the school district+ 23 except that such bonds shall not be sold at less than 272-of par and with accrued interest to date of delivery. 24

25

-15-

(2) The trustees may cooperate and combine with other

1 school districts within the same county for the purpose of 2 preparing and negotlating for sale of bond issues if, in the Э opinion of the trustees, such cooperation or combination 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 10 bond issues."

-End-

-16-