

HOUSE BILL NO. 872

INTRODUCED BY SALES

IN THE HOUSE

February 15, 1983	Introduced and referred to Committee on Local Government.
February 21, 1983	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 22, 1983	Second reading, do pass as amended.
February 23, 1983	Correctly engrossed. Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Local Government.
March 24, 1983	Committee recommend bill be concurred in. Report adopted.
March 26, 1983	Second reading, concurred in.
March 28, 1983	Third reading, concurred in. Ayes, 47; Noes, 0.

IN THE HOUSE

March 28, 1983	Returned to House.
March 29, 1983	Sent to enrolling. Reported correctly enrolled.

1 House BILL NO. 872
2 INTRODUCED BY Salas
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL
5 GOVERNMENTS TO ISSUE LIMITED SPECIAL AND RURAL IMPROVEMENT
6 DISTRICT BONDS; REMOVING THE LIABILITY OF TAXABLE PROPERTY
7 FOR THE IMPROVEMENTS; PROVIDING SALE BY ADVERTISEMENT OF
8 SUCH PROPERTY IF ASSESSMENTS ARE DELINQUENT; AMENDING
9 SECTIONS 7-6-4423, 7-12-2170, 7-12-2182, 7-12-2185,
10 7-12-4182 THROUGH 7-12-4184, 7-12-4202, 7-12-4222, AND
11 7-12-4225, MCA; AND PROVIDING AN EFFECTIVE DATE."
12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 NEW SECTION. Section 1. Authority to issue limited
15 rural improvement district bonds. (1) After June 30, 1983,
16 the board of county commissioners may issue limited rural
17 improvement district bonds. Such bonds must be limited
18 obligations of the county, and the bonds and interest
19 coupons issued under the authority of this section may not
20 give rise to a pecuniary liability of the county or a charge
21 against its general credit or taxing powers.
22 (2) The limitation expressed in subsection (1) must be
23 plainly stated upon the face of all bonds issued under this
24 section in addition to the provisions of 7-12-2170.
25 NEW SECTION. Section 2. Sale on delinquent assessment

1 -- notice -- sale -- payment. A delinquent assessment may be
2 foreclosed by advertisement and sale as follows:
3 (1) The county attorney shall prepare a notice of
4 assessment sale. A copy of the notice must be filed with the
5 county clerk and recorder for record. The notice must
6 contain:
7 (a) the name of the delinquent person as his name
8 appears on the latest assessment roll of the county;
9 (b) the amount of the delinquent assessments and, if
10 the assessments have been accelerated, the total amount of
11 such accelerated assessments;
12 (c) a description of the property to be sold; and
13 (d) the date, time, and place of the assessment sale.
14 (2) The county shall give notice of the sale in the
15 following manner:
16 (a) At least 120 days before the date fixed for the
17 sale, a copy of the notice of sale must be mailed by
18 certified mail to:
19 (i) each person designated in the latest assessment
20 roll as the owner of the property for which the assessment
21 is delinquent, at the address shown on the assessment roll;
22 and
23 (ii) any person having a lien or interest subsequent to
24 the interest of the county and whose lien or interest and
25 address appear of record on the filing date and time of the

1 notice of sale.

2 (b) At least 20 days before the date fixed for the
3 sale, a copy of the notice of sale must be posted in some
4 conspicuous place on the property to be sold. Upon request
5 of the county, the notice of sale may be posted by the
6 sheriff.

7 (c) A copy of the notice of sale must be published in
8 a newspaper of general circulation published in the county
9 in which the property is located at least once each week for
10 3 successive weeks. The last publication must be made at
11 least 20 days before the date fixed for the sale.

12 (3) The county attorney must, before the date of the
13 sale, file for record in the office of the clerk and
14 recorder of the county where the property is situated
15 affidavits of mailing, posting, and publication showing
16 compliance with the requirements of this section.

17 (4) On the date and at the time and place designated
18 in the notice of sale, the county attorney or his designee
19 shall sell the property at public auction to the highest
20 bidder. The property may be sold in one parcel or in
21 separate parcels, and any person may bid at the sale. The
22 person making the sale may, for any cause he considers
23 expedient, postpone the sale for a period not exceeding 15
24 days by public proclamation at the time and place fixed in
25 the notice of sale. No other notice of the postponed sale

1 need be given.

2 (5) The purchaser at the sale must pay the price bid
3 in cash, and upon receipt of payment, the county attorney
4 shall execute and deliver an assessment sale deed to the
5 purchaser. If the purchaser refuses to pay the purchase
6 price in cash, the person conducting the sale has the right
7 to resell the property at any time to the highest bidder.
8 The party refusing to so pay is liable for any loss
9 occasioned thereby, and the person making the sale may also
10 in his discretion thereafter reject any other bid of such
11 person.

12 ~~NEW SECTION.~~ Section 3. Disposition of proceeds of
13 sale. The county shall apply the proceeds of the sale as
14 follows:

15 (1) to the costs and expenses of the sale, including
16 reasonable county fees for conducting the sale and attorney
17 fees;

18 (2) to the assessment delinquency, plus interest and
19 penalties;

20 (3) the surplus, if any, to the person or persons
21 legally entitled thereto, or the county attorney in his
22 discretion may deposit such surplus with the clerk and
23 recorder of the county in which the sale took place. Upon
24 depositing such surplus, the county is discharged from all
25 further responsibility therefor and the clerk and recorder

1 shall deposit the funds with the county treasurer subject to
2 the order of the district court of such county.

3 **NEW SECTION.** Section 4. Deficiency judgment not
4 allowed. When an assessment delinquency executed in
5 conformity with this part is foreclosed by advertisement and
6 sale, no other or further action, suit, or proceeding may be
7 taken or judgment entered for any deficiency against the
8 delinquent owner or his surety, guarantor, or successor in
9 interest, if any, on the delinquent assessment.

10 **NEW SECTION.** Section 5. Assessment sale deed. (1) The
11 assessment sale deed to the purchaser at the sale may
12 contain, in addition to a description of the property
13 conveyed, recitals of compliance with the requirements of
14 [sections 2 through 7] relating to the exercise of the power
15 of sale and the sale, including recitals of the facts
16 concerning the delinquency, the notice given, the conduct of
17 the sale, and the receipt of the purchase money from the
18 purchaser.

19 (2) When the assessment sale deed is recorded in the
20 deed records of the county where the property described in
21 the deed is situated, the recitals contained in the deed and
22 in the affidavits required under [section 2] are prima facie
23 evidence in any court of the truth of the matters set forth
24 therein, except that the same are conclusive evidence in
25 favor of subsequent bona fide purchasers and encumbrancers

1 for value and without notice.

2 (3) The assessment sale deed operates to convey to the
3 purchaser, without right of redemption, all right, title,
4 interest, and claim of the county to such property.

5 **NEW SECTION.** Section 6. Possession. The purchaser at
6 the sale is entitled to possession of the property on the
7 10th day following the sale, and any persons remaining in
8 possession after that date under any interest are considered
9 to be tenants at will.

10 **NEW SECTION.** Section 7. County fees and attorney
11 fees. Reasonable county fees and attorney fees to be charged
12 under [section 3] for advertisement and sale may not exceed,
13 in the aggregate, 5% of the amount due on the assessment,
14 including penalties and interest, at the time of the sale.
15 If prior to the sale the delinquency is extinguished by the
16 payment of all delinquent assessments and if the assessments
17 have been accelerated by payment of all accelerated
18 assessments, the reasonable county fees and attorney fees to
19 be charged may not exceed \$150.

20 Section 8. Section 7-12-2182, MCA, is amended to read:
21 "7-12-2182. Sources of money for revolving fund. (1)
22 For the purpose of providing funds for such revolving fund
23 the board of county commissioners:

24 (a) may, in its discretion and from time to time,
25 transfer to the revolving fund from the general fund of the

1 county such amount or amounts as may be deemed necessary,
2 which amount or amounts so transferred shall be considered
3 and shall be loans from such general fund to the revolving
4 fund; and

5 (b) shall, ~~except for limited rural improvement~~
6 ~~district bonds issued pursuant to [section 1]~~, in addition
7 to such transfer or transfers from the general fund or in
8 lieu thereof, levy and collect for such revolving fund such
9 a tax, hereby declared to be for a public purpose, on all
10 the taxable property in such county as shall be necessary to
11 meet the financial requirements of such fund. However, a
12 tax may not be levied if the balance in the revolving fund
13 exceeds 5% of the principal amount of the then-outstanding
14 rural special improvement district bonds and warrants. If a
15 tax is levied, the tax may not be an amount that would
16 increase the balance in the revolving fund above 5% of the
17 then-outstanding rural special improvement district bonds
18 and warrants.

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

1 paid, all money remaining in such district fund shall by the
2 order of the board be transferred to and become part of the
3 revolving fund."

4 Section 9. Section 7-12-2185, MCA, is amended to read:
5 "7-12-2185. Covenants to utilize revolving fund. (1)
6 In connection with the issuance of rural special improvement
7 district bonds or warrants, the board of county
8 commissioners may undertake and agree:

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

14 (b) to provide funds for such revolving fund pursuant
15 to the provisions of 7-12-2182 by annually making such tax
16 ~~levy (or in lieu thereof, such loan from the general fund)~~
17 as the board may so agree to and undertake, subject to the
18 maximum limitations imposed by 7-12-2182(1)(b);

19 ~~(c) to provide funds for such revolving fund pursuant~~
20 ~~to the provisions of 7-12-2182(1)(a) by annually making a~~
21 ~~loan from the general fund.~~

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

1 Section 10. Section 7-12-2170, MCA, is amended to
 2 read:
 3 "7-12-2170. Form of bond or warrant. (1) Such bonds or
 4 warrants shall be drawn in substantially the following form:
 5 District No.
 6 United States of America
 7 State of Montana
 8 Warrant or Dollars
 9 (Bond No.) \$....
 10 Interest at the rate of% per annum, payable annually.
 11 Special Improvement District Coupon Warrant or Bond
 12, Montana
 13 Issued by the county of, Montana
 14 The county treasurer of County, Montana, will pay
 15 to or bearer the sum of dollars as authorized by
 16 resolution No., as passed on the day of,
 17 19.., creating or maintaining the special improvement
 18 district No. for the construction (or maintenance) of
 19 the improvements and work performed as authorized in said
 20 resolution to be done in said district, and all laws,
 21 resolutions, and ordinances relating thereto, in payment of
 22 the contract in accordance therewith. The principal and
 23 interest of this warrant (or bond) are payable at the office
 24 of the county treasurer of County, Montana.
 25 This warrant (or bond) bears interest at the rate of

1% per annum from the date of the registration of this
 2 warrant (or bond), as expressed herein, until the date
 3 called for the redemption by the county treasurer. The
 4 interest on this warrant (or bond) is payable annually on
 5 the first day of each year, unless paid previous
 6 thereto, and as expressed by the interest coupons hereto
 7 attached which bear the signatures of the chairman of the
 8 board of county commissioners and the county clerk.

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

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

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

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

1 County of, Montana.

2 (SEAL)

3 By, chairman of the board of county commissioners.

4 (SEAL)

5

6 County Clerk

7 Registered at the office of the county treasurer of

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

9

10 County Treasurer

11 ~~(2) Limited revenue bonds issued pursuant to [section~~
 12 ~~1] shall also state, immediately preceding the redemption~~
 13 ~~clause provided in subsection (1), substantially the~~
 14 ~~following: This warrant (or bond) is a limited obligation~~
 15 ~~and as such does not give rise to a pecuniary liability of~~
 16 ~~the county or a charge against its general credit or taxing~~
 17 ~~powers."~~

18 **NEW SECTION.** Section 11. Authority to issue limited
 19 special improvement district bonds. (1) After June 30, 1983,
 20 a municipality may issue limited special improvement
 21 district bonds. Such bonds must be limited obligations of
 22 the municipality, and the bonds and interest coupons issued
 23 under the authority of this section may not give rise to a
 24 pecuniary liability of the municipality or a charge against
 25 its general credit or taxing powers.

1 (2) The limitation expressed in subsection (1) must be
 2 plainly stated upon the face of all bonds issued under this
 3 section in addition to the provisions of 7-12-4202.

4 **NEW SECTION.** Section 12. Sale on delinquent
 5 assessment -- notice -- sale -- payment. A delinquent
 6 assessment on property for a limited rural improvement
 7 district bond may be foreclosed by advertisement and sale as
 8 follows:

9 (1) The city attorney shall prepare a notice of
 10 assessment sale. A copy of the notice must be filed with the
 11 county clerk and recorder for record. The notice must
 12 contain:

13 (a) the name of the delinquent person as his name
 14 appears on the latest assessment roll of the county;

15 (b) the amount of the delinquent assessments and, if
 16 the assessments have been accelerated, the total amount of
 17 such accelerated assessments;

18 (c) a description of the property to be sold; and

19 (d) the date, time, and place of the assessment sale.

20 (2) The city or town shall give notice of the sale in
 21 the following manner:

22 (a) At least 120 days before the date fixed for the
 23 sale, a copy of the notice of sale must be mailed by
 24 certified mail to:

25 (i) each person designated in the latest assessment

roll as the owner of the property for which the assessment is delinquent, at the address shown on the assessment roll; and

(ii) any person having a lien or interest subsequent to the interest of the city or town and whose lien or interest and address appear of record on the filing date and time of the notice of sale.

(b) At least 20 days before the date fixed for the sale, a copy of the notice of sale must be posted in some conspicuous place on the property to be sold. Upon request of the city or town, the notice of sale may be posted by the sheriff.

(c) A copy of the notice of sale must be published in a newspaper of general circulation published in the city or town in which the property is located at least once each week for 3 successive weeks. If there is no such newspaper, then it must be published in a newspaper of general circulation published in the county in which the property is located. The last publication must be made at least 20 days before the date fixed for the sale.

(3) The city or town attorney must, before the date of sale, file for record in the office of the clerk and recorder of the county where the property is situated affidavits of mailing, posting, and publication showing compliance with the requirements of this section.

(4) On the date and at the time and place designated in the notice of sale, the city or town attorney or his designee shall sell the property at public auction to the highest bidder. The property may be sold in one parcel or in separate parcels, and any person may bid at the sale. The person making the sale may, for any cause he considers expedient, postpone the sale for a period not exceeding 15 days by public proclamation at the time and place fixed in the notice of sale. No other notice of the postponed sale need be given.

(5) The purchaser at the sale must pay the price bid in cash, and upon receipt of payment, the city or town attorney shall execute and deliver an assessment sale deed to the purchaser. If the purchaser refuses to pay the purchase price in cash, the person conducting the sale has the right to resell the property at any time to the highest bidder. The party refusing to so pay is liable for any loss occasioned thereby, and the person making the sale may also in his discretion thereafter reject any other bid of such person.

NEW SECTION. Section 13. Disposition of proceeds of sale. The city or town shall apply the proceeds of the sale as follows:

(1) to the costs and expenses of the sale, including reasonable city or town fees for conducting the sale and

1 attorney fees;

2 (2) to the assessment delinquency, plus interest and
3 penalties;

4 (3) the surplus, if any, to the person or persons
5 legally entitled thereto, or the city or town attorney in
6 his discretion may deposit such surplus with the clerk and
7 recorder of the county in which the sale took place. Upon
8 depositing such surplus, the city or town is discharged from
9 all further responsibility therefor and the clerk and
10 recorder shall deposit the funds with the county treasurer
11 subject to the order of the district court of such county.

12 ~~NEW_SECTION.~~ Section 14. Deficiency judgment not
13 allowed. When an assessment delinquency executed in
14 conformity with [sections 12 through 17] is foreclosed by
15 advertisement and sale, no other or further action, suit, or
16 proceeding may be taken or judgment entered for any
17 deficiency against the delinquent owner or his surety,
18 guarantor, or successor in interest, if any, on the
19 delinquent assessment.

20 ~~NEW_SECTION.~~ Section 15. Assessment sale deed. (1)
21 The assessment sale deed to the purchaser at the sale may
22 contain, in addition to a description of the property
23 conveyed, recitals of compliance with the requirements of
24 [sections 12 through 17] relating to the exercise of the
25 power of sale and the sale, including recitals of the facts

1 concerning the delinquency, the notice given, the conduct of
2 the sale, and the receipt of the purchase money from the
3 purchaser.

4 (2) When the assessment sale deed is recorded in the
5 deed records of the county where the property described in
6 the deed is situated, the recitals contained in the deed and
7 in the affidavits required under [section 12] are prima
8 facie evidence in any court of the truth of the matters set
9 forth therein, except that the same are conclusive evidence
10 in favor of subsequent bona fide purchasers and
11 encumbrancers for value and without notice.

12 (3) The assessment sale deed operates to convey to the
13 purchaser, without right of redemption, all right, title,
14 interest, and claim of the city or town to such property.

15 ~~NEW_SECTION.~~ Section 16. Possession. The purchaser at
16 the sale is entitled to possession of the property on the
17 10th day following the sale, and any persons remaining in
18 possession after that date under any interest are considered
19 to be tenants at will.

20 ~~NEW_SECTION.~~ Section 17. City or town fees and
21 attorney fees. Reasonable city or town fees and attorney
22 fees to be charged under [section 13] for advertisement and
23 sale may not exceed, in the aggregate, 5% of the amount due
24 on the assessment, including penalties and interest, at the
25 time of the sale. If prior to the sale the delinquency is

1 extinguished in accordance with the provisions of
2 7-12-4184, the reasonable city or town fees and attorney
3 fees to be charged may not exceed \$150.

4 Section 18. Section 7-6-4423, MCA, is amended to read:

5 "7-6-4423. Sales for delinquent taxes when
6 municipality collects municipal tax. (1) (a) Whenever, in a
7 city or town whose city treasurer or town clerk collects its
8 own taxes or special assessments or both, any such taxes or
9 assessments shall become delinquent, ~~except for limited~~
10 ~~special improvement district bonds as provided in [section~~
11 ~~12]~~, no tax sale shall be held therefor by such city
12 treasurer or town clerk but such city treasurer or town
13 clerk must, within 10 days after the date the same become
14 delinquent, certify all such delinquent taxes and
15 assessments to the county treasurer of the county in which
16 the city or town is situated.

17 (b) Such certificate shall contain:

18 (i) the description of each lot or parcel of land on
19 which any tax or assessment has become delinquent;

20 (ii) the name and address of the person to whom
21 assessed;

22 (iii) the date when the same became delinquent;

23 (iv) the amount of the delinquent tax or assessment,
24 the penalty to be added thereto, and the total amount of
25 such delinquent tax or assessment with penalty added.

1 (c) If any special assessment is payable in
2 installments and any installment thereof becomes delinquent,
3 the amount of such delinquent installment shall be included
4 in such certificate; provided, however, that if the city or
5 town council, by the adoption of an appropriate resolution,
6 shall declare the whole of the assessment remaining unpaid
7 to be delinquent as provided in 7-12-4181, then the whole of
8 the assessment remaining unpaid shall be included in such
9 certificate.

10 (2) Upon receipt of such certificate, the county
11 treasurer shall enter such delinquent taxes and assessments
12 in the delinquent tax list of the county, and the county
13 treasurer in selling property for delinquent taxes must
14 include all such city and town delinquent taxes and
15 assessments. There shall be but one sale for each piece of
16 property. Such sale shall cover the aggregate of such city
17 or town, county, and state taxes and special assessments,
18 with the penalties, interest, and costs provided by law."

19 Section 19. Section 7-12-4182, MCA, is amended to
20 read:

21 "7-12-4182. Collection of district assessments by city
22 treasurer in cities collecting their own taxes --
23 delinquencies. (1) In every city or town which shall provide
24 by ordinance for the collection of its taxes for general,
25 municipal, and administrative purposes by its city treasurer

or town clerk, such city treasurer or town clerk shall collect all special assessments and taxes levied and assessed in accordance with any of the provisions of this part and part 42 in the same manner and at the same time as said taxes for general, municipal, and administrative purposes are collected by him. All of the provisions of 7-6-4423 shall apply to the collection of such special taxes and assessments in the same manner as such provisions apply to the collection of other city or town taxes.

(2) When one payment becomes delinquent, all payments shall, at the option of the city or town council and by appropriate resolutions duly adopted, become delinquent and the whole property shall be sold the same as other property is sold for taxes ~~except for delinquencies on limited special improvement district bonds as provided in [section 12].~~"

Section 20. Section 7-12-4183, MCA, is amended to read:

"7-12-4183. Collection of district assessments by city treasurer in cities where county collects taxes. (1) In any city or town where taxes for general, municipal, and administrative purposes are certified to and collected by the county treasurer in accordance with the provisions of 7-6-4407 and 7-6-4423, the city or town may, nevertheless, provide by ordinance for the collection by its city

treasurer or town clerk of all special assessments and taxes levied and assessed in accordance with any of the provisions of this part and part 42 in the same manner and at the same time as said taxes for general, municipal, and administrative purposes are collected by the county treasurer. All of the provisions of 7-6-4423 shall apply to the collection of such special taxes and assessments in the same manner as such provisions apply to the collection of other city or town taxes.

(2) When the payment of any one installment of any special assessment becomes delinquent, all payments of subsequent installments shall, at the option of the city or town council and by appropriate resolution duly adopted, become delinquent. ~~Such Except for delinquent special assessments as provided in [section 12],~~ such delinquent special assessments shall be certified to the county clerk of the county in which such city or town is situated, and the county treasurer must collect such delinquent special assessments and taxes in the same manner and at the same time as said taxes for general, municipal, and administrative purposes are collected by him. In case the same are not paid, the whole property shall be sold, the same as other property is sold for taxes."

Section 21. Section 7-12-4184, MCA, is amended to read:

1 "7-12-4184. Reinstatement of delinquent assessment.

2 (1) Whenever any special assessment or installment is
3 delinquent, is declared to be delinquent by appropriate
4 resolution of the city or town council, and is to be sold by
5 advertisement of sale under [sections 12 through 17] or is
6 certified to the county clerk and county treasurer for
7 collection as herein provided, the city or town council may,
8 nevertheless, at its option, by appropriate resolution,
9 order the delinquent assessment to be withdrawn from the
10 county treasurer, canceled from his records and proceedings,
11 and reinstated in the office of the city treasurer and on
12 the assessment book thereof upon the payment to the city
13 treasurer of the assessment or the installment and interest
14 up to date.

15 (2) The certified copy of the resolution of the
16 council with reference to such payment, withdrawal, and
17 reinstatement, filed with the county treasurer, is authority
18 for the county treasurer to cancel and withdraw the
19 delinquent special assessment or installment.

20 (3) The withdrawal and reinstatement may be made at
21 any time before or after sale of the property for delinquent
22 taxes and before a tax deed therefor is executed or anytime
23 before the date of sale for a sale by advertisement as
24 provided in [sections 12 through 17]."

25 Section 22. Section 7-12-4222, MCA, is amended to

1 read:

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

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

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

16 (b) shall, except for limited special improvement
17 bonds issued pursuant to [section 11], in addition to such
18 transfer or transfers from the general fund or in lieu
19 thereof, levy and collect for such revolving fund such a
20 tax, hereby declared to be for a public purpose, on all the
21 taxable property in such city or town as shall be necessary
22 to meet the financial requirements of such fund. However, a
23 tax may not be levied if the balance in the revolving fund
24 exceeds 5% of the principal amount of the then-outstanding
25 special improvement district bonds and warrants. If a tax is

1 levied, the tax may not be an amount that would increase the
2 balance in the revolving fund above 5% of the
3 then-outstanding special improvement district bonds and
4 warrants.

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

16 Section 23. Section 7-12-4225, MCA, is amended to
17 read:

18 "7-12-4225. Covenants to utilize revolving fund. (1)
19 In connection with any public offering of special
20 improvement district bonds or sidewalk, curb, and alley
21 approach warrants, the city or town council may undertake
22 and agree:

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

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

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

9 ~~(c) to provide funds for such revolving fund pursuant~~
10 ~~to the provisions of 7-12-4222(1)(a)111 by annually making a~~
11 ~~loan from the general fund.~~

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

17 Section 24. Section 7-12-4202, MCA, is amended to
18 read:

19 "7-12-4202. Form of bond or warrant. (1) Such bonds or
20 warrants shall be drawn in substantially the following form:

21	District No.
22	United States of America
23	State of Montana
24	Warrant or
25	(Bond No.) \$.....

1 Interest at the rate of% per annum, payable annually
2 (or semiannually).

3 Special Improvement District Coupon Warrant or Bond
4, Montana

5 Issued by the city of, Montana

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

16 This warrant (or bond) bears interest at the rate of
17% per annum from the day of registration of this warrant
18 (or bond), as expressed herein, until the date called for
19 redemption by the city treasurer. The interest on this
20 warrant (or bond) is payable annually (or semiannually) on
21 the first day of in each year (and on the first day of
22 in each year), commencing 1, 19..., unless paid
23 previous thereto, and as expressed by the interest coupons
24 hereto attached, which bear the engraved facsimile signature
25 of the mayor and city clerk.

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

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

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

16 (SEAL)

17 Dated at, Montana, this day of, 19....
18 City of, Montana

19 By:
20 Mayor
21
22 City Clerk

23 Registered at the office of the city treasurer of,
24 Montana, this day of, 19....

25

City Treasurer

~~(2) Limited revenue bonds issued pursuant to (section 11) shall also state, immediately preceding the redemption clause provided in subsection (1), substantially the following: This warrant (or bond) is a limited obligation and as such does not give rise to a pecuniary liability of the municipality or a charge against its general credit or taxing powers."~~

NEW SECTION. Section 25. Codification instruction.

(1) Sections 1 through 7 are intended to be codified as an integral part of Title 7, chapter 12, part 21.

(2) Sections 11 through 17 are intended to be codified as an integral part of Title 7, chapter 12, parts 41 and 42.

NEW SECTION. Section 26. Effective date. This act is effective July 1, 1983.

-End-

Approved by Comm.
on Local Government

1 House BILL NO. 872
2 INTRODUCED BY Sales
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL
5 GOVERNMENTS TO ISSUE LIMITED SPECIAL AND RURAL IMPROVEMENT
6 DISTRICT BONDS; REMOVING THE LIABILITY OF TAXABLE PROPERTY
7 FOR THE IMPROVEMENTS; PROVIDING SALE BY ADVERTISEMENT OF
8 SUCH PROPERTY IF ASSESSMENTS ARE DELINQUENT; AMENDING
9 SECTIONS 7-6-4423, 7-12-2170, 7-12-2182, 7-12-2185,
10 7-12-4182 THROUGH 7-12-4184, 7-12-4202, 7-12-4222, AND
11 7-12-4225, MCA; AND PROVIDING AN EFFECTIVE DATE."
12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 NEW SECTION. Section 1. Authority to issue limited
15 rural improvement district bonds. (1) After June 30, 1983,
16 the board of county commissioners may issue limited rural
17 improvement district bonds. Such bonds must be limited
18 obligations of the county, and the bonds and interest
19 coupons issued under the authority of this section may not
20 give rise to a pecuniary liability of the county or a charge
21 against its general credit or taxing powers.
22 (2) The limitation expressed in subsection (1) must be
23 plainly stated upon the face of all bonds issued under this
24 section in addition to the provisions of 7-12-2170.
25 NEW SECTION. Section 2. Sale on delinquent assessment

1 -- notice -- sale -- payment. A delinquent assessment may be
2 foreclosed by advertisement and sale as follows:
3 (1) The county attorney shall prepare a notice of
4 assessment sale. A copy of the notice must be filed with the
5 county clerk and recorder for record. The notice must
6 contain:
7 (a) the name of the delinquent person as his name
8 appears on the latest assessment roll of the county;
9 (b) the amount of the delinquent assessments and, if
10 the assessments have been accelerated, the total amount of
11 such accelerated assessments;
12 (c) a description of the property to be sold; and
13 (d) the date, time, and place of the assessment sale.
14 (2) The county shall give notice of the sale in the
15 following manner:
16 (a) At least 120 days before the date fixed for the
17 sale, a copy of the notice of sale must be mailed by
18 certified mail to:
19 (i) each person designated in the latest assessment
20 roll as the owner of the property for which the assessment
21 is delinquent, at the address shown on the assessment roll;
22 and
23 (ii) any person having a lien or interest subsequent to
24 the interest of the county and whose lien or interest and
25 address appear of record on the filing date and time of the

1 notice of sale.

2 (b) At least 20 days before the date fixed for the
3 sale, a copy of the notice of sale must be posted in some
4 conspicuous place on the property to be sold. Upon request
5 of the county, the notice of sale may be posted by the
6 sheriff.

7 (c) A copy of the notice of sale must be published in
8 a newspaper of general circulation published in the county
9 in which the property is located at least once each week for
10 3 successive weeks. The last publication must be made at
11 least 20 days before the date fixed for the sale.

12 (3) The county attorney must, before the date of the
13 sale, file for record in the office of the clerk and
14 recorder of the county where the property is situated
15 affidavits of mailing, posting, and publication showing
16 compliance with the requirements of this section.

17 (4) On the date and at the time and place designated
18 in the notice of sale, the county attorney or his designee
19 shall sell the property at public auction to the highest
20 bidder. The property may be sold in one parcel or in
21 separate parcels, and any person may bid at the sale. The
22 person making the sale may, for any cause he considers
23 expedient, postpone the sale for a period not exceeding 15
24 days by public proclamation at the time and place fixed in
25 the notice of sale. No other notice of the postponed sale

1 need be given.

2 (5) The purchaser at the sale must pay the price bid
3 in cash, and upon receipt of payment, the county attorney
4 shall execute and deliver an assessment sale deed to the
5 purchaser. If the purchaser refuses to pay the purchase
6 price in cash, the person conducting the sale has the right
7 to resell the property at any time to the highest bidder.
8 The party refusing to so pay is liable for any loss
9 occasioned thereby, and the person making the sale may also
10 in his discretion thereafter reject any other bid of such
11 person.

12 ~~NEW SECTION.~~ Section 3. Disposition of proceeds of
13 sale. The county shall apply the proceeds of the sale as
14 follows:

15 (1) to the costs and expenses of the sale, including
16 reasonable county fees for conducting the sale and attorney
17 fees;

18 (2) to the assessment delinquency, plus interest and
19 penalties;

20 (3) the surplus, if any, to the person or persons
21 legally entitled thereto, or the county attorney in his
22 discretion may deposit such surplus with the clerk and
23 recorder of the county in which the sale took place. Upon
24 depositing such surplus, the county is discharged from all
25 further responsibility therefor and the clerk and recorder

1 shall deposit the funds with the county treasurer subject to
2 the order of the district court of such county.

3 **NEW_SECTION.** Section 4. Deficiency judgment not
4 allowed. When an assessment delinquency executed in
5 conformity with this part is foreclosed by advertisement and
6 sale, no other or further action, suit, or proceeding may be
7 taken or judgment entered for any deficiency against the
8 delinquent owner or his surety, guarantor, or successor in
9 interest, if any, on the delinquent assessment.

10 **NEW_SECTION.** Section 5. Assessment sale deed. (1) The
11 assessment sale deed to the purchaser at the sale may
12 contain, in addition to a description of the property
13 conveyed, recitals of compliance with the requirements of
14 [sections 2 through 7] relating to the exercise of the power
15 of sale and the sale, including recitals of the facts
16 concerning the delinquency, the notice given, the conduct of
17 the sale, and the receipt of the purchase money from the
18 purchaser.

19 (2) When the assessment sale deed is recorded in the
20 deed records of the county where the property described in
21 the deed is situated, the recitals contained in the deed and
22 in the affidavits required under [section 2] are prima facie
23 evidence in any court of the truth of the matters set forth
24 therein, except that the same are conclusive evidence in
25 favor of subsequent bona fide purchasers and encumbrancers

1 for value and without notice.

2 (3) The assessment sale deed operates to convey to the
3 purchaser, without right of redemption, all right, title,
4 interest, and claim of the county to such property.

5 **NEW_SECTION.** Section 6. Possession. The purchaser at
6 the sale is entitled to possession of the property on the
7 10th day following the sale, and any persons remaining in
8 possession after that date under any interest are considered
9 to be tenants at will.

10 **NEW_SECTION.** Section 7. County fees and attorney
11 fees. Reasonable county fees and attorney fees to be charged
12 under [section 3] for advertisement and sale may not exceed,
13 in the aggregate, 5% of the amount due on the assessment,
14 including penalties and interest, at the time of the sale.
15 If prior to the sale the delinquency is extinguished by the
16 payment of all delinquent assessments and if the assessments
17 have been accelerated by payment of all accelerated
18 assessments, the reasonable county fees and attorney fees to
19 be charged may not exceed \$150.

20 Section 8. Section 7-12-2182, MCA, is amended to read:
21 "7-12-2182. Sources of money for revolving fund. (1)
22 For the purpose of providing funds for such revolving fund
23 the board of county commissioners:

24 (a) may, in its discretion and from time to time,
25 transfer to the revolving fund from the general fund of the

1 county such amount or amounts as may be deemed necessary,
 2 which amount or amounts so transferred shall be considered
 3 and shall be loans from such general fund to the revolving
 4 fund; and

5 (b) shall, ~~except for limited rural improvement~~
 6 ~~district bonds issued pursuant to [section 11]~~ in addition
 7 to such transfer or transfers from the general fund or in
 8 lieu thereof, levy and collect for such revolving fund such
 9 a tax, hereby declared to be for a public purpose, on all
 10 the taxable property in such county as shall be necessary to
 11 meet the financial requirements of such fund. However, a
 12 tax may not be levied if the balance in the revolving fund
 13 exceeds 5% of the principal amount of the then-outstanding
 14 rural special improvement district bonds and warrants. If a
 15 tax is levied, the tax may not be an amount that would
 16 increase the balance in the revolving fund above 5% of the
 17 then-outstanding rural special improvement district bonds
 18 and warrants.

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

1 paid, all money remaining in such district fund shall by the
 2 order of the board be transferred to and become part of the
 3 revolving fund."

4 Section 9. Section 7-12-2185, MCA, is amended to read:
 5 "7-12-2185. Covenants to utilize revolving fund. (1)
 6 In connection with the issuance of rural special improvement
 7 district bonds or warrants, the board of county
 8 commissioners may undertake and agree:

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

14 (b) to provide funds for such revolving fund pursuant
 15 to the provisions of 7-12-2182 by annually making such tax
 16 ~~levy (or in lieu thereof, such loan from the general fund)~~
 17 as the board may so agree to and undertake, subject to the
 18 maximum limitations imposed by 7-12-2182(1)(b);

19 ~~(c) to provide funds for such revolving fund pursuant~~
 20 ~~to the provisions of 7-12-2182(1)(a) by annually making a~~
 21 ~~loan from the general fund.~~

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

1 Section 10. Section 7-12-2170, MCA, is amended to
2 read:

3 "7-12-2170. Form of bond or warrant. (1) Such bonds or
4 warrants shall be drawn in substantially the following form:

5 District No.

6 United States of America

7 State of Montana

8 Dollars

9 (\$ Bond No.) \$....

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

11 Special Improvement District Coupon Warrant or Bond
12, Montana

13 Issued by the county of, Montana

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

25 This warrant (or bond) bears interest at the rate of

1% per annum from the date of the registration of this
2 warrant (or bond), as expressed herein, until the date
3 called for the redemption by the county treasurer. The
4 interest on this warrant (or bond) is payable annually on
5 the first day of each year, unless paid previous
6 thereto, and as expressed by the interest coupons hereto
7 attached which bear the signatures of the chairman of the
8 board of county commissioners and the county clerk.

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

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

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

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

County of, Montana.

(SEAL)

By, chairman of the board of county commissioners.

(SEAL)

.....

County Clerk

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

.....

County Treasurer

~~(2) Limited revenue bonds issued pursuant to [section
1] shall also state, immediately preceding the redemption
clause provided in subsection (1), substantially the
following: This warrant (or bond) is a limited obligation
and as such does not give rise to a pecuniary liability of
the county or a charge against its general credit or taxing
powers."~~

NEW SECTION. Section 11. Authority to issue limited
special improvement district bonds. (1) After June 30, 1983,
a municipality may issue limited special improvement
district bonds. Such bonds must be limited obligations of
the municipality, and the bonds and interest coupons issued
under the authority of this section may not give rise to a
pecuniary liability of the municipality or a charge against
its general credit or taxing powers.

(2) The limitation expressed in subsection (1) must be
plainly stated upon the face of all bonds issued under this
section in addition to the provisions of 7-12-4202.

NEW SECTION. Section 12. Sale on delinquent
assessment -- notice -- sale -- payment. A delinquent
assessment on property for a limited rural improvement
district bond may be foreclosed by advertisement and sale as
follows:

(1) The city attorney shall prepare a notice of
assessment sale. A copy of the notice must be filed with the
county clerk and recorder for record. The notice must
contain:

(a) the name of the delinquent person as his name
appears on the latest assessment roll of the county;

(b) the amount of the delinquent assessments and, if
the assessments have been accelerated, the total amount of
such accelerated assessments;

(c) a description of the property to be sold; and

(d) the date, time, and place of the assessment sale.

(2) The city or town shall give notice of the sale in
the following manner:

(a) At least 120 days before the date fixed for the
sale, a copy of the notice of sale must be mailed by
certified mail to:

(i) each person designated in the latest assessment

roll as the owner of the property for which the assessment is delinquent, at the address shown on the assessment roll; and

(ii) any person having a lien or interest subsequent to the interest of the city or town and whose lien or interest and address appear of record on the filing date and time of the notice of sale.

(b) At least 20 days before the date fixed for the sale, a copy of the notice of sale must be posted in some conspicuous place on the property to be sold. Upon request of the city or town, the notice of sale may be posted by the sheriff.

(c) A copy of the notice of sale must be published in a newspaper of general circulation published in the city or town in which the property is located at least once each week for 3 successive weeks. If there is no such newspaper, then it must be published in a newspaper of general circulation published in the county in which the property is located. The last publication must be made at least 20 days before the date fixed for the sale.

(3) The city or town attorney must, before the date of sale, file for record in the office of the clerk and recorder of the county where the property is situated affidavits of mailing, posting, and publication showing compliance with the requirements of this section.

(4) On the date and at the time and place designated in the notice of sale, the city or town attorney or his designee shall sell the property at public auction to the highest bidder. The property may be sold in one parcel or in separate parcels, and any person may bid at the sale. The person making the sale may, for any cause he considers expedient, postpone the sale for a period not exceeding 15 days by public proclamation at the time and place fixed in the notice of sale. No other notice of the postponed sale need be given.

(5) The purchaser at the sale must pay the price bid in cash, and upon receipt of payment, the city or town attorney shall execute and deliver an assessment sale deed to the purchaser. If the purchaser refuses to pay the purchase price in cash, the person conducting the sale has the right to resell the property at any time to the highest bidder. The party refusing to so pay is liable for any loss occasioned thereby, and the person making the sale may also in his discretion thereafter reject any other bid of such person.

NEW SECTION. Section 13. Disposition of proceeds of sale. The city or town shall apply the proceeds of the sale as follows:

(1) to the costs and expenses of the sale, including reasonable city or town fees for conducting the sale and

attorney fees;

(2) to the assessment delinquency, plus interest and penalties;

(3) the surplus, if any, to the person or persons legally entitled thereto, or the city or town attorney in his discretion may deposit such surplus with the clerk and recorder of the county in which the sale took place. Upon depositing such surplus, the city or town is discharged from all further responsibility therefor and the clerk and recorder shall deposit the funds with the county treasurer subject to the order of the district court of such county.

NEW SECTION. Section 14. Deficiency judgment not allowed. When an assessment delinquency executed in conformity with [sections 12 through 17] is foreclosed by advertisement and sale, no other or further action, suit, or proceeding may be taken or judgment entered for any deficiency against the delinquent owner or his surety, guarantor, or successor in interest, if any, on the delinquent assessment.

NEW SECTION. Section 15. Assessment sale deed. (1) The assessment sale deed to the purchaser at the sale may contain, in addition to a description of the property conveyed, recitals of compliance with the requirements of [sections 12 through 17] relating to the exercise of the power of sale and the sale, including recitals of the facts

concerning the delinquency, the notice given, the conduct of the sale, and the receipt of the purchase money from the purchaser.

(2) When the assessment sale deed is recorded in the deed records of the county where the property described in the deed is situated, the recitals contained in the deed and in the affidavits required under [section 12] are prima facie evidence in any court of the truth of the matters set forth therein, except that the same are conclusive evidence in favor of subsequent bona fide purchasers and encumbrancers for value and without notice.

(3) The assessment sale deed operates to convey to the purchaser, without right of redemption, all right, title, interest, and claim of the city or town to such property.

NEW SECTION. Section 16. Possession. The purchaser at the sale is entitled to possession of the property on the 10th day following the sale, and any persons remaining in possession after that date under any interest are considered to be tenants at will.

NEW SECTION. Section 17. City or town fees and attorney fees. Reasonable city or town fees and attorney fees to be charged under [section 13] for advertisement and sale may not exceed, in the aggregate, 5% of the amount due on the assessment, including penalties and interest, at the time of the sale. If prior to the sale the delinquency is

extinguished in accordance with the provisions of 7-12-4184, the reasonable city or town fees and attorney fees to be charged may not exceed \$150.

Section 18. Section 7-6-4423, MCA, is amended to read:

"7-6-4423. Sales for delinquent taxes when municipality collects municipal tax. (1) (a) Whenever, in a city or town whose city treasurer or town clerk collects its own taxes or special assessments or both, any such taxes or assessments shall become delinquent, ~~except for limited special improvement district bonds as provided in [section 12]~~, no tax sale shall be held therefor by such city treasurer or town clerk but such city treasurer or town clerk must, within 10 days after the date the same become delinquent, certify all such delinquent taxes and assessments to the county treasurer of the county in which the city or town is situated.

(b) Such certificate shall contain:

(i) the description of each lot or parcel of land on which any tax or assessment has become delinquent;

(ii) the name and address of the person to whom assessed;

(iii) the date when the same became delinquent;

(iv) the amount of the delinquent tax or assessment, the penalty to be added thereto, and the total amount of such delinquent tax or assessment with penalty added.

(c) If any special assessment is payable in installments and any installment thereof becomes delinquent, the amount of such delinquent installment shall be included in such certificate; provided, however, that if the city or town council, by the adoption of an appropriate resolution, shall declare the whole of the assessment remaining unpaid to be delinquent as provided in 7-12-4181, then the whole of the assessment remaining unpaid shall be included in such certificate.

(2) Upon receipt of such certificate, the county treasurer shall enter such delinquent taxes and assessments in the delinquent tax list of the county, and the county treasurer in selling property for delinquent taxes must include all such city and town delinquent taxes and assessments. There shall be but one sale for each piece of property. Such sale shall cover the aggregate of such city or town, county, and state taxes and special assessments, with the penalties, interest, and costs provided by law."

Section 19. Section 7-12-4182, MCA, is amended to read:

"7-12-4182. Collection of district assessments by city treasurer in cities collecting their own taxes -- delinquencies. (1) In every city or town which shall provide by ordinance for the collection of its taxes for general, municipal, and administrative purposes by its city treasurer

1 or town clerk, such city treasurer or town clerk shall
 2 collect all special assessments and taxes levied and
 3 assessed in accordance with any of the provisions of this
 4 part and part 42 in the same manner and at the same time as
 5 said taxes for general, municipal, and administrative
 6 purposes are collected by him. All of the provisions of
 7 7-6-4423 shall apply to the collection of such special taxes
 8 and assessments in the same manner as such provisions apply
 9 to the collection of other city or town taxes.

10 (2) When one payment becomes delinquent, all payments
 11 shall, at the option of the city or town council and by
 12 appropriate resolutions duly adopted, become delinquent and
 13 the whole property shall be sold the same as other property
 14 is sold for taxes except for delinquencies on limited
 15 special improvement district bonds as provided in [section
 16 12]."

17 Section 20. Section 7-12-4183, MCA, is amended to
 18 read:

19 "7-12-4183. Collection of district assessments by city
 20 treasurer in cities where county collects taxes. (1) In any
 21 city or town where taxes for general, municipal, and
 22 administrative purposes are certified to and collected by
 23 the county treasurer in accordance with the provisions of
 24 7-6-4407 and 7-6-4423, the city or town may, nevertheless,
 25 provide by ordinance for the collection by its city

1 treasurer or town clerk of all special assessments and taxes
 2 levied and assessed in accordance with any of the provisions
 3 of this part and part 42 in the same manner and at the same
 4 time as said taxes for general, municipal, and
 5 administrative purposes are collected by the county
 6 treasurer. All of the provisions of 7-6-4423 shall apply to
 7 the collection of such special taxes and assessments in the
 8 same manner as such provisions apply to the collection of
 9 other city or town taxes.

10 (2) When the payment of any one installment of any
 11 special assessment becomes delinquent, all payments of
 12 subsequent installments shall, at the option of the city or
 13 town council and by appropriate resolution duly adopted,
 14 become delinquent. Such Except for delinquent special
 15 assessments as provided in [section 12], such delinquent
 16 special assessments shall be certified to the county clerk
 17 of the county in which such city or town is situated, and
 18 the county treasurer must collect such delinquent special
 19 assessments and taxes in the same manner and at the same
 20 time as said taxes for general, municipal, and
 21 administrative purposes are collected by him. In case the
 22 same are not paid, the whole property shall be sold, the
 23 same as other property is sold for taxes."

24 Section 21. Section 7-12-4184, MCA, is amended to
 25 read:

1 "7-12-4184. Reinstatement of delinquent assessment.

2 (1) Whenever any special assessment or installment is
3 delinquent, is declared to be delinquent by appropriate
4 resolution of the city or town council, and is to be sold by
5 advertisement of sale under [sections 12 through 17] or is
6 certified to the county clerk and county treasurer for
7 collection as herein provided, the city or town council may,
8 nevertheless, at its option, by appropriate resolution,
9 order the delinquent assessment to be withdrawn from the
10 county treasurer, canceled from his records and proceedings,
11 and reinstated in the office of the city treasurer and on
12 the assessment book thereof upon the payment to the city
13 treasurer of the assessment or the installment and interest
14 up to date.

15 (2) The certified copy of the resolution of the
16 council with reference to such payment, withdrawal, and
17 reinstatement, filed with the county treasurer, is authority
18 for the county treasurer to cancel and withdraw the
19 delinquent special assessment or installment.

20 (3) The withdrawal and reinstatement may be made at
21 any time before or after sale of the property for delinquent
22 taxes and before a tax deed therefor is executed or anytime
23 before the date of sale for a sale by advertisement as
24 provided in [sections 12 through 17]."

25 Section 22. Section 7-12-4222, MCA, is amended to

1 read:

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

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

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

16 (b) shall, except for limited special improvement
17 bonds issued pursuant to [section 11], in addition to such
18 transfer or transfers from the general fund or in lieu
19 thereof, levy and collect for such revolving fund such a
20 tax, hereby declared to be for a public purpose, on all the
21 taxable property in such city or town as shall be necessary
22 to meet the financial requirements of such fund. However, a
23 tax may not be levied if the balance in the revolving fund
24 exceeds 5% of the principal amount of the then-outstanding
25 special improvement district bonds and warrants. If a tax is

1 levied, the tax may not be an amount that would increase the
2 balance in the revolving fund above 5% of the
3 then-outstanding special improvement district bonds and
4 warrants.

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

16 Section 23. Section 7-12-4225, MCA, is amended to
17 read:

18 "7-12-4225. Covenants to utilize revolving fund. (1)
19 In connection with any public offering of special
20 improvement district bonds or sidewalk, curb, and alley
21 approach warrants, the city or town council may undertake
22 and agree:

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

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

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

9 ~~(c) to provide funds for such revolving fund pursuant~~
10 ~~to the provisions of 7-12-4222(1)(a)l by annually making a~~
11 ~~loan from the general fund.~~

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

17 Section 24. Section 7-12-4202, MCA, is amended to
18 read:

19 "7-12-4202. Form of bond or warrant. (1) Such bonds or
20 warrants shall be drawn in substantially the following form:

21	District No.
22	United States of America
23	State of Montana
24	Warrant or Dollars
25	(Bond No.) \$.....

1 Interest at the rate of% per annum, payable annually
2 (or semiannually).

3 Special Improvement District Coupon Warrant or Bond

4, Montana

5 Issued by the city of, Montana

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

16 This warrant (or bond) bears interest at the rate of
17% per annum from the day of registration of this warrant
18 (or bond), as expressed herein, until the date called for
19 redemption by the city treasurer. The interest on this
20 warrant (or bond) is payable annually (or semiannually) on
21 the first day of in each year (and on the first day of
22 in each year), commencing 1, 19..., unless paid
23 previous thereto, and as expressed by the interest coupons
24 hereto attached, which bear the engraved facsimile signature
25 of the mayor and city clerk.

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

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

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

16 (SEAL)

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

18 City of, Montana

19 By:

20 Mayor

21

22 City Clerk

23 Registered at the office of the city treasurer of,
24 Montana, this day of, 19...

25

City Treasurer

~~(2) Limited revenue bonds issued pursuant to [section 11] shall also state, immediately preceding the redemption clause provided in subsection (1), substantially the following: This warrant (or bond) is a limited obligation and as such does not give rise to a pecuniary liability of the municipality or a charge against its general credit or taxing powers."~~

NEW SECTION. Section 25. Codification instruction.

(1) Sections 1 through 7 are intended to be codified as an integral part of Title 7, chapter 12, part 21.

(2) Sections 11 through 17 are intended to be codified as an integral part of Title 7, chapter 12, parts 41 and 42.

NEW SECTION. Section 26. Effective date. This act is effective July 1, 1983.

-End-

HOUSE BILL NO. 872

INTRODUCED BY SALES

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL GOVERNMENTS TO ISSUE LIMITED SPECIAL AND RURAL IMPROVEMENT DISTRICT BONDS; REMOVING THE LIABILITY OF TAXABLE PROPERTY FOR THE IMPROVEMENTS; PROVIDING SALE BY ADVERTISEMENT OF SUCH PROPERTY IF ASSESSMENTS ARE DELINQUENT; AMENDING SECTIONS 7-6-423, 7-12-2170, 7-12-2182, 7-12-2185, 7-12-4182 THROUGH 7-12-4184, 7-12-4202, 7-12-4222, AND 7-12-4225, MCA; AND PROVIDING AN EFFECTIVE DATE WITHOUT REVOLVING FUND BACKING; AMENDING SECTIONS 7-12-2181 THROUGH 7-12-2183, 7-12-2185, 7-12-2186, 7-12-4221 THROUGH 7-12-4223, 7-12-4225, AND 7-12-4227, MCA."

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Section 7-12-2181, MCA, is amended to read:

"7-12-2181. Creation of rural improvement district revolving fund. The board of county commissioners of any county in the state which may create any rural special improvement district or districts for any purpose shall pay (in order to secure prompt payment of any special improvement district bonds or warrants issued in payment of

improvements made therein and the interest thereon as it becomes due) create, establish, and maintain by resolution a fund to be known and designated as the rural special improvement district revolving fund. Nothing herein shall authorize or permit the elimination of a revolving fund until all bonds and warrants secured thereby and the interest thereon have been fully paid and discharged."

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

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

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

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

(b) shall, in addition to such transfer or transfers from the general fund or in lieu thereof, levy and collect for such revolving fund such a tax, hereby declared to be for a public purpose, on all the taxable property in such county as shall be necessary to meet the financial requirements of such fund. However, a tax may not be levied if the balance in the revolving fund exceeds 5% of the principal amount of the then-outstanding rural special

1 improvement district bonds and warrants secured thereby. If
 2 a tax is levied, the tax may not be an amount that would
 3 increase the balance in the revolving fund above 5% of the
 4 then-outstanding rural special improvement district bonds
 5 and warrants secured thereby.

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

17 Section 3. Section 7-12-2183, MCA, is amended to read:

18 "7-12-2183. Loan from revolving fund to meet payments
 19 on bonds and warrants or to make emergency repairs. (1)
 20 Whenever any rural special improvement district bond or
 21 warrant secured by the revolving fund and or any interest
 22 thereon shall become due and payable and there shall then be
 23 either no money or not sufficient money in the appropriate
 24 district fund with which to pay the same, an amount
 25 sufficient to make up the deficiency may, by order of the

1 board of county commissioners, be loaned by the revolving
 2 fund to such district fund. Thereupon, such bond or warrant
 3 or such interest thereon shall be paid from the money so
 4 loaned or from the money so loaned when added to such
 5 insufficient amount, as the case may require.

6 (2) Whenever any rural special improvement district
 7 maintenance fund does not have sufficient money to pay the
 8 cost of emergency repairs, the board of county commissioners
 9 by order or resolution may loan money from the revolving
 10 fund to such district maintenance fund. Such loan shall be
 11 repaid in annual installments in not more than 3 years. In
 12 no event may the loans interfere with the payments of bonds
 13 or warrants. The loan shall be repaid by an assessment as
 14 provided by 7-12-2120 if other funds are not available. If
 15 there are not sufficient funds in the revolving fund to make
 16 the loans without interfering with the payment of bonds or
 17 warrants secured thereby, then the loans may not be made."

18 Section 4. Section 7-12-2185, MCA, is amended to read:

19 "7-12-2185. Covenants to utilize revolving fund. (1)
 20 In connection with the issuance of rural special improvement
 21 district bonds or warrants, the board of county
 22 commissioners may undertake and agree:

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

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

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

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

12 ~~(1) In lieu of the undertakings and agreements set~~
13 ~~forth in subsection (1), the board of county commissioners~~
14 ~~may determine in the resolution authorizing the issuance of~~
15 ~~the bonds or warrants that the revolving fund shall not~~
16 ~~secure the bonds or warrants and that the bonds or warrants~~
17 ~~shall be payable solely from the district fund created~~
18 ~~therefor and shall have no claim against the revolving~~
19 ~~fund."~~

20 Section 5. Section 7-12-2186, MCA, is amended to read:

21 "7-12-2186. Utilization of excess money in revolving
22 fund. Whenever there is in the revolving fund an amount in
23 excess of 5% of the then-outstanding rural special
24 improvement district bonds and warrants ~~secured thereby~~ and
25 the board considers any part of the excess to be greater

1 than the amount necessary for payment or redemption of
2 maturing bonds or warrants ~~secured thereby~~ or interest
3 thereon, the board may order the amount the board considers
4 greater than the amount necessary or any part thereof
5 transferred to the general fund of the county."

6 Section 6. Section 7-12-4221, MCA, is amended to read:

7 "7-12-4221. Creation of special improvement district
8 revolving fund. The council or commission of any city or
9 town which has heretofore created or may hereafter create
10 any special improvement district or districts for any
11 purpose may in its discretion ~~as to such district or~~
12 ~~districts created prior to February 25, 1929, and shall as~~
13 ~~to such district or districts created after February 25,~~
14 ~~1929, create, establish, and maintain by ordinance a fund to~~
15 ~~be known and designated as the special improvement district~~
16 ~~revolving fund in order to secure prompt payment of any~~
17 ~~special improvement district bonds or sidewalk, curb, and~~
18 ~~alley approach warrants issued in payment of improvements~~
19 ~~made therein and the interest thereon as it becomes due.~~
20 ~~Nothing herein shall authorize or permit the elimination of~~
21 ~~a revolving fund until all bonds and warrants secured~~
22 ~~thereby and interest thereon have been fully paid and~~
23 ~~discharged."~~

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

25 "7-12-4222. Sources of money for revolving fund. (1)

1 For the purpose of providing funds for such revolving fund
2 the city or town council:

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

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

14 (b) shall, in addition to such transfer or transfers
15 from the general fund or in lieu thereof, levy and collect
16 for such revolving fund such a tax, hereby declared to be
17 for a public purpose, on all the taxable property in such
18 city or town as shall be necessary to meet the financial
19 requirements of such fund. However, a tax may not be levied
20 if the balance in the revolving fund exceeds 5% of the
21 principal amount of the then-outstanding special improvement
22 district bonds and warrants ~~secured thereby~~. If a tax is
23 levied, the tax may not be an amount that would increase the
24 balance in the revolving fund above 5% of the
25 then-outstanding special improvement district bonds and

1 warrants ~~secured thereby~~.

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

14 Section 8. Section 7-12-4223, MCA, is amended to read:

15 "7-12-4223. Loans from revolving fund to meet payments
16 on bonds and warrants. Whenever any special improvement
17 district bond or sidewalk, curb, and alley approach warrants
18 ~~which are secured by the revolving fund~~ or any interest
19 thereon shall be due and payable and there shall then be
20 either no money or not sufficient money in the appropriate
21 district fund with which to pay the same, an amount
22 sufficient to make up the deficiency may, by order of the
23 council, be loaned by the revolving fund to such district
24 fund. Thereupon, such bond or warrant or such interest
25 thereon shall be paid from the money so loaned or from the

1 money so loaned when added to such insufficient amount, as
2 the case may require."

3 Section 9. Section 7-12-4225, MCA, is amended to read:

4 "7-12-4225. Covenants to utilize revolving fund. (1)
5 In connection with any public offering of special
6 improvement district bonds or sidewalk, curb, and alley
7 approach warrants, the city or town council may undertake
8 and agree:

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

14 (b) to provide funds for such revolving fund pursuant
15 to the provisions of 7-12-4222(1) by annually making such
16 tax levy (or, in lieu thereof, such loan from the general
17 fund) as the city or town council may so agree to and
18 undertake, subject to the maximum limitations imposed by
19 7-12-4222(1).

20 (2) The undertakings and agreements referred to in
21 subsection (1) shall be binding upon said city or town so
22 long as any of said special improvement district bonds or
23 sidewalk, curb, and alley approach warrants so offered or
24 any interest thereon remain unpaid.

25 ~~(1) In lieu of the undertakings and agreements set~~

1 ~~forth in subsection (1), the city or town council may~~
2 ~~determine in the resolution authorizing the issuance of the~~
3 ~~bonds or warrants that the revolving fund shall not secure~~
4 ~~the bonds or warrants and that the bonds or warrants shall~~
5 ~~be payable solely from the district fund created therefor~~
6 ~~and shall have no claim against the revolving fund."~~

7 Section 10. Section 7-12-4227, MCA, is amended to
8 read:

9 "7-12-4227. Utilization of excess money in revolving
10 fund. Whenever there is an amount in the revolving fund in
11 excess of the amount deposited in the revolving fund under
12 7-12-4169(2) and in excess of 5% of the outstanding special
13 improvement district bonds and warrants and the council
14 considers any part of the excess to be greater than the
15 amount necessary for payment or redemption of maturing bonds
16 or warrants secured thereby or interest thereon, the council
17 may:

18 (1) by vote of all of its members at a meeting called
19 for that purpose, order the amount of the excess that is
20 greater than the amount necessary for the payment or
21 redemption of maturing bonds or warrants secured thereby or
22 interest thereon or any part thereof transferred to the
23 general fund of such city or town; or

24 (2) use the excess that is greater than the amount
25 necessary for the payment or redemption of maturing bonds or

1 warrants ~~secured thereby~~ or interest thereon or any part
2 thereof for the purchase of property at sales for delinquent
3 taxes or assessments, or both, or property which may have
4 been struck off or sold to the county for delinquent taxes
5 or assessments, or both, and against which property there
6 then be any unpaid assessment for special improvements on
7 account whereof there are outstanding special improvement
8 district bonds or warrants of the city or town."

-End-

HOUSE BILL NO. 872

INTRODUCED BY SALES

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL GOVERNMENTS TO ISSUE LIMITED SPECIAL AND RURAL IMPROVEMENT DISTRICT BONDS; REMOVING THE LIABILITY OF TAXABLE PROPERTY FOR THE IMPROVEMENTS; PROVIDING SALE BY ADVERTISEMENT OF SUCH PROPERTY IF ASSESSMENTS ARE DELINQUENT; AMENDING SECTIONS 7-6-4423, 7-12-2170, 7-12-2182, 7-12-2185, 7-12-4102 THROUGH 7-12-4104, 7-12-4202, 7-12-4222 AND 7-12-4225; MCA; AND PROVIDING AN EFFECTIVE DATE WITHOUT REVOLVING FUND BACKING; AMENDING SECTIONS 7-12-2181 THROUGH 7-12-2183, 7-12-2185, 7-12-2186, 7-12-4221 THROUGH 7-12-4223, 7-12-4225, AND 7-12-4227, MCA."

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Section 7-12-2181, MCA, is amended to read:

"7-12-2181. Creation of rural improvement district revolving fund. The board of county commissioners of any county in the state which may create any rural special improvement district or districts for any purpose ~~shall~~ may (in order to secure prompt payment of any special improvement district bonds or warrants issued in payment of

improvements made therein and the interest thereon as it becomes due) create, establish, and maintain by resolution a fund to be known and designated as the rural special improvement district revolving fund. ~~Nothing herein shall authorize or permit the elimination of a revolving fund until all bonds and warrants secured thereby and the interest thereon have been fully paid and discharged."~~

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

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

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

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

(b) shall, in addition to such transfer or transfers from the general fund or in lieu thereof, levy and collect for such revolving fund such a tax, hereby declared to be for a public purpose, on all the taxable property in such county as shall be necessary to meet the financial requirements of such fund. However, a tax may not be levied if the balance in the revolving fund exceeds 5% of the principal amount of the then-outstanding rural special

REFERENCE BILL

1 improvement district bonds and warrants secured thereby. If
 2 a tax is levied, the tax may not be an amount that would
 3 increase the balance in the revolving fund above 5% of the
 4 then-outstanding rural special improvement district bonds
 5 and warrants secured thereby.

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

17 Section 3. Section 7-12-2183, MCA, is amended to read:

18 "7-12-2183. Loan from revolving fund to meet payments
 19 on bonds and warrants or to make emergency repairs. (1)
 20 Whenever any rural special improvement district bond or
 21 warrant secured by the revolving fund and or any interest
 22 thereon shall become due and payable and there shall then be
 23 either no money or not sufficient money in the appropriate
 24 district fund with which to pay the same, an amount
 25 sufficient to make up the deficiency may, by order of the

1 board of county commissioners, be loaned by the revolving
 2 fund to such district fund. Thereupon, such bond or warrant
 3 or such interest thereon shall be paid from the money so
 4 loaned or from the money so loaned when added to such
 5 insufficient amount, as the case may require.

6 (2) Whenever any rural special improvement district
 7 maintenance fund does not have sufficient money to pay the
 8 cost of emergency repairs, the board of county commissioners
 9 by order or resolution may loan money from the revolving
 10 fund to such district maintenance fund. Such loan shall be
 11 repaid in annual installments in not more than 3 years. In
 12 no event may the loans interfere with the payments of bonds
 13 or warrants. The loan shall be repaid by an assessment as
 14 provided by 7-12-2120 if other funds are not available. If
 15 there are not sufficient funds in the revolving fund to make
 16 the loans without interfering with the payment of bonds or
 17 warrants secured thereby, then the loans may not be made."

18 Section 4. Section 7-12-2185, MCA, is amended to read:

19 "7-12-2185. Covenants to utilize revolving fund. (1)
 20 In connection with the issuance of rural special improvement
 21 district bonds or warrants, the board of county
 22 commissioners may undertake and agree:

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

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

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

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

12 ~~(3) In lieu of the undertakings and agreements set~~
13 ~~forth in subsection (1), the board of county commissioners~~
14 ~~may determine in the resolution authorizing the issuance of~~
15 ~~the bonds or warrants that the revolving fund shall not~~
16 ~~secure the bonds or warrants and that the bonds or warrants~~
17 ~~shall be payable solely from the district fund created~~
18 ~~therefor and shall have no claim against the revolving~~
19 ~~funds."~~

20 Section 5. Section 7-12-2186, MCA, is amended to read:

21 "7-12-2186. Utilization of excess money in revolving
22 fund. Whenever there is in the revolving fund an amount in
23 excess of 5% of the then-outstanding rural special
24 improvement district bonds and warrants secured thereby and
25 the board considers any part of the excess to be greater

1 than the amount necessary for payment or redemption of
2 maturing bonds or warrants secured thereby or interest
3 thereon, the board may order the amount the board considers
4 greater than the amount necessary or any part thereof
5 transferred to the general fund of the county."

6 Section 6. Section 7-12-4221, MCA, is amended to read:

7 "7-12-4221. Creation of special improvement district
8 revolving fund. The council or commission of any city or
9 town which has heretofore created or may hereafter create
10 any special improvement district or districts for any
11 purpose may in its discretion ~~as to such district or~~
12 ~~districts created prior to February 25, 1929, and shall as~~
13 ~~to such district or districts created after February 25,~~
14 ~~1929, create, establish, and maintain by ordinance a fund to~~
15 ~~be known and designated as the special improvement district~~
16 ~~revolving fund in order to secure prompt payment of any~~
17 ~~special improvement district bonds or sidewalk, curb, and~~
18 ~~alley approach warrants issued in payment of improvements~~
19 ~~made therein and the interest thereon as it becomes due.~~
20 ~~Nothing herein shall authorize or permit the elimination of~~
21 ~~a revolving fund until all bonds and warrants secured~~
22 ~~thereby and interest thereon have been fully paid and~~
23 ~~discharged."~~

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

25 "7-12-4222. Sources of money for revolving fund. (1)

1 For the purpose of providing funds for such revolving fund
2 the city or town council:

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

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

14 (b) shall, in addition to such transfer or transfers
15 from the general fund or in lieu thereof, levy and collect
16 for such revolving fund such a tax, hereby declared to be
17 for a public purpose, on all the taxable property in such
18 city or town as shall be necessary to meet the financial
19 requirements of such fund. However, a tax may not be levied
20 if the balance in the revolving fund exceeds 5% of the
21 principal amount of the then-outstanding special improvement
22 district bonds and warrants ~~secured thereby~~. If a tax is
23 levied, the tax may not be an amount that would increase the
24 balance in the revolving fund above 5% of the
25 then-outstanding special improvement district bonds and

1 warrants ~~secured thereby~~.

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

14 Section 8. Section 7-12-4223, MCA, is amended to read:

15 "7-12-4223. Loans from revolving fund to meet payments
16 on bonds and warrants. Whenever any special improvement
17 district bond or sidewalk, curb, and alley approach warrants
18 ~~which are secured by the revolving fund~~ or any interest
19 thereon shall be due and payable and there shall then be
20 either no money or not sufficient money in the appropriate
21 district fund with which to pay the same, an amount
22 sufficient to make up the deficiency may, by order of the
23 council, be loaned by the revolving fund to such district
24 fund. Thereupon, such bond or warrant or such interest
25 thereon shall be paid from the money so loaned or from the

1 money so loaned when added to such insufficient amount, as
2 the case may require."

3 Section 9. Section 7-12-4225, MCA, is amended to read:

4 "7-12-4225. Covenants to utilize revolving fund. (1)
5 In connection with any public offering of special
6 improvement district bonds or sidewalk, curb, and alley
7 approach warrants, the city or town council may undertake
8 and agree:

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

14 (b) to provide funds for such revolving fund pursuant
15 to the provisions of 7-12-4222(1) by annually making such
16 tax levy (or, in lieu thereof, such loan from the general
17 fund) as the city or town council may so agree to and
18 undertake, subject to the maximum limitations imposed by
19 7-12-4222(1).

20 (2) The undertakings and agreements referred to in
21 subsection (1) shall be binding upon said city or town so
22 long as any of said special improvement district bonds or
23 sidewalk, curb, and alley approach warrants so offered or
24 any interest thereon remain unpaid.

25 ~~(3) In lieu of the undertakings and agreements set~~

1 ~~forth in subsection (1), the city or town council may~~
2 ~~determine in the resolution authorizing the issuance of the~~
3 ~~bonds or warrants that the revolving fund shall not secure~~
4 ~~the bonds or warrants and that the bonds or warrants shall~~
5 ~~be payable solely from the district fund created therefor~~
6 ~~and shall have no claim against the revolving fund."~~

7 Section 10. Section 7-12-4227, MCA, is amended to
8 read:

9 "7-12-4227. Utilization of excess money in revolving
10 fund. Whenever there is an amount in the revolving fund in
11 excess of the amount deposited in the revolving fund under
12 7-12-4169(2) and in excess of 5% of the outstanding special
13 improvement district bonds and warrants and the council
14 considers any part of the excess to be greater than the
15 amount necessary for payment or redemption of maturing bonds
16 or warrants ~~secured thereby~~ or interest thereon, the council
17 may:

18 (1) by vote of all of its members at a meeting called
19 for that purpose, order the amount of the excess that is
20 greater than the amount necessary for the payment or
21 redemption of maturing bonds or warrants ~~secured thereby~~ or
22 interest thereon or any part thereof transferred to the
23 general fund of such city or town; or

24 (2) use the excess that is greater than the amount
25 necessary for the payment or redemption of maturing bonds or

1 warrants ~~secured thereby~~ or interest thereon or any part
2 thereof for the purchase of property at sales for delinquent
3 taxes or assessments, or both, or property which may have
4 been struck off or sold to the county for delinquent taxes
5 or assessments, or both, and against which property there
6 then be any unpaid assessment for special improvements on
7 account whereof there are outstanding special improvement
8 district bonds or warrants of the city or town."

-End-