

HOUSE BILL NO. 517

INTRODUCED BY MANUEL, BENGTSON

IN THE HOUSE

JANUARY 28, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON AGRICULTURE, LIVESTOCK & IRRIGATION.

FEBRUARY 6, 1987 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 7, 1987 PRINTING REPORT.

FEBRUARY 9, 1987 SECOND READING, DO PASS.

FEBRUARY 10, 1987 ENGROSSING REPORT.

 THIRD READING, PASSED.
 AYES, 98; NOES, 0.

 TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 11, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON AGRICULTURE, LIVESTOCK & IRRIGATION.

MARCH 9, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 12, 1987 SECOND READING, CONCURRED IN.

MARCH 14, 1987 THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

 RETURNED TO HOUSE.

IN THE HOUSE

MARCH 14, 1987 RECEIVED FROM SENATE.

 SENT TO ENROLLING.

1 House BILL NO. 517
2 INTRODUCED BY Manuel Berzhan
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO MAKE CONSISTENT THE
5 INVESTMENT AUTHORITY OF AN IRRIGATION DISTRICT'S BOARD OF
6 COMMISSIONERS CONCERNING CERTAIN FUNDS; TO PERMIT INVESTING
7 OF THESE FUNDS IN INVESTMENTS BACKED, INSURED, OR GUARANTEED
8 BY THE UNITED STATES OR THE STATE OF MONTANA; AND AMENDING
9 SECTIONS 85-7-1951, 85-7-2027, 85-7-2133, AND 87-7-2140,
10 MCA."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 85-7-1951, MCA, is amended to read:

14 "85-7-1951. United States contracts -- loans, sinking
15 fund, and investment. The board of commissioners of any
16 irrigation district established and organized under and by
17 virtue of the laws of Montana, whenever deemed advisable and
18 to the interest of the district, shall have the power and
19 authority to enter into any obligation or contract with the
20 United States under any act of congress and the rules and
21 regulations established thereunder, providing for or
22 permitting such obligation or contract, for the purpose of
23 obtaining from the United States a loan of money to be used
24 by the district for the liquidation of bonded or other
25 outstanding indebtedness of the district or for doing or

1 causing to be done, under the supervision of the secretary
2 of the interior of the United States, any construction,
3 betterments, or repair work necessary to place the
4 irrigation system of the district in good operating
5 condition. The board shall also have the power and
6 authority to create, by proper levy and collection of
7 assessments, a sinking fund which shall be available for the
8 construction of betterments to the irrigation system of the
9 district, as may become necessary during the term of any
10 contract made hereunder. Said sinking fund for said purpose,
11 which shall be designated the "... District Sinking Fund
12 for Betterments", shall be in such an amount and shall be
13 created within such time as may be agreed upon between the
14 district and the United States. The board shall also have
15 the power and authority to invest any surplus in the sinking
16 fund herein provided for in interest-bearing--securities--of
17 legal investments backed, insured, or guaranteed by the
18 United States or of the states-approved-by-the-secretary--of
19 the-interior-and-to-deposit-said-securities-with-the-federal
20 reserve-bank-or-branch-thereof state of Montana."

21 Section 2. Section 85-7-2027, MCA, is amended to read:

22 "85-7-2027. Disposition of bond proceeds. The county
23 treasurer shall place the proceeds of the sale to the credit
24 of the district, and the proceeds shall be paid out by the
25 county treasurer only upon the written order of the board of



1 commissioners, signed by the president and secretary under
 2 the seal of the district. The proceeds shall be spent only
 3 for the purpose for which the bonds were issued. If any
 4 portion of the funds realized from the sale of bonds is not
 5 needed immediately for the purpose for which the bonds were
 6 issued, the board of commissioners may direct the investment
 7 of the funds and any other surplus funds of the district or
 8 any portion thereof in ~~interest-bearing-securities-of legal~~
 9 ~~investments backed, insured, or guaranteed by the United~~
 10 ~~States or of the state of Montana or-in-interest-bearing~~
 11 ~~certificates-of-deposit-of-national-or-state-banks--approved~~
 12 ~~by--the--department--of--commerce. A--bank-shall-furnish-an~~
 13 ~~indemnity-bond-to-be-approved-by-the-board-of--commissioners~~
 14 ~~and--the--department-of-commerce.~~ The county treasurer shall
 15 transfer to the credit of the district and place to the
 16 credit of the fund or funds, as the board of commissioners
 17 may direct, all interest received upon ~~money--or--securities~~
 18 ~~investments~~ of the district entrusted to his care."

19 Section 3. Section 85-7-2133, MCA, is amended to read:

20 "85-7-2133. Role of the county officers in collection
 21 of tax or assessment. (1) A certified copy of such
 22 resolution shall be filed with the clerk of the board of
 23 county commissioners of each county in which the lands of
 24 the irrigation district lie, and the special tax or
 25 assessment therein provided for shall be levied and

1 collected as prescribed and when so collected shall, by the
 2 county treasurer having custody of the funds of the
 3 district, be placed in a special fund and used solely for
 4 the payment of all bonds issued under the provisions of this
 5 chapter and interest thereon so long as any of the bonds or
 6 interest coupons remain outstanding and unpaid. Whenever the
 7 payments are made for amounts due or to become due to the
 8 United States under a contract between the district and the
 9 United States, accompanying which bonds of the district have
 10 not been deposited with the United States as provided in
 11 85-7-1906, the special fund shall be known as the United
 12 States contract fund.

13 (2) The county treasurer of the county where the
 14 office of an irrigation district is located is the custodian
 15 of all funds belonging to the district, and he shall pay out
 16 such funds upon the order of the board of commissioners,
 17 except payments on bonds and interest for which no order is
 18 necessary. If any portion of the funds belonging to a
 19 district has been collected for the purpose of establishing
 20 a reserve fund, the county treasurer shall pay such portion
 21 to the district on order of the district's board of
 22 commissioners who may invest the same in legal investments
 23 backed, insured, or guaranteed by the United States or the
 24 state or--federal--bonds--or--in--savings--certificates of
 25 institutions---insured--by--the--federal--deposit--insurance

1 corporation Montana. Where moneys of a district in the
2 United States contract fund established pursuant to
3 subsection (1) are in excess of those needed to pay a
4 district's next succeeding annual contract obligation or
5 obligations to the United States, such excess or any part
6 thereof may, upon order of the district's board of
7 commissioners and with the consent of the United States
8 officer administering the contract for which the contract
9 fund has been established, be paid to the district for use
10 in meeting other obligations of the district. Such orders of
11 the board of commissioners shall be signed by the president
12 and secretary of the board and shall bear the official seal
13 of the district."

14 Section 4. Section 85-7-2140, MCA, is amended to read:

15 "85-7-2140. Investment of funds. The board of
16 commissioners shall direct the investment of the funds in
17 any bond sinking fund in interest-bearing-securities legal
18 investments backed, insured, or guaranteed by the United
19 States or the state of Montana whenever in their judgment
20 the investment may be to the best interest of the district.
21 All such securities investments shall be converted into cash
22 in time to meet the principal on the bonds payable from such
23 sinking fund promptly at their maturity."

-End-

APPROVED BY COMMITTEE
ON AGRICULTURE LIVESTOCK
& IRRIGATION

HOUSE BILL NO. 517

INTRODUCED BY MANUEL, BENGTSON

A BILL FOR AN ACT ENTITLED: "AN ACT TO MAKE CONSISTENT THE INVESTMENT AUTHORITY OF AN IRRIGATION DISTRICT'S BOARD OF COMMISSIONERS CONCERNING CERTAIN FUNDS; TO PERMIT INVESTING OF THESE FUNDS IN INVESTMENTS BACKED, INSURED, OR GUARANTEED BY THE UNITED STATES OR THE STATE OF MONTANA; AND AMENDING SECTIONS 85-7-1951, 85-7-2027, 85-7-2133, AND 87-7-2140, MCA."

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

Section 1. Section 85-7-1951, MCA, is amended to read:

"85-7-1951. United States contracts -- loans, sinking fund, and investment. The board of commissioners of any irrigation district established and organized under and by virtue of the laws of Montana, whenever deemed advisable and to the interest of the district, shall have the power and authority to enter into any obligation or contract with the United States under any act of congress and the rules and regulations established thereunder, providing for or permitting such obligation or contract, for the purpose of obtaining from the United States a loan of money to be used by the district for the liquidation of bonded or other outstanding indebtedness of the district or for doing or

causing to be done, under the supervision of the secretary of the interior of the United States, any construction, betterments, or repair work necessary to place the irrigation system of the district in good operating condition. The board shall also have the power and authority to create, by proper levy and collection of assessments, a sinking fund which shall be available for the construction of betterments to the irrigation system of the district, as may become necessary during the term of any contract made hereunder. Said sinking fund for said purpose, which shall be designated the "... District Sinking Fund for Betterments", shall be in such an amount and shall be created within such time as may be agreed upon between the district and the United States. The board shall also have the power and authority to invest any surplus in the sinking fund herein provided for in ~~interest-bearing--securities--of legal investments backed, insured, or guaranteed by the United States or of the states--approved-by-the-secretary--of the-interior-and-to-deposit-said-securities-with-the-federal reserve--bank--or-branch-thereof~~ state of Montana, INCLUDING FEDERAL AND STATE AGENCY OBLIGATIONS."

Section 2. Section 85-7-2027, MCA, is amended to read:

"85-7-2027. Disposition of bond proceeds. The county treasurer shall place the proceeds of the sale to the credit of the district, and the proceeds shall be paid out by the

1 county treasurer only upon the written order of the board of
 2 commissioners, signed by the president and secretary under
 3 the seal of the district. The proceeds shall be spent only
 4 for the purpose for which the bonds were issued. If any
 5 portion of the funds realized from the sale of bonds is not
 6 needed immediately for the purpose for which the bonds were
 7 issued, the board of commissioners may direct the investment
 8 of the funds and any other surplus funds of the district or
 9 any portion thereof in interest-bearing-securities-of legal
 10 investments backed, insured, or guaranteed by the United
 11 States or of the state of Montana, INCLUDING FEDERAL AND
 12 STATE AGENCY OBLIGATIONS or-in-interest-bearing-certificates
 13 of--deposit--of--national--or--state--banks--approved-by-the
 14 department-of-commerce. A-bank-shall--furnish--an--indemnity
 15 bond--to--be--approved-by-the-board-of-commissioners-and-the
 16 department-of-commerce. The county treasurer shall transfer
 17 to the credit of the district and place to the credit of the
 18 fund or funds, as the board of commissioners may direct, all
 19 interest received upon money-or-securities investments of
 20 the district entrusted to his care."

21 Section 3. Section 85-7-2133, MCA, is amended to read:
 22 "85-7-2133. Role of the county officers in collection
 23 of tax or assessment. (1) A certified copy of such
 24 resolution shall be filed with the clerk of the board of
 25 county commissioners of each county in which the lands of

1 the irrigation district lie, and the special tax or
 2 assessment therein provided for shall be levied and
 3 collected as prescribed and when so collected shall, by the
 4 county treasurer having custody of the funds of the
 5 district, be placed in a special fund and used solely for
 6 the payment of all bonds issued under the provisions of this
 7 chapter and interest thereon so long as any of the bonds or
 8 interest coupons remain outstanding and unpaid. Whenever the
 9 payments are made for amounts due or to become due to the
 10 United States under a contract between the district and the
 11 United States, accompanying which bonds of the district have
 12 not been deposited with the United States as provided in
 13 85-7-1906, the special fund shall be known as the United
 14 States contract fund.

15 (2) The county treasurer of the county where the
 16 office of an irrigation district is located is the custodian
 17 of all funds belonging to the district, and he shall pay out
 18 such funds upon the order of the board of commissioners,
 19 except payments on bonds and interest for which no order is
 20 necessary. If any portion of the funds belonging to a
 21 district has been collected for the purpose of establishing
 22 a reserve fund, the county treasurer shall pay such portion
 23 to the district on order of the district's board of
 24 commissioners who may invest the same in legal investments
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1 state ~~or--federal--bonds--or--in--savings--certificates~~ of
 2 ~~institutions--insured--by--the--federal--deposit--insurance~~
 3 ~~corporation~~ Montana, INCLUDING FEDERAL AND STATE AGENCY
 4 OBLIGATIONS. Where moneys of a district in the United States
 5 contract fund established pursuant to subsection (1) are in
 6 excess of those needed to pay a district's next succeeding
 7 annual contract obligation or obligations to the United
 8 States, such excess or any part thereof may, upon order of
 9 the district's board of commissioners and with the consent
 10 of the United States officer administering the contract for
 11 which the contract fund has been established, be paid to the
 12 district for use in meeting other obligations of the
 13 district. Such orders of the board of commissioners shall be
 14 signed by the president and secretary of the board and shall
 15 bear the official seal of the district."

16 Section 4. Section 85-7-2140, MCA, is amended to read:

17 "85-7-2140. Investment of funds. The board of
 18 commissioners shall direct the investment of the funds in
 19 any bond sinking fund in ~~interest-bearing-securities~~ legal
 20 investments backed, insured, or guaranteed by the United
 21 States or the state of Montana, INCLUDING FEDERAL AND STATE
 22 AGENCY OBLIGATIONS, whenever in their judgment the
 23 investment may be to the best interest of the district. All
 24 such ~~securities~~ investments shall be converted into cash in
 25 time to meet the principal on the bonds payable from such

1 sinking fund promptly at their maturity."

-End-

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16 Section 4. Section 85-7-2140, MCA, is amended to read:
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-End-

HOUSE BILL NO. 517

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1 state ~~or federal bonds or in savings certificates~~ of
 2 institutions ~~insured by the federal deposit insurance~~
 3 corporation Montana, INCLUDING FEDERAL AND STATE AGENCY
 4 OBLIGATIONS. Where moneys of a district in the United States
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