

HB 676 INTRODUCED BY KADAS  
ALLOW POLITICAL SUBDIVISIONS TO ISSUE NOTES

2/09 INTRODUCED  
2/09 REFERRED TO LOCAL GOVERNMENT  
2/13 HEARING  
2/13 TABLED IN COMMITTEE

1 House BILL NO. 676  
2 INTRODUCED BY Kedoo

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE THE  
5 ISSUANCE OF NOTES BY POLITICAL SUBDIVISIONS; AND PROVIDING  
6 AN IMMEDIATE EFFECTIVE DATE."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Notes of political subdivision. (1) A  
10 political subdivision, as defined in 17-5-101, may issue  
11 notes to:

12 (a) acquire equipment, machinery, fixtures,  
13 furnishings, or other personal property;

14 (b) acquire, construct, and improve real property as  
15 necessary or appropriate in the exercise of its powers and  
16 authority; or

17 (c) refinance outstanding obligations issued for the  
18 purposes set forth in subsection (1)(a) or (1)(b) if the  
19 annual payments of the obligations are reduced and the terms  
20 of the obligations, as refinanced, do not exceed 7 years.

21 (2) Notes issued pursuant to subsection (1):

22 (a) must be authorized by a resolution of the  
23 governing body of the political subdivision;

24 (b) may mature over a time not to exceed 7 years;

25 (c) may bear interest at such rate or rates as the

1 governing body approves; and

2 (d) may be sold at public or private sale.

3 (3) Notes may not be issued for a single purpose in an  
4 amount greater than \$500,000. Notes may not be issued if the  
5 principal amount of notes to be issued and outstanding notes  
6 issued pursuant to this section exceeds 5% of the most  
7 recently certified taxable value of the subdivision.

8 (4) The political subdivision shall, within applicable  
9 expenditure and levy limitations, appropriate revenues for  
10 the payment of the notes in each fiscal year during which  
11 the notes are outstanding in an amount sufficient to pay the  
12 principal and interest due on the notes in such fiscal year.

13 (5) The authority to issue notes in this section is  
14 not exclusive and is supplemental to other law.

15 Section 2. Effective date. This act is effective on  
16 passage and approval.

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