HOUSE BILL NO. 697

INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE, SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER

IN THE HOUSE

FEBRUARY	10,	1987	IN	TRODUC	ED	AND	REFERRED	ΤO	COMMITTEE
			ON	LOCAL	GC	OVERN	MENT.		

- FEBRUARY 13, 1987 ON MOTION BY CHIEF SPONSOR, REPRESENTATIVES WALLIN AND MERCER ADDED AS SPONSORS.
- FEBRUARY 16, 1987 COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
- FEBRUARY 17, 1987 PRINTING REPORT.
- FEBRUARY 18, 1987 SECOND READING, DO PASS.
- FEBRUARY 19, 1987 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 95; NOES, 0.

TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 21, 1987

MARCH 25, 1987

MARCH 28, 1987

MARCH 30, 1987

INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.

COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

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APRIL 8, 1987	RECEIVED FROM SENATE.
	SECOND READING, AMENDMENTS NOT CONCURRED IN.
	ON MOTION, CONFERENCE COMMITTEE REQUESTED AND APPOINTED.
	IN THE SENATE
APRIL 10, 1987	ON MOTION, CONFERENCE COMMITTEE REQUESTED AND APPOINTED.
	IN THE HOUSE
APRIL 15, 1987	CONFERENCE COMMITTEE REPORTED.
APRIL 16, 1987	SECOND READING, CONFERENCE COMMITTEE REPORT ADOPTED.
APRIL 17, 1987	THIRD READING, CONFERENCE COMMITTEE REPORT ADOPTED.
	IN THE SENATE
APRIL 17, 1987	CONFERENCE COMMITTEE REPORT ADOPTED.
	IN THE HOUSE
APRIL 17, 1987	SENT TO ENROLLING.

50th Legislature

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INTRODUCED BY Connelly Lybech Vinjunt Moore SALES Long Brodies Darding 1 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS 4 RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL 5 IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND 6 PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING 7 FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT 8 DISTRICTS; AUTHORIZING A CHANGE IN THE ASSESSMENT METHOD IF 9 DISTRICT BONDS ARE REFUNDED; AMENDING SECTIONS 7-12-2167, 10 7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN 11 IMMEDIATE EFFECTIVE DATE." 12 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 14 Section 1. Section 7-12-2167, MCA, is amended to read: 15 "7-12-2167. Term of payment of assessments. (1) Except 16

16 7 12 2107. Itim of payment of international of the assessment 17 as provided in subsection (2), the payment of the assessment 18 to defray the cost of constructing any improvements in 19 special improvement districts may be spread over a term of 20 not to exceed 30 years.

(2) If federal loans are available, payments may be
 spread over a term of not to exceed 40 years.

(3) If--the--bonds-of-the-special-improvement-district
 are-issued-as-serial-bonds7-the The assessments must-be are
 payable in equal annual semiannual installments---If-the

bonds-are-issued-as-amortization-bonds--the-assessments-must 1 be--payable of principal, with interest on the unpaid 2 installments, or if the board of county commissioners so ٦ prescribes in the resolution authorizing issuance of the 4 special improvement district bonds, in equal annual 5 semiannual installments of principal and interest, each in б the amount required to pay the principal over the term of 7 payment, with interest at the rate then borne by the 8 assessment. 9

10 (4) Any assessment that is not delinquent may be 11 prepaid, in whole but not in part, at any time after the 12 assessment is levied, by the payment of the assessment, with 13 interest accrued and to accrue thereon through the next date 14 ¹ on which interest on bonds of the special improvement 15 district is payable."

16 Section 2. Section 7-12-2193, MCA, is amended to read: "7-12-2193. Refunding bonds. (1) A county may issue 17 special improvement district bonds for the purpose of 18 providing the money needed to pay principal of and interest 19 on outstanding special improvement district bonds. To issue 20 bonds for such purpose, the board of county commissioners, 21 at a regular meeting or a duly called special meeting, shall 22 adopt a resolution setting forth: 23

24 (a) the facts regarding the outstanding bonds that are25 to be refunded;

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1 (b) the reasons for issuing refunding bonds; and

2

(C) the term and details of the refunding bonds.

3 (2) If the refunding bonds are proposed to be issued 4 in an amount greater than the amount of outstanding bonds to 5 be refunded, the board may not authorize the issuance of such bonds until it has conducted a public hearing on the 6 7 desirability of issuing the bonds, after published and 8 mailed notice as provided in 7-12-2105(2), and found by 9 resolution that such an issuance of refunding bonds is in 10 the best interest of the special improvement district.

11 (3) After the adoption of the required resolution or 12 resolutions, the board may:

13 (a) sell the refunding bonds at a private negotiated 14 sale; or

15 (b) at its option, give notice of the sale and sell 16 the refunding bonds in the same manner that other special 17 improvement district bonds are sold.

18 (4) Bonds Unless there is, or will be on the next 19 payment date, a default in the payment of bond principal or 20 interest, bonds may not be refunded by the issuance of 21 refunding bonds unless the rate of interest offered on the 22 refunding bonds is at least 1/2 of 1% a year less than the 23 rate of interest on the bonds to be refunded.

24 (5) (a) Refunding bonds issued pursuant to this25 section may be issued to refund outstanding bonds in advance

of the date on which such bonds mature or are subject to redemption, but the proceeds of the refunding bonds, less any accrued interest or premium received upon the sale thereof, must be deposited with other funds appropriated for the payment of the outstanding bonds in escrow with a suitable banking institution or trust company, which may be located either in or out of the state.

8 (b) Funds so deposited must be invested in securities that are general obligations of the United States or 9 10 securities the principal of and interest on which are 11 guaranteed by the United States. Such securities must mature 12 or be callable at the option of the holder on such dates and 13 bear interest at such rates and be payable on such dates as 14 may be required to provide funds sufficient, with any cash deposited in the escrow account, to pay when due: 15

16 (i) the interest to accrue on each refunded bond to
17 its maturity or redemption date, if called for redemption;
18 (ii) the principal on each refunded bond at maturity or

19 upon such redemption date; and

20 (iii) any redemption premium.

21 (c) The escrow account must be irrevocably
22 appropriated to the payment of the principal of an interest
23 and redemption premium, if any, on the refunded bonds.

24 (d) Funds to the credit of the debt service fund for25 the payment of the refunded bonds and not required for the

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payment of principal thereof or interest thereon due prior
 to issuance of the refunding bonds may be appropriated by
 the board to the escrow account.

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4 (e) The county may pay the reasonable costs and 5 expenses of issuing the refunding bonds and of establishing 6 and maintaining the escrow account.

7 (6) Refunding bonds may be issued under this section
8 to pay principal of or interest on special improvement
9 district bonds outstanding on April 30, 1985, only if:

10 (a) one-third or more of the term for which such bonds
11 were issued has expired; or

12 (b) there is a deficiency in the bond account or 13 interest account of the special improvement district fund 14 from which such bonds are payable."

Section 3. Section 7-12-4190, MCA, is amended to read: "7-12-4190. Payment of assessments in installments. (1) The payment of assessments to defray the cost of acquiring or constructing any improvements in special improvement districts may be spread over a term of not to exceed 20 years.

(2) Ff--the--bonds-of-the-special-improvement-district
 are-issued-as-serial-bonds7-the The assessments must-be are
 payable in equal annual semiannual installments---if-the
 bonds-are-issued-as-amortization-bonds7-the-assessments-must
 be--payable of principal, with interest on the unpaid

installments, or if the city council or commission so prescribes in the resolution authorizing the issuance of special improvement district bonds, in equal annual semiannual installments of principal and interest, each in the amount required to pay the principal over the term of payment, with interest at the rate then borne by the assessment.

8 (3) Any assessment that is not delinquent may be 9 prepaid, in whole but not in part, at any time after the 10 assessment is levied, by the payment of the assessment, with 11 interest accrued and to accrue thereon through the next date 12 on which interest on bonds of the special improvement 13 district is payable."

Section 4. Section 7-12-4194, MCA, is amended to read: 14 "7-12-4194. Refunding bonds. (1) A city may issue 15 special improvement district bonds for the purpose of 16 providing the money needed to pay principal of and interest 17 18 on outstanding special improvement district bonds. To issue bonds for such purpose, the city council, at a regular 19 meeting or a duly called special meeting, shall adopt a 20 21 resolution setting forth:

22 (a) the facts regarding the outstanding bonds that are23 to be refunded;

24 (b) the reasons for issuing refunding bonds; and

25

(c) the term and details of the refunding bonds.

). (2) If the refunding bonds are proposed to be issued 2 in an amount greater than the amount of outstanding bonds to 3 be refunded, the city council may not authorize the issuance 4 of such bonds until it has conducted a public hearing on the 5 desirability of issuing the bonds, after published and 6 mailed notice as provided in 7-12-4106(2), and found by 7 resolution that such an issuance of refunding bonds is in 8 the best interest of the special improvement district.

9 (3) After the adoption of the required resolution or10 resolutions, the council may:

11 (a) sell the refunding bonds at a private negotiated 12 sale; or

13 (b) at its option, give notice of the sale and sell 14 the refunding bonds in the same manner that other special 15 improvement district bonds are sold.

16 (4) Bonds Unless there is, or will be on the next 17 payment date, a default in the payment of bond principal or 18 interest, bonds may not be refunded by the issuance of 19 refunding bonds unless the rate of interest offered on the 20 refunding bonds is at least 1/2 of 1% a year less than the 21 rate of interest on the bonds to be refunded.

(5) (a) Refunding bonds issued pursuant to this
section may be issued to refund outstanding bonds in advance
of the date on which such bonds mature or are subject to
redemption, but the proceeds of the refunding bonds, less

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1 any accrued interest or premium received upon the sale 2 thereof, must be deposited with other funds appropriated for 3 the payment of the outstanding bonds in escrow with a 4 suitable banking institution or trust company, which may be 5 located either in or out of the state.

6 (b) Funds so deposited must be invested in securities that are general obligations of the United States or 7 8 securities the principal of and interest on which are 9 quaranteed by the United States. Such securities must mature 10 or be callable at the option of the holder on such dates and 11 bear interest at such rates and be payable on such dates as 12 may be required to provide funds sufficient, with any cash 13 deposited in the escrow account, to pay when due:

14 (i) the interest to accrue on each refunded bond to
15 its maturity or redemption date, if called for redemption;
16 (ii) the principal on each refunded bond at maturity or
17 upon such redemption date; and

18 (iii) any redemption premium.

19 (c) The escrow account must be irrevocably
20 appropriated to the payment of the principal of an interest
21 and redemption premium, if any, on the refunded bonds.

22 (d) Funds to the credit of the debt service fund for 23 the payment of the refunded bonds and not required for the 24 payment of principal thereof or interest thereon due prior 25 to issuance of the refunding bonds may be appropriated by

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1 the council to the escrow account.

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2 (e) The city may pay the reasonable costs and expenses
3 of printing the refunding bonds and of establishing and
4 maintaining the escrow account.

5 (6) Refunding bonds may be issued under this section 6 to pay principal of or interest on special improvement 7 district bonds outstanding on April 30, 1985, only if:

8 (a) the proceeds of such refunding bonds do not redeem
9 such outstanding bonds until one-third or more of the term
10 for which such bonds were issued has expired; or

11 (b) there is a deficiency in the bond account or 12 interest account of the special improvement district fund 13 from which such bonds are payable."

NEW SECTION. Section 5. Assessment of costs ---14 assessed valuation option. The city council or city 15 commission may assess the cost of an improvement against 16 each lot or parcel of land in the district based on the 17 18 assessed value of the benefited lots or parcels of land 19 within the district if the council or commission determines such assessment to be equitable and in proportion to and not 20 exceeding the benefits derived from the improvement by the 21 lot or parcel. 22

23 <u>NEW SECTION.</u> Section 6. Change in method of 24 assessment and relevy of assessments upon refunding. If 25 refunding bonds are proposed to be issued pursuant to

7-12-2193 and it appears that the special assessments levied 1 in the rural special improvement district could more 2 equitably be assessed on a different basis under 7-12-2151, 3 4 then the board, after conducting a public hearing on the desirability of relevying the special assessments following 5 published and mailed notice as provided in 7-12-2105(2), may 6 7 reassess and relevy the special assessments that are outstanding but not delinguent in accordance with the 8 9 provisions of 7-12-2158 through 7-12-2160, with the same 10 effect as an original levy. Before the board may reassess and relevy such assessments, it must find by resolution that 11 under the new method of assessment no lot, parcel, or tract 12 13 of land in the rural special improvement district will be assessed in an amount, including the amounts levied as part 14 15 of the original assessment that have been paid or are delinquent, greater than the benefits derived by the lot. 16 parcel, or tract from the improvement undertaken in or for 17 18 the benefit of the district.

19 NEW SECTION. Section 7. Change in method of 20 assessment and relevy of assessments upon refunding. If refunding bonds are proposed to be issued pursuant to 21 7-12-4194 and it appears that the special assessments levied 22 23 in the special improvement district could more equitably be assessed on a different basis under 7-12-4162 through 24 7-12-4165, then the city council, after conducting a public 25

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1 hearing on the desirability of relevying the special 2 assessments following published and mailed notice as 3 provided in 7-12-4106(2), may reassess and relevy the special assessments that are outstanding but not delinguent 4 5 in accordance with the provisions of 7-12-4176 through 6 7-12-4178, with the same effect as an original levy. Before 7 the city council may reassess and relevy such assessments, 8 it must find by resolution that under the new method of 9 assessment no lot, parcel, or tract of land in the special 10 improvement district will be assessed in an amount, 11 including the amounts levied as part of the original 12 assessment that have been paid or are delinquent, greater 13 than the benefits derived by the lot, parcel, or tract from 14 the improvement undertaken in or for the benefit of the 15 district.

16 <u>NEW SECTION.</u> Section 8. Codification instructions.
17 (1) Sections 5 and 7 are intended to be codified as an
18 integral part of Title 7, chapter 12, part 41, and the
19 provisions of Title 7, chapter 12, part 41, apply to
20 sections 5 and 7.

(2) Section 6 is intended to be codified as an
integral part of Title 7, chapter 12, part 21, and the
provisions of Title 7, chapter 12, part 21, apply to section
6.

25 <u>NEW SECTION.</u> Section 9. Severability. If a part of

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this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

6 <u>NEW SECTION.</u> Section 10. Saving clause. Sections 2 7 and 4 of this act are remedial in nature and do not imply 8 any lack of authority or invalidity of refunding bonds 9 issued prior to the effective date of this act.

<u>NEW SECTION.</u> Section 11. Effective date. This act is
 effective on passage and approval.

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50th Legislature

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APPROVED BY COMM. ON LOCAL GOVERNMENT

1	HOUSE BILL NO. 697
2	INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE,
3	SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS
6	RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL
7	IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND
8	PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING
9	FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT
10	DISTRICTS; AUTHORIZING A CHANGE IN THE ASSESSMENT METHOD IF
11	DISTRICT BONDS ARE REFUNDED; AMENDING SECTIONS 7-12-2167,
1 2	7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN
13	IMMEDIATE EFFECTIVE DATE."
14	
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	Section 1. Section 7-12-2167, MCA, is amended to read:
17	"7-12-2167. Term of payment of assessments. (1) Except
1 8	as provided in subsection (2), the payment of the assessment
19	to defray the cost of constructing any improvements in
20	special improvement districts may be spread over a term of
21	not to exceed 30 years.
22	(2) If federal loans are available, payments may be
23	spread over a term of not to exceed 40 years.
24	(3) Ifthebonds-of-the-special-improvement-district
25	are-issued-as-serial-bonds,-the The assessments must-be are

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payable in equal annual semiannual installments---If-the 1 2 bonds-are-issued-as-amortization-bonds7-the-assessments-must be--payable of principal, with interest on the unpaid 3 installments, or if the board of county commissioners so Δ prescribes in the resolution authorizing issuance of the 5 special improvement district bonds, in equal annual 6 semiannual installments of principal and interest, each in 1 the amount required to pay the principal over the term of 8 9 payment, with interest at the rate then borne by the 10 assessment.

11 (4) Any assessment that is not delinquent may be 12 prepaid, in whole but not in part, at any time after the assessment is levied, by the payment of the assessment, with 13 14 interest accrued and to accrue thereon through the next date on which interest on bonds of the special improvement 15 16 district is payable."

Section 2. Section 7-12-2193, MCA, is amended to read: 17 18 "7-12-2193. Refunding bonds. (1) A county may issue 19 special improvement district bonds for the purpose of 20 providing the money needed to pay principal of and interest 21 on outstanding special improvement district bonds. To issue 22 bonds for such purpose, the board of county commissioners. at a regular meeting or a duly called special meeting, shall 23 adopt a resolution setting forth: 24 25

(a) the facts regarding the outstanding bonds that are

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1 to be refunded;

and the second second

2 (b) the reasons for issuing refunding bonds; and

3 (c) the term and details of the refunding bonds.

4 (2) If the refunding bonds are proposed to be issued 5 in an amount greater than the amount of outstanding bonds to 6 be refunded, the board may not authorize the issuance of 7 such bonds until it has conducted a public hearing on the 8 desirability of issuing the bonds, after published and 9 mailed notice as provided in 7-12-2105(2), and found by resolution that such an issuance of refunding bonds is in 10 11 the best interest of the special improvement district.

12 (3) After the adoption of the required resolution or13 resolutions, the board may:

14 (a) sell the refunding bonds at a private negotiated 15 sale; or

16 (b) at its option, give notice of the sale and sell
17 the refunding bonds in the same manner that other special
18 improvement district bonds are sold.

19 (4) Bonds Unless there is, or will be on the next 20 payment date, a default in the payment of bond principal or 21 interest, bonds may not be refunded by the issuance of 22 refunding bonds unless the rate of interest offered on the 23 refunding bonds is at least 1/2 of 1% a year less than the 24 rate of interest on the bonds to be refunded.

25 (5) (a) Refunding bonds issued pursuant to this

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3 redemption, but the proceeds of the refunding bonds, less
4 any accrued interest or premium received upon the sale
5 thereof, must be deposited with other funds appropriated for
6 the payment of the outstanding bonds in escrow with a
7 suitable banking institution or trust company, which may be
8 located either in or out of the state.
9 (b) Funds so deposited must be invested in securities

section may be issued to refund outstanding bonds in advance

of the date on which such bonds mature or are subject to

that are general obligations of the United States or securities the principal of and interest on which are guaranteed by the United States. Such securities must mature or be callable at the option of the holder on such dates and hear interest at such rates and be payable on such dates as may be required to provide funds sufficient, with any cash deposited in the escrow account, to pay when due:

17 (i) the interest to accrue on each refunded bond to
18 its maturity or redemption date, if called for redemption;
19 (ii) the principal on each refunded bond at maturity or
20 upon such redemption date; and

21 (iii) any redemption premium.

(c) The escrow account must be irrevocably
appropriated to the payment of the principal of an interest
and redemption premium, if any, on the refunded bonds.

25 (d) Funds to the credit of the debt service fund for

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1 the payment of the refunded bonds and not required for the 2 payment of principal thereof or interest thereon due prior 3 to issuance of the refunding bonds may be appropriated by 4 the board to the escrow account.

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5 (e) The county may pay the reasonable costs and 6 expenses of issuing the refunding bonds and of establishing 7 and maintaining the escrow account.

6) Refunding bonds may be issued under this section
9 to pay principal of or interest on special improvement
10 district bonds outstanding on April 30, 1985, only if:

11 (a) one-third or more of the term for which such bonds 12 were issued has expired; or

13 (b) there is a deficiency in the bond account or 14 interest account of the special improvement district fund 15 from which such bonds are payable."

Section 3. Section 7-12-4190, MCA, is amended to read: "7-12-4190. Payment of assessments in installments. (1) The payment of assessments to defray the cost of acquiring or constructing any improvements in special improvement districts may be spread over a term of not to exceed 20 years.

(2) If--the--bonds-of-the-special-improvement-district
 are-issued-as-serial-bonds7-the The assessments must-be are
 payable in equal annual semiannual installments7--If-the
 bonds-are-issued-as-amortization-bonds7-the-assessments-must

be--payable of principal, with interest on the unpaid 1 2 installments, or if the city council or commission so prescribes in the resolution authorizing the issuance of 3 special improvement district bonds, in equal annual 4 semiannual installments of principal and interest, each in 5 the amount required to pay the principal over the term of 6 payment, with interest at the rate then borne by the 7 8 assessment.

9 (3) Any assessment that is not delinquent may be 10 prepaid, in whole but not in part, at any time after the 11 assessment is levied, by the payment of the assessment, with 12 interest accrued and to accrue thereon through the next date 13 on which interest on bonds of the special improvement 14 district is payable."

15 Section 4. Section 7-12-4194, MCA, is amended to read: "7-12-4194. Refunding bonds. (1) A city may issue 16 special improvement district bonds for the purpose of 17 providing the money needed to pay principal of and interest 18 on outstanding special improvement district bonds. To issue 19 bonds for such purpose, the city council, at a regular 20 meeting or a duly called special meeting, shall adopt a 21 22 resolution setting forth:

23 (a) the facts regarding the outstanding bonds that are24 to be refunded;

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25 (b) the reasons for issuing refunding bonds; and

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1 (c) the term and details of the refunding bonds. 2 (2) If the refunding bonds are proposed to be issued 3 in an amount greater than the amount of outstanding bonds to 4 be refunded, the city council may not authorize the issuance 5 of such bonds until it has conducted a public hearing on the desirability of issuing the bonds, after published and 6 7 mailed notice as provided in 7-12-4106(2), and found by resolution that such an issuance of refunding bonds is in 8 9 the best interest of the special improvement district. (3) After the adoption of the required resolution or 10 11 resolutions, the council may: 12 (a) sell the refunding bonds at a private negotiated 13 sale; or

(b) at its option, give notice of the sale and sell
the refunding bonds in the same manner that other special
improvement district bonds are sold.

17 (4) Bonds Unless there is, or will be on the next 18 payment date, a default in the payment of bond principal or 19 interest, bonds may not be refunded by the issuance of 20 refunding bonds unless the rate of interest offered on the 21 refunding bonds is at least 1/2 of 1% a year less than the 22 rate of interest on the bonds to be refunded.

(5) (a) Refunding bonds issued pursuant to this
section may be issued to refund outstanding bonds in advance
of the date on which such bonds mature or are subject to

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redemption, but the proceeds of the refunding bonds, less any accrued interest or premium received upon the sale thereof, must be deposited with other funds appropriated for the payment of the outstanding bonds in escrow with a suitable banking institution or trust company, which may be located either in or out of the state.

7 (b) Funds so deposited must be invested in securities 8 that are general obligations of the United States or securities the principal of and interest on which are 9 10 quaranteed by the United States. Such securities must mature or be callable at the option of the holder on such dates and 11 12 bear interest at such rates and be payable on such dates as may be required to provide funds sufficient, with any cash 13 14 deposited in the escrow account, to pay when due:

(i) the interest to accrue on each refunded bond to
its maturity or redemption date, if called for redemption;
(ii) the principal on each refunded bond at maturity or

18 upon such redemption date; and

19 (iii) any redemption premium.

(c) The escrow account must be irrevocably
appropriated to the payment of the principal of an interest
and redemption premium, if any, on the refunded bonds.

(d) Funds to the credit of the debt service fund for
the payment of the refunded bonds and not required for the
payment of principal thereof or interest thereon due prior

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to issuance of the refunding bonds may be appropriated by
 the council to the escrow account.

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3 (e) The city may pay the reasonable costs and expenses
4 of printing the refunding bonds and of establishing and
5 maintaining the escrow account.

6 (6) Refunding bonds may be issued under this section
7 to pay principal of or interest on special improvement
8 district bonds outstanding on April 30, 1985, only if:

9 (a) the proceeds of such refunding bonds do not redeem
 10 such outstanding bonds until one-third or more of the term
 11 for which such bonds were issued has expired; or

12 (b) there is a deficiency in the bond account or 13 interest account of the special improvement district fund 14 from which such bonds are payable."

NEW SECTION. Section 5. Assessment of costs 15 assessed valuation option. The city council or city 16 17 commission may assess the cost of an improvement against 18 each lot or parcel of land in the district based on the assessed value of the benefited lots or parcels of land 19 within the district if the council or commission determines 20 such assessment to be equitable and in proportion to and not 21 22 exceeding the benefits derived from the improvement by the 23 lot or parcel.

<u>NEW SECTION.</u> Section 6. Change in method of
 assessment and relevy of assessments upon refunding. If

refunding bonds are proposed to be issued pursuant to 1 7-12-2193 and it appears that the special assessments levied 2 in the rural special improvement district could more 3 equitably be assessed on a different basis under 7-12-2151, 4 5 then the board, after conducting a public hearing on the desirability of relevying the special assessments following 6 published and mailed notice as provided in 7-12-2105(2), may 7 reassess and relevy the special assessments that are 8 9 outstanding but not delinquent in accordance with the provisions of 7-12-2158 through 7-12-2160, with the same 10 11 effect as an original levy. Before the board may reassess 12 and relevy such assessments, it must find by resolution that 13 under the new method of assessment no lot, parcel, or tract of land in the rural special improvement district will be 14 15 assessed in an amount, including the amounts levied as part 16 of the original assessment that have been paid or are 17 delinquent, greater than the benefits derived by the lot, 18 parcel, or tract from the improvement undertaken in or for

19 the benefit of the district.

20 <u>NEW SECTION.</u> Section 7. Change in method of 21 assessment and relevy of assessments upon refunding. If 22 refunding bonds are proposed to be issued pursuant to 23 7-12-4194 and it appears that the special assessments levied 24 in the special improvement district could more equitably be 25 assessed on a different basis under 7-12-4162 through

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7-12-4165, then the city council, after conducting a public 1 2 hearing on the desirability of relevying the special assessments following published and mailed notice as 3 4 provided in 7-12-4106(2), may reassess and relevy the 5 special assessments that are outstanding but not delinguent 6 in accordance with the provisions of 7-12-4176 through 7 7-12-4178, with the same effect as an original levy. Before 8 the city council may reassess and relevy such assessments, 9 it must find by resolution that under the new method of 10 assessment no lot, parcel, or tract of land in the special improvement district will be assessed in an amount, 11 including the amounts levied as part of the original 12 13 assessment that have been paid or are delinguent, greater 14 than the benefits derived by the lot, parcel, or tract from the improvement undertaken in or for the benefit of the 15 district. 16

17 <u>NEW SECTION.</u> Section 8. Codification instructions.
18 (1) Sections 5 and 7 are intended to be codified as an
19 integral part of Title 7, chapter 12, part 41, and the
20 provisions of Title 7, chapter 12, part 41, apply to
21 sections 5 and 7.

(2) Section 6 is intended to be codified as an
integral part of Title 7, chapter 12, part 21, and the
provisions of Title 7, chapter 12, part 21, apply to section
6.

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NEW SECTION. Section 9. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

7 <u>NEW SECTION.</u> Section 10. Saving clause. Sections 2 8 and 4 of this act are remedial in nature and do not imply 9 any lack of authority or invalidity of refunding bonds 10 issued prior to the effective date of this act.

<u>NEW SECTION.</u> Section 11. Effective date. This act is
 effective on passage and approval.

-End-

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50th Legislature

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APPROVED BY COMM. ON LOCAL GOVERNMENT

1	HOUSE BILL NO. 697
2	INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE,
3	SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS
6	RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL
7	IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND
8	PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING
9	FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT
10	DISTRICTS; AUTHORIZING A CHANGE IN THE ASSESSMENT METHOD IF
11	DISTRICT BONDS ARE REFUNDED; AMENDING SECTIONS 7-12-2167,
12	7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN
13	IMMEDIATE EFFECTIVE DATE."

14

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 15

Section 1. Section 7-12-2167, MCA, is amended to read: 16 17 "7-12-2167. Term of payment of assessments. (1) Except 18 as provided in subsection (2), the payment of the assessment 19 to defray the cost of constructing any improvements in special improvement districts may be spread over a term of 20 21 not to exceed 30 years.

22 (2) If federal loans are available, payments may be 23 spread over a term of not to exceed 40 years.

24 (3) if---the--bonds-of-the-special-improvement-district 25 are-issued-as-serial-bonds, the The assessments must-be are



payable in equal annual semiannual installments---#f-the 1 bonds-are-issued-as-amortization-bonds7-the-assessments-must 2 be--payable of principal, with interest on the unpaid 3 installments, or if the board of county commissioners so 4 prescribes in the resolution authorizing issuance of the 5 6 special improvement district bonds, in equal annual 7 semiannual installments of principal and interest, each in 8 the amount required to pay the principal over the term of 9 payment, with interest at the rate then borne by the 10 assessment. 11 (4) Any assessment that is not delinquent may be

prepaid, in whole but not in part, at any time after the 12 assessment is levied, by the payment of the assessment, with 13 14 interest accrued and to accrue thereon through the next date 15 on which interest on bonds of the special improvement 16 district is payable."

Section 2. Section 7-12-2193, MCA, is amended to read: 17 18 "7-12-2193. Refunding bonds. (1) A county may issue 19 special improvement district bonds for the purpose of 20 providing the money needed to pay principal of and interest 21 on outstanding special improvement district bonds. To issue 22 bonds for such purpose, the board of county commissioners. 23 at a regular meeting or a duly called special meeting, shall adopt a resolution setting forth: 24 25 (a) the facts regarding the outstanding bonds that are

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to be refunded;	1 section may be issued to refund outstanding bonds in advance
(b) the reasons for issuing refunding bonds; and	2 of the date on which such bonds mature or are subject to
(c) the term and details of the refunding bonds.	3 redemption, but the proceeds of the refunding bonds, less
(2) If the refunding bonds are proposed to be issued	4 any accrued interest or premium received upon the sale
in an amount greater than the amount of outstanding bonds to	5 thereof, must be deposited with other funds appropriated for
be refunded, the board may not authorize the issuance of	6 the payment of the outstanding bonds in escrow with a
such bonds until it has conducted a public hearing on the	7 suitable banking institution or trust company, which may be
desirability of issuing the bonds, after published and	8 located either in or out of the state.
mailed notice as provided in 7-12-2105(2), and found by	9 (b) Funds so deposited must be invested in securities
resolution that such an issuance of refunding bonds is in	10 that are general obligations of the United States or
the best interest of the special improvement district.	ll securities the principal of and interest on which are
(3) After the adoption of the required resolution or	12 guaranteed by the United States. Such securities must mature
resolutions, the board may:	13 or be callable at the option of the holder on such dates and
(a) sell the refunding bonds at a private negotiated	14 bear interest at such rates and be payable on such dates as
sale; or	15 may be required to provide funds sufficient, with any cash
(b) at its option, give notice of the sale and sell	16 deposited in the escrow account, to pay when due:
the refunding bonds in the same manner that other special	17 (i) the interest to accrue on each refunded bond to
improvement district bonds are sold.	18 its maturity or redemption date, if called for redemption;
(4) Bonds Unless there is, or will be on the next	19 (ii) the principal on each refunded bond at maturity or
payment date, a default in the payment of bond principal or	20 upon such redemption date; and
interest, bonds may not be refunded by the issuance of	21 (iii) any redemption premium.
refunding bonds unless the rate of interest offered on the	22 (c) The escrow account must be irrevocably
refunding bonds is at least 1/2 of 1% a year less than the	23 appropriated to the payment of the principal of an interest
rate of interest on the bonds to be refunded.	24 and redemption premium, if any, on the refunded bonds.
(5) (a) Refunding bonds issued pursuant to this	25 (d) Funds to the credit of the debt service fund for

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1 the payment of the refunded bonds and not required for the 2 payment of principal thereof or interest thereon due prior 3 to issuance of the refunding bonds may be appropriated by 4 the board to the escrow account.

5 (e) The county may pay the reasonable costs and
6 expenses of issuing the refunding bonds and of establishing
7 and maintaining the escrow account.

8 (6) Refunding bonds may be issued under this section
9 to pay principal of or interest on special improvement
10 district bonds outstanding on April 30, 1985, only if:

11 (a) one-third or more of the term for which such bonds 12 were issued has expired; or

13 (b) there is a deficiency in the bond account or 14 interest account of the special improvement district fund 15 from which such bonds are payable."

16 Section 3. Section 7-12-4190, MCA, is amended to read: 17 "7-12-4190. Payment of assessments in installments. 18 (1) The payment of assessments to defray the cost of 19 acquiring or constructing any improvements in special 20 improvement districts may be spread over a term of not to 21 exceed 20 years.

(2) If--the--bonds-of-the-special-improvement-district
are-issued-as-serial-bonds7-the The assessments must-be are
payable in equal annual semiannual installments+--If-the
bonds-are-issued-as-amortization-bonds7-the-assessments-must

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be--payable of principal, with interest on the unpaid 1 installments, or if the city council or commission so 2 prescribes in the resolution authorizing the issuance of 3 special improvement district bonds, in equal annual 4 semiannual installments of principal and interest, each in 5 the amount required to pay the principal over the term of 6 7 payment, with interest at the rate then borne by the 8 assessment.

9 (3) Any assessment that is not delinquent may be 10 prepaid, in whole but not in part, at any time after the 11 assessment is levied, by the payment of the assessment, with 12 interest accrued and to accrue thereon through the next date 13 on which interest on bonds of the special improvement 14 district is payable."

Section 4. Section 7-12-4194, MCA, is amended to read: 15 "7-12-4194. Refunding bonds. (1) A city may issue 16 special improvement district bonds for the purpose of 17 providing the money needed to pay principal of and interest 18 19 on outstanding special improvement district bonds. To issue bonds for such purpose, the city council, at a regular 20 meeting or a duly called special meeting, shall adopt a 21 resolution setting forth: 22

23 (a) the facts regarding the outstanding bonds that are24 to be refunded;

25 (b) the reasons for issuing refunding bonds; and

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1 (c) the term and details of the refunding bonds. 2 (2) If the refunding bonds are proposed to be issued 3 in an amount greater than the amount of outstanding bonds to be refunded, the city council may not authorize the issuance 4 5 of such bonds until it has conducted a public hearing on the desirability of issuing the bonds, after published and 6 7 mailed notice as provided in 7-12-4106(2), and found by resolution that such an issuance of refunding bonds is in 8 9 the best interest of the special improvement district.

10 (3) After the adoption of the required resolution or 11 resolutions, the council may:

12 (a) sell the refunding bonds at a private negotiated 13 sale; or

14 (b) at its option, give notice of the sale and sell
15 the refunding bonds in the same manner that other special
16 improvement district bonds are sold.

17 (4) Bonds Unless there is, or will be on the next 18 payment date, a default in the payment of bond principal or 19 <u>interest, bonds</u> may not be refunded by the issuance of 20 refunding bonds unless the rate of interest offered on the 21 refunding bonds is at least 1/2 of 1% a year less than the 22 rate of interest on the bonds to be refunded.

(5) (a) Refunding bonds issued pursuant to this
section may be issued to refund outstanding bonds in advance
of the date on which such bonds mature or are subject to

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redemption, but the proceeds of the refunding bonds, less any accrued interest or premium received upon the sale thereof, must be deposited with other funds appropriated for the payment of the outstanding bonds in escrow with a suitable banking institution or trust company, which may be located either in or out of the state.

(b) Funds so deposited must be invested in securities 7 8 that are general obligations of the United States or 9 securities the principal of and interest on which are 10 quaranteed by the United States. Such securities must mature or be callable at the option of the holder on such dates and 11 12 bear interest at such rates and be payable on such dates as may be required to provide funds sufficient, with any cash 13 14 deposited in the escrow account, to pay when due:

15 (i) the interest to accrue on each refunded bond to
16 its maturity or redemption date, if called for redemption;
17 (ii) the principal on each refunded bond at maturity or

18 upon such redemption date; and

19 (iii) any redemption premium.

20 (c) The escrow account must be irrevocably
21 appropriated to the payment of the principal of an interest
22 and redemption premium, if any, on the refunded bonds.

(d) Funds to the credit of the debt service fund for
the payment of the refunded bonds and not required for the
payment of principal thereof or interest thereon due prior

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to issuance of the refunding bonds may be appropriated by
 the council to the escrow account.

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3 (e) The city may pay the reasonable costs and expenses
4 of printing the refunding bonds and of establishing and
5 maintaining the escrow account.

6 (6) Refunding bonds may be issued under this section
7 to pay principal of or interest on special improvement
8 district bonds outstanding on April 30, 1985, only if:

9 (a) the proceeds of such refunding bonds do not redeem
10 such outstanding bonds until one-third or more of the term
11 for which such bonds were issued has expired; or

12 (b) there is a deficiency in the bond account or 13 interest account of the special improvement district fund 14 from which such bonds are payable."

15 NEW SECTION. Section 5. Assessment of costs 16 assessed valuation option. The city council or city commission may assess the cost of an improvement against 17 18 each lot or parcel of land in the district based on the assessed value of the benefited lots or parcels of land 19 within the district if the council or commission determines 20 such assessment to be equitable and in proportion to and not 21 22 exceeding the benefits derived from the improvement by the 23 lot or parcel.

24 <u>NEW SECTION.</u> Section 6. Change in method of
 25 assessment and relevy of assessments upon refunding. If

1 refunding bonds are proposed to be issued pursuant to 2 7-12-2193 and it appears that the special assessments levied in the rural special improvement district could 3 more 4 equitably be assessed on a different basis under 7-12-2151, then the board, after conducting a public hearing on the 5 6 desirability of relevying the special assessments following published and mailed notice as provided in 7-12-2105(2), may 7 8 reassess and relevy the special assessments that are 9 outstanding but not delinguent in accordance with the provisions of 7-12-2158 through 7-12-2160, with the same 10 11 effect as an original levy. Before the board may reassess and relevy such assessments, it must find by resolution that 12 13 under the new method of assessment no lot, parcel, or tract of land in the rural special improvement district will be 14 15 assessed in an amount, including the amounts levied as part of the original assessment that have been paid or are 16 17 delinquent, greater than the benefits derived by the lot. 18 parcel, or tract from the improvement undertaken in or for 19 the benefit of the district.

20 <u>NEW SECTION.</u> Section 7. Change in method of 21 assessment and relevy of assessments upon refunding. If 22 refunding bonds are proposed to be issued pursuant to 23 7-12-4194 and it appears that the special assessments levied 24 in the special improvement district could more equitably be 25 assessed on a different basis under 7-12-4162 through

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1 7-12-4165, then the city council, after conducting a public 2 hearing on the desirability of relevying the special 3 assessments following published and mailed notice as 4 provided in 7-12-4106(2), may reassess and relevy the special assessments that are outstanding but not delinguent 5 6 in accordance with the provisions of 7-12-4176 through 7 7-12-4178, with the same effect as an original levy. Before 8 the city council may reassess and relevy such assessments, 9 it must find by resolution that under the new method of 10 assessment no lot, parcel, or tract of land in the special 11 improvement district will be assessed in an amount, 12 including the amounts levied as part of the original 13 assessment that have been paid or are delinguent, greater 14 than the benefits derived by the lot, parcel, or tract from 15 the improvement undertaken in or for the benefit of the district. 16

NEW SECTION. Section 8. Codification instructions.
(1) Sections 5 and 7 are intended to be codified as an
integral part of Title 7, chapter 12, part 41, and the
provisions of Title 7, chapter 12, part 41, apply to
sections 5 and 7.

(2) Section 6 is intended to be codified as an
integral part of Title 7, chapter 12, part 21, and the
provisions of Title 7, chapter 12, part 21, apply to section
6.

NEW SECTION. Section 9. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 10. Saving clause. Sections 2
and 4 of this act are remedial in nature and do not imply
any lack of authority or invalidity of refunding bonds
issued prior to the effective date of this act.

NEW SECTION. Bection 11. Effective date. This act is
 effective on passage and approval.

-End-

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1	HOUSE BILL NO. 697
2	INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE,
3	SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS
6	RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL
7	IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND
8	PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING
9	FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT
10	DISTRICTS; AUTHORIZING A CHANGE IN THE ASSESSMENT METHOD IF
11	DISTRICT BONDS ARE REFUNDED; AMENDING SECTIONS 7-12-2167,
12	7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN
13	IMMEDIATE EFFECTIVE DATE."
14	
15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
16	Section 1. Section 7-12-2167, MCA, is amended to read:
17	"7-12-2167. Term of payment of assessments. (1) Except
18	as provided in subsection (2), the payment of the assessment
19	to defray the cost of constructing any improvements in
20	special improvement districts may be spread over a term of
21	not to exceed 30 years.
22	(2) If federal loans are available, payments may be
23	spread over a term of not to exceed 40 years.
24	(3) Ifthebonds-of-the-special-improvement-district
25	are-issued-as-serial-bonds, the Assessments must-be are

1 payable in equal annual semiannual installments--- If-the 2 bonds-are-issued-as-amortization-bonds;-the-assessments-must 3 be--payable of principal, with interest on the unpaid installments, or if the board of county commissioners so 4 5 prescribes in the resolution authorizing issuance of the special improvement district bonds, in equal annual 6 semiannual installments of principal and interest, each in 7 8 the amount required to pay the principal over the term of 9 payment, with interest at the rate then borne by the 10 assessment.

(4) Any assessment that is not delinquent may be 11 prepaid, in whole but not in part, at any time after the 12 13 assessment is levied, by the payment of the assessment, with interest accrued and to accrue thereon through the next date 14 15 on which interest on bonds of the special improvement 16 district is payable."

17 Section 2. Section 7-12-2193, MCA, is amended to read: "7-12-2193. Refunding bonds. (1) A county may issue 18 19 special improvement district bonds for the purpose of 20 providing the money needed to pay principal of and interest 21 on outstanding special improvement district bonds. To issue 22 bonds for such purpose, the board of county commissioners. 23 at a regular meeting or a duly called special meeting, shall 24 adopt a resolution setting forth: 25

(a) the facts regarding the outstanding bonds that are

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section may be issued to refund outstanding bonds in advance 1 (b) the reasons for issuing refunding bonds; and 2 (c) the term and details of the refunding bonds. 3 (2) If the refunding bonds are proposed to be issued 4 in an amount greater than the amount of outstanding bonds to 5 be refunded, the board may not authorize the issuance of 6 such bonds until it has conducted a public hearing on the 7 desirability of issuing the bonds, after published and 8 mailed notice as provided in 7-12-2105(2), and found by 9 resolution that such an issuance of refunding bonds is in 10 the best interest of the special improvement district. 11 (3) After the adoption of the required resolution or 12 13 (a) sell the refunding bonds at a private negotiated 14 15 (b) at its option, give notice of the sale and sell 16 the refunding bonds in the same manner that other special 17 improvement district bonds are sold. 18 (4) Bonds Unless there is, or will be on the next 19 payment date, a default in the payment of bond principal or 20 upon such redemption date; and interest, bonds may not be refunded by the issuance of 21 (iii) any redemption premium. refunding bonds unless the rate of interest offered on the 22 (c) The escrow refunding bonds is at least 1/2 of 1% a year less than the 23

24 rate of interest on the bonds to be refunded.

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sale; or

to be refunded:

resolutions, the board may:

(5) (a) Refunding bonds issued pursuant to this

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of the date on which such bonds mature or are subject to redemption, but the proceeds of the refunding bonds, less any accrued interest or premium received upon the sale thereof, must be deposited with other funds appropriated for the payment of the outstanding bonds in escrow with a suitable banking institution or trust company, which may be located either in or out of the state. (b) Funds so deposited must be invested in securities

that are general obligations of the United States or securities the principal of and interest on which are guaranteed by the United States. Such securities must mature or be callable at the option of the holder on such dates and bear interest at such rates and be payable on such dates as may be required to provide funds sufficient, with any cash deposited in the escrow account, to pay when due:

(i) the interest to accrue on each refunded bond to its maturity or redemption date, if called for redemption; (ii) the principal on each refunded bond at maturity or

account must be irrevocably appropriated to the payment of the principal of an interest and redemption premium, if any, on the refunded bonds. 24

(d) Funds to the credit of the debt service fund for 25

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the payment of the refunded bonds and not required for the
 payment of principal thereof or interest thereon due prior
 to issuance of the refunding bonds may be appropriated by
 the board to the escrow account.

5 (e) The county may pay the reasonable costs and 6 expenses of issuing the refunding bonds and of establishing 7 and maintaining the escrow account.

8 (6) Refunding bonds may be issued under this section
9 to pay principal of or interest on special improvement
10 district bonds outstanding on April 30, 1985, only if:

11 (a) one-third or more of the term for which such bonds
12 were issued has expired; or

13 (b) there is a deficiency in the bond account or
14 interest account of the special improvement district fund
15 from which such bonds are payable."

16 Section 3. Section 7-12-4190, MCA, is amended to read:
17 "7-12-4190. Payment of assessments in installments.
18 (1) The payment of assessments to defray the cost of
19 acquiring or constructing any improvements in special
20 improvement districts may be spread over a term of not to
21 exceed 20 years.

(2) If--the--bonds-of-the-special-improvement-district
 are-issued-as-serial-bonds, the The assessments must-be are
 payable in equal annual semiannual installments, --If-the
 bonds-are-issued-as-amortization-bonds, the-assessments-must

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be--payable of principal, with interest on the unpaid 1 installments, or if the city council or commission so 2 prescribes in the resolution authorizing the issuance of 3 special improvement district bonds, in equal annual 4 5 semiannual installments of principal and interest. each in the amount required to pay the principal over the term of 6 7 payment, with interest at the rate then borne by the 8 assessment.

9 (3) Any assessment that is not delinquent may be 10 prepaid, in whole but not in part, at any time after the 11 assessment is levied, by the payment of the assessment, with 12 interest accrued and to accrue thereon through the next date 13 on which interest on bonds of the special improvement 14 district is payable."

Section 4. Section 7-12-4194, MCA, is amended to read: 15 16 "7-12-4194. Refunding bonds. (1) A city may issue special improvement district bonds for the purpose of 17 18 providing the money needed to pay principal of and interest on outstanding special improvement district bonds. To issue 19 20 bonds for such purpose, the city council, at a regular meeting or a duly called special meeting, shall adopt a 21 22 resolution setting forth:

23 (a) the facts regarding the outstanding bonds that are24 to be refunded; .

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(b) the reasons for issuing refunding bonds; and

1 (c) the term and details of the refunding bonds. 2 (2) If the refunding bonds are proposed to be issued Э in an amount greater than the amount of outstanding bonds to 4 be refunded, the city council may not authorize the issuance 5 of such bonds until it has conducted a public hearing on the 6 desirability of issuing the bonds, after published and 7 mailed notice as provided in 7-12-4106(2), and found by 8 resolution that such an issuance of refunding bonds is in 9 the best interest of the special improvement district.

10 (3) After the adoption of the required resolution or11 resolutions, the council may:

12 (a) sell the refunding bonds at a private negotiated13 sale; or

(b) at its option, give notice of the sale and sell
the refunding bonds in the same manner that other special
improvement district bonds are sold.

17 (4) Bonds Unless there is, or will be on the next 18 payment date, a default in the payment of bond principal or 19 interest, bonds may not be refunded by the issuance of 20 refunding bonds unless the rate of interest offered on the 21 refunding bonds is at least 1/2 of 1% a year less than the 22 rate of interest on the bonds to be refunded.

23 (5) (a) Refunding bonds issued pursuant to this
24 section may be issued to refund outstanding bonds in advance
25 of the date on which such bonds mature or are subject to

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redemption, but the proceeds of the refunding bonds, less any accrued interest or premium received upon the sale thereof, must be deposited with other funds appropriated for the payment of the outstanding bonds in escrow with a suitable banking institution or trust company, which may be located either in or out of the state.

(b) Funds so deposited must be invested in securities 7 that are general obligations of the United States or 8 securities the principal of and interest on which are 9 guaranteed by the United States. Such securities must mature 10 or be callable at the option of the holder on such dates and 11 bear interest at such rates and be payable on such dates as 12 may be required to provide funds sufficient, with any cash 13 deposited in the escrow account, to pay when due: 14

15 (i) the interest to accrue on each refunded bond to16 its maturity or redemption date, if called for redemption;

17 (ii) the principal on each refunded bond at maturity or18 upon such redemption date; and

19 (iii) any redemption premium.

20 (c) The escrow account must be irrevocably
21 appropriated to the payment of the principal of an interest
22 and redemption premium, if any, on the refunded bonds.

(d) Funds to the credit of the debt service fund for
the payment of the refunded bonds and not required for the
payment of principal thereof or interest thereon due prior

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to issuance of the refunding bonds may be appropriated by
 the council to the escrow account.

3 (e) The city may pay the reasonable costs and expenses
4 of printing the refunding bonds and of establishing and
5 maintaining the escrow account.

6 (6) Refunding bonds may be issued under this section
7 to pay principal of or interest on special improvement
8 district bonds outstanding on April 30, 1985, only if:

9 (a) the proceeds of such refunding bonds do not redeem
 10 such outstanding bonds until one-third or more of the term
 11 for which such bonds were issued has expired; or

12 (b) there is a deficiency in the bond account or 13 interest account of the special improvement district fund 14 from which such bonds are payable."

NEW SECTION. Section 5. Assessment of costs 15 assessed valuation option. The city council or city 16 17 commission may assess the cost of an improvement against each lot or parcel of land in the district based on the 18 19 assessed value of the benefited lots or parcels of land 20 within the district if the council or commission determines 21 such assessment to be equitable and in proportion to and not exceeding the benefits derived from the improvement by the 22 lot or parcel. 23

24NEW SECTION.Section 6.Changeinmethodof25assessment and relevyofassessmentsuponrefunding.If

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refunding bonds are proposed to be issued pursuant to 1 7-12-2193 and it appears that the special assessments levied 2 in the rural special improvement district could more 2 equitably be assessed on a different basis under 7-12-2151, 4 then the board, after conducting a public hearing on the 5 desirability of relevying the special assessments following 6 published and mailed notice as provided in 7-12-2105(2), may . 7 8 reassess and relevy the special assessments that are outstanding but not delinguent in accordance with the 9 10 provisions of 7-12-2158 through 7-12-2160, with the same 11 effect as an original levy. Before the board may reassess and relevy such assessments, it must find by resolution that 12 13 under the new method of assessment no lot, parcel, or tract 14 of land in the rural special improvement district will be assessed in an amount, including the amounts levied as part 15 of the original assessment that have been paid or are 16 17 delinguent, greater than the benefits derived by the lot. parcel, or tract from the improvement undertaken in or for 18 19 the benefit of the district.

20 <u>NEW SECTION.</u> Section 7. Change in method of 21 assessment and relevy of assessments upon refunding. If 22 refunding bonds are proposed to be issued pursuant to 23 7-12-4194 and it appears that the special assessments levied 24 in the special improvement district could more equitably be 25 assessed on a different basis under 7-12-4162 through

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7-12-4165, then the city council, after conducting a public 1 2 hearing on the desirability of relevying the special 3 assessments following published and mailed notice as 4 provided in 7-12-4106(2), may reassess and relevy the 5 special assessments that are outstanding but not delinquent 6 in accordance with the provisions of 7-12-4176 through 7 7-12-4178, with the same effect as an original levy. Before the city council may reassess and relevy such assessments, 8 9 it must find by resolution that under the new method of 10 assessment no lot, parcel, or tract of land in the special 11 improvement district will be assessed in an amount, including the amounts levled as part of the original 12 13 assessment that have been paid or are delinquent, greater 14 than the benefits derived by the lot, parcel, or tract from 15 the improvement undertaken in or for the benefit of the 16 district.

17 NEW SECTION. Section 8. Codification instructions. 18 (1) Sections 5 and 7 are intended to be codified as an 19 integral part of Title 7, chapter 12, part 41, and the provisions of Title 7, chapter 12, part 41, apply to 20 21 sections 5 and 7.

22 (2) Section 6 is intended to be codified as an 23 integral part of Title 7, chapter 12, part 21, and the provisions of Title 7, chapter 12, part 21, apply to section 24 25 6.

NEW SECTION. Section 9. Severability. If a part of 1 this act is invalid, all valid parts that are severable from 2 the invalid part remain in effect. If a part of this act is 3 invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from 5 the invalid applications. 6

NEW SECTION. Section 10. Saving clause. Sections 2 7. and 4 of this act are remedial in nature and do not imply 8 any lack of authority or invalidity of refunding bonds 9 issued prior to the effective date of this act. 10

NEW SECTION. Section 11. Effective date. This act is 11 12 effective on passage and approval.

-End-

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<pre>special improvement districts may be spread over a term of not to exceed 30 years. (2) If federal loans are available, payments may be spread over a term of not to exceed 40 years. (3) ifthebonds-of-the-special-improvement-district</pre>	20 21 22 23 24	bonds for such purpose, the board of county commissioners,
not to exceed 30 years. (2) If federal loans are available, payments may be	21 22	providing the money needed to pay principal of and interest on outstanding special improvement district bonds. To issue bonds for such purpose, the board of county commissioners, at a regular meeting or a duly called special meeting, shall
not to exceed 30 years.	21	on outstanding special improvement district bonds. To issue
special improvement districts may be spread over a term of	20	providing the money needed to pay principal of and interest
to defray the cost of constructing any improvements in	19	special improvement district bonds for the purpose of
as provided in subsection (2), the payment of the assessment	18	"7-12-2193. Refunding bonds. (1) A county may issue
"7-12-2167. Term of payment of assessments. (1) Except	1 7	Section 2. Section 7-12-2193, MCA, is amended to read:
Section 1. Section 7-12-2167, MCA, is amended to read:	16	district is payable."
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	15	on which interest on bonds of the special improvement
	14	interest accrued and to accrue thereon through the next date
IMMEDIATE EFFECTIVE DATE."	13	assessment is levied, by the payment of the assessment, with
7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN	12	prepaid, in whole but not in part, at any time after the
DISTRICT-BONDS-ARB-REFUNDED; AMENDING SECTIONS 7-12-2167,	11	(4) Any assessment that is not delinguent may be
DISTRICTS; AUTHORINISAG-A-CHANGE-IN-THE-ASSE6SMENT-METHOD-IF	10	assessment.
FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT	9	payment, with interest at the rate then borne by the
PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING	8	the amount required to pay the principal over the term of
IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND	7	semiannual installments of principal and interest, each in
RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL	6	special improvement district bonds, in equal annuat
A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS	5	prescribes in the resolution authorizing issuance of the
	4	installments, or if the board of county commissioners so
SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER	3	bepayable of principal, with interest on the unpaid
INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE,	2	bonds-are-issued-as-amortization-bonds7-the-assessments-must
HOUSE BILL NO. 697	1	payable in equal annual semiannual installmentsIf-the
	INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE, SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT DISTRICTS; AUTHORINING-A-CHANGE-IN-THE-ASSEGSMENT-METHOD-IP BISTRICT-BONDS-ARE-REFUNDED; AMENDING SECTIONS 7-12-2167, 7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 7-12-2167, MCA, is amended to read: "7-12-2167. Term of payment of assessments. (1) Except as provided in subsection (2), the payment of the assessment	INTRODUCED BY CONNELLY, LYBECK, VINCENT, MOORE, SALES, LORY, BRADLEY, HARDING, WALLIN, MERCER A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAWS RELATING TO SPECIAL IMPROVEMENT DISTRICTS AND RURAL SPECIAL IMPROVEMENT DISTRICTS; PROVIDING FOR SEMIANNUAL BOND PAYMENTS; CLARIFYING WHEN BONDS MAY BE REFUNDED; PROVIDING FOR THE ASSESSED VALUATION OPTION FOR SPECIAL IMPROVEMENT DISTRICTS; AUTHORITING-A-CHANGE-IN-THE-ASSESSMENT-METHOD-IP DISTRICTS; AUTHORITING-A-CHANGE-IN-THE-ASSESSMENT-METHOD-IP DISTRICTS; AUTHORITING-A-CHANGE-IN-THE-ASSESSMENT-METHOD-IP BISTRICT-BONDS-ARE-REFUNDED; AMENDING SECTIONS 7-12-2167, 11 7-12-2193, 7-12-4190, AND 7-12-4194, MCA; AND PROVIDING AN 12 IMMEDIATE EFFECTIVE DATE." 13 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Section 1. Section 7-12-2167, MCA, is amended to read: "7-12-2167. Term of payment of assessments. (1) Except as provided in subsection (2), the payment of the assessment

REFERENCE BILL

3

2 (b) the reasons for issuing refunding bonds; and

(c) the term and details of the refunding bonds.

4 (2) If the refunding bonds are proposed to be issued 5 in an amount greater than the amount of outstanding bonds to 6 be refunded, the board may not authorize the issuance of 7 such bonds until it has conducted a public hearing on the 8 desirability of issuing the bonds, after published and 9 mailed notice as provided in 7-12-2105(2), and found by resolution that such an issuance of refunding bonds is in 10 11 the best interest of the special improvement district.

12 (3) After the adoption of the required resolution or13 resolutions, the board may:

14 (a) sell the refunding bonds at a private negotiated 15 sale; or

(b) at its option, give notice of the sale and sell
the refunding bonds in the same manner that other special
improvement district bonds are sold.

19 (4) Bonds Unless there is, or will be on the next 20 payment date, a default in the payment of bond principal or 21 interest, bonds may not be refunded by the issuance of 22 refunding bonds unless the rate of interest offered on the 23 refunding bonds is at least 1/2 of 1% a year less than the 24 rate of interest on the bonds to be refunded.

25

(5) (a) Refunding bonds issued pursuant to this

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25

section may be issued to refund outstanding bonds in advance 1 2 of the date on which such bonds mature or are subject to redemption, but the proceeds of the refunding bonds, less 3 any accrued interest or premium received upon the sale 4 5 thereof, must be deposited with other funds appropriated for 6 the payment of the outstanding bonds in escrow with a 7 suitable banking institution or trust company, which may be R located either in or out of the state.

9 (b) Funds so deposited must be invested in securities 10 that are general obligations of the United States or 11 securities the principal of and interest on which are guaranteed by the United States. Such securities must mature 12 13 or be callable at the option of the holder on such dates and bear interest at such rates and be payable on such dates as 14 15 may be required to provide funds sufficient, with any cash deposited in the escrow account, to pay when due: 16

17 (i) the interest to accrue on each refunded bond to
18 its maturity or redemption date, if called for redemption;
19 (ii) the principal on each refunded bond at maturity or
20 upon such redemption date; and

21 (iii) any redemption premium.

(c) The escrow account must be irrevocably
appropriated to the payment of the principal of an interest
and redemption premium, if any, on the refunded bonds.

(d) Funds to the credit of the debt service fund for

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HB 697

the payment of the refunded bonds and not required for the
 payment of principal thereof or interest thereon due prior
 to issuance of the refunding bonds may be appropriated by
 the board to the escrow account.

5 (e) The county may pay the reasonable costs and 6 expenses of issuing the refunding bonds and of establishing 7 and maintaining the escrow account.

8 (6) Refunding bonds may be issued under this section
9 to pay principal of or interest on special improvement
10 district bonds outstanding on April 30, 1985, only if:

(a) one-third or more of the term for which such bonds
 were issued has expired; or

13 (b) there is a deficiency in the bond account or
14 interest account of the special improvement district fund
15 from which such bonds are payable."

Section 3. Section 7-12-4190, MCA, is amended to read: "7-12-4190. Payment of assessments in installments. (1) The payment of assessments to defray the cost of acquiring or constructing any improvements in special improvement districts may be spread over a term of not to exceed 20 years.

(2) If--the--bonds-of-the-special-improvement-district
 are-issued-as-serial-bonds7-the The assessments must-be are
 payable in equal annual semiannual installments7--if-the
 bonds-are-issued-as-amortization-bonds7-the-assessments-must

-5-

be--payable of principal, with interest on the unpaid 1 2 installments, or if the city council or commission so prescribes in the resolution authorizing the issuance of 3 special improvement district bonds, in equal annual Δ semiannual installments of principal and interest, each in 5 the amount required to pay the principal over the term of 6 7 payment, with interest at the rate then borne by the assessment. 8

9 (3) Any assessment that is not delinquent may be 10 prepaid, in whole but not in part, at any time after the 11 assessment is levied, by the payment of the assessment, with 12 interest accrued and to accrue thereon through the next date 13 on which interest on bonds of the special improvement 14 district is payable."

Section 4. Section 7-12-4194, MCA, is amended to read: 15 "7-12-4194. Refunding bonds. (1) A city may issue 16 special improvement district bonds for the purpose of 17 providing the money needed to pay principal of and interest 18 on outstanding special improvement district bonds. To issue 19 bonds for such purpose, the city council, at a regular 20 meeting or a duly called special meeting, shall adopt a 21 resolution setting forth: 22

23 (a) the facts regarding the outstanding bonds that are24 to be refunded;

25 (b) the reasons for issuing refunding bonds; and

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1 (c) the term and details of the refunding bonds. 2 (2) If the refunding bonds are proposed to be issued 3 in an amount greater than the amount of outstanding bonds to be refunded, the city council may not authorize the issuance 4 5 of such bonds until it has conducted a public hearing on the desirability of issuing the bonds, after published and 6 7 mailed notice as provided in 7-12-4106(2), and found by resolution that such an issuance of refunding bonds is in 8 the best interest of the special improvement district. 9 10 (3) After the adoption of the required resolution or

11 resolutions, the council may;
12 (a) sell the refunding bonds at a private perceptiated

12 (a) sell the refunding bonds at a private negotiated 13 sale; or

(b) at its option, give notice of the sale and sell
the refunding bonds in the same manner that other special
improvement district bonds are sold.

17 (4) Bonds Unless there is, or will be on the next 18 payment date, a default in the payment of bond principal or 19 interest, bonds may not be refunded by the issuance of 20 refunding bonds unless the rate of interest offered on the 21 refunding bonds is at least 1/2 of 1% a year less than the 22 rate of interest on the bonds to be refunded.

23 (5) (a) Refunding bonds issued pursuant to this
24 section may be issued to refund outstanding bonds in advance
25 of the date on which such bonds mature or are subject to

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1 redemption, but the proceeds of the refunding bonds, less
2 any accrued interest or premium received upon the sale
3 thereof, must be deposited with other funds appropriated for
4 the payment of the outstanding bonds in escrow with a
5 suitable banking institution or trust company, which may be
6 located either in or out of the state.

7 (b) Funds so deposited must be invested in securities that are general obligations of the United States or 8 9 securities the principal of and interest on which are 10 guaranteed by the United States. Such securities must mature 11 or be callable at the option of the holder on such dates and 12 bear interest at such rates and be payable on such dates as 13 may be required to provide funds sufficient, with any cash 14 deposited in the escrow account, to pay when due:

15 (i) the interest to accrue on each refunded bond to
16 its maturity or redemption date, if called for redemption;
17 (ii) the principal on each refunded bond at maturity or
18 upon such redemption date: and

19 (iii) any redemption premium.

20 (c) The escrow account must be irrevocably
21 appropriated to the payment of the principal of an interest
22 and redemption premium, if any, on the refunded bonds.

23 (d) Funds to the credit of the debt service fund for
24 the payment of the refunded bonds and not required for the
25 payment of principal thereof or interest thereon due prior

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1 to issuance of the refunding bonds may be appropriated by 2 the council to the escrow account.

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3 (e) The city may pay the reasonable costs and expenses
4 of printing the refunding bonds and of establishing and
5 maintaining the escrow account.

6 (6) Refunding bonds may be issued under this section
7 to pay principal of or interest on special improvement
8 district bonds outstanding on April 30, 1985, only if:

9 (a) the proceeds of such refunding bonds do not redeem
10 such outstanding bonds until one-third or more of the term
11 for which such bonds were issued has expired; or

12 (b) there is a deficiency in the bond account or 13 interest account of the special improvement district fund 14 from which such bonds are payable."

NEW SECTION. Section 5. Assessment of costs 15 ----16 assessed valuation option. The city council or city commission may assess the cost of an improvement against 17 18 each lot or parcel of land in the district based on the assessed value of the benefited lots or parcels of land 19 20 within the district if the council or commission determines 21 such assessment to be equitable and in proportion to and not 22 exceeding the benefits derived from the improvement by the lot or parcel. 23

 24
 NEW-SECTION.--Section-6:--Change----in---method----of

 25
 assessment-and-relevy-of--assessments--upon--refunding.---if

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1 refunding--bonds--are--proposed--to--be--issued--pursuant-to 2 7-12-2193-and-it-appears-that-the-special-assessments-levied 3 in--the--rural--special--improvement--district--could---more 4 equitably--be-assessed-on-a-different-basis-under-7-12-2151; 5 then-the-boardy-after-conducting-a--public--hearing--on--the desirability--of-relevying-the-special-assessments-following 6 published-and-mailed-notice-as-provided-in-7-12-2105+2+7-may 7 reassess-wand--relevy--the--special--assessments--that---are 8 9 outstanding--but--not--delinguent--in--accordance--with--the 10 provisions-of-7-12-2158-through--7-12-21607--with--the--same effect--as--an--original-levy--Before-the-board-may-reassess 11 and-relevy-such-assessmentsy-it-must-find-by-resolution-that 12 under-the-new-method-of-assessment-no-loty-parcely-or--tract 13 of--tand--in--the-rural-special-improvement-district-will-be 14 assessed-in-an-amounty-including-the-amounts-levied-as--part 15 16 of--the--original--assessment--that--have--been--paid-or-are delinguent7-greater-than-the-benefits-derived--by--the--lot7 17 parcely--or--tract-from-the-improvement-undertaken-in-or-for 18 19 the-benefit-of-the-district-20 NEW-SECTION:--Section-7---Change----in---method----of 21 assessment--and--relevy--of--assessments-upon-refunding---if 22 refunding-bonds--are--proposed--to--be--issued--pursuant--to 7-12-4194-and-it-appears-that-the-special-assessments-levied 23 in--the-special-improvement-district-could-more-equitably-be 24

25 assessed--on--a--different--basis--under--7-12-4162--through

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1 7-12-41657--then-the-city-councily-after-conducting-a-public 2 hearing--on--the--desirability--of--relevying--the---special 3 assessments---following---published--and--mailed--notice--as 4 provided--in--7-12-4186(2);--may--reassess--and--relevy--the 5 special--assessments-that-are-outstanding-but-not-delinguent 6 in-accordance--with--the--provisions--of--7-12-4176--through 7 7-12-41787--with-the-same-effect-as-an-original-levy--Before 8 the-city-council-may-reassess-and-relevy--such--assessments; 9 it--must--find--by--resolution--that-under-the-new-method-of 10 assessment-no-loty-parcely-or-tract-of-land-in--the--special 11 improvement---district---will--be--assessed--in--an--amount7 12 including--the--amounts--levied--as--part--of--the--original 13 assessment--that--have--been-paid-or-are-delinguent7-greater 14 than-the-benefits-derived-by-the-loty-parcely-or-tract--from 15 the--improvement--undertaken--in--or--for-the-benefit-of-the 16 district-

NEW SECTION. Section 6. Codification instructions.
(1)-Sections--5--and--7--are SECTION 5 IS intended to be codified as an integral part of Title 7, chapter 12, part 41, and the provisions of Title 7, chapter 12, part 41, apply to sections-5-and-7 SECTION 5.

(2)--Section--6--is--intended--to--be--codified--as--an
 integral--part-of--Title--77--chapter--127-part-217-and-the
 provisions-of-Title-77-chapter-127-part-217-apply-to-section
 67

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<u>NEW SECTION.</u> Section 7. Severability. If a part of
 this act is invalid, all valid parts that are severable from
 the invalid part remain in effect. If a part of this act is
 invalid in one or more of its applications, the part remains
 in effect in all valid applications that are severable from
 the invalid applications.
 NEW SECTION. Section 8. Saving clause. Sections 2 and

8 4 of this act are remedial in nature and do not imply any
9 lack of authority or invalidity of refunding bonds issued
10 prior to the effective date of this act.
11 <u>NEW SECTION.</u> Section 9. Effective date. This act is

12 effective on passage and approval.

-End-

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STANDING COMMITTEE REPURT

SEN	ATE
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SCRHB697

		March. 25,	
MR. PRESIDENT			
We, your committe	Local Governmen	t	
	reading copy () color		
Connelly (Ly			
REVISION OF	SOME SID/RSID BONDIN	G PROVISIONS	
Respectfully report as BE AMENDED		i11	No69.7
Following; Strike: "A	Lines 10 and 11. "DISTRICTS;" UTHORIZING A CHANGE I CT BONDS ARE REFUNDED	N THE ASSESSMENT METHON) IF
Strike: se	line 24 through line ctions 6 and 7 in the subsequent sections		
3. Page 11 Strike: "(Insert: "S	, line 18. 1) Sections 5 and 7 ection 5 is"	are"	
4. Page 11 Strike: "sa Insert: "sa	ections 5 and 7"		
	, lines 22 through 25 bsection (2) in its e		

DOM: NGG AND AS AMENDED, DECONCURRED IN

AT

Secure \mathcal{P} Chairman.

Senator Crippen

CONFERENCE COMMITTEE REPORT Report No.......Qne......

4 - 1419.87

MR. SPEAKER									
We, your							Confe	rence Cor	nmittee on
House	Bill 697								
met and considered	Senate	amendments	to	House	Bill	697,	third	сору	(blue)
dated	March 24,	1987.						·	
	·								
We recommend as fo	llows:								

That the Senate amendments to House Bill 697 be concurred in.

And that this Conference Committee report be adopted.

FOR THE SENATE

Elianor d. _____ Sen. Vaug Vaugt

Sen. Meyer

FOR THE HOUSE

les

Rep. Wallin

Rep. Conne

ADOPT REJECT