

SENATE BILL NO. 174

INTRODUCED BY B. BROWN, MCCALLUM

IN THE SENATE

JANUARY 21, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
FEBRUARY 14, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 16, 1987	PRINTING REPORT.
FEBRUARY 17, 1987	SECOND READING, DO PASS.
FEBRUARY 18, 1987	ENGROSSING REPORT.
FEBRUARY 19, 1987	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 23, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
MARCH 4, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 6, 1987	SECOND READING, CONCURRED IN AS AMENDED.
MARCH 9, 1987	THIRD READING, CONCURRED IN. AYES, 91; NOES, 5.
	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 18, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

MARCH 19, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 *Senate* BILL NO. *174*
 2 INTRODUCED BY *Bob Brown*

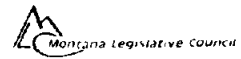
3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A SCHOOL
 5 DISTRICT TO BUDGET IN THE ENSUING SCHOOL FISCAL YEAR FOR THE
 6 FIRST INTEREST AND PRINCIPAL PAYMENT ON A SCHOOL BOND IF
 7 THAT PAYMENT WAS PAID OR ACCRUED IN THE CURRENT SCHOOL
 8 FISCAL YEAR; AMENDING SECTION 20-9-438, MCA; AND PROVIDING
 9 AN IMMEDIATE EFFECTIVE DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 20-9-438, MCA, is amended to read:
 13 "20-9-438. Preparation of debt service fund budget.
 14 The trustees of each school district having outstanding
 15 bonds shall include in the debt service fund of the
 16 preliminary budget adopted in accordance with 20-9-113 an
 17 amount of money that is necessary to pay the interest and
 18 the principal amount becoming due during the ensuing school
 19 fiscal year for each series or installment of bonds and any
 20 amount of money necessary to pay the first interest and
 21 principal amount that became due on a series or installment
 22 of a bond during the current school fiscal year, according
 23 to the terms and conditions of such bonds and the redemption
 24 plans of the trustees. The trustees shall also include in
 25 the debt service fund of the preliminary budget the amount

1 of money necessary to pay the special improvement district
 2 assessments levied against the school district which become
 3 due during the ensuing school fiscal year. The county
 4 superintendent shall compare the preliminary budgeted amount
 5 for the debt service fund with the bond retirement and
 6 interest requirement and the special improvement district
 7 assessments for the school fiscal year just beginning as
 8 reported by the county treasurer in his statement supplied
 9 under the provisions of 20-9-121. If the county
 10 superintendent finds that the requirement stated by the
 11 county treasurer is more than the preliminary budget amount,
 12 the county superintendent shall increase the budgeted amount
 13 for interest or principal in the debt service fund of the
 14 preliminary budget. The amount confirmed or revised by the
 15 county superintendent shall be the final budget expenditure
 16 amount for the debt service fund of such school district."
 17 NEW SECTION. Section 2. Effective date. This act is
 18 effective on passage and approval.

-End-



-2- INTRODUCED BILL
 SB-174

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

SENATE BILL NO. 174

INTRODUCED BY B. BROWN, MCCALLUM

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A SCHOOL DISTRICT TO BUDGET IN THE ENSUING SCHOOL FISCAL YEAR FOR THE FIRST INTEREST AND PRINCIPAL MAKE PAYMENT ON A SCHOOL BOND IF THAT PAYMENT WAS PAID OR ACCRUED LEGAL DEBT IN THE CURRENT SCHOOL FISCAL YEAR; AMENDING SECTION 20-9-438 20-9-133, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

~~Section 1. Section 20-9-438, MCA, is amended to read:~~

~~"20-9-438. Preparation of debt service fund budget.~~

~~The trustees of each school district having outstanding bonds shall include in the debt service fund of the preliminary budget adopted in accordance with 20-9-113 an amount of money that is necessary to pay the interest and the principal amount becoming due during the ensuing school fiscal year for each series or installment of bonds and any amount of money necessary to pay the first interest and principal amount that became due on a series or installment of a bond during the current school fiscal year, according to the terms and conditions of such bonds and the redemption plans of the trustees. The trustees shall also include in the debt service fund of the preliminary budget the amount~~

~~of money necessary to pay the special improvement district assessments levied against the school district which become due during the ensuing school fiscal year. The county superintendent shall compare the preliminary budgeted amount for the debt service fund with the bond retirement and interest requirement and the special improvement district assessments for the school fiscal year just beginning as reported by the county treasurer in his statement supplied under the provisions of 20-9-121. If the county superintendent finds that the requirement stated by the county treasurer is more than the preliminary budget amount, the county superintendent shall increase the budgeted amount for interest or principal in the debt service fund of the preliminary budget. The amount confirmed or revised by the county superintendent shall be the final budget expenditure amount for the debt service fund of such school district."~~

SECTION 1. SECTION 20-9-133, MCA, IS AMENDED TO READ:

"20-9-133. Adoption and expenditure limitations of final budget. (1) When the trustees have caused the amount of an item of the budget for the district to be determined and set, they shall enter the amount in the portion of the budget form provided for the reporting of the final budget and upon completion of all the items, the chairman and clerk shall sign the budget form. The resulting budget shall constitute the final budget and the appropriations for the

1 district for the current school fiscal year.

2 (2) The Except as provided in subsection (3), the
3 trustees and all officers and employees of the district
4 shall be limited in making expenditures or incurring
5 liabilities to the amount of such appropriations, except
6 that transfers from any appropriation item to another
7 appropriation item within a fund's budget may be made as
8 provided by law. Expenditures Except as provided in
9 subsection (3), expenditures made, liabilities incurred, or
10 warrants issued in excess of any of the final budget
11 appropriations for any item, as originally determined or as
12 revised by transfer, shall not be a liability of the
13 district, and no money of the district shall ever be used to
14 pay the same.

15 (3) If a district incurs a legal debt after the final
16 budget for the current fiscal year has been adopted and if
17 payment on the debt is required for the current fiscal year,
18 payment on the debt in the current school fiscal year is
19 allowed if money is available."

20 NEW SECTION. Section 2. Effective date. This act is
21 effective on passage and approval.

-End-

SENATE BILL NO. 174

INTRODUCED BY B. BROWN, MCCALLUM

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A SCHOOL DISTRICT TO BUDGET IN THE ENSUING SCHOOL FISCAL YEAR FOR THE FIRST INTEREST AND PRINCIPAL MAKE PAYMENT ON A SCHOOL BOND IF THAT PAYMENT WAS PAID OR ACCRUED LEGAL DEBT IN THE CURRENT SCHOOL FISCAL YEAR; AMENDING SECTION 20-9-430 20-9-133, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 20-9-430, MCA, is amended to read:

"20-9-430. Preparation of debt service fund budget. The trustees of each school district having outstanding bonds shall include in the debt service fund of the preliminary budget adopted in accordance with 20-9-113 an amount of money that is necessary to pay the interest and the principal amount becoming due during the ensuing school fiscal year for each series or installment of bonds and any amount of money necessary to pay the first interest and principal amount that became due on a series or installment of a bond during the current school fiscal year, according to the terms and conditions of such bonds and the redemption plans of the trustees. The trustees shall also include in the debt service fund of the preliminary budget the amount

of money necessary to pay the special improvement district assessments levied against the school district which become due during the ensuing school fiscal year. The county superintendent shall compare the preliminary budgeted amount for the debt service fund with the bond retirement and interest requirement and the special improvement district assessments for the school fiscal year just beginning as reported by the county treasurer in his statement supplied under the provisions of 20-9-121, if the county superintendent finds that the requirement stated by the county treasurer is more than the preliminary budget amount, the county superintendent shall increase the budgeted amount for interest or principal in the debt service fund of the preliminary budget. The amount confirmed or revised by the county superintendent shall be the final budget expenditure amount for the debt service fund of such school district."

SECTION 1. SECTION 20-9-133, MCA, IS AMENDED TO READ:

"20-9-133. Adoption and expenditure limitations of final budget. (1) When the trustees have caused the amount of an item of the budget for the district to be determined and set, they shall enter the amount in the portion of the budget form provided for the reporting of the final budget and upon completion of all the items, the chairman and clerk shall sign the budget form. The resulting budget shall constitute the final budget and the appropriations for the



1 district for the current school fiscal year.

2 (2) The Except as provided in subsection (3), the
3 trustees and all officers and employees of the district
4 shall be limited in making expenditures or incurring
5 liabilities to the amount of such appropriations, except
6 that transfers from any appropriation item to another
7 appropriation item within a fund's budget may be made as
8 provided by law. Expenditures Except as provided in
9 subsection (3), expenditures made, liabilities incurred, or
10 warrants issued in excess of any of the final budget
11 appropriations for any item, as originally determined or as
12 revised by transfer, shall not be a liability of the
13 district, and no money of the district shall ever be used to
14 pay the same.

15 (3) If a district incurs a legal debt after the final
16 budget for the current fiscal year has been adopted and if
17 payment on the debt is required for the current fiscal year,
18 payment on the debt in the current school fiscal year is
19 allowed if money is available."

20 NEW SECTION. Section 2. Effective date. This act is
21 effective on passage and approval.

-End-

SENATE BILL NO. 174

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A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW A SCHOOL DISTRICT TO BUDGET IN THE ENSUING SCHOOL FISCAL YEAR FOR THE FIRST INTEREST AND PRINCIPALS MAKE PAYMENT ON A SCHOOL BOND IF THAT PAYMENT WAS PAID OR ACCRUED LEGAL BONDED DEBT IN THE CURRENT SCHOOL FISCAL YEAR; AMENDING SECTION 20-9-430 20-9-133, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 20-9-430, MCA, is amended to read: "20-9-430. Preparation of debt service fund budget. The trustees of each school district having outstanding bonds shall include in the debt service fund of the preliminary budget adopted in accordance with 20-9-113 an amount of money that is necessary to pay the interest and the principal amount becoming due during the ensuing school fiscal year for each series or installment of bonds and any amount of money necessary to pay the first interest and principal amount that became due on a series or installment of a bond during the current school fiscal year, according to the terms and conditions of such bonds and the redemption plans of the trustees. The trustees shall also include in the debt service fund of the preliminary budget the amount

of money necessary to pay the special improvement district assessments levied against the school district which become due during the ensuing school fiscal year. The county superintendent shall compare the preliminary budgeted amount for the debt service fund with the bond retirement and interest requirement and the special improvement district assessments for the school fiscal year just beginning as reported by the county treasurer in his statement supplied under the provisions of 20-9-121. If the county superintendent finds that the requirement stated by the county treasurer is more than the preliminary budget amount, the county superintendent shall increase the budgeted amount for interest or principal in the debt service fund of the preliminary budget. The amount confirmed or revised by the county superintendent shall be the final budget expenditure amount for the debt service fund of such school district."

SECTION 1. SECTION 20-9-133, MCA, IS AMENDED TO READ: "20-9-133. Adoption and expenditure limitations of final budget. (1) When the trustees have caused the amount of an item of the budget for the district to be determined and set, they shall enter the amount in the portion of the budget form provided for the reporting of the final budget and upon completion of all the items, the chairman and clerk shall sign the budget form. The resulting budget shall constitute the final budget and the appropriations for the



1 district for the current school fiscal year.

2 (2) The Except as provided in subsection (3), the
3 trustees and all officers and employees of the district
4 shall be limited in making expenditures or incurring
5 liabilities to the amount of such appropriations, except
6 that transfers from any appropriation item to another
7 appropriation item within a fund's budget may be made as
8 provided by law. Expenditures Except as provided in
9 subsection (3), expenditures made, liabilities incurred, or
10 warrants issued in excess of any of the final budget
11 appropriations for any item, as originally determined or as
12 revised by transfer, shall not be a liability of the
13 district, and no money of the district shall ever be used to
14 pay the same.

15 (3) If a district incurs a legal BONDED debt PAYMENT
16 after the final DEBT SERVICE FUND budget for the current
17 fiscal year has been adopted and if payment on the debt is
18 required for the current fiscal year, payment on the debt in
19 the current school fiscal year is allowed if money is
20 available."

21 NEW SECTION. Section 2. Effective date. This act is
22 effective on passage and approval.

-End-

3-5-87
DATE

11:00
TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 174

3rd reading copy (blue) as follows:
Color

PASSED

- 1) Title, line 7.
Following: " LEGAL "
Insert: "BONDED"
- 2) Page 3, line 15.
Following: " legal "
Insert: "bonded"
Following: " debt "
Insert: "payment"
Following: " final "
Insert: "debt service fund"

ADOPT
REJECT

Richard M. Nelson
Rep. Nelson