SENATE BILL NO. 379

INTRODUCED BY YELLOWTAIL

IN THE SENATE

FEBRUARY	19,	1987	INTRODUCED	AND	REFERRED	то	COMMITTEE
			ON JUDICIARY.				

- FEBRUARY 20, 1987 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
- FEBRUARY 21, 1987 PRINTING REPORT.
- FEBRUARY 23, 1987 SECOND READING, DO PASS.
- FEBRUARY 24, 1987 ENGROSSING REPORT.
- FEBRUARY 25, 1987 THIRD READING, PASSED. AYES, 50; NOES, 0.

TRANSMITTED TO HOUSE.

- IN THE HOUSE
- MARCH 3, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION.
- MARCH 7, 1987 COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
- MARCH 10, 1987 SECOND READING, CONCURRED IN AS AMENDED.
- MARCH 12, 1987 THIRD READING, CONCURRED IN. AYES, 89; NOES, 7.

RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 21, 1987 RECEIVE	D FROM	HOUSE.
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SECOND READING, AMENDMENTS CONCURRED IN.

MARCH 23, 1987

THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

50th Legislature

LC 1315/01

INTRODUCED BY Hellow ton P 1 2 3

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING IRRIGATION 4 DISTRICTS AUTHORITY TO ENTER INTO CONTRACTS WITH THE STATE 5 6 OF MONTANA FOR THE PURPOSE OF OBTAINING LOANS FOR IRRIGATION 7 PROJECTS, TO CREATE A SINKING FUND AND INVEST FUND 8 SURPLUSES, AND TO ESTABLISH LIENS AGAINST DISTRICT LANDS AND THE IRRIGATION SYSTEM; AUTHORIZING SPECIAL TAXES AND 9 ASSESSMENTS FOR PAYMENT OF OBLIGATIONS 10 UNDER STATE 11 CONTRACTS: REQUIRING APPROVAL OF IRRIGATION DISTRICT 12 LANDOWNERS PRIOR TO THE MAKING OF A CONTRACT WITH THE STATE: AND PROVIDING FOR COURT REVIEW OF IRRIGATION DISTRICT 13 14 CONTRACTS."

15

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

17 Section 1. Contracts with the state of Montana --18 loans, sinking fund, and investments. (1) The board of 19 commissioners of any irrigation district, whenever 20 considered advisable and in the interest of the district, 21 may enter into any obligation or contract with the state of 22 Montana for the purpose of obtaining from the state a loan 23 of money to be used by the district for:

24 (a) the liquidation of any bonded or outstanding25 indebtedness of the district; or



(b) the provision of any construction, improvement, or
 repair work necessary to place the irrigation system of the
 district in good operating condition.

(2) The board shall create, by proper levy and 4 5 collection of assessments, a sinking fund that must be available for the construction of betterments to the 6 irrigation system of the district as may be necessary during 7 8 the term of any contract made with the state as provided for 9 in subsection (1). The sinking fund must be designated the 10 "... District Sinking Fund for Betterments" and must be created in such an amount and within such time as may be 11 12 agreed upon between the district and the state of Montana.

13 (3) The board shall invest any surplus in the sinking
14 fund in legal investments backed, insured, or guaranteed by
15 the United States or the state of Montana, including federal
16 and state agency obligations.

Section 2. State contracts -- assessments. In any 17 contract entered into between an irrigation district and the 18 19 state of Montana under [this act], the board of 20 commissioners shall, in compliance with such contract, levy 21 assessments against all of the land within the district including such deficiency assessments as will enable the 22 23 district to meet established or anticipated delinguencies in making payments to the state of Montana because of the 24 25 failure of landowners to pay the assessments levied against

> 「INTRODUCED BILL ゴター・フィック

1 their lands in the district.

2 Section 3. Amount owed the state -- lien and special 3 tax. All amounts owed to the state under any contract made under [this act] between the district and the state of 4 5 Montana establish a general obligation of the district for 6 payment, and any amounts to be paid to the state of Montana 7 constitute a lien upon the irrigation system of the district. All lands now within the district or hereafter 8 9 embraced within the district are subject to a special tax or 10 assessment for the payment of all amounts owed to the state 11 under such contract between the district and the state of Montana, and this special tax or assessment constitutes a 12 13 first and prior lien on the land against which it is levied 14 to the same extent and with the same force and effect as 15 taxes levied for state and county purposes.

16 Section 4. Majority vote or petition necessary to 17 contract with the state. (1) No contract may be made between 18 an irrigation district and the state of Montana under [this 19 act] except upon:

20 (a) approval by a majority vote of those voting on the
21 question at an election conducted as prescribed in
22 85-7-1710; or

(b) receipt of a petition signed by at least 60% in
number and acreage of the holders of title or evidence of
title to lands within the district. Such petition must be

addressed to the board of commissioners and must set forth the aggregate amount of money to be borrowed from the state of Montana and the purpose for which the money will be used. The petition must include an affidavit certifying the signatures to the petition and must be filed with the secretary of the board of commissioners.

7 (2) In an election held for approval of a district
8 contract under this section, the voting majority must own at
9 least 50% of the acreage included in the district.

Section 5. Sta e contracts -- court approval required. 10 (1) The board of commissioners of an irrigation district, 11 before the making of a contract with the state of Montana 12 under (this act), shall commence a special proceeding in the 13 district court. In such proceeding, the proceedings of the 14 board and of the district leading up to the making of the 15 contract and the validity of the terms thereof must be 16 judicially examined and approved or disapproved. 17

(2) The practice and procedure for the confirmation of 18 any step or action provided for in subsection (1) must be as 19 nearly as possible in conformity with the practice and 20 21 procedure established for the confirmation before the issuance and sale of bonds of an irrigation district. The 22 23 district court may approve such proceedings in part and declare illegal or invalid other parts of the proceedings. 24 25 However, insofar as possible, the court shall remedy and

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cure all defects in the proceedings.

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Section 6. Codification instruction. Sections 1
through 5 are intended to be codified as an integral part of
Title 85, chapter 7, and the provisions of Title 85, chapter

5 7, apply to sections 1 through 5.

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APPROVED BY COMMITTEE ON JUDICIARY

SENATE BILL NO. 379 1 INTRODUCED BY YELLOWTAIL 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING IRRIGATION 4 5 DISTRICTS AUTHORITY TO ENTER INTO CONTRACTS WITH THE STATE OF MONTANA FOR THE PURPOSE OF OBTAINING LOANS FOR IRRIGATION 6 PROJECTS FROM THE COAL SEVERANCE TAX BONDING 7 PROGRAM 8 PROVIDED FOR IN TITLE 17, CHAPTER 5, PART 7, TO CREATE A SINKING FUND AND INVEST FUND SURPLUSES, AND TO ESTABLISH 9 LIENS AGAINST DISTRICT LANDS AND THE IRRIGATION SYSTEM; 10 AUTHORIZING SPECIAL TAXES AND ASSESSMENTS FOR PAYMENT OF 11 12 OBLIGATIONS UNDER STATE CONTRACTS; REQUIRING APPROVAL OF 13 IRRIGATION DISTRICT LANDOWNERS PRIOR TO THE MAKING OF A 14 CONTRACT WITH THE STATE; AND PROVIDING FOR COURT REVIEW OF IRRIGATION DISTRICT CONTRACTS." 15 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 17 Section 1. Contracts with the state of Montana --18

loans, sinking fund, and investments. (1) The board of 19 commissions of any irrigation district, whenever 20 21 considered advisable and in the interest of the district, may enter into any obligation or contract with the state of 22 Montana for the purpose of obtaining from-the-state a loan 23 24 of money FROM THE COAL SEVERANCE TAX BONDING PROGRAM 25 PROVIDED FOR IN TITLE 17, CHAPTER 5, PART 7, to be used by



the district for: 1

2 (a) the liquidation of any bonded or outstanding 3 indebtedness of the district; or

4 (b) the provision of any construction, improvement, or 5 repair work necessary to place the irrigation system of the 6 district in good operating condition.

7 (2) The board shall create, by proper levy and B collection of assessments, a sinking fund that must be 9 available for the construction of betterments to the 10 irrigation system of the district as may be necessary during 11 the term of any contract made with the state as provided for 12 in subsection (1). The sinking fund must be designated the 13 "... District Sinking Fund for Betterments" and must be 14 created in such an amount and within such time as may be agreed upon between the district and the state of Montana. 15 16 (3) The board shall invest any surplus in the sinking 17 fund in legal investments backed, insured, or guaranteed by the United States or the state of Montana, including federal 18 19 and state agency obligations.

20 Section 2. State contracts -- assessments. In any 21 contract entered into between an irrigation district and the 22 state of Montana under (this act), the board of 23 commissioners shall, in compliance with such contract, levy assessments against all of the land within the district 24 25 including such deficiency assessments as will enable the

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district to meet established or anticipated delinquencies in
 making payments to the state of Montana because of the
 failure of landowners to pay the assessments levied against
 their lands in the district.

5 Section 3. Amount owed the state -- lien and special 6 tax. All amounts owed to the state under any contract made 7 under (this act) between the district and the state of Montana establish a general obligation of the district for 8 9 payment, and any amounts to be paid to the state of Montana 10 constitute a lien upon the irrigation system of the 11 district. All lands now within the district or hereafter embraced within the district are subject to a special tax or 12 assessment for the payment of all amounts owed to the state 13 14 under such contract between the district and the state of 15 Montana, and this special tax or assessment constitutes a 16 first and prior lien on the land against which it is levied to the same extent and with the same force and effect as 17 18 taxes levied for state and county purposes.

19 Section 4. Majority vote or petition necessary to 20 contract with the state. (1) No contract may be made between 21 an irrigation district and the state of Montana under [this 22 act] except upon:

(a) approval by a majority vote of those voting on the
 question at an election conducted as prescribed in
 85-7-1710; or

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2 number and acreage of the holders of title or evidence of 3 title to lands within the district. Such petition must be 4 addressed to the board of commissioners and must set forth the aggregate amount of money to be borrowed from the state S of-Montana COAL SEVERANCE TAX BONDING PROGRAM PROVIDED FOR 6 7 IN TITLE 17, CHAPTER 5, PART 7, and the purpose for which the money will be used. The petition must include an 8 9 affidavit certifying the signatures to the petition and must 10 be filed with the secretary of the board of commissioners. 11 (2) In an election held for approval of a district 12 contract under this section, the voting majority must own at least 50% of the acreage included in the district. 13 14 Section 5. State contracts -- court approval required. 15 (1) The board of commissioners of an irrigation district, 16 before the making of a contract with the state of Montana under [this act], shall commence a special proceeding in the 17 18 district court. In such proceeding, the proceedings of the 19 board and of the district leading up to the making of the contract and the validity of the terms thereof must be 20 21 judicially examined and approved or disapproved.

(b) receipt of a petition signed by at least 60% in

(2) The practice and procedure for the confirmation of
any step or action provided for in subsection (1) must be as
nearly as possible in conformity with the practice and
procedure established for the confirmation before the

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issuance and sale of bonds of an irrigation district. The
 district court may approve such proceedings in part and
 declare illegal or invalid other parts of the proceedings.
 However, insofar as possible, the court shall remedy and
 cure all defects in the proceedings.

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6 Section 6. Codification instruction. Sections 1
7 through 5 are intended to be codified as an integral part of
8 Title 85, chapter 7, and the provisions of Title 85, chapter
9 7, apply to sections 1 through 5.

-End-

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2 INTRODUCED BY YELLOWTAIL 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING IRRIGATION 5 DISTRICTS AUTHORITY TO ENTER INTO CONTRACTS WITH THE STATE 6 OF MONTANA FOR THE PURPOSE OF OBTAINING LOANS FOR IRRIGATION 7 PROJECTS FROM THE COAL SEVERANCE TAX BONDING PROGRAM PROVIDED FOR IN TITLE 17, CHAPTER 5, PART 7, TO CREATE A 8 SINKING FUND AND INVEST FUND SURPLUSES. AND TO ESTABLISH 9 10 LIENS AGAINST DISTRICT LANDS AND THE IRRIGATION SYSTEM: AUTHORIZING SPECIAL TAXES AND ASSESSMENTS FOR PAYMENT OF 11 OBLIGATIONS UNDER STATE CONTRACTS; REQUIRING APPROVAL OF 12 13 IRRIGATION DISTRICT LANDOWNERS PRIOR TO THE MAKING OF A CONTRACT WITH THE STATE: AND PROVIDING FOR COURT REVIEW OF 14 IRRIGATION DISTRICT CONTRACTS." 15

SENATE BILL NO. 379

16

17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA;

Section 1. Contracts with the state of Montana --18 loans, sinking fund, and investments. (1) The board of 19 of any irrigation district, whenever 20 commissioners considered advisable and in the interest of the district, 21 22 may enter into any obligation or contract with the state of Montana for the purpose of obtaining from-the-state a loan 23 of money FROM THE COAL SEVERANCE TAX BONDING PROGRAM 24 PROVIDED FOR IN TITLE 17, CHAPTER 5, PART 7, to be used by 25

1 the district for:

2 (a) the liquidation of any bonded or outstanding
3 indebtedness of the district; or

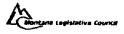
4 (b) the provision of any construction, improvement, or
5 repair work necessary to place the irrigation system of the
6 district in good operating condition.

(2) The board shall create, by proper levy and 7 θ collection of assessments, a sinking fund that must be 9 available for the construction of betterments to the 10 irrigation system of the district as may be necessary during 11 the term of any contract made with the state as provided for 12 in subsection (1). The sinking fund must be designated the "... District Sinking Fund for Betterments" and must be 13 created in such an amount and within such time as may be 14 15 agreed upon between the district and the state of Montana. 16 (3) The board shall invest any surplus in the sinking

17 fund in legal investments backed, insured, or guaranteed by
18 the United States or the state of Montana, including federal
19 and state agency obligations.

20 Section 2. State contracts -- assessments. In any 21 contract entered into between an irrigation district and the 22 state of Montana under [this act], the board of 23 commissioners shall, in compliance with such contract, levy 24 assessments against all of the land within the district 25 including such deficiency assessments as will enable the

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THIRD READING

district to meet established or anticipated delinquencies in
 making payments to the state of Montana because of the
 failure of landowners to pay the assessments levied against
 their lands in the district.

5 Section 3. Amount owed the state -- lien and special 6 tax. All amounts owed to the state under any contract made 7 under [this act] between the district and the state of 8 Montana establish a general obligation of the district for payment, and any amounts to be paid to the state of Montana 9 constitute a lien upon the irrigation system of the 10 11 district. All lands now within the district or hereafter embraced within the district are subject to a special tax or 12 13 assessment for the payment of all amounts owed to the state under such contract between the district and the state of 14 15 Montana, and this special tax or assessment constitutes a 16 first and prior lien on the land against which it is levied 17 to the same extent and with the same force and effect as taxes levied for state and county purposes. 18

19 Section 4. Majority vote or petition necessary to 20 contract with the state. (1) No contract may be made between 21 an irrigation district and the state of Montana under [this 22 act] except upon:

(a) approval by a majority vote of those voting on the
question at an election conducted as prescribed in
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1 (b) receipt of a petition signed by at least 60% in 2 number and acreage of the holders of title or evidence of 3 title to lands within the district. Such petition must be 4 addressed to the board of commissioners and must set forth the aggregate amount of money to be borrowed from the state 5 6 of-Montana COAL SEVERANCE TAX BONDING PROGRAM PROVIDED FOR 7 IN TITLE 17, CHAPTER 5, PART 7, and the purpose for which 8 the money will be used. The petition must include an 9 affidavit certifying the signatures to the petition and must be filed with the secretary of the board of commissioners. 10 11 (2) In an election held for approval of a district 12 contract under this section, the voting majority must own at 13 least 50% of the acreage included in the district. 14 Section 5. State contracts -- court approval required. 15 (1) The board of commissioners of an irrigation district, 16 before the making of a contract with the state of Montana 17 under [this act], shall commence a special proceeding in the 18 district court. In such proceeding, the proceedings of the

19 board and of the district leading up to the making of the
20 contract and the validity of the terms thereof must be
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issuance and sale of bonds of an irrigation district. The
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7 through 5 are intended to be codified as an integral part of
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SENATE BILL NO. 379 1 INTRODUCED BY YELLOWTAIL 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING IRRIGATION 4 DISTRICTS AUTHORITY TO ENTER INTO CONTRACTS WITH THE STATE 5 OF MONTANA FOR THE PURPOSE OF OBTAINING LOANS FOR IRRIGATION 6 PROJECTS FROM VARIOUS SOURCES, INCLUDING THE COAL SEVERANCE 7 TAX BONDING PROGRAM PROVIDED FOR IN TITLE 17, CHAPTER 5, 8 PART 7, TO CREATE A SINKING FUND AND INVEST FUND SURPLUSES, 9 AND TO ESTABLISH LIENS AGAINST DISTRICT LANDS AND THE 10 IRRIGATION SYSTEM; AUTHORIZING SPECIAL TAXES AND ASSESSMENTS 11 FOR PAYMENT OF OBLIGATIONS UNDER STATE CONTRACTS; REQUIRING 12 APPROVAL OF IRRIGATION DISTRICT LANDOWNERS PRIOR TO THE 13 MAKING OF A CONTRACT WITH THE STATE; AND PROVIDING FOR COURT 14 REVIEW OF IRRIGATION DISTRICT CONTRACTS." 15 16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 17 Section 1. Contracts with the state of Montana --18 loans, sinking fund, and investments. (1) The board of 19 commissioners of any irrigation district, whenever 20 considered advisable and in the interest of the district, 21 may enter into any obligation or contract with the state of 22 Montana for the purpose of obtaining from-the-state a loan 23 of money FROM VARIOUS SOURCES, INCLUDING THE COAL SEVERANCE 24 TAX BONDING PROGRAM PROVIDED FOR IN TITLE 17, CHAPTER 5, 25



1 PART 7, to be used by the district for:

2 (a) the liquidation of any bonded or outstanding
3 indebtedness of the district; or

4 (b) the provision of any construction, improvement, or 5 repair work necessary to place the irrigation system of the 6 district in good operating condition.

(2) The board shall create, by proper levy 7 and collection of assessments, a sinking fund that must be 8 available for the construction of betterments to 9 the irrigation system of the district as may be necessary during 10 the term of any contract made with the state as provided for 11 12 in subsection (1). The sinking fund must be designated the "... District Sinking Fund for Betterments" and must be 13 14 created in such an amount and within such time as may be 15 agreed upon between the district and the state of Montana. 16 (3) The board shall invest any surplus in the sinking 17 fund in legal investments backed, insured, or guaranteed by

18 the United States or the state of Montana, including federal 19 and state agency obligations.

20 Section 2. State contracts -- assessments. In any 21 contract entered into between an irrigation district and the 22 state of Montana under [this act], the board of 23 commissioners shall, in compliance with such contract, levy 24 assessments against all-of-the-land THE LANDS BENEFITED BY 25 THE CONTRACT within the district including such deficiency

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assessments as will enable the district to meet established
 or anticipated delinquencies in making payments to the state
 of Montana because of the failure of landowners to pay the
 assessments levied against their lands in the district.

Section 3. Amount owed the state -- lien and special 5 tax. All amounts owed to the state under any contract made б under [this act] between the district and the state of 7 8 Montana establish a general obligation of the district for payment, and any amounts to be paid to the state of Montana 9 10 constitute a lien upon the irrigation system of the district. All lands now within the district or hereafter 11 12 embraced within the district are subject to a special tax or 13 assessment for the payment of all amounts owed to the state 14 under such contract between the district and the state of Montana, and this special tax or assessment constitutes a 15 16 first and prior lien on the land against which it is levied to the same extent and with the same force and effect as 17 18 taxes levied for state and county purposes.

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1 (b) receipt of a petition signed by at least 60% in 2 number and acreage of the holders of title or evidence of title to lands within the district. Such petition must be 3 addressed to the board of commissioners and must set forth 4 5 the aggregate amount of money to be borrowed from VARIOUS 6 SOURCES, INCLUDING the state-of-Montana COAL SEVERANCE TAX 7 BONDING PROGRAM PROVIDED FOR IN TITLE 17, CHAPTER 5, PART 7, 8 and the purpose for which the money will be used. The 9 petition must include an affidavit certifying the signatures 10 to the petition and must be filed with the secretary of the board of commissioners. 11

12 (2) In an election held for approval of a district
13 contract under this section, the voting majority must own at
14 least 50% of the acreage included in the district.

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24 any step or action provided for in subsection (1) must be as
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procedure established for the confirmation before the
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7 Section 6. Codification instruction. Sections 1
8 through 5 are intended to be codified as an integral part of
9 Title 85, chapter 7, and the provisions of Title 85, chapter
10 7, apply to sections 1 through 5.

-End-

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COMMITTEE OF THE WHOLE AMENDMENT

HOUSE

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<u>3-10-87</u> DATE 10:00 TIME

MR. CH. IRMAN: I MOVE TO AMEND _____ SB 379

<u>3rd</u> reading copy (<u>blue</u>) as follows: Color

1) Title, line 7. Following: " FROM " Insert: "VARIOUS SOURCES, INCLUDING"

2) Page 1, line 24. Following: " <u>FROM</u> " Insert: "various sources, including"

3) Page 2, line 24. Strike: "all of the land" Insert: "the lands benefited by the contract"

4) Page 4, line 5. Following: "from" Insert: "various sources, including"

ADOPT REJECT 3101000T.CW

Rep. Manuel