

HOUSE BILL NO. 228
INTRODUCED BY HARRINGTON

IN THE HOUSE

JANUARY 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
JANUARY 21, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 23, 1989	PRINTING REPORT.
JANUARY 24, 1989	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
JANUARY 25, 1989	ON MOTION, CONSIDERATION PASSED FOR THE DAY.
JANUARY 26, 1989	SECOND READING, DO PASS AS AMENDED.
JANUARY 27, 1989	ENGROSSING REPORT.
JANUARY 28, 1989	THIRD READING, PASSED. AYES, 84; NOES, 8.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 30, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
MARCH 8, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 9, 1989	SECOND READING, CONCURRED IN.
MARCH 11, 1989	THIRD READING, CONCURRED IN. AYES, 43; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 11, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 228
2 INTRODUCED BY Sanmyth
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING SCHOOL
5 DISTRICTS TO ISSUE AND SELL SHORT-TERM OBLIGATIONS TO THE
6 BOARD OF INVESTMENTS; ESTABLISHING TERMS AND CONDITIONS FOR
7 THE ISSUANCE OF THE OBLIGATIONS; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 NEW SECTION. **Section 1.** Issuance of short-term
12 obligations -- authorization -- conditions. (1) The trustees
13 of a school district may issue and sell to the board of
14 investments short-term obligations for the purpose of
15 financing all or a portion of:
16 (a) the costs of vehicles and equipment;
17 (b) the costs associated with renovating,
18 rehabilitating, and improving real property, including but
19 not limited to roof repairs, heating, plumbing, and
20 electrical systems;
21 (c) any other capital expenditure the district is
22 otherwise authorized to make; and
23 (d) the costs associated with the issuance and sale of
24 the short-term obligations.
25 (2) The term of the short-term obligation may not

1 exceed 5 full fiscal years.
2 (3) At the time of issuing the obligation, there must
3 exist an amount in the budget for the current fiscal year
4 available and sufficient to make the debt service payment on
5 the obligation coming due in the current year. The budget
6 for each following year in which any portion of the
7 principal of and interest on the obligation is due must
8 provide for payment of such principal and interest.
9 (4) The proceeds of the short-term obligation may not
10 be used to acquire real property, except upon compliance
11 with the requirements of 20-6-603.
12 (5) An obligation issued is payable from any legally
13 available fund of the district and constitutes a general
14 obligation of the district.
15 (6) The obligation may bear interest at a fixed or
16 variable rate and may be sold to the board of investments at
17 par, at a discount or with a premium, and upon any other
18 terms and conditions that the trustees determine to be in
19 the best interests of the district.
20 (7) The principal amount of the short-term obligation,
21 when added to the outstanding bonded indebtedness of the
22 district, may not exceed the debt limitation established in
23 20-9-406.
24 NEW SECTION. **Section 2.** Codification instruction.
25 [Section 1] is intended to be codified as an integral part

LC 0915/01

1 of Title 20, chapter 9, part 4, and the provisions of Title
2 20 apply to [section 1].

3 NEW SECTION. **Section 3.** Effective date. [This act] is
4 effective on passage and approval.

-End-

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

HOUSE BILL NO. 228

INTRODUCED BY HARRINGTON

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING SCHOOL DISTRICTS TO ISSUE AND SELL SHORT-TERM OBLIGATIONS TO THE BOARD OF INVESTMENTS; ESTABLISHING TERMS AND CONDITIONS FOR THE ISSUANCE OF THE OBLIGATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Issuance of short-term obligations -- authorization -- conditions. (1) The trustees of a school district may, WITHOUT A VOTE OF THE ELECTORS OF THE DISTRICT, issue and sell to the board of investments short-term obligations for the purpose of financing all or a portion of:

(a) the costs of vehicles and equipment;

(b) the costs associated with renovating, rehabilitating, and improving real property, including but not limited to roof repairs, heating, plumbing, and electrical systems;

(c) any other capital expenditure the district is otherwise authorized to make; and

(d) the costs associated with the issuance and sale of the short-term obligations.

(2) The term of the short-term obligation may not exceed 5 full fiscal years.

(3) At the time of issuing the obligation, there must exist an amount in the budget for the current fiscal year available and sufficient to make the debt service payment on the obligation coming due in the current year. The budget for each following year in which any portion of the principal of and interest on the obligation is due must provide for payment of such principal and interest.

(4) The proceeds of the short-term obligation may not be used to acquire real property, except upon compliance with the requirements of 20-6-603.

(5) An obligation issued is payable from any legally available fund of the district and constitutes a general obligation of the district.

(6) The obligation may bear interest at a fixed or variable rate and may be sold to the board of investments at par, at a discount or with a premium, and upon any other terms and conditions that the trustees determine to be in the best interests of the district.

(7) The principal amount of the short-term obligation, when added to the outstanding bonded indebtedness of the district, may not exceed the debt limitation established in 20-9-406.

NEW SECTION. Section 2. Codification instruction.

HB 0228/02

1 [Section 1] is intended to be codified as an integral part
2 of Title 20, chapter 9, part 4, and the provisions of Title
3 20 apply to [section I].

4 NEW SECTION. **Section 3.** Effective date. [This act] is
5 effective on passage and approval.

-End-

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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING SCHOOL DISTRICTS TO ISSUE AND SELL SHORT-TERM OBLIGATIONS TO THE BOARD OF INVESTMENTS; ESTABLISHING TERMS AND CONDITIONS FOR THE ISSUANCE OF THE OBLIGATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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(a) the costs of vehicles and equipment;

(b) the costs associated with renovating, rehabilitating, and ~~improving--real--property~~ REMODELING FACILITIES, including but not limited to roof repairs, heating, plumbing, and electrical systems;

(c) any other capital expenditure the district is otherwise authorized to make, SUBJECT TO SUBSECTION (4); and

(d) the costs associated with the issuance and sale of the short-term obligations.

(2) The term of the short-term obligation may not exceed 5 full fiscal years.

(3) At the time of issuing the obligation, there must exist an amount in the budget for the current fiscal year available and sufficient to make the debt service payment on the obligation coming due in the current year. The budget for each following year in which any portion of the principal of and interest on the obligation is due must provide for payment of such principal and interest.

(4) The proceeds of the short-term obligation may not be used to acquire real property, ~~--except--upon--compliance with--the--requirements--of--20-6-603~~ OR CONSTRUCT A FACILITY.

(5) An obligation issued is payable from any legally available fund of the district and constitutes a general obligation of the district.

(6) The obligation may bear interest at a fixed or variable rate and may be sold to the board of investments at par, at a discount or with a premium, and upon any other terms and conditions that the trustees determine to be in the best interests of the district.

(7) The principal amount of the short-term obligation, when added to the outstanding bonded indebtedness of the district, may not exceed the debt limitation established in 20-9-406.

NEW SECTION. Section 2. Codification instruction.

HB 0228/03

1 [Section 1] is intended to be codified as an integral part
2 of Title 20, chapter 9, part 4, and the provisions of Title
3 20 apply to [section 1].

4 NEW SECTION. **Section 3.** Effective date. [This act] is
5 effective on passage and approval.

-End-

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2 of Title 20, chapter 9, part 4, and the provisions of Title
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