## SENATE BILL NO. 457

INTRODUCED BY AKLESTAD, IVERSON, LYNCH, JENKINS, MAZUREK, NATHE, BECK

IN THE SENATE

FEBRUARY 17, 1989 ON MOTION, RULES SUSPENDED TO ALLOW INTRODUCTION OF SENATE BILL 457.

FEBRUARY 18, 1989 INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.

FIRST READING.

COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.

ON MOTION, BILL PRINTED AND PLACED ON SECOND READING ON THE 43RD LEGISLATIVE DAY.

INTRODUCED AND REFERRED TO COMMITTEE

FEBRUARY 20, 1989 PRINTING REPORT.

SECOND READING, DO PASS.

ENGROSSING REPORT.

FEBRUARY 21, 1989 THIRD READING, PASSED. AYES, 49; NOES, 1.

TRANSMITTED TO HOUSE.

ON LOCAL GOVERNMENT.

FIRST READING.

IN THE HOUSE

FEBRUARY 21, 1989

FEBRUARY 28, 1989

MARCH 3, 1989

MARCH 4, 1989

SECOND READING, CONCURRED IN.

COMMITTEE RECOMMEND BILL BE

CONCURRED IN. REPORT ADOPTED.

MARCH 6, 1989

THIRD READING, CONCURRED IN. AYES, 94; NOES, 0.

RETURNED TO SENATE.

IN THE SENATE

MARCH 6, 1989

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 INTRODUCED BY 2 3 "AN ACT ALLOWING A COUNTY, A BILL FOR AN ACT ENTITLED: 4 CITY, OR TOWN TO ISSUE REFUNDING BONDS AT AN INTEREST RATE 5 IN EXCESS OF THE RATE ON THE REFUNDED BONDS IF THE REFUNDING 6 RESULTS IN A REDUCTION OF TOTAL DEBT SERVICE COST; AMENDING 7 SECTIONS 7-7-2304, 7-7-4304, 7-7-4502, AND 7-7-4610, MCA; 8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 Section 1. Section 7-7-2304, MCA, is amended to read: 12 on refunding general rate "7-7-2304. Interest 13 obligation bonds. (1) No Except as provided in subsection 14 (2), refunding bonds shall may not be issued unless such the 15 refunding bonds shall bear interest at a rate of at least 16 1/2 of 1% less than the outstanding bonds which are to be 17 refunded. 18 (2) Refunding bonds may bear interest in excess of the 19 rate on the refunded bonds if the issuance of the refunding 20 bonds, including the total costs of refunding the bonds, 21 results in a reduction of total debt service cost to the 22 23 county." Section 2. Section 7-7-4304, MCA, is amended to read: 24 rate on refunding general \*7-7-4304. Interest 25

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1	obligation bonds. (1) No Except as provided in subsection		
2	(2), refunding bonds shall may not be issued unless such the		
3	refunding bonds <b>shall</b> bear interest at a rate of at least		
4	<pre>1/2 of 1% less than the interest rate of the outstanding</pre>		
5	bonds to be refunded.		
6	(2) Refunding bonds may bear interest in excess of the		
7	rate on the refunded bonds if the issuance of the refunding		
8	bonds, including the total costs of refunding the bonds,		
9	results in a reduction of total debt service cost to the		
10	city or town."		
11	Section 3. Section 7-7-4502, MCA, is amended to read:		
12	"7-7-4502. Interest rates on refunding revenue bonds.		
13	(1) Except as provided in subsection (2), refunding bonds		
14	<pre>shall may not be issued unless their average annual interest</pre>		
15	rate, computed to their stated maturity dates and excluding		
16	any premium from such computation, is at least 3/8 of 1%		
17	less than the average annual interest rate on the bonds		
18	refunded thereby, computed to their respective stated		
19	maturity dates.		
20	(2) Refunding bonds may bear interest at a rate lower		
21	or higher than the bonds refunded thereby if:		
22	(a) they are issued to refund matured principal or		
23	interest for the payment of which revenues on hand are not		
24	sufficient; or		
25	(b) the refunding bonds are combined with an issue of		

# -2- INTRODUCED BILL SB 457

LC 1776/01

and we wanted a series of the second series and a series and a series of the series and the series and the series of the

new bonds for reconstruction, improvement, betterment, or extension and the lien of such new bonds upon the revenues of the undertaking must be junior and subordinate to the lien of the outstanding bonds refunded, under the terms of the ordinances or resolutions authorizing the outstanding bonds as applied to circumstances existing on the date of refunding; or

8 (c) the issuance of the refunding bonds, including the
9 total costs of refunding the bonds, results in a reduction
10 of total debt service cost to the municipality."

Section 4. Section 7-7-4610, MCA, is amended to read: "7-7-4610. Details relating to refunding revenue bonds. The refunding bonds may, as provided by resolution of the governing body of the municipality:

15 (1) be issued in one or more series, bear such date or 16 dates, and mature at such time or times, not exceeding the 17 period of usefulness of the enterprise, as determined by the 18 governing body in its discretion, and, in any event, not 19 exceeding 40 years from their respective dates;

(2) bear interest at such rate or rates not exceeding
the maximum rate of interest borne by the notes, bonds, or
other obligations refinanced thereby, except that refunding
bonds may bear interest in excess of the rate on the
refunded bonds if the issuance of the refunding bonds,
including the total costs of refunding the bonds, results in

#### 1 a reduction of total debt service cost to the municipality; 2 (3) be in such denomination or denominations and be in such form, either coupon or registered; 3 (4) carry such registration and conversion privileges; А (5) be executed in such manner; 5 (6) be payable in such medium of payment and at such б 7 place or places; (7) be subject to such terms of redemption, with or 8 9 without a premium; (8) be declared or become due before the maturity date 10 thereof; 11 (9) provide for the replacement of mutilated, 12 destroyed, stolen, or lost bonds; 13 (10) be authenticated in such manner and upon 14 15 compliance with such conditions; and (11) contain such other terms and covenants." 16 NEW SECTION. Section 5. Effective date. [This act] is 17

18 effective on passage and approval.

-End-

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519t	Législature LC 1776/01 APPROVED BY COMM. ON LOCAL GOVERNMENT
	ON MOTION, PRINTED AND
	PLACED ON SECOND READING
1	Agnate BILL NO. 45%
2	INTRODUCED BY HILLESTAD Jues April
3	Julia Maquich NATHER &
4	A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY,
5	CITY, OR TOWN TO ISSUE REFUNDING BONDS AT AN INTEREST RATE
6	IN EXCESS OF THE RATE ON THE REFUNDED BONDS IF THE REFUNDING
7	RESULTS IN A REDUCTION OF TOTAL DEBT SERVICE COST; AMENDING
8	SECTIONS 7-7-2304, 7-7-4304, 7-7-4502, AND 7-7-4610, MCA;
9	AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 7-7-2304, MCA, is amended to read:
13	"7-7-2304. Interest rate on refunding general
14	obligation bonds. (1) No Except as provided in subsection
15	(2), refunding bonds shall may not be issued unless such the
16	refunding bonds <b>shall</b> bear interest at a rate of at least
17	1/2 of 1% less than the outstanding bonds which are to be
18	refunded.
19	(2) Refunding bonds may bear interest in excess of the
20	rate on the refunded bonds if the issuance of the refunding
21	bonds, including the total costs of refunding the bonds,
22	results in a reduction of total debt service cost to the
23	county."
24	Section 2. Section 7-7-4304, MCA, is amended to read:
25	"7-7-4304. Interest rate on refunding general

. . . . .

1 obligation bonds. (1) No Except as provided in subsection 2 (2), refunding bonds shall may not be issued unless such the 3 refunding bonds shall bear interest at a rate of at least 4 1/2 of 1% less than the interest rate of the outstanding 5 bonds to be refunded. (2) Refunding bonds may bear interest in excess of the 6 7 rate on the refunded bonds if the issuance of the refunding 8 bonds, including the total costs of refunding the bonds, results in a reduction of total debt service cost to the 9 10 city or town." 11 Section 3. Section 7-7-4502, MCA, is amended to read: "7-7-4502. Interest rates on refunding revenue bonds. 12 (1) Except as provided in subsection (2), refunding bonds 13 14 shall may not be issued unless their average annual interest 15 rate, computed to their stated maturity dates and excluding any premium from such computation, is at least 3/8 of 1% 16 less than the average annual interest rate on the bonds 17 18 refunded thereby, computed to their respective stated 19 maturity dates. 20 (2) Refunding bonds may bear interest at a rate lower 21 or higher than the bonds refunded thereby if: (a) they are issued to refund matured principal or 22

23 interest for the payment of which revenues on hand are not 24 sufficient; or

25 (b) the refunding bonds are combined with an issue of

> SECOND READING -2-5B 457

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new bonds for reconstruction, improvement, betterment, or extension and the lien of such new bonds upon the revenues of the undertaking must be junior and subordinate to the lien of the outstanding bonds refunded, under the terms of the ordinances or resolutions authorizing the outstanding bonds as applied to circumstances existing on the date of refunding; or

8 (c) the issuance of the refunding bonds, including the
9 total costs of refunding the bonds, results in a reduction
10 of total debt service cost to the municipality."

Section 4. Section 7-7-4610, MCA, is amended to read: "7-7-4610. Details relating to refunding revenue bonds. The refunding bonds may, as provided by resolution of the governing body of the municipality:

15 (1) be issued in one or more series, bear such date or 16 dates, and mature at such time or times, not exceeding the 17 period of usefulness of the enterprise, as determined by the 18 governing body in its discretion, and, in any event, not 19 exceeding 40 years from their respective dates;

(2) bear interest at such rate or rates not exceeding
the maximum rate of interest borne by the notes, bonds, or
other obligations refinanced thereby, except that refunding
bonds may bear interest in excess of the rate on the
refunded bonds if the issuance of the refunding bonds,
including the total costs of refunding the bonds, results in

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a reduction of total debt service cost to the municipality; 1 (3) be in such denomination or denominations and be in 2 3 such form, either coupon or registered; (4) carry such registration and conversion privileges; 4 be executed in such manner; 5 (5) (6) be payable in such medium of payment and at such б 7 place or places; (7) be subject to such terms of redemption, with or 8 9 without a premium; (8) be declared or become due before the maturity date 10 11 thereof; (9) provide for the replacement of mutilated, 12 destroyed, stolen, or lost bonds; 13 (10) be authenticated in such manner and upon 14 15 compliance with such conditions; and (11) contain such other terms and covenants." 16 NEW SECTION. Section 5. Effective date. [This act] is 17

นายรามที่ว่าแปลรายหนึ่งระบบของสามนิยศักร์ และเพราะส่วนหนังของและพร้างการสามหายและสามหายและสามหาย () และสามรายส

18 effective on passage and approval.

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nate BILL NO. 45% 1 INTRODUCED BY HKLESTAD. 2 ٦ "AN ACT ALLOWING A COUNTY. A BILL FOR AN ACT ENTITLED: CITY, OR TOWN TO ISSUE REFUNDING BONDS AT AN INTEREST RATE 5 IN EXCESS OF THE RATE ON THE REFUNDED BONDS IF THE REFUNDING 6 RESULTS IN A REDUCTION OF TOTAL DEBT SERVICE COST; AMENDING 7 SECTIONS 7-7-2304, 7-7-4304, 7-7-4502, AND 7-7-4610, MCA; 8 9 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE." *7*0 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  $11^{\circ}$ 12 Section 1. Section 7-7-2304, MCA, is amended to read:

12 "7-7-2304. Interest rate on refunding general 13 "7-7-2304. Interest rate on refunding general 14 obligation bonds. (1) No Except as provided in subsection 15 (2), refunding bonds shall may not be issued unless such the 16 refunding bonds shall bear interest at a rate of at least 17 1/2 of 1% less than the outstanding bonds which are to be 18 refunded.

19 (2) Refunding bonds may bear interest in excess of the 20 rate on the refunded bonds if the issuance of the refunding 21 bonds, including the total costs of refunding the bonds, 22 results in a reduction of total debt service cost to the 23 county."

Section 2. Section 7-7-4304, MCA, is amended to read:
"7-7-4304. Interest rate on refunding general

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ι obligation bonds. (1) No Except as provided in subsection (2), refunding bonds shall may not be issued unless such the 2 refunding bonds <del>shall</del> bear interest at a rate of at least 3 4 1/2 of 1% less than the interest rate of the outstanding S bonds to be refunded. (2) Refunding bonds may bear interest in excess of the 6 7 rate on the refunded bonds if the issuance of the refunding 8 bonds, including the total costs of refunding the bonds, 9 results in a reduction of total debt service cost to the 10 city or town." 11 Section 3. Section 7-7-4502, MCA, is amended to read: 12 "7-7-4502. Interest rates on refunding revenue bonds. (1) Except as provided in subsection (2), refunding bonds 13 shall may not be issued unless their average annual interest 14 15 rate, computed to their stated maturity dates and excluding any premium from such computation, is at least 3/8 of 1% 16 17 less than the average annual interest rate on the bonds refunded thereby, computed to their respective stated 18 19 maturity dates. (2) Refunding bonds may bear interest at a rate lower 20

21 or higher than the bonds refunded thereby if:

(a) they are issued to refund matured principal or
interest for the payment of which revenues on hand are not
sufficient; or

(b) the refunding bonds are combined with an issue of

# -2- THIRD READING SB 457

new bonds for reconstruction, improvement, betterment, or extension and the lien of such new bonds upon the revenues of the undertaking must be junior and subordinate to the lien of the outstanding bonds refunded, under the terms of the ordinances or resolutions authorizing the outstanding bonds as applied to circumstances existing on the date of refunding; or

8 (c) the issuance of the refunding bonds, including the
9 total costs of refunding the bonds, results in a reduction
10 of total debt service cost to the municipality."

Section 4. Section 7-7-4610, MCA, is amended to read:
 "7-7-4610. Details relating to refunding revenue
 bonds. The refunding bonds may, as provided by resolution of
 the governing body of the municipality:

15 (1) be issued in one or more series, bear such date or 16 dates, and mature at such time or times, not exceeding the 17 period of usefulness of the enterprise, as determined by the 18 governing body in its discretion, and, in any event, not 19 exceeding 40 years from their respective dates;

(2) bear interest at such rate or rates not exceeding
the maximum rate of interest borne by the notes, bonds, or
other obligations refinanced thereby, except that refunding
bonds may bear interest in excess of the rate on the
refunded bonds if the issuance of the refunding bonds,
including the total costs of refunding the bonds, results in

1	a reduction of total debt service cost to the municipality;		
2	(3) be in such denomination or denominations and be in		
3	such form, either coupon or registered;		
. 4	<li>(4) carry such registration and conversion privileges;</li>		
5	(5) be executed in such manner;		
6	(6) be payable in such medium of payment and at such		
7	place or places;		
8	(7) be subject to such terms of redemption, with or		
9	without a premium;		
10	(B) be declared or become due before the maturity date		
11	thereof;		
12	(9) provide for the replacement of mutilated,		
13	destroyed, stolen, or lost bonds;		
14	(10) be authenticated in such manner and upon		
15	compliance with such conditions; and		
16	(11) contain such other terms and covenants."		
17	NEW SECTION. Section 5. Effective date. [This act] is		
18	effective on passage and approval.		
	-End-		

LC 1776/01

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51st Legislature

SB 0457/02

1	SENATE BILL NO. 457	1	*7-7-4304. Interest rate on refunding general
2	INTRODUCED BY AKLESTAD, IVERSON, LYNCH,	2	obligation bonds. (1) No Except as provided in subsection
3	JENKINS, MAZUREK, NATHE, BECK	3	(2), refunding bonds shall may not be issued unless such the
4		4	refunding bonds shall bear interest at a rate of at least
5	A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A COUNTY,	5	1/2 of 1% less than the interest rate of the outstanding
6	CITY, OR TOWN TO ISSUE REFUNDING BONDS AT AN INTEREST RATE	б	bonds to be refunded.
7	IN EXCESS OF THE RATE ON THE REFUNDED BONDS IF THE REFUNDING	7	(2) Refunding bonds may bear interest in excess of the
8	RESULTS IN A REDUCTION OF TOTAL DEBT SERVICE COST; AMENDING	8	rate on the refunded bonds if the issuance of the refunding
9	SECTIONS 7-7-2304, 7-7-4304, 7-7-4502, AND 7-7-4610, MCA;	9	bonds, including the total costs of refunding the bonds,
10	AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."	10	results in a reduction of total debt service cost to the
11		11	city or town."
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	12	Section 3. Section 7-7-4502, MCA, is amended to read:
13	Section 1. Section 7-7-2304, MCA, is amended to read:	13	"7-7-4502. Interest rates on refunding revenue bonds.
14	"7-7-2304. Interest rate on refunding general	14	(1) Except as provided in subsection (2), refunding bonds
15	obligation bonds. (1) No Except as provided in subsection	15	shall may not be issued unless their average annual interest
16	(2), refunding bonds shall may not be issued unless such the	16	rate, computed to their stated maturity dates and excluding
17	refunding bonds <b>sha</b> ll bear interest at a rate of at least	17	any premium from such computation, is at least 3/8 of 1%
18	1/2 of 1% less than the outstanding bonds which are to be	18	less than the average annual interest rate on the bonds
19	refunded.	19	refunded thereby, computed to their respective stated
20	(2) Refunding bonds may bear interest in excess of the	20	maturity dates.
21	rate on the refunded bonds if the issuance of the refunding	21	(2) Refunding bonds may bear interest at a rate lower
22	bonds, including the total costs of refunding the bonds,	22	or higher than the bonds refunded thereby if:
23	results in a reduction of total debt service cost to the	23	(a) they are issued to refund matured principal or
24	county."	24	interest for the payment of which revenues on hand are not
25	Section 2. Section 7-7-4304, MCA, is amended to read:	25	sufficient; <del>or</del>



REFERENCE BILL

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1 (b) the refunding bonds are combined with an issue of bonds for reconstruction, improvement, betterment, or 2 new 3 extension and the lien of such new bonds upon the revenues 4 of the undertaking must be junior and subordinate to the 5 lien of the outstanding bonds refunded, under the terms of the ordinances or resolutions authorizing the outstanding 6 bonds as applied to circumstances existing on the date of 7 8 refunding; or

9 (c) the issuance of the refunding bonds, including the
10 total costs of refunding the bonds, results in a reduction
11 of total debt service cost to the municipality."

Section 4. Section 7-7-4610, MCA, is amended to read:
"7-7-4610. Details relating to refunding revenue
bonds. The refunding bonds may, as provided by resolution of
the governing body of the municipality:

16 (1) be issued in one or more series, bear such date or 17 dates, and mature at such time or times, not exceeding the 18 period of usefulness of the enterprise, as determined by the 19 governing body in its discretion, and, in any event, not 20 exceeding 40 years from their respective dates;

(2) bear interest at such rate or rates not exceeding the maximum rate of interest borne by the notes, bonds, or other obligations refinanced thereby, except that refunding bonds may bear interest in excess of the rate on the refunded bonds if the issuance of the refunding bonds,

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2 a reduction of total debt service cost to the municipality; (3) be in such denomination or denominations and be in 3 4 such form, either coupon or registered; (4) carry such registration and conversion privileges; 1.5 6 (5) be executed in such manner; 7 (6) be payable in such medium of payment and at such 8 place or places; 9 (7) be subject to such terms of redemption, with or without a premium; 1.0 (8) be declared or become due before the maturity date 11 12 thereof; (9) provide for the replacement of mutilated, 13 destroyed, stolen, or lost bonds; 14 (10) be authenticated in such manner and upon 15 16 compliance with such conditions; and 17 (11) contain such other terms and covenants." NEW SECTION. Section 5. Effective date. [This act] is 18 19 effective on passage and approval. -End-

including the total costs of refunding the bonds, results in

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