

HOUSE BILL NO. 403

INTRODUCED BY BIRD

IN THE HOUSE

JANUARY 30, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
FEBRUARY 8, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 9, 1993	PRINTING REPORT.
FEBRUARY 10, 1993	SECOND READING, DO PASS AS AMENDED.
FEBRUARY 11, 1993	ENGROSSING REPORT.
FEBRUARY 13, 1993	THIRD READING, PASSED. AYES, 96; NOES, 0.
FEBRUARY 15, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 16, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES.
	FIRST READING.
MARCH 9, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 10, 1993	SECOND READING, CONCURRED IN.
MARCH 11, 1993	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 12, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

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4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A SCHOOL  
5 DISTRICT TO ISSUE REFUNDING BONDS UNDER THE BOARD OF  
6 INVESTMENTS LOAN PROGRAM; AMENDING SECTION 20-9-412, MCA;  
7 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 20-9-412, MCA, is amended to read:

11 "20-9-412. Issuance of refunding bonds without an  
12 election. (1) Bonds of a school district issued for the  
13 purpose of providing the money needed to redeem outstanding  
14 bonds may be issued without submitting the proposition to  
15 the electorate at an election. In order to issue refunding  
16 bonds ~~for--such-purpose~~, the trustees, at a regular meeting  
17 or a ~~duly-called~~ special meeting, shall adopt a resolution  
18 setting forth:

19 (a) the facts regarding the outstanding bonds that are  
20 to be redeemed;

21 (b) the reasons for issuing new bonds; and

22 (c) the term and details of the new bond issue.

23 (2) After the adoption of such the resolution, the  
24 trustees shall:

25 (a) sell the bonds at a private negotiated sale; or

1 (b) at their option, give notice of the sale of such  
2 the new bonds in the same manner that notice is required to  
3 be given for the sale of bonds authorized at a school  
4 election and sell such the new bonds in open competitive  
5 bidding, by written bids or by sealed bids.

6 (3) Bonds--~~shall~~ Except for bonds refunded by a school  
7 district under the provisions of Title 17, chapter 5, part  
8 16, bonds may not be refunded by the issuance of new bonds  
9 unless the rate of interest offered on the new bonds is at  
10 least 1/2 of 1% per annum less than the rate of interest in  
11 the bonds to be refunded or redeemed.

12 (4) Refunding bonds issued pursuant to this section may  
13 be issued to refund outstanding bonds in advance of the date  
14 on which such the bonds mature or are subject to redemption,  
15 provided the proceeds of the refunding bonds, less any  
16 accrued interest or premium received upon the sale thereof  
17 of the bonds, are deposited with other funds appropriated to  
18 the payment of the outstanding bonds in escrow with a  
19 suitable banking institution in or out of the state. Funds  
20 ~~so deposited shall must~~ be invested in securities which that  
21 are general obligations of the United States or the  
22 principal and interest of which are guaranteed by the United  
23 States and which that mature or are callable at the option  
24 of the holder on such the dates and bear interest at such  
25 the rates and payable on such the dates ~~as-shall-be~~ required

1 to provide funds sufficient, with any cash retained in the  
2 escrow account, to pay when due the interest to accrue on  
3 each refunded bond to its maturity or redemption date, if  
4 called for redemption, and to pay the principal thereof of  
5 the bond at maturity or upon such the redemption date, and  
6 to pay any redemption premium. The escrow account ~~shall~~ must  
7 be irrevocably appropriated to the payment of the principal  
8 of and interest and redemption premium, if any, on the  
9 refunded bonds. Funds to the credit of the debt service fund  
10 for the payment of the refunded bonds and not required for  
11 the payment of principal of or interest thereon on the bonds  
12 due prior to issuance of the refunding bonds may be  
13 appropriated by the district to the escrow account. The  
14 school district may pay the reasonable costs and expenses of  
15 printing the refunding bonds and of establishing and  
16 maintaining the escrow account. Bonds refunded pursuant to  
17 this part are not to be considered outstanding for purposes  
18 of 20-9-406 or any other debt limitation."

19 NEW SECTION. **Section 2.** **Effective date.** [This act] is  
20 effective on passage and approval.

-End-

APPROVED BY COMM. ON EDUCATION  
AND CULTURAL RESOURCES

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25 the rates and payable on such the dates as--shall--be required

to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each refunded bond to its maturity or redemption date, if called for redemption, and to pay the principal thereof of the bond at maturity or upon such the redemption date, and to pay any redemption premium. The escrow account ~~shall~~ must be irrevocably appropriated to the payment of the principal of and interest and redemption premium, if any, on the refunded bonds. Funds to the credit of the debt service fund for the payment of the refunded bonds and not required for the payment of principal of or interest thereon on the bonds due prior to issuance of the refunding bonds may be appropriated by the district to the escrow account. The school district may pay the reasonable costs and expenses of printing the refunding bonds and of establishing and maintaining the escrow account. Bonds refunded pursuant to this part are not to be considered outstanding for purposes of 20-9-406 or any other debt limitation."

NEW SECTION. **Section 2.** Effective date. [This act] is effective on passage and approval.

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