

SENATE BILL 426

Introduced by Kennedy

2/19 Fiscal Note Requested  
2/20 Introduced  
2/20 Referred to Taxation  
2/20 First Reading  
3/01 Fiscal Note Received  
3/02 Fiscal Note Printed  
3/17 Hearing  
3/27 Committee Report--Bill Passed as Amended  
3/27 Revised Fiscal Note Requested  
3/29 2nd Reading Passed  
3/30 3rd Reading Passed

Transmitted to House  
3/31 Referred to Taxation  
3/31 First Reading  
4/01 Revised Fiscal Note Received  
4/02 Hearing  
4/06 Revised Fiscal Note Printed  
4/08 Committee Report--Bill Not Concurred  
4/16 Taken from Adverse Committee Report  
Status and Rereferred to Local  
Government  
4/19 Hearing  
4/20 Committee Report--Bill Concurred as  
Amended  
4/21 2nd Reading Concur Motion Failed

1 Senate BILL NO. 426  
 2 INTRODUCED BY Kennedy  
 3 BY REQUEST OF THE SENATE LOCAL GOVERNMENT COMMITTEE  
 4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE  
 6 LAWS CONCERNING SPECIAL IMPROVEMENT DISTRICT AND RURAL  
 7 SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS; AMENDING  
 8 SECTIONS 7-12-2181, 7-12-2183, 7-12-2184, 7-12-2185,  
 9 7-12-4221, 7-12-4223, 7-12-4224, AND 7-12-4225, MCA; AND  
 10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY  
 11 DATE."  
 12  
 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 14 **Section 1.** Section 7-12-2181, MCA, is amended to read:  
 15 "7-12-2181. Creation of rural improvement district  
 16 revolving fund. The board of county commissioners of any  
 17 county in the state which that may create any rural special  
 18 improvement district or districts for any purpose may (in  
 19 order to secure prompt payment of any special improvement  
 20 district bonds or warrants issued in payment of improvements  
 21 made therein in the district and the interest thereon on the  
 22 bonds or warrants as it becomes due) create, establish, and  
 23 maintain by resolution a fund to be known and designated as  
 24 the rural special improvement district revolving fund.  
 25 Nothing--herein--shall This section does not authorize or

1 permit the elimination of a revolving fund until all  
 2 covenants made by the county with respect to bonds and  
 3 warrants secured thereby by the revolving fund and the  
 4 interest--thereon, as provided in 7-12-2181 through  
 5 7-12-2185, have been fully-paid-and-discharged observed."

6 **Section 2.** Section 7-12-2183, MCA, is amended to read:  
 7 "7-12-2183. Loan from revolving fund to meet payments  
 8 on bonds and warrants or to make emergency repairs. (1)  
 9 Whenever During the period described in subsection (3), when  
 10 any rural special improvement district bond or warrant  
 11 secured by the revolving fund and or any interest thereon  
 12 shall on the bonds or warrants become becomes due and  
 13 payable and there shall-then-be is either no money or not  
 14 sufficient insufficient money in the appropriate district  
 15 fund with which to pay the same bond, warrant, or interest,  
 16 an amount sufficient to make up the deficiency may, by order  
 17 of--the-board-of-county-commissioners, must be loaned by the  
 18 revolving fund to such the district fund. Thereupon,--such  
 19 The bond, or warrant, or such interest thereon--shall must be  
 20 paid from the money so loaned or from the money so loaned  
 21 when-added-to-such-insufficient--amount,--as--the--case--may  
 22 require and money available in the district fund.  
 23 (2) The loan described in subsection (1) must be made  
 24 by the county whether or not the lien prescribed by  
 25 7-12-2184 is adequate or sufficient to secure the loan and

whether or not unpaid assessments are outstanding or are to be levied in the district.

(3) (a) A county is obligated to make loans with respect to rural special improvement district bonds or warrants secured by the revolving fund until the earlier of:

(i) the date on which all bonds or warrants and interest on the bonds or warrants have been fully paid or discharged; or

(ii) the later of:

(A) the final stated maturity date of the bonds or warrants; or

(B) the date on which all special assessments levied in the district have been either paid or discharged.

(b) The discharge of delinquent special assessments levied with respect to a particular lot or parcel is considered to occur upon the issuance of a tax deed, as provided in 15-18-214, or, if the county is the recipient of the tax deed, upon the sale or lease of the property as provided in Title 7, chapter 8, part 23.

(4) The loan required to be made by the county to the district fund must be made in accordance with 7-12-2181 through 7-12-2185 without regard to any restriction, requirement, limitation, or other provision contained in any other general, special, or local law, including any requirement for approval by the voters of the county.

~~†2†~~(5) Whenever any rural special improvement district maintenance fund does not have sufficient money to pay the cost of emergency repairs, the board of county commissioners by order or resolution may loan money from the revolving fund to ~~such the~~ district maintenance fund. ~~Such The~~ loan ~~shall must~~ be repaid in annual installments in not more than 3 years. ~~In--no--event--may--the~~ ~~The~~ loans ~~may not~~ interfere with the payments of bonds or warrants. The loan ~~shall must~~ be repaid by an assessment as provided by 7-12-2120 if other funds are not available. If there are not sufficient funds in the revolving fund to make the loans without interfering with the payment of bonds or warrants secured thereby ~~by the revolving fund~~, then the loans may not be made."

**Section 3.** Section 7-12-2184, MCA, is amended to read:

"7-12-2184. Lien arising due to loan from revolving fund. (1) (a) Whenever any loan is made to any rural special improvement district fund from the revolving fund, the revolving fund ~~shall have~~ has a lien therefor for the amount of the loan on:

(i) the land within the district which that is delinquent in the payment of its assessments and on all unpaid assessments; and

(ii) installments of assessments on such the district (whether delinquent or not); and

(iii) on all money thereafter coming into such the

district fund, ~~to--the--amount-of-such-loan,~~ together with interest thereon on the loan from the time it was made.

(b) The interest rate on the loan is at the rate or percentage borne by the bond or warrant for payment of which, or of interest thereon on the bond or warrant, such the loan was made.

(c) The adequacy or existence of a lien is not a prerequisite to the making of the loan under this subsection (1).

(2) If, after all the bonds and warrants issued on any rural special improvement district have been fully paid and all ~~moneys~~ money remaining in such the district fund ~~have~~ has been transferred to the revolving fund, there still remains a debt from the district to the revolving fund, the board of county commissioners may foreclose the lien upon property within the district owing unpaid assessments to the district for the purpose of paying off ~~said the~~ loan to the revolving fund."

**Section 4.** Section 7-12-2185, MCA, is amended to read:

"7-12-2185. Covenants to utilize revolving fund. (1) In connection with the issuance of rural special improvement district bonds or warrants, the board of county commissioners may undertake and agree:

(a) to issue orders annually authorizing loans or advances from the revolving fund to the district fund

involved in amounts sufficient to make good any deficiency in the bond and interest accounts thereof, to the extent that funds are available; and

(b) to provide funds for such the revolving fund pursuant to the provisions of 7-12-2182 by annually making such a tax levy (or, in lieu thereof of the tax levy, such a loan from the general fund) ~~as-the-board-may-so-agree-to-and~~ undertake, subject to the maximum limitations imposed by 7-12-2182.

(2) The undertakings and agreements ~~shall--be~~ are binding upon ~~said the~~ county so as long as any of ~~said the~~ special improvement district bonds or warrants ~~so-offered-or~~ any--interest--thereon remain unpaid during the period prescribed in 7-12-2183(3).

(3) In lieu of the undertakings and agreements set forth in subsection (1), the board of county commissioners may determine in the resolution authorizing the issuance of the bonds or warrants that the revolving fund ~~shall may~~ not secure the bonds or warrants and that the bonds or warrants ~~shall-be~~ are payable solely from the district fund created therefor for the bonds or warrants and ~~shall do not~~ have no a claim against the revolving fund."

**Section 5.** Section 7-12-4221, MCA, is amended to read:

"7-12-4221. Creation of special improvement district revolving fund. The council or commission of any city or

1 town which that has heretofore created or may hereafter  
 2 create any special improvement district or districts for any  
 3 purpose may in its discretion create, establish, and  
 4 maintain by ordinance a fund to be known and designated as  
 5 the special improvement district revolving fund in order to  
 6 secure prompt payment of any special improvement district  
 7 bonds or sidewalk, curb, and alley approach warrants issued  
 8 in payment of improvements made therein in the district and  
 9 the interest thereon on the bonds or warrants as it becomes  
 10 due. ~~Nothing-herein-shall~~ This section does not authorize or  
 11 permit the elimination of a revolving fund until all  
 12 covenants made by the city or town with respect to bonds and  
 13 warrants secured thereby--and--interest--thereon--have--been  
 14 fully--paid--and--discharged by the revolving fund have been  
 15 observed as provided in 7-12-4221 through 7-12-4225."

16 **Section 6.** Section 7-12-4223, MCA, is amended to read:

17 "7-12-4223. Loans from revolving fund to meet payments  
 18 on bonds and warrants. (1) Whenever During the period  
 19 described in subsection (3), when any special improvement  
 20 district bond or sidewalk, curb, and alley approach warrants  
 21 which that are secured by the revolving fund or any interest  
 22 thereon--shall--be on the bonds or warrants becomes due and  
 23 payable and there ~~shall-then-be~~ is either no money or not  
 24 sufficient insufficient money in the appropriate district  
 25 fund with which to pay the same bond, warrant, or interest,

1 an amount sufficient to make up the deficiency ~~may~~ must, by  
 2 order of the council, be loaned by the revolving fund to  
 3 such the district fund. ~~Thereupon,--such~~ The bond, or  
 4 warrant, or such interest thereon-shall must be paid from  
 5 the money so loaned or from the money so loaned ~~when--added~~  
 6 ~~to--such--insufficient--amount,--as-the-case-may-require~~ and  
 7 money available in the district fund.

8 (2) The loan described in subsection (1) must be made  
 9 to a district fund whether or not the lien prescribed by  
 10 7-12-4224 is adequate or sufficient to secure the loan and  
 11 whether or not unpaid assessments are outstanding or are to  
 12 be levied in the district.

13 (3) (a) A city or town is obligated to make loans with  
 14 respect to special improvement district bonds or sidewalk,  
 15 curb, and alley approach warrants secured by the revolving  
 16 fund until the earlier of:

17 (i) the date on which all bonds or warrants and  
 18 interest on the bonds or warrants have been fully paid or  
 19 discharged; or

20 (ii) the later of:

21 (A) the final stated maturity date of the bonds or  
 22 warrants; or

23 (B) the date on which all special assessments levied in  
 24 the district have been either paid or discharged.

25 (b) The discharge of delinquent special assessments

levied with respect to a particular lot or parcel is considered to occur upon:

(i) the issuance of a tax deed, as provided in 15-18-214, or, if the county is the recipient of the tax deed, upon the sale or lease of the property as provided in Title 7, chapter 8, part 23; or

(ii) if the property in the district has been assigned to the city or town under Title 15, chapter 17, part 3, the discharge of the trust pursuant to 15-17-318 or upon the sale or lease of the property under 15-17-319.

(4) The loan required to be made by the city or town to the district fund must be made in accordance with 7-12-4221 through 7-12-4225 without regard to any restriction, requirement, limitation, or other provision contained in any other general, special, or local law, including any requirement for approval by the voters of the city or town."

**Section 7.** Section 7-12-4224, MCA, is amended to read:

"7-12-4224. Lien arising due to loan from revolving fund. Whenever any loan is made to any special improvement district fund or sidewalk, curb, and alley approach warrants from the revolving fund, the revolving fund ~~shall have~~ has a lien therefor on all unpaid assessments and installments of assessments on such the district (whether delinquent or not) and on all money thereafter coming into such the district fund, to for the amount of such the loan, together with

interest thereon on the loan from the time it was made. at The interest rate on the loan is the rate or percentage borne by the bond or warrant for payment of which, or of interest thereon on the bond or warrant, such the loan was made. The adequacy or existence of a lien is not a prerequisite to the making of the loan."

**Section 8.** Section 7-12-4225, MCA, is amended to read:

"7-12-4225. Covenants to utilize revolving fund. (1) In connection with the issuance of any public-offering-of special improvement district bonds or sidewalk, curb, and alley approach warrants, the city or town council may undertake and agree:

(a) to ~~issue-orders-annually-authorizing~~ make loans or advances from the revolving fund to the district fund involved in amounts sufficient to make good any deficiency in the bond and interest accounts thereof to the extent that funds are available;

(b) to provide funds for such the revolving fund pursuant to the provisions of 7-12-4222(1) by annually making such a tax levy (or, in lieu thereof of the tax levy, such a loan from the general fund) ~~as--the--city--or--town council--may--so--agree--to--and--undertake~~, subject to the maximum limitations imposed by 7-12-4222(1).

(2) The undertakings and agreements referred to in subsection (1) ~~shall-be~~ are binding upon said the city or

1 town ~~so-long-as-any-of-said~~ with respect to the special  
 2 improvement district bonds or sidewalk, curb, and alley  
 3 approach warrants ~~so-offered-or-any-interest-thereon--remain~~  
 4 unpaid during the period prescribed in 7-12-4223(3).

5 (3) In lieu of the undertakings and agreements set  
 6 forth in subsection (1), the city or town council may  
 7 determine in the resolution authorizing the issuance of the  
 8 bonds or warrants that the revolving fund ~~shall~~ may not  
 9 secure the bonds or warrants and that the bonds or warrants  
 10 ~~shall-be~~ are payable solely from the district fund created  
 11 ~~therefor~~ for the bonds or warrants and ~~shall~~ have no claim  
 12 against the revolving fund."

13 NEW SECTION. Section 9. Applicability. [This act]  
 14 applies to all rural special improvement district and  
 15 special improvement district bonds and warrants secured by a  
 16 revolving fund whether the bonds or warrants were issued  
 17 before or after [the effective date of this act].

18 NEW SECTION. Section 10. Saving clause. [This act]  
 19 does not affect rights and duties that matured, penalties  
 20 that were incurred, or proceedings that were begun before  
 21 [the effective date of this act].

22 NEW SECTION. Section 11. Severability. If a part of  
 23 [this act] is invalid, all valid parts that are severable  
 24 from the invalid part remain in effect. If a part of [this  
 25 act] is invalid in one or more of its applications, the part

1 remains in effect in all valid applications that are  
 2 severable from the invalid applications.

3 NEW SECTION. Section 12. Effective date. [This act] is  
 4 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0426, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act generally revising the laws concerning special improvement district and rural special improvement district and rural special improvement district revolving funds.

FISCAL IMPACT:

None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

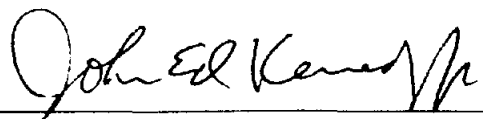
Clarifies legal status of loans from revolving funds. No local impact.



2-24-93

DAVID LEWIS, BUDGET DIRECTOR  
Office of Budget and Program Planning

DATE



3/2/93

JOHN "ED" KENNEDY, PRIMARY SPONSOR

DATE

Fiscal Note for SB0426, as introduced

SB 426



STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0426, third reading.

DESCRIPTION OF PROPOSED LEGISLATION: An act generally revising the laws concerning special improvement districts, rural special improvement districts, and rural special improvement district revolving funds.

ASSUMPTIONS:

1. The proposal requires cities and towns, and counties that issue bonds for either SIDs or RSIDs to establish a revolving fund to service the bonds in case the district defaults. The revolving fund is optional under current law.
2. If funds in the revolving fund are insufficient to service the bonds, they become an obligation of the city/town or the county government that approved the bonds and a general tax on property taxpayers must be levied to service the bonds.
3. The proposal applies retroactively to all outstanding RSID and SID bonds, except for an issue by Carbon County.

FISCAL IMPACT:


No impact is expected on state government this biennium. The proposal may expose the state to future liabilities in the event a default bankrupts a city or town.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal insulates bondholders from the risk of default by requiring the local government that approved the bond(s) to establish a revolving fund and levy a general tax, if necessary, to service its outstanding bonds over their remaining life. The requirement and potential exposure applies to all current and future SID and RSID bonds.

TECHNICAL NOTES:

The "New Section 5" of this second reading bill, requires that bonds and warrants not be issued for special or rural improvement districts that had not been subject to subdivision review. This provision will eliminate the availability of these types of financing vehicles for: 1) those special districts that are clearly not subdivisions therefore excluded in law from such review, and 2) those existing special districts that have not been reviewed as they were not legally required to be reviewed. Forming a special district is not synonymous with dividing land. Many such special districts exist and will continue to emerge. Are these exclusions from this financing method intended?

  
DAVID LEWIS, BUDGET DIRECTOR      DATE  
Office of Budget and Program Planning

  
JOHN "ED" KENNEDY, PRIMARY SPONSOR      DATE

Fiscal Note for SB0426, third reading

SB 426 #2

APPROVED BY COMMITTEE  
ON TAXATION

SENATE BILL NO. 426

INTRODUCED BY KENNEDY

BY REQUEST OF THE SENATE LOCAL GOVERNMENT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE LAWS CONCERNING SPECIAL IMPROVEMENT DISTRICT AND RURAL SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS; AMENDING SECTIONS 7-12-2181, 7-12-2183, 7-12-2184, 7-12-2185, 7-12-4221, 7-12-4223, 7-12-4224, AND 7-12-4225, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE DATES."

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

**Section 1.** Section 7-12-2181, MCA, is amended to read:

"7-12-2181. Creation of rural improvement district revolving fund. The board of county commissioners of any county in the state which that may create any rural special improvement district or districts for any purpose may (in order to secure prompt payment of any special improvement district bonds or warrants issued in payment of improvements made therein in the district and the interest thereon on the bonds or warrants as it becomes due) create, establish, and maintain by resolution a fund to be known and designated as the rural special improvement district revolving fund. Nothing--herein--shall This section does not authorize or

permit the elimination of a revolving fund until all covenants made by the county with respect to bonds and warrants secured thereby by the revolving fund and the interest--thereon, as provided in 7-12-2181 through 7-12-2185, have been fully-paid-and-discharged observed."

**Section 2.** Section 7-12-2183, MCA, is amended to read:

"7-12-2183. Loan from revolving fund to meet payments on bonds and warrants or to make emergency repairs. (1) Whenever During the period described in subsection (3), when any rural special improvement district bond or warrant secured by the revolving fund and or any interest thereon shall on the bonds or warrants become becomes due and payable and there shall-then-be is either no money or not sufficient insufficient money in the appropriate district fund with which to pay the same bond, warrant, or interest, an amount sufficient to make up the deficiency may,--by-order of--the-board-of-county-commissioners, must be loaned by the revolving fund to such the district fund. Thereupon,--such The bond, or warrant, or such interest thereon-shall must be paid from the money so loaned or from the money so loaned when-added-to-such-insufficient--amount,--as--the--case--may require and money available in the district fund.

(2) The loan described in subsection (1) must be made by the county whether or not the lien prescribed by 7-12-2184 is adequate or sufficient to secure the loan and

1 whether or not unpaid assessments are outstanding or are to  
2 be levied in the district.

3 (3) (a) A county is obligated to make loans with  
4 respect to rural special improvement district bonds or  
5 warrants secured by the revolving fund until the earlier of:

6 (i) the date on which all bonds or warrants and  
7 interest on the bonds or warrants have been fully paid or  
8 discharged; or

9 (ii) the later of:

10 (A) the final stated maturity date of the bonds or  
11 warrants; or

12 (B) the date on which all special assessments levied in  
13 the district have been either paid or discharged.

14 (b) The discharge of delinquent special assessments  
15 levied with respect to a particular lot or parcel is  
16 considered to occur upon the issuance of a tax deed, as  
17 provided in 15-18-214, or, if the county is the recipient of  
18 the tax deed, upon the sale or lease of the property as  
19 provided in Title 7, chapter 8, part 23.

20 (4) The loan required to be made by the county to the  
21 district fund must be made in accordance with 7-12-2181  
22 through 7-12-2185 without regard to any restriction,  
23 requirement, limitation, or other provision contained in any  
24 other general, special, or local law, including any  
25 requirement for approval by the voters of the county.

1 ~~(2)~~(5) Whenever any rural special improvement district  
2 maintenance fund does not have sufficient money to pay the  
3 cost of emergency repairs, the board of county commissioners  
4 by order or resolution may loan money from the revolving  
5 fund to ~~such~~ the district maintenance fund. ~~Such~~ The loan  
6 ~~shall~~ must be repaid in annual installments in not more than  
7 3 years. ~~in--no--event--may--the~~ The loans ~~may not~~ must interfere  
8 with the payments of bonds or warrants. The loan ~~shall~~ must  
9 be repaid by an assessment as provided by 7-12-2120 if other  
10 funds are not available. If there are not sufficient funds  
11 in the revolving fund to make the loans without interfering  
12 with the payment of bonds or warrants secured ~~thereby~~ by the  
13 revolving fund, then the loans may not be made."

14 **Section 3.** Section 7-12-2184, MCA, is amended to read:

15 "7-12-2184. Lien arising due to loan from revolving  
16 fund. (1) (a) Whenever any loan is made to any rural special  
17 improvement district fund from the revolving fund, the  
18 revolving fund ~~shall--have~~ has a lien ~~therefor~~ for the amount  
19 of the loan on:

20 (i) the land within the district which that is  
21 delinquent in the payment of its assessments and on all  
22 unpaid assessments; and

23 (ii) installments of assessments on such the district  
24 (whether delinquent or not); and

25 (iii) on all money thereafter coming into such the

district fund, ~~to--the--amount-of-such-loan,~~ together with interest thereon on the loan from the time it was made.

(b) The interest rate on the loan is at the rate or percentage borne by the bond or warrant for payment of which, or of interest thereon on the bond or warrant, such the loan was made.

(c) The adequacy or existence of a lien is not a prerequisite to the making of the loan under this subsection (1).

(2) If, after all the bonds and warrants issued on any rural special improvement district have been fully paid and all moneys money remaining in such the district fund have has been transferred to the revolving fund, there still remains a debt from the district to the revolving fund, the board of county commissioners may foreclose the lien upon property within the district owing unpaid assessments to the district for the purpose of paying off said the loan to the revolving fund."

**Section 4.** Section 7-12-2185, MCA, is amended to read:

"7-12-2185. Covenants to utilize revolving fund. (1) In connection with the issuance of rural special improvement district bonds or warrants, the board of county commissioners may undertake and agree:

(a) to issue orders annually authorizing loans or advances from the revolving fund to the district fund

involved in amounts sufficient to make good any deficiency in the bond and interest accounts thereof, to the extent that funds are available; and

(b) to provide funds for such the revolving fund pursuant to the provisions of 7-12-2182 by annually making such a tax levy (or, in lieu thereof of the tax levy, such a loan from the general fund) ~~as-the-board-may-so-agree-to-and~~ undertake, subject to the maximum limitations imposed by 7-12-2182.

(2) The undertakings and agreements ~~shall--be~~ are binding upon said the county ~~so as~~ as long as any of said the special improvement district bonds or warrants ~~so-offered-or~~ any--interest--thereon remain unpaid during the period prescribed in 7-12-2183(3).

(3) PRIOR TO ENTERING INTO THE UNDERTAKINGS AND AGREEMENTS SET FORTH IN SUBSECTION (1), THE BOARD OF COUNTY COMMISSIONERS SHALL TAKE INTO CONSIDERATION THE FOLLOWING FACTORS, INCLUDING OTHER CIRCUMSTANCES THAT THE BOARD MAY DETERMINE TO BE MATERIAL:

(A) THE ESTIMATED MARKET VALUE OF THE LOTS, PARCELS, AND TRACTS INCLUDED IN THE DISTRICT AT THE TIME THE DISTRICT IS CREATED;

(B) THE AMOUNT OF THE SPECIAL ASSESSMENTS PROPOSED TO BE LEVIED AGAINST EACH LOT, PARCEL, OR TRACT IN THE DISTRICT IN COMPARISON TO THE ESTIMATED MARKET VALUE OF THE LOT,

1 PARCEL, OR TRACT;

2 (C) THE AMOUNT OF ANY OUTSTANDING SPECIAL ASSESSMENTS  
3 AGAINST THE PROPERTY IN THE DISTRICT;

4 (D) THE AMOUNT OF ANY DELINQUENCIES IN THE PAYMENT OF  
5 OUTSTANDING SPECIAL ASSESSMENTS OR DELINQUENCIES IN THE  
6 PAYMENT OF PROPERTY TAXES LEVIED AGAINST PROPERTY OF THE  
7 DISTRICT;

8 (E) THE PUBLIC BENEFIT OF THE IMPROVEMENTS PROPOSED TO  
9 BE FINANCED; AND

10 (F) IN THE CASE OF A DISTRICT CREATED TO MAKE  
11 IMPROVEMENTS IN A NEWLY PLATTED SUBDIVISION, ANY  
12 CONTRIBUTION BY DEVELOPERS OF THE SUBDIVISION TO THE COSTS  
13 OF THE IMPROVEMENTS OR ANY SECURITY GIVEN BY THE DEVELOPERS  
14 TO SECURE PAYMENT OF THE SPECIAL ASSESSMENT LEVIED IN THE  
15 DISTRICT.

16 (4) ANY FINDINGS MADE BY THE BOARD OF COUNTY  
17 COMMISSIONERS WITH RESPECT TO THE FACTORS CONTAINED IN A  
18 RESOLUTION AUTHORIZING UNDERTAKINGS AND AGREEMENTS OR THE  
19 ISSUANCE OF BONDS ARE CONCLUSIVE EVIDENCE THAT THE BOARD HAS  
20 TAKEN INTO CONSIDERATION THE FACTORS REQUIRED BY SUBSECTION  
21 (3).

22 (5) THE BOARD OF COUNTY COMMISSIONERS MAY ENTER INTO  
23 THE UNDERTAKINGS AND AGREEMENTS SET FORTH IN SUBSECTION (1)  
24 ONLY IF THE NOTICE OF PASSAGE OF THE RESOLUTION OF INTENTION  
25 TO CREATE THE RURAL SPECIAL IMPROVEMENT DISTRICT, AS

1 REQUIRED IN 7-12-2105, STATES IN SUBSTANCE:

2 (A) THAT THE BONDS DRAWN ON THE DISTRICT WILL BE  
3 SECURED BY THE RURAL SPECIAL IMPROVEMENT DISTRICT REVOLVING  
4 FUND OF THE COUNTY;

5 (B) THAT THE REVOLVING FUND IS FUNDED BY GENERAL  
6 PROPERTY TAXES LEVIED BY THE COUNTY OR BY LOANS FROM THE  
7 GENERAL FUND OF THE COUNTY;

8 (C) THE AVERAGE MARKET VALUE OF THE LOTS, PARCELS, OR  
9 TRACTS IN THE DISTRICT; AND

10 (D) THE ESTIMATED AMOUNT OF THE AVERAGE SPECIAL  
11 ASSESSMENT TO BE LEVIED AGAINST THE LOTS, PARCELS, OR TRACTS  
12 IN THE DISTRICT.

13 (6) ERROR IN THE NOTICE REQUIRED UNDER SUBSECTION (5)  
14 DOES NOT AFFECT THE VALIDITY OF ANY UNDERTAKING OR AGREEMENT  
15 WITH RESPECT TO THE REVOLVING FUND.

16 ~~(3)~~(7) In lieu of the undertakings and agreements set  
17 forth in subsection (1), the board of county commissioners  
18 may determine in the resolution authorizing the issuance of  
19 the bonds or warrants that the revolving fund ~~shall~~ may not  
20 secure the bonds or warrants and that the bonds or warrants  
21 ~~shall--be~~ are payable solely from the district fund created  
22 ~~therefor~~ for the bonds or warrants and ~~shall do not~~ have no  
23 a claim against the revolving fund."

24 NEW SECTION. SECTION 5. SUBDIVISION REVIEW REQUIRED  
25 FOR ISSUANCE OF BONDS. A BOND OR WARRANT MAY NOT BE ISSUED

UNDER THIS PART FOR AN IMPROVEMENT DISTRICT THAT HAS NOT  
BEEN SUBJECT TO SUBDIVISION REVIEW.

**Section 6.** Section 7-12-4221, MCA, is amended to read:

"7-12-4221. Creation of special improvement district revolving fund. The council or commission of any city or town which that has heretofore created or may hereafter create any special improvement district or districts for any purpose may in its discretion create, establish, and maintain by ordinance a fund to be known and designated as the special improvement district revolving fund in order to secure prompt payment of any special improvement district bonds or sidewalk, curb, and alley approach warrants issued in payment of improvements made therein in the district and the interest thereon on the bonds or warrants as it becomes due. ~~Nothing herein shall~~ This section does not authorize or permit the elimination of a revolving fund until all covenants made by the city or town with respect to bonds and warrants secured thereby--and--interest--thereon--have--been fully--paid--and--discharged by the revolving fund have been observed as provided in 7-12-4221 through 7-12-4225."

**Section 7.** Section 7-12-4223, MCA, is amended to read:

"7-12-4223. Loans from revolving fund to meet payments on bonds and warrants. (1) Whenever During the period described in subsection (3), when any special improvement district bond or sidewalk, curb, and alley approach warrants

which that are secured by the revolving fund or any interest ~~thereon--shall--be~~ on the bonds or warrants becomes due and payable and there ~~shall--then--be~~ is either no money or not sufficient ~~insufficient~~ money in the appropriate district fund with which to pay the ~~same~~ bond, warrant, or interest, an amount sufficient to make up the deficiency ~~may must~~, by order of the council, be loaned by the revolving fund to ~~such the~~ district fund. ~~Thereupon,--such~~ The bond, or warrant, or ~~such~~ interest ~~thereon--shall must~~ be paid from the money ~~so~~ loaned or from the money ~~so~~ loaned ~~when--added to--such--insufficient--amount,--as-the-case-may-require and~~ money available in the district fund.

(2) The loan described in subsection (1) must be made to a district fund whether or not the lien prescribed by 7-12-4224 is adequate or sufficient to secure the loan and whether or not unpaid assessments are outstanding or are to be levied in the district.

(3) (a) A city or town is obligated to make loans with respect to special improvement district bonds or sidewalk, curb, and alley approach warrants secured by the revolving fund until the earlier of:

(i) the date on which all bonds or warrants and interest on the bonds or warrants have been fully paid or discharged; or

(ii) the later of:

1 (A) the final stated maturity date of the bonds or  
2 warrants; or

3 (B) the date on which all special assessments levied in  
4 the district have been either paid or discharged.

5 (b) The discharge of delinquent special assessments  
6 levied with respect to a particular lot or parcel is  
7 considered to occur upon:

8 (i) the issuance of a tax deed, as provided in  
9 15-18-214, or, if the county is the recipient of the tax  
10 deed, upon the sale or lease of the property as provided in  
11 Title 7, chapter 8, part 23; or

12 (ii) if the property in the district has been assigned  
13 to the city or town under Title 15, chapter 17, part 3, the  
14 discharge of the trust pursuant to 15-17-318 or upon the  
15 sale or lease of the property under 15-17-319.

16 (4) The loan required to be made by the city or town to  
17 the district fund must be made in accordance with 7-12-4221  
18 through 7-12-4225 without regard to any restriction,  
19 requirement, limitation, or other provision contained in any  
20 other general, special, or local law, including any  
21 requirement for approval by the voters of the city or town."

22 **Section 8.** Section 7-12-4224, MCA, is amended to read:

23 "7-12-4224. Lien arising due to loan from revolving  
24 fund. Whenever any loan is made to any special improvement  
25 district fund or sidewalk, curb, and alley approach warrants

1 from the revolving fund, the revolving fund ~~shall have~~ has a  
2 lien therefor on all unpaid assessments and installments of  
3 assessments on such the district (whether delinquent or not)  
4 and on all money thereafter coming into such the district  
5 fund, ~~to for~~ for the amount of such the loan, together with  
6 interest thereon on the loan from the time it was made. at  
7 The interest rate on the loan is the rate or percentage  
8 borne by the bond or warrant for payment of which, or of  
9 interest thereon on the bond or warrant, such the loan was  
10 made. The adequacy or existence of a lien is not a  
11 prerequisite to the making of the loan."

12 **Section 9.** Section 7-12-4225, MCA, is amended to read:

13 "7-12-4225. Covenants to utilize revolving fund. (1) In  
14 connection with the issuance of any ~~public-offering-of~~  
15 special improvement district bonds or sidewalk, curb, and  
16 alley approach warrants, the city or town council may  
17 undertake and agree:

18 (a) ~~to issue-orders-annually-authorizing~~ make loans or  
19 advances from the revolving fund to the district fund  
20 involved in amounts sufficient to make good any deficiency  
21 in the bond and interest accounts thereof to the extent that  
22 funds are available;

23 (b) to provide funds for such the revolving fund  
24 pursuant to the provisions of 7-12-4222(1) by annually  
25 making such a tax levy (or, in lieu thereof of the tax levy,

such a loan from the general fund) ~~as--the--city--or--town council--may--so--agree--to--and--undertake~~, subject to the maximum limitations imposed by 7-12-4222(1).

(2) The undertakings and agreements referred to in subsection (1) ~~shall--be~~ are binding upon said the city or town so long as any of said with respect to the special improvement district bonds or sidewalk, curb, and alley approach warrants ~~so offered or any interest thereon remain~~ unpaid during the period prescribed in 7-12-4223(3).

(3) PRIOR TO ENTERING INTO THE UNDERTAKINGS AND AGREEMENTS SET FORTH IN SUBSECTION (1), THE CITY OR TOWN COUNCIL SHALL TAKE INTO CONSIDERATION THE FOLLOWING FACTORS, INCLUDING OTHER CIRCUMSTANCES THAT THE CITY OR TOWN COUNCIL MAY DETERMINE TO BE MATERIAL:

(A) THE ESTIMATED MARKET VALUE OF THE LOTS, PARCELS, AND TRACTS INCLUDED IN THE DISTRICT AT THE TIME THE DISTRICT IS CREATED;

(B) THE AMOUNT OF THE SPECIAL ASSESSMENTS PROPOSED TO BE LEVIED AGAINST EACH LOT, PARCEL, OR TRACT IN THE DISTRICT IN COMPARISON TO THE ESTIMATED MARKET VALUE OF THE LOT, PARCEL, OR TRACT;

(C) THE AMOUNT OF ANY OUTSTANDING SPECIAL ASSESSMENTS AGAINST THE PROPERTY IN THE DISTRICT;

(D) THE AMOUNT OF ANY DELINQUENCIES IN THE PAYMENT OF OUTSTANDING SPECIAL ASSESSMENTS OR DELINQUENCIES IN THE

PAYMENT OF PROPERTY TAXES LEVIED AGAINST PROPERTY OF THE DISTRICT;

(E) THE PUBLIC BENEFIT OF THE IMPROVEMENTS PROPOSED TO BE FINANCED; AND

(F) IN THE CASE OF A DISTRICT CREATED TO MAKE IMPROVEMENTS IN A NEWLY PLATTED SUBDIVISION, ANY CONTRIBUTION BY DEVELOPERS OF THE SUBDIVISION TO THE COSTS OF THE IMPROVEMENTS OR ANY SECURITY GIVEN BY THE DEVELOPERS TO SECURE PAYMENT OF THE SPECIAL ASSESSMENT LEVIED IN THE DISTRICT.

(4) ANY FINDINGS MADE BY THE CITY OR TOWN COUNCIL WITH RESPECT TO THE FACTORS CONTAINED IN A RESOLUTION AUTHORIZING UNDERTAKINGS AND AGREEMENTS OR THE ISSUANCE OF BONDS ARE CONCLUSIVE EVIDENCE THAT THE CITY OR TOWN COUNCIL HAS TAKEN INTO CONSIDERATION THE FACTORS REQUIRED BY SUBSECTION (3).

(5) THE CITY OR TOWN COUNCIL MAY ENTER INTO THE UNDERTAKINGS AND AGREEMENTS SET FORTH IN SUBSECTION (1) ONLY IF THE NOTICE OF PASSAGE OF THE RESOLUTION OF INTENTION TO CREATE THE SPECIAL IMPROVEMENT DISTRICT, AS REQUIRED IN 7-12-4106, STATES IN SUBSTANCE:

(A) THAT THE BONDS DRAWN ON THE DISTRICT WILL BE SECURED BY THE SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND OF THE CITY OR TOWN;

(B) THAT THE REVOLVING FUND IS FUNDED BY GENERAL PROPERTY TAXES LEVIED BY THE CITY OR TOWN OR BY LOANS FROM



1 THE GENERAL FUND OF THE CITY OR TOWN;

2 (C) THE AVERAGE MARKET VALUE OF THE LOTS, PARCELS, OR  
3 TRACTS IN THE DISTRICT; AND

4 (D) THE ESTIMATED AMOUNT OF THE AVERAGE SPECIAL  
5 ASSESSMENT TO BE LEVIED AGAINST THE LOTS, PARCELS, OR TRACTS  
6 IN THE DISTRICT.

7 (6) ERROR IN THE NOTICE REQUIRED UNDER SUBSECTION (5)  
8 DOES NOT AFFECT THE VALIDITY OF ANY UNDERTAKING OR AGREEMENT  
9 WITH RESPECT TO THE REVOLVING FUND.

10 +3+(7) In lieu of the undertakings and agreements set  
11 forth in subsection (1), the city or town council may  
12 determine in the resolution authorizing the issuance of the  
13 bonds or warrants that the revolving fund shall may not  
14 secure the bonds or warrants and that the bonds or warrants  
15 shall-be are payable solely from the district fund created  
16 therefor for the bonds or warrants and shall have no claim  
17 against the revolving fund."

18 NEW SECTION. SECTION 10. SUBDIVISION REVIEW REQUIRED  
19 FOR ISSUANCE OF BONDS. A BOND OR WARRANT MAY NOT BE ISSUED  
20 UNDER THIS PART FOR AN IMPROVEMENT DISTRICT THAT HAS NOT  
21 BEEN SUBJECT TO SUBDIVISION REVIEW.

22 NEW SECTION. SECTION 11. CODIFICATION INSTRUCTION. (1)  
23 [SECTION 5] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART  
24 OF TITLE 7, CHAPTER 12, PART 21, AND THE PROVISIONS OF TITLE  
25 7, CHAPTER 12, PART 21, APPLY TO [SECTION 5].

1 (2) [SECTION 10] IS INTENDED TO BE CODIFIED AS AN  
2 INTEGRAL PART OF TITLE 7, CHAPTER 12, PART 42, AND THE  
3 PROVISIONS OF TITLE 7, CHAPTER 12, PART 42, APPLY TO  
4 [SECTION 10].

5 NEW SECTION. Section 12. Applicability. (1) [THIS ACT]  
6 EXCEPT AS PROVIDED IN SUBSECTIONS (2) THROUGH (5), [THIS  
7 ACT] applies to all rural special improvement district and  
8 special improvement district bonds and warrants secured by a  
9 revolving fund whether the bonds or warrants were issued  
10 before or after [the effective date of this act].

11 (2) [SECTION 4], WHICH AMENDS 7-12-2185 TO INCLUDE  
12 SUBSECTIONS (3) AND (4) CONCERNING THE FACTORS TO BE  
13 CONSIDERED AND THE FINDINGS TO BE MADE BEFORE THE BOARD OF  
14 COUNTY COMMISSIONERS MAY ENTER INTO UNDERTAKINGS AND  
15 AGREEMENTS AND TO INCLUDE SUBSECTION (5) CONCERNING NOTICE,  
16 APPLIES TO IMPROVEMENT DISTRICTS CREATED AFTER [THE  
17 EFFECTIVE DATE OF THIS ACT].

18 (3) [SECTION 9], WHICH AMENDS 7-12-4225 TO INCLUDE  
19 SUBSECTIONS (3) AND (4) CONCERNING THE FACTORS TO BE  
20 CONSIDERED AND THE FINDINGS TO BE MADE BEFORE THE CITY OR  
21 TOWN COUNCIL MAY ENTER INTO UNDERTAKINGS AND AGREEMENTS AND  
22 TO INCLUDE SUBSECTION (5) CONCERNING NOTICE, APPLIES TO  
23 IMPROVEMENT DISTRICTS CREATED AFTER [THE EFFECTIVE DATE OF  
24 THIS ACT].

25 (4) [SECTIONS 5 AND 10] APPLY TO RURAL SPECIAL

1 IMPROVEMENT DISTRICTS OR SPECIAL IMPROVEMENT DISTRICTS  
 2 CREATED AFTER [THE EFFECTIVE DATE OF THIS ACT].

3 (5) [THIS ACT] DOES NOT APPLY TO RURAL SPECIAL  
 4 IMPROVEMENT DISTRICT AND SPECIAL IMPROVEMENT DISTRICT BONDS  
 5 AND WARRANTS THAT ARE THE SUBJECT OF JUDICIAL PROCEEDINGS  
 6 THAT WERE BEGUN BEFORE JANUARY 1, 1993.

7 NEW SECTION. Section 13. Saving clause. [This act]  
 8 does--not--affect--rights-and-duties-that-matured--penalties  
 9 that-were-incurred--or-proceedings-that--were--begun--before  
 10 {the--effective--date-of-this-act} IS REMEDIAL IN NATURE AND  
 11 DOES NOT:

12 (1) IMPLY THE INVALIDITY OF BONDS OR WARRANTS ISSUED  
 13 BEFORE [THE EFFECTIVE DATE OF THIS ACT];

14 (2) AFFECT RURAL SPECIAL IMPROVEMENT DISTRICT OR  
 15 SPECIAL IMPROVEMENT DISTRICT BONDS OR SIDEWALK, CURB, OR  
 16 ALLEY APPROACH WARRANTS ISSUED BEFORE [THE EFFECTIVE DATE OF  
 17 THIS ACT]; OR

18 (3) AFFECT ANY COVENANTS ENTERED INTO BEFORE [THE  
 19 EFFECTIVE DATE OF THIS ACT] BY A COUNTY OR BY A CITY OR TOWN  
 20 TO PROVIDE FUNDS FOR A REVOLVING FUND OR TO MAKE LOANS FROM  
 21 THE REVOLVING FUND ON BONDS OR WARRANTS ISSUED BEFORE [THE  
 22 EFFECTIVE DATE OF THIS ACT].

23 NEW SECTION. Section 14. Severability. If a part of  
 24 [this act] is invalid, all valid parts that are severable  
 25 from the invalid part remain in effect. If a part of [this

1 act] is invalid in one or more of its applications, the part  
 2 remains in effect in all valid applications that are  
 3 severable from the invalid applications.

4 NEW SECTION. Section 15. Effective date. [This act] is  
 5 effective on passage and approval.

-End-

## 1 SENATE BILL NO. 426

2 INTRODUCED BY KENNEDY

3 BY REQUEST OF THE SENATE LOCAL GOVERNMENT COMMITTEE

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE  
6 LAWS CONCERNING SPECIAL IMPROVEMENT DISTRICT AND RURAL  
7 SPECIAL IMPROVEMENT DISTRICT REVOLVING FUNDS; AMENDING  
8 SECTIONS 7-12-2181, 7-12-2183, 7-12-2184, 7-12-2185,  
9 7-12-4221, 7-12-4223, 7-12-4224, AND 7-12-4225, MCA; AND  
10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY  
11 DATE DATES."

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 7-12-2181, MCA, is amended to read:

15 "7-12-2181. Creation of rural improvement district  
16 revolving fund. The board of county commissioners of any  
17 county in the state which that may create any rural special  
18 improvement district or districts for any purpose may (in  
19 order to secure prompt payment of any special improvement  
20 district bonds or warrants issued in payment of improvements  
21 made therein in the district and the interest thereon on the  
22 bonds or warrants as it becomes due) create, establish, and  
23 maintain by resolution a fund to be known and designated as  
24 the rural special improvement district revolving fund.  
25 Nothing--herein--shall This section does not authorize or

1 permit the elimination of a revolving fund until all  
2 covenants made by the county with respect to bonds and  
3 warrants secured thereby by the revolving fund and the  
4 interest--thereon, as provided in 7-12-2181 through  
5 7-12-2185, have been fully-paid-and-discharged observed."

6 Section 2. Section 7-12-2183, MCA, is amended to read:

7 "7-12-2183. Loan from revolving fund to meet payments  
8 on bonds and warrants or to make emergency repairs. (1)  
9 Whenever During the period described in subsection (3), when  
10 any rural special improvement district bond or warrant  
11 secured by the revolving fund and or any interest thereon  
12 shall on the bonds or warrants become becomes due and  
13 payable and there shall-then-be is either no money or not  
14 sufficient insufficient money in the appropriate district  
15 fund with which to pay the same bond, warrant, or interest,  
16 an amount sufficient to make up the deficiency may--by-order  
17 of--the-board-of-county-commissioners, must be loaned by the  
18 revolving fund to such the district fund. Thereupon--such

THERE ARE NO CHANGES IN THIS BILL  
AND WILL NOT BE REPRINTED. PLEASE  
REFER TO YELLOW COPY FOR COMPLETE TEXT.

HOUSE STANDING COMMITTEE REPORT

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April 20, 1993

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Mr. Speaker: We, the committee on Local Government report that Senate Bill 426 (third reading copy -- blue) be concurred in as amended.

Signed: Norm Wallin  
Norm Wallin, Chair

And, that such amendments read:

Carried by: Rep. Ewer

1. Page 1.

Following: line 11

Insert: "Statement of Intent

A statement of intent is necessary for this bill because the bill contains provisions that are curative in nature. It is the intent of the legislature that except as otherwise provided in this bill or clearly articulated in bond resolutions passed by counties, cities, and towns, rural special improvement and special improvement district revolving funds created under Title 7, chapter 12, to secure bonds and warrants issued prior to the [effective date of this act] will loan funds to the districts in the event of deficiencies within a rural improvement district fund or special improvement district fund. The loans are subject to the limitations contained in the bond resolutions and Title 7, chapter 12. The obligation to loan funds is limited by the duration specified in this bill."

2. Page 2, line 9.

Strike: "(3)"

Insert: "(2)"

3. Page 2, line 23 through page 3, line 2.

Strike: subsection (2) in its entirety

Renumber: subsequent subsections

4. Page 3, lines 20 through 25.

Following: "(4)" on line 20

Strike: the remainder of subsection (4)

Insert: "The funding of a revolving fund under 7-12-2181 through 7-12-2185, any loan made from the revolving fund to a

district fund, or any rural special improvement district bonds do not constitute indebtedness of the county within the meaning of any general, special, or local law."

5. Page 6, line 8 and page 13, line 2.

Following: "undertake"

Insert: "as the board may so agree to and undertake"

6. Page 6, line 14.

Following: "7-12-2183"

Strike: "(3)"

7. Page 9, lines 1 and 2.

Strike: "FOR AN IMPROVEMENT DISTRICT THAT HAS NOT BEEN SUBJECT TO SUBDIVISION REVIEW"

Insert: "If, on the date of issuance of the bond or warrant, the improvement district includes property that was divided after [the effective date of this act] without the division being reviewed and approved as a subdivision"

8. Page 9, line 24.

Strike: "(3)"

Insert: "(2)"

9. Page 10, lines 13 through 17.

Strike: subsection (2) in its entirety

Renumber: subsequent subsections

10. Page 11, lines 16 through 21.

Following: "(4)" on line 16

Strike: the remainder of subsection (4)

Insert: "The funding of a revolving fund under 7-12-4221 through 7-12-4225, any loan made from the revolving fund to a district fund, or any special improvement district bonds do not constitute indebtedness of the city or town within the meaning of any general, special, or local law."

11. Page 13, line 9.

Following: "7-12-4223"

Strike: "(3)"

12. Page 15, lines 20 and 21.

Strike: "FOR AN IMPROVEMENT DISTRICT THAT HAS NOT BEEN SUBJECT TO SUBDIVISION REVIEW"

Insert: "If, on the date of issuance of the bond or warrant, the improvement district includes property that was divided after [the effective date of this act] without the division being reviewed and approved as a subdivision"

Committee Vote:

Yes 9, No 7.

870947SC.Rpf

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13. Page 16, line 6.  
Strike: "(5)"  
Insert: "(4)"

14. Page 16, lines 9 and 10.  
Strike: "whether the bonds or warrants were issued before or  
after [the effective date of this act]"

15. Page 17, lines 3 through 6.  
Strike: subsection (5) in its entirety

16. Page 17, line 10.  
Strike: "REMEDIAL"  
Insert: "curative"

-END-