

1 HOUSE BILL NO. 44

2 INTRODUCED BY QUILICI

3 BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING "QUALIFIED ENERGY PROJECTS" FOR SCHOOL
6 DISTRICTS; ALLOWING A SCHOOL DISTRICT 10 YEARS FOR REPAYMENT OF ANY DEBT SERVICE
7 OBLIGATION FOR THE FINANCING OF A QUALIFIED ENERGY PROJECT; AMENDING SECTION 20-9-471,
8 MCA; AND PROVIDING AN EFFECTIVE DATE."

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

11
12 **Section 1.** Section 20-9-471, MCA, is amended to read:

13 **"20-9-471. Issuance of obligations -- authorization -- conditions.** (1) The trustees of a school
14 district may, without a vote of the electors of the district, issue and sell to the board of investments
15 obligations for the purpose of financing all or a portion of:

16 (a) the costs of vehicles and equipment;

17 (b) the costs associated with renovating, rehabilitating, and remodeling facilities, including but not
18 limited to roof repairs, heating, plumbing, and electrical systems;

19 (c) any other expenditure that the district is otherwise authorized to make, subject to subsection
20 (4), including the payment of settlements of legal claims and judgments; and

21 (d) the costs associated with the issuance and sale of the obligations.

22 (2) The term of the obligation may not exceed 5 ~~full~~ fiscal years, except that the term of the
23 obligation for a qualified energy project may not exceed 10 fiscal years. For the purposes of this subsection,
24 a "qualified energy project" means a project designed to reduce energy use in a school facility and from
25 which the resulting energy cost savings are projected to meet or exceed the debt service obligation for
26 financing the project, as determined by the department of natural resources and conservation.

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

1 (4) The proceeds of the obligation may not be used to acquire real property or construct a facility.

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

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

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

9

10 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 1995.

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APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

HOUSE BILL NO. 44

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