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House BILL NO. 120

INTRODUCED BY

Shea Harrington _____ *H. Kjaer*

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING TO 10 YEARS THE TERM THAT SCHOOL DISTRICT TRUSTEES MAY, WITHOUT A VOTE OF DISTRICT ELECTORS, ISSUE AND SELL SHORT-TERM OBLIGATIONS TO THE BOARD OF INVESTMENTS; PROVIDING CONDITIONS FOR THE USE OF OBLIGATION PROCEEDS TO ACQUIRE REAL PROPERTY OR TO CONSTRUCT A FACILITY; AMENDING SECTION 20-9-471, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

"20-9-471. Issuance of 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 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 remodeling facilities, including but not limited to roof repairs, heating, plumbing, and electrical systems;
- (c) any other expenditure that the district is otherwise authorized to make, subject to subsection (4), including the payment of settlements of legal claims and judgments; and
- (d) the costs associated with the issuance and sale of the obligations.

(2) The term of the obligation may not exceed ~~5~~ 10 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 that principal and interest.

(4) The proceeds of the obligation may ~~not~~ be used to acquire real property or to construct a facility if the trustees comply with the provisions 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.



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INTRODUCED BILL

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

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

6

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

8

-END-

1 HOUSE BILL NO. 120

2 INTRODUCED BY SHEA, HARRINGTON, RYAN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING TO 10 YEARS THE TERM THAT SCHOOL DISTRICT
5 TRUSTEES MAY, WITHOUT A VOTE OF DISTRICT ELECTORS, ISSUE AND SELL SHORT-TERM
6 OBLIGATIONS TO THE BOARD OF INVESTMENTS; ~~PROVIDING CONDITIONS FOR THE USE OF~~
7 ~~OBLIGATION PROCEEDS TO ACQUIRE REAL PROPERTY OR TO CONSTRUCT A FACILITY;~~ AMENDING
8 SECTION 20-9-471, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
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