

Amendments to Senate Bill No. 175
1st Reading Copy

Requested by Senator Llew Jones

For the Senate Education and Cultural Resources Committee

Prepared by Julie Johnson
January 30, 2013 (9:22am)

1. Title, page 2, line 10.

Insert: "20-9-438,"

2. Page 14, line 29.

Strike: "30"

Insert: "31"

3. Page 30, line 23.

Following: "20-9-310."

Insert: "Oil and natural gas revenue bonds to which a tax deficiency is pledged are not considered general obligation bonds that are eligible to receive guaranteed tax base aid pursuant to 20-9-367 but are to be considered in determining the debt limit of a school district for the purposes of 20-9-406."

4. Page 31, line 5.

Following: "bonds"

Insert: ", and if oil and natural gas revenue bonds, whether a tax deficiency is pledged to the repayment of the bonds"

5. Page 31, line 26.

Following: "bonds"

Insert: ", and if oil and natural gas revenue bonds, whether a tax deficiency is pledged to the repayment of the bonds"

6. Page 32, line 22.

Following: "gas revenue,"

Insert: "oil and natural gas revenue for which a tax deficiency is pledged,"

7. Page 33, line 8.

Following: "gas revenue,"

Insert: "oil and natural gas revenue for which a tax deficiency is pledged,"

8. Page 35, line 2 through line 4.

Following: "20-9-514" on line 2

Strike: "or" on line 2 through "15-36-331(3)" on line 4

9. Page 36, line 1.

Following: "payment"

Insert: "or reimbursement of the payment"

10. Page 36, line 2.

Following: "debt"

Insert: "in the current or ensuing fiscal year, or both"

11. Page 36, line 3.

Following: "until"

Strike: "all other expenses or claims are"

Insert: "the bonded debt is"

12. Page 36, line 4 and line 5.

Following: "for"

Strike: "the" on line 4 through "including" on line 5

13. Page 36, line 10.

Following: line 9

Insert: "**Section 23.** Section 20-9-438, MCA, is amended to read:

"**20-9-438. Preparation of general obligation debt service fund budget -- operating reserve.** (1) The trustees of each school district having outstanding general obligation bonds shall include in the debt service fund of the final budget adopted in accordance with 20-9-133 an amount of money that is necessary to pay the interest and the principal amount becoming due during the ensuing school fiscal year for each series or installment of bonds, according to the terms and conditions of the bonds and the redemption plans of the trustees.

(2) The trustees shall also include in the debt service fund of the final budget:

(a) the amount of money necessary to pay the special improvement district assessments levied against the school district that become due during the ensuing school fiscal year; and

(b) a limited operating reserve for the school fiscal year following the ensuing school fiscal year as provided in subsection ~~(3)~~(4); and

(c) an amount to satisfy the reserve requirement for oil and natural gas revenue bonds.

(3) The trustees of a school district having outstanding oil and natural gas bonds shall include in the debt service reserve account of the final budget adopted in accordance with 20-9-133 oil and natural gas production taxes received by a school district or other legally available funds sufficient to satisfy the reserve requirement. Funds remaining in the debt service reserve account may not be reappropriated or reverted and must be used for the purposes set forth in [section 26].

~~(3)~~(4) At the end of each school fiscal year, the trustees of a school district may designate a portion of the end-of-the-year fund balance of the debt service fund to be earmarked as a limited operating reserve for the purpose of paying, whenever a cash flow shortage occurs, debt service fund warrants and bond obligations that must be paid from July 1 through November 30 of the school fiscal year following the ensuing school fiscal year. Any portion of the debt service fund end-of-the-year fund balance not earmarked for limited operating reserve purposes must be reappropriated to be used for property tax reduction as provided in 20-9-439.

~~(4)~~(5) The county superintendent shall compare the final budgeted amount for the debt service fund with the bond retirement and interest requirement and the special improvement district assessments for the school fiscal year just beginning as reported by the county treasurer in the statement supplied under the provisions of 20-9-121. If the county superintendent finds that the requirement stated by the county treasurer is more than the final budget amount, the county superintendent shall increase the budgeted amount for interest or principal in the debt service fund of the final budget. The amount confirmed or revised by the county superintendent is the final budget expenditure amount for the debt service fund of the school district."

{Internal References to 20-9-438:

20-9-439X 20-9-439X 20-15-404X * }

Renumber: subsequent sections

14. Page 37, line 16 through line 17.

Following: "account" on line 16

Strike: ". All" on line 16 through "account" on line 17

15. Page 42, line 26.
Strike: "25, and 29"
Insert: "26, and 30"

16. Page 42, line 27.
Strike: "25, and 29"
Insert: "26, and 30"

17. Page 42, line 28.
Strike: "24"
Insert: "25"

18. Page 42, line 29.
Strike: "24"
Insert: "25"

19. Page 43, line 6.
Strike: "26 and 27"
Insert: "27 and 28"

- END -