

SENATE BILL NO. 245
INTRODUCED BY MCGEE, WEINBERG

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE DEBT LIMITS FOR COUNTIES, CONSOLIDATED MUNICIPALITIES, AND CITIES OR TOWNS; AMENDING SECTIONS 7-3-1321, 7-7-2101, 7-7-4201, 7-14-2524, AND 7-14-2525, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 7-3-1321, MCA, is amended to read:

"7-3-1321. Authorization to incur indebtedness -- limitation. (1) The consolidated municipality may borrow money or issue bonds for any municipal purpose to the extent and in the manner provided by the constitution and laws of Montana for the borrowing of money or issuing of bonds by counties and cities and towns.

(2) The municipality may not become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate that exceeds ~~4.54%~~ 2.5% of the total assessed value of taxable property, determined as provided in 15-8-111, within the municipality, as ascertained by the last assessment for state and county taxes prior to incurring indebtedness. All warrants, bonds, or obligations in excess of the amount given by or on behalf of the municipality are void."

Section 2. Section 7-7-2101, MCA, is amended to read:

"7-7-2101. Limitation on amount of county indebtedness. (1) A county may not issue bonds or incur other indebtedness for any purpose in an amount, including existing indebtedness, that in the aggregate exceeds ~~4.4%~~ 2.5% of the total assessed value of taxable property, determined as provided in 15-8-111, within the county, as ascertained by the last assessment for state and county taxes.

(2) Except as provided in 7-7-2402 and 7-21-3413, a county may not incur indebtedness or liability for any single purpose to an amount exceeding \$500,000 without the approval of a majority of the electors of the county voting at an election as provided by law.

(3) This section does not apply to the acquisition of conservation easements as set forth in Title 76, chapter 6."

Section 3. Section 7-7-4201, MCA, is amended to read:

"7-7-4201. Limitation on amount of bonded indebtedness. (1) Except as provided in 7-7-4202, a city or town may not issue bonds or incur other indebtedness for any purpose in an amount that with all outstanding and unpaid indebtedness exceeds ~~4.51%~~ 2.5% of the total assessed value of taxable property, determined as provided in 15-8-111, within the city or town, as ascertained by the last assessment for state and county taxes.

(2) The issuing of bonds for the purpose of funding or refunding outstanding warrants or bonds is not the incurring of a new or additional indebtedness but is merely the changing of the evidence of outstanding indebtedness.

(3) The limitation in subsection (1) does not apply to bonds issued for the repayment of tax protests lost by the city or town."

Section 4. Section 7-14-2524, MCA, is amended to read:

"7-14-2524. Limitation on amount of bonds issued. (1) Except as otherwise provided in 7-7-2203, 7-7-2204, and this section, a county may not issue bonds in an amount that, with all outstanding bonds and warrants except emergency bonds, exceeds 0.68% of the total assessed value of taxable property, determined as provided in 15-8-111, within the county, as ascertained by the last assessment for state and county taxes.

(2) A county may issue bonds in an amount that, with all outstanding bonds and warrants, exceeds 0.68% but does not exceed ~~4.4%~~ 2.5% of the total assessed value of taxable property, determined as provided in 15-8-111, when necessary for the purpose of replacing, rebuilding, or repairing county buildings, bridges, or highways that have been destroyed or damaged by an act of God or by a disaster, catastrophe, or accident.

(3) The value of the bonds issued and all other outstanding indebtedness of the county may not exceed ~~4.4%~~ 2.5% of the total assessed value of taxable property, determined as provided in 15-8-111, within the county, as ascertained by the last assessment for state and county taxes prior to the issuance of the bonds."

Section 5. Section 7-14-2525, MCA, is amended to read:

"7-14-2525. Refunding agreements and refunding bonds authorized. (1) Whenever the total indebtedness of a county exceeds ~~4.4%~~ 2.5% of the total assessed value of taxable property, determined as provided in 15-8-111, within the county and the board determines that the county is unable to pay the indebtedness in full, the board may:

(a) negotiate with the bondholders for an agreement under which the bondholders agree to accept less than the full amount of the bonds and the accrued unpaid interest in satisfaction of the bonds;

(b) enter into the agreement;

(c) issue refunding bonds for the amount agreed upon.

(2) These bonds may be issued in more than one series, and each series may be either amortization or serial bonds.

(3) The plan agreed upon between the board and the bondholders must be embodied in full in the resolution providing for the issuance of the bonds."

NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2007.

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