

SENATE BILL NO. 124

INTRODUCED BY E. MCCLAFFERTY

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A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE TERM FOR WHICH SCHOOL DISTRICT BONDS MAY BE ISSUED; AMENDING SECTION 20-9-410, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 20-9-410, MCA, is amended to read:

"20-9-410. Limitation of term and interest -- timing for redemption. (1) School district bonds may not be issued for a term longer than ~~20~~ 30 years, except that bonds issued to refund or redeem outstanding bonds may not be issued for a term longer than 10 years unless the unexpired term of the bonds to be refunded or redeemed is in excess of 10 years, in which case the refunding or redeeming bonds may be issued for the unexpired term. Other than refunding or redeeming bonds, all bonds issued for a longer term than 5 years must be redeemable at the option of the school district on any interest payment date after one-half of the term for which they were issued has expired, and the redemption option must be stated on the face of the bonds. The interest must be as provided under 17-5-102 and must be payable semiannually.

(2) For purposes of this section, the term of a bond issue commences on July 1 of the fiscal year in which the school district first levies taxes to pay the principal and interest on the bonds."

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

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