LC 0988

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INTRODUCED BY Boylan D. P.O. 1 2 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE COUNTY 5 AUTHORITY TO INVEST SCHOOL DISTRICT FUNDS UNDER THE 6 PROVISIONS OF SECTIONS 16-2050 AND 16-2618, R.C.M. 1947, AND 7 TO PRESCRIBE THE LIMITATIONS FOR SCHOOL DISTRICT INVESTMENTS 8 UNDER SECTION 75-6806, R.C.M. 1947; AMENDING SECTIONS 9 16-2050, 16-2618, 75-6805, AND 75-6806, R.C.M. 1947."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 16-2050, R.C.M. 1947, is amended to

13 read as follows:

14 "16-2050. Investment of county moneys in county warrants and investment of school district or county high 15 school moneys. (1) Except as provided in subsection (2) of 16 this section, whenever the county has under its control any 17 moneys. for which there is no immediate demand, in any 18 special fund subject to deposit which in the judgment of the 19 board of county commissioners it would be advantageous to 20 21 invest in county warrants, the county commissioners are authorized in their discretion to direct the 22 county 23 treasurer to purchase county warrants of the same county, thereafter issued against funds in which there is not 24 sufficient money to pay such county warrants at the time of 25

INTRODUCED BILL

2 commissioners shall designate the fund or funds, to be so 3 invested, and shall fix the amount thereof, and shall also 4 designate the county warrant or warrants which are to be 5 purchased by such funds. The county clerk and recorder shall thereupon cause to be attached to or stamped, written or б 7 printed upon the warrants so ordered to be purchased a 8 notice to the effect that the county will exercise its 9 preference right to purchase such warrant. The county treasurer shall thereafter when such county warrant is 10 11 presented to him, purchase the same out of the proper fund 12 as designated by the board of county commissioners, and the 13 warrant so purchased shall be registered as other county 14 warrants, and bear interest as provided by law. When the 15 designated amounts have been invested the county treasurer 16 shall notify the county clerk and recorder. Public funds 17 realized from the sale of bonds by a county for the purpose of constructing public buildings, or for other construction, 18 19 may be invested in any time or savings deposits, United 20 States certificates of indebtedness, United States treasury 21 notes or United States treasury bonds having a maturity date 22 of one (1) year or less when emergency conditions, beyond 23 the control of the county commissioners, exist which 24 preclude the construction of the projects for which the bonds were issued at the time such investments are made. 25

issuance, and in case of such purchase the county

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Interest earned from such investments, including interest on
 the sale of bonds accrued in the period between the date of
 issue and the time of purchase, shall be credited to the
 sinking fund of the county, notwithstanding the provisions
 of subsection (6) of section 16-2618.

(2) Whenever the county has under its control any 6 moneys realized from the sale of bonds by a school--district 7 8 or county high school for the purpose of construction, for 9 which there is no immediate demand, which in the judgment of 10 the governing body of the school--district--or county high 11 school it would be advantageous to invest in any time or 12 savings deposits or in short-term obligations of the United States of America, such governing body may in its discretion 13 14 direct the county treasurer to make such investments. 15 Interest earned from such investments, except interest on 16 the sale of bonds accrued in the period between the date of 17 issue and the time of purchase which must be credited to the 18 sinking fund, may be credited to the sinking fund of the 19 said school-district-or county high school, provided that in 20 the event construction of said buildings is delayed for a 21 period longer than six (6) months due to court action or 22 other causes beyond the control of the trustees, the 23 trustees may direct that interest earned be credited to the 24 fund from which the money was withdrawn. The trustees may authorize expenditures from interest earned, except as 25

1 provided above, for furnishing and equipping the buildings
2 for which the bonds were sold.

3 (3) No provision of this section may be construed to
4 prevent the investment of county<sub>7</sub>-school-district<sub>7</sub> or county
5 high school moneys under the state unified investment
6 program established in title 79, chapter 3."

7 Section 2. Section 16-2618, R.C.M. 1947, is amended to 8 read as follows:

9 "16-2618. Deposit of public funds by county, city and town treasurers. (1) It shall be the duty of all county, 10 11 city and town treasurers to deposit all public moneys in their possession and under their control in any solvent 12 banks, building and loan associations or savings and loan 13 14 associations located in the county, city or town of which 15 such treasurer is an officer, subject to national supervision or state examination as the board of county 16 17 commissioners in the case of a county, or of the council in 18 the case of a city or town, may designate, and no other. The 19 treasurer shall take from such bank, building and loan 20 association or savings and loan association such security as 21 the board of county commissioners, in the case of a county, 22 or the council in the case of a city or town, may prescribe, 23 approve and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together 24 25 with the interest on any time or savings deposits, provided

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1 that said board of county commissioners or city or town 2 council is hereby authorized to deposit such public moneys 3 not necessary for immediate use by such county, city or town 4 with any bank, building and loan association or savings and 5 loan association authorized herein above in a savings or time deposit; provided that the bank or banks or building 6 7 and loan association or savings and loan association in 8 which the money is deposited shall pay on the moneys no less 9 than the rate of interest as is paid on money from private sources on the same terms. Refusal of any bank, building and 10 loan association or savings and loan association to pay said 11 12 interest rate shall constitute a waiver of that 13 institution's right to participate in the ratable 14 distribution of said moneys as set forth in subsection (4) 15 of this act, and provided that said board of county 16 commissioners, or city or town council is hereby authorized 17 to invest such public moneys not necessary for immediate use by such county, city or town, in direct obligations of the 18 19 United States government, payable within not to exceed one 20 hundred eighty (180) days from the time of such investment. 21 (2) Said board of county commissioners, city or town 22 council may require security for only such portion of deposits as is not guaranteed or insured according to law. 23 24 Such security shall consist of cashier's check or checks 25 issued by the Federal Reserve Bank, bonds of the United

1 States government and its dependents, bonds guaranteed by the United States government or its dependents, bonds and 2 warrants of the state of Montana, bonds and warrants of any 3 4 county of the state of Montana, and bonds of any city, town 5 or school district of the state of Montana, which are a 6 general obligation of such county, city, town or school 7 district, bonds of the Federal Land Banks, Federal Intermediate Credit Bank debentures, Federal Home Loan Bank 8 notes and bonds, Bank for Co-operatives' debentures, Federal 9 10 National Mortgage Association notes, bonds and guaranteed 11 certificates of participation, obligations of or fully 12 guaranteed by the Government National Mortgage Association, 13 Farmers' Home Administration insured notes, notes fully 14 quaranteed as to principal and interest by the Small 15 Business Administration, Federal Housing Administration 16 depentures, general obligation bonds of other states and 17 counties of other states and bonds issued in the United 18 States of America, which are guoted on the New York market 19 which shall be acceptable at not to exceed ninety per centum 20 (90%) of such market quotation.

(3) When negotiable securities are furnished, such securities may be placed in trust and the trustee's receipt may be accepted in lieu of the actual securities when such receipt is in favor of the treasurer, his successors and the state of Montana, and the form of receipt and the trustee

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1 have been approved by the department of intergovernmental 2 relations. All warrants or other negotiable securities must 3 be properly assigned or endorsed in blank. It shall be the 4 duty of the board of county commissioners in the case of county funds, or the council in the case of funds of a city 5 or town, upon the acceptance and approval of any of the 6 7 above-mentionel bonds or securities, to make a complete 8 minute entry of such acceptance and approval upon the record of their proceedings, and such bonds and securities shall be 9 10 reapproved at least quarter annually thereafter.

11 (4) (a) Demand deposits shall be placed only in 12 banks. When more than one bank is available in any county. for the deposit of such county funds, or in any city or town 13 14 for the deposit of such city or town funds, such demand 15 deposits shall be distributed ratably among all of such 16 banks gualifying therefor. substantially in proportion to 17 paid-in capital and surplus of each such bank willing to receive such demand deposits under the terms of this act. 18 19 and it shall be the duty of said county, city or town 20 treasurer to prorate all such demand deposits among all of 21 the banks qualified to receive the same as in this act provided, to the end that an equitable distribution of such 22 23 demand deposits shall be maintained.

24 (b) Such public moneys not necessary for immediate use25 by such county, city or town which are not invested in

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direct obligations of the United States government as 1 authorized herein shall be placed in time or savings 2 deposits with any bank, building and loan association or 3 savings and loan association in the county, city or town. 4 When more than one bank, building and loan association or 5 savings and loan association is available in any county, for 6 7 the deposit of such county funds, or in any city or town for the deposit of such city or town funds, such funds shall be 8 distributed ratably among all of such banks, building and q, loan associations and savings and loan associations 10 qualifying therefor, substantially in proportion to the 11 12 total property taxes paid in such county or the county in which such city or town is located during the preceding 13 14 year, including taxes on shares of bank stock, by each such 15 bank, building and loan association or savings and loan association willing to receive such time or savings deposits 16 17 under the terms of this act, and it shall be the duty of 18 said county, city or town treasurer to prorate all such time 19 or savings deposits among all of the banks, building and 20 loan associations and savings and loan associations gualified to receive the same as in this act provided, to 21 the end that an equitable distribution of such time or 22 23 savings deposits shall be maintained.

(5) Whenever it shall come to the attention of thedepartment of intergovernmental relations that the funds of

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any county, city or town are not properly distributed as 1 2 provided in this act, the department of intergovernmental relations shall order the treasurer of such county, city or 3 town to distribute said funds in accordance herewith, and if 4 such treasurer shall refuse or neglect to comply with such 5 order, it shall be the duty of the department of 6 intergovernmental relations to institute proceedings against 7 such treasurer at the cost of the county, city or town of 8 which such treasurer is an officer, on the official bond of 9 such treasurer. If no such bank, building and loan 10 associations or savings and loan associations exists in the 11 county, city or town, or if any banks, building and loan 12 associations or savings and loan associations existing 13 therein fails or refuses to qualify under the terms of this 14 act to receive such deposits, then and in such case, or in 15 either of such cases, such moneys as have not been accepted 16 by any banks, building and loan associations or savings and 17 loan associations within said county, city or town, shall be 18 deposited under the terms of this act, in the banks, 19 building and loan associations or savings and loan 20 associations most convenient to such county, city or town, 21 willing to accept such deposits under the terms of this act, 22 and qualified as above provided. Any banks, building and 23 loan associations or savings and loan associations receiving 24 such deposits, shall, through its president and cashier or 25

secretary, make a statement quarter annually of account, 1 2 under oath, showing all such moneys that have been deposited with such bank, building and loan association or savings and 3 loan association during the guarter, the amount of daily 4 balance in dollars, and the amount of interest by such 5 6 banks, building and loan associations or savings and loan 7 associations credited or paid therefor, and showing that 8 neither such bank, building and loan association or savings 9 and loan association nor any officer thereof, nor any person 10 for it, has paid or given any consideration or emolument 11 whatsoever to the treasurer or to any other person other 12 than the interest provided for herein, for or on account of 13 the making of such deposits, with any such bank, building 14 and loan association or savings and loan association. All 15 such deposits shall be subject to withdrawal by the treasurer in such amounts as may be necessary from time to 16 17 time, and no deposit of funds shall be made, or permitted to 18 remain in any bank, building and loan association or savings 19 and loan association, until the security for such deposits 20 shall have been first approved by the board of county commissioners in the case of county funds, or by the council 21 22 in the case of city or town funds, and delivered to the 23 treasurer.

24 (6) Except-as-provided-in-subsection--{0}--of-this
 25 section,--all All interest paid and collected on such

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1 deposits or investments shall be credited to the general 2 fund of the county, city or town to whose credit such funds are deposited. Where moneys shall have been deposited in 3 accordance with the provisions of this act, the treasurer 4 5 shall not be liable for loss on account of any such deposit 6 that may occur through damage by the elements or for any 7 other cause or reason occasioned through means other than 8 his own neglect, fraud, or dishonorable conduct.

9 (7) Any bank, building and loan association or savings 10 and loan association pledging securities as provided in this 11 act at any time it deems advisable or desirable may 12 substitute like securities for all or any part of the 13 securities pledged. The collateral so substituted shall be 14 approved by the governing body of the county, city or town 15 at its next official meeting. Such securities so substituted 16 shall at the time of substitution be at least equal in 17 principal amount to the securities for which substitution is 18 made. In the event that the securities so substituted are 19 held in trust, the trustee shall, on the same day the 20 substitution is made, forward by registered or certified mail to the county, city or town and to the depository bank, 21 22 building and loan association or savings and loan 23 association, a receipt specifically describing and 24 identifying both the securities so substituted and those 25 released and returned to the depository bank, building and

2 (8)--Whenever-in-the-judgment-of-the--trustees--of--any 3 common-school-district7-high-school-district7-or-county-high Δ school--it-would-be-advantageous-to-invest-anv-money-of-such 5 school-or-school-district-in-savings-or-time-deposits--in--a 6 state--or--national--banky--building-and-loan-association-or 7 savings-and-loan-association-insured-by-the-FrBrIrC--or--the 8 F:6:L:1:C:7--ar--in--direct-obligations-of-the-United-States Q, governments-payable-within-one--hundred--eignty--flug)--days from--the-time-of-investment,-such-governing-pody-may-in-its 10 11 discretion--direct--the--county--treasurer--to---make---such investments---All--interest--eollected--on--such-deposits-or 12 13 investments-shall-be-credited-to-the--fund--from--which--the 14 money-was-withdrawn--provided-that-nothing-in-this-act-shall 15 be-interpreted-to-conflict-with-section-16-2050;" 16 Section 3. Section 75-6805, R.C.M. 1947, is amended to 17 read as follows: 18 "75-6805. Duties of county treasurer. The county 19 treasurer of each county shall: 20 (1) receive and hold all school moneys subject to apportionment, and keep a separate accounting of their 21

loan association or savings and loan association.

22 apportionments to the several districts which are entitled 23 to a portion of such moneys according to the apportionments 24 ordered by the county superintendent. A separate accounting 25 shall be maintained for each county fund supported by a

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county-wide levy for a specific, authorized purpose, 1 2 including:

3 (a) the basic county tax in support of the elementary 4 foundation programs,

5 (b) the basic special tax for high schools in support 6 of the high school foundation programs,

7 (c) the county tax in support of the county's high 8 school transportation obligation,

9 (d) the county tax in support of the high school obligations to the retirement systems of the state of 10 11 Montana,

12 (e) any additional county tax required by law to for deficiency financing of the elementary 13 provide 14 foundation programs,

15 (f) any additional county tax required by law to provide for deficiency financing of the high school 16 17 foundation programs,

18 (q) the county tax for post-secondary а 19 vocational-technical center when levied by the board of county commissioners, and 20

21 (h) any other county tax for schools which may be authorized by law and levied by the county commissioners; 22

23 (2) whenever requested, notify the county 24 superintendent of the amount of county school moneys on 25 deposit in each of the funds enumerated in subsection (1) of

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1 this section and the amount of any other school moneys 2 subject to apportionment, and apportion such county and other school moneys to the districts in accordance with the 3 4 apportionment ordered by the county superintendent;

(3) keep a separate accounting of the expenditures for 5 each budgeted fund included on the final budget of each 6 district; 7

8 (4) keep a separate accounting of the receipts, 9 expenditures, and cash balances for each budgeted fund 10 included on the final budget of each district and for each nonbudgeted fund established by each district; 11

12 (5) except as otherwise limited by law, pay all warrants properly drawn on the county or district school 13 moneys and properly endorsed by their holders; 14

15 (6) receive all revenue collected by and for each 16 district and deposit these receipts in the fund designated 17 by law, or by the district if no fund is designated by law. 18 Interest and penalties on delinquent school taxes shall be credited to the same fund and district for which the 19 20 original taxes were levied;

21 (7) send all revenues received for a joint district. 22 part of which is situated in his county, to the county 23 treasurer designated as the custodian of such revenues, no 24 later than the fifteenth day of December of each year and 25 every three (3) months thereafter until the end of the

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school fiscal year;

2 (8) register district warrants drawn on a budgeted 3 fund in accordance with section 16-2604, R. C. M., 1947, 4 when there are insufficient moneys available in such 5 budgeted fund to make payment of such warrant. Redemption of 6 registered warrants shall be made in accordance with 7 sections 16-2605, 16-2602, and 16-2607, R. C. M., 1947;

8 (9) invest the moneys of any district as directed by
9 the trustees of the district but--in--accordance--with
10 subsection-(2)-of--section--16-2050--or--subsection--(8)--of
11 section--16-26107--RT--CT-MTT-19477-whichever-is-applicable;
12 and

13 (10) give to the trustees of each district, at least 14 quarterly, an itemized report for each fund maintained by 15 the district showing the paid warrants, outstanding 16 warrants, registered warrants, amount and types of revenue 17 received, and the cash balance."

18 Section 4. Section 75-6306, R.C.M. 1947, is amended to 19 read as follows:

20 "75-6806. Duties of trustees. The trustees of each 21 district shall have the sole power and authority to transact 22 all fiscal business and execute all contracts in the name of 23 such district. No person, other than the trustees, acting as 24 a governing board, shall have the authority to expend moneys 25 of the district. In conducting the fiscal business of the l district, the trustees shall:

(1) cause the keeping of an accurate, detailed
accounting of all receipts and expenditures of school moneys
for each fund maintained by the district in accordance with
rules and regulations prescribed by the superintendent of
public instruction. The record of such accounting shall be
open to public inspection at any meeting of the trustees;

8 (2) authorize all expenditures of district moneys, and 9 cause warrants to be issued for the payment of lawful 10 obligations;

11 (3) have the authority to issue warrants on any 12 budgeted fund in anticipation of budgeted revenues, except 13 that such expenditures shall not exceed the amount budgeted 14 for such fund;

15 (4) invest any moneys of the district in-accordance 16 with--subsection-{2}-of-section-16-2050-or-subsection-f8}-of section-16-26187-RT-CT-MT7-19477--whichever--is--applicable7 17 whenever in the judgment of the trustees such investment 18 19 would be advantageous to the district;, by directing the 20 county treasurer to invest any money of the district in 21 savings or time deposits in a state or national bank, building or loan association or savings and loan association 22 23 insured by the F.D.I.C. or the F.S.L.I.C. or in direct 24 obligations of the United States government, payable within 25 one hundred eighty (180) days from the time of investment.

1 All interest collected on such deposits or investments shall 2 be credited to the fund from which the money was withdrawn 3 except that interest earned on account of the investment of 4 money realized from the sale of bonds shall be credited to 5 the debt service fund. The placement of the investment by 6 the county treasurer shall not be subject to ratable 7 distribution laws and shall be done in accordance with the 8 directive from the board of trustees. A district may invest 9 moneys under the state unified investment program 10 established in Title 79, chapter 3, R.C.M. 1947;

11 (5) report annually to the county superintendent not later than the first day of August, the financial activities 12 of each fund maintained by the district during the last 13 completed school fiscal year on the forms prescribed and 14 furnished by the superintendent of public instruction. 15 Annual fiscal reports for joint school districts shall be 16 17 submitted to the county superintendent of each county in which part of the joint district is situated; 18

19 (6) whenever requested, report any other fiscal
20 activities to the county superintendent, superintendent of
21 public instruction, or board of education;

(7) cause the accounting records of the district to beaudited annually as required by law; and

24 (8) perform, in the manner permitted by law, such25 other fiscal duties that are in the best interests of the

district."

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COUNTY

## Approved by Committee on Education

1	SENATE BILL NO. 243
2	INTRODUCED BY BOYLAN, SEIBEL
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE

5 AUTHORITY TO INVEST SCHOOL DISTRICT FUNDS UNDER THE 6 PROVISIONS OF SECTIONS 16-2050 AND 16-2618, R.C.M. 1947, AND 7 TO PRESCRIBE THE LIMITATIONS FOR SCHOOL DISTRICT INVESTMENTS 8 UNDER SECTION 75-6806, R.C.M. 1947; AMENDING SECTIONS 9 16-2050, 16-2618, 75-6805, AND 75-6806, R.C.M. 1947."

10

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

12 Section 1. Section 16-2050, R.C.M. 1947, is amended to 13 read as follows:

"16-2050. Investment of county moneys in county 14 15 warrants and investment of school district or county high 16 school moneys. (1) Except as provided in subsection (2) of 17 this section, whenever the county has under its control any 18 moneys, for which there is no immediate demand, in any 19 special fund subject to deposit which in the judgment of the board of county commissioners it would be advantageous to 20 21 invest in county warrants, the county commissioners are 22 authorized in their discretion to direct the county treasurer to purchase county warrants of the same county, 23 thereafter issued against funds in which there is not 24 25 sufficient money to pay such county warrants at the time of

SECOND READING

1 issuance, and in case of such purchase the county 2 commissioners shall designate the fund or funds, to be so 3 invested, and shall fix the amount thereof, and shall also 4 designate the county warrant or warrants which are to be purchased by such funds. The county clerk and recorder shall 5 6 thereupon cause to be attached to or stamped, written or 7 printed upon the warrants so ordered to be purchased a 8 notice to the effect that the county will exercise its preference right to purchase such warrant. The county 9 10 treasurer shall thereafter when such county warrant is 11 presented to him, purchase the same out of the proper fund as designated by the board of county commissioners, and the 12 13 warrant so purchased shall be registered as other county 14 warrants, and bear interest as provided by law. When the 15 designated amounts have been invested the county treasurer 16 shall notify the county clerk and recorder. Public funds 17 realized from the sale of bonds by a county for the purpose 18 of constructing public buildings, or for other construction, 19 may be invested in any time or savings deposits, United States certificates of indebtedness, United States treasury 20 notes or United States treasury bonds having a maturity date 21 of one (1) year or less when emergency conditions, beyond 22 23 control of the county commissioners, exist which the 24 preclude the construction of the projects for which the 25 bonds were issued at the time such investments are made. -2-SB 243 Interest earned from such investments, including interest on
 the sale of bonds accrued in the period between the date of
 issue and the time of purchase, shall be credited to the
 sinking fund of the county, notwithstanding the provisions
 of subsection (6) of section 16-2618.

6 (2) Whenever the county has under its control any 7 moneys realized from the sale of bonds by a school-district 8 er county high school for the purpose of construction, for 9 which there is no immediate demand, which is the judgment of 10 the governing body of the school--district--or county high 11 school it would be advantageous to invest in any time or 12 savings deposits or in short-term obligations of the United 13 States of America, such governing body may in its discretion 14 direct the county treasurer to make such investments. Interest earned from such investments, except interest on 15 16 the sale of bonds accrued in the period between the date of issue and the time of purchase which must be credited to the 17 18 sinking fund, may be credited to the sinking fund of the 19 said school-district-or county high school, provided that in 20 the event construction of said buildings is delayed for a period longer than six (6) months due to court action or 21 other causes beyond the control of the trustees, the 22 trustees may direct that interest earned be credited to the 23 fund from which the money was withdrawn. The trustees may 24 25 authorize expenditures from interest earned, except as -3-SB 243

provided above, for furnishing and equipping the buildings
 for which the bonds were sold.

3. (3) No provision of this section may be construed to
4 prevent the investment of county-school-district, or county
5 high school moneys under the state unified investment
6 program established in Title 79, chapter 3."

7 Section 2. Section 16-2618, R.C.M. 1947, is amended to
8 read as follows:

9 "16-2618. Deposit of public funds by county, city and town treasurers. (1) It shall be the duty of all county, 10 city and town treasurers to deposit all public moneys in 11 12 their possession and under their control in any solvent banks, building and loan associations or savings and loan 13 associations located in the county, city or town of which 14 15 such treasurer is an officer, subject to national supervision or state examination as the board of county 16 commissioners in the case of a county, or of the council in 17 the case of a city or town, may designate, and no other. The 18 19 treasurer shall take from such bank, building and loan 20 association or savings and loan association such security as the board of county commissioners, in the case of a county, 21 22 or the council in the case of a city or town, may prescribe, 23 approve and deem fully sufficient and necessary to insure 24 the safety and prompt payment of all such deposits, together 25 with the interest on any time or sayings deposits. provided -4-SB 243

1 that said board of county commissioners or city or town 2 council is hereby authorized to deposit such public moneys 3 not necessary for immediate use by such county. city or town with any bank, building and loan association or savings and 4 5 loan association authorized herein above in a savings or time deposit; provided that the bank or banks or building 6 7 and loan association or savings and loan association in 8 which the money is deposited shall pay on the moneys no less 9 than the rate of interest as is paid on money from private sources on the same terms. Refusal of any bank, building and 10 11 loan association or savings and loan association to pay said 12 interest rate shall constitute a waiver of that 13 institution's right to participate in the ratable distribution of said moneys as set forth in subsection (4) 14 of this act, and provided that said board of county 15 commissioners, or city or town council is hereby authorized 16 to invest such public moneys not necessary for immediate use 17 by such county, city or town, in direct obligations of the 18 United States government, payable within not to exceed one 19 hundred eighty (180) days from the time of such investment. 20 21 (2) Said board of county commissioners, city or town council may require security for only such portion of 22 23 deposits as is not quaranteed or insured according to law. Such security shall consist of cashier's check or checks 24 issued by the Federal Reserve Bank, bonds of the United 25 SB 243 -5-

States government and its dependents, bonds guaranteed by 1 the United States government or its dependents, bonds and 2 3 warrants of the state of Montana, bonds and warrants of any county of the state of Montana, and bonds of any city, town 4 or school district of the state of Montana, which are a 5 general obligation of such county. city, town or school 6 the Federal Land Banks, Federal 7 district, bonds of Intermediate Credit Bank debentures, Federal Home Loan Bank я notes and bonds. Bank for Co-operatives' debentures. Federal 9 10 National Mortgage Association notes, bonds and guaranteed certificates of participation, obligations of or fully 11 quaranteed by the Government National Mortgage Association, 12 13 Farmers' Home Administration insured notes, notes fully guaranteed as to principal and interest by the Small 14 15 Business Administration, Federal Housing Administration 16 debentures, general obligation bonds of other states and 17 counties of other states and bonds issued in the United 18 States of America, which are quoted on the New York market 19 which shall be acceptable at not to exceed ninety per centum 20 (90%) of such market quotation.

21 (3) When negotiable securities are furnished, such 22 securities may be placed in trust and the trustee's receipt 23 may be accepted in lieu of the actual securities when such 24 receipt is in favor of the treasurer, his successors and the 25 state of Montana, and the form of receipt and the trustee -6-SB 243

1 have been approved by the department of intergovernmental 2 relations. All warrants or other negotiable securities must 3 be properly assigned or endorsed in blank. It shall be the 4 duty of the board of county commissioners in the case of county funds, or the council in the case of funds of a city 5 6 or town, upon the acceptance and approval of any of the 7 above-mentioned bonds or securities. to make a complete 8 minute entry of such acceptance and approval upon the record 9 of their proceedings, and such bonds and securities shall be 10 reapproved at least quarter annually thereafter.

11 (4) (a) Demand deposits shall be placed only in banks. When more than one bank is available in any county, 12 for the deposit of such county funds, or in any city or town 13 for the deposit of such city or town funds, such demand 14 15 deposits shall be distributed ratably among all of such 16 banks qualifying therefor, substantially in proportion to 17 paid-in capital and surplus of each such bank willing to receive such demand deposits under the terms of this act. 18 and it shall be the duty of said county, city or town 19 treasurer to prorate all such demand deposits among all of 20 21 the banks qualified to receive the same as in this act 22 provided, to the end that an equitable distribution of such 23 demand deposits shall be maintained.

(b) Such public moneys not necessary for immediate use
 by such county, city or town which are not invested in
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direct obligations of the United States government as 1 authorized herein shall be placed in time or savings 2 deposits with any bank, building and loan association or 3 savings and loan association in the county, city or town. 4 When more than one bank, building and loan association or 5 savings and loan association is available in any county, for б the deposit of such county funds, or in any city or town for 7 8 the deposit of such city or town funds, such funds shall be distributed ratably among all of such banks, building and 9 loan associations and savings and loan associations 10 qualifying therefor, substantially in proportion to the 11 12 total property taxes paid in such county or the county in which such city or town is located during the preceding 13 year, including taxes on shares of bank stock, by each such 14 15 bank, building and loan association or savings and loan association willing to receive such time or savings deposits 16 under the terms of this act, and it shall be the duty of 17 18 said county, city or town treasurer to prorate all such time 19 or savings deposits among all of the banks, building and 20 loan associations and savings and loan associations qualified to receive the same as in this act provided, to 21 22 the end that an equitable distribution of such time or 23 savings deposits shall be maintained.

(5) Whenever it shall come to the attention of the
 department of intergovernmental relations that the funds of
 -8- SB 243

1 any county. city or town are not properly distributed as provided in this act, the department of intergovernmental 2 3 relations shall order the treasurer of such county, city or town to distribute said funds in accordance herewith, and if 4 5 such treasurer shall refuse or neglect to comply with such 6 order, it shall be the duty of the department of 7 intergovernmental relations to institute proceedings against such treasurer at the cost of the county, city or town of 8 9 which such treasurer is an officer, on the official bond of 10 such treasurer. If no such bank, building and loan 11 associations or savings and loan associations exists in the 12 county, city or town, or if any banks, building and loan associations or savings and loan associations existing 13 therein fails or refuses to qualify under the terms of this 14 act to receive such deposits, then and in such case, or in 15 either of such cases, such moneys as have not been accepted 16 by any banks, building and loan associations or savings and 17 loan associations within said county, city or town, shall be 18 deposited under the terms of this act, in the banks, 19 building and loan associations or savings and loan 20 associations most convenient to such county, city or town, 21 willing to accept such deposits under the terms of this act, 22 and qualified as above provided. Any banks, building and 23 loan associations or savings and loan associations receiving 24 such deposits, shall, through its president and cashier or 25 SB 243 -9-

secretary, make a statement quarter annually of account, 1 2 under oath, showing all such moneys that have been deposited with such bank, building and loan association or savings and 3 4 loan association during the quarter, the amount of daily 5 balance in dollars, and the amount of interest by such banks, building and loan associations or savings and loan 6 7 associations credited or paid therefor, and showing that neither such bank, building and loan association or savings 8 and loan association nor any officer thereof, nor any person 9 10 for it, has paid or given any consideration or emolument whatsoever to the treasurer or to any other person other 11 12 than the interest provided for herein, for or on account of 13 the making of such deposits, with any such bank, building 14 and loan association or savings and loan association. All 15 such deposits shall be subject to withdrawal by the treasurer in such amounts as may be necessary from time to 16 17 time, and no deposit of funds shall be made, or permitted to 18 remain in any bank, building and loan association or savings and loan association, until the security for such deposits 19 20 shall have been first approved by the board of county 21 commissioners in the case of county funds, or by the council 22 in the case of city or town funds. and delivered to the 23 treasurer. 24 (6) Except--as--provided--in--subsection--(8)--of-this

24 (b) Hadept-as--provided-in--Subsection--(0)--of-this 25 section,--all All interest paid and collected on such -10- SB 243 1 deposits or investments shall be credited to the general fund of the county, city or town to whose credit such funds 2 3 are deposited. Where moneys shall have been deposited in 4 accordance with the provisions of this act, the treasurer 5 shall not be liable for loss on account of any such deposit 6 that may occur through damage by the elements or for any 7 other cause or reason occasioned through means other than 8 his own neglect, fraud, or dishonorable conduct.

9 (7) Any bank, building and loan association or savings 10 and loan association pledging securities as provided in this 11 act at any time it deems advisable or desirable may substitute like securities for all or any part of the 12 securities pledged. The collateral so substituted shall be 13 14 approved by the governing body of the county, city or town at its next official meeting. Such securities so substituted 15 16 shall at the time of substitution be at least equal in principal amount to the securities for which substitution is 17 made. In the event that the securities so substituted are 18 held in trust, the trustee shall, on the same day the 19 20 substitution is made, forward by registered or certified mail to the county, city or town and to the depository bank, 21 building and loan association or savings and loan 22 association, a receipt specifically describing and 23 identifying both the securities so substituted and those 24 25 released and returned to the depository bank, building and -11-SB 243 1 loan association or savings and loan association.

2	(8)Whonever-in-the-judgment-of-thetrusteesofany
3	common-school-districty-high-school-districty-or-county-high
4	schoolit-would-be-advantageous-to-invest-any-money-of-such
5	school-or-school-distrist-in-savings-or-time-depositsina
6	stateernationalbankybuilding-and-lean-association-or
7	savings-and-loan-association-insured-by-the-PrBrItEr-orthe
8	Fr6rbrIrCr7-orin-direct-obligations-of-the-United-States
9	governmenty-payable-within-onehundredeighty{189}days
10	fromthe-time-of-investmenty-such-governing-body-may-in-its
11	discretion-direct-the-county-treasurer-tomakesuch
12	investmentsAllinterestcollectedonsuch-deposits-or
13	investments-shall-be-eredited-to-thefundfromwhichthe
14	moncy-was-withdrawny-provided-that-nothing-in-this-act-shail
15	be-interpreted-to-conflict-with-section-16-2050."
16	Section 3. Section 75-6805, R.C.M. 1947, is amended to
17	read as follows:
18	75-6805. Duties of county treasurer. The county
19	treasurer of each county shall:
20	•
20	
	apportionment, and keep a separate accounting of their
22	apportionments to the several districts which are entitled
23	to a portion of such moneys according to the apportionments
24	ordered by the county superintendent. A separate accounting
25	shall be maintained for each county fund supported by a

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SB 243

SB 243

1 county-wide levy for a specific, authorized purpose,
2 including:

3 (a) the basic county tax in support of the elementary4 foundation programs,

5 (b) the basic special tax for high schools in support6 of the high school foundation programs,

7 (c) the county tax in support of the county's high8 school transportation obligation,

9 (d) the county tax in support of the high school 10 obligations to the retirement systems of the state of 11 Montana,

(e) any additional county tax required by law to
provide for deficiency financing of the elementary
foundation programs,

15 (f) any additional county tax required by law to 16 provide for deficiency financing of the high school 17 foundation programs,

18 (g) the county tax for a post-secondary 19 vocational-technical center when levied by the board of 20 county commissioners, and

(h) any other county tax for schools which may be
authorized by law and levied by the county commissioners;
(2) whenever requested, notify the county

24 superintendent of the amount of county school moneys on 25 deposit in each of the funds enumerated in subsection (1) of

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this section and the amount of any other school moneys
 subject to apportionment, and apportion such county and
 other school moneys to the districts in accordance with the

4 apportionment ordered by the county superintendent;
5 (3) keep a separate accounting of the expenditures for

6 each budgeted fund included on the final budget of each 7 district;

8 (4) keep a separate accounting of the receipts, 9 expenditures, and cash balances for each budgeted fund 10 included on the final budget of each district and for each 11 nonbudgeted fund established by each district;

12 (5) except as otherwise limited by law, pay all
13 warrants properly drawn on the county or district school
14 moneys and properly endorsed by their holders;

15 (6) receive all revenue collected by and for each 16 district and deposit these receipts in the fund designated 17 by law, or by the district if no fund is designated by law. 18 Interest and penalties on delinquent school taxes shall be 19 credited to the same fund and district for which the 20 original taxes were levied;

21 (7) send all revenues received for a joint district, 22 part of which is situated in his county, to the county 23 treasurer designated as the custodian of such revenues, no 24 later than the fifteenth day of December of each year and 25 every three (3) months thereafter until the end of the -14- SB 243 1 school fiscal year;

(8) register district warrants drawn on a budgeted
fund in accordance with section 16-2604, R. C. M., 1947,
when there are insufficient moneys available in such
budgeted fund to make payment of such warrant. Redemption of
registered warrants shall be made in accordance with
sections 16-2605, 16-2602, and 16-2607, R. C. M., 1947;

8 (9) invest the moneys of any district as directed by
9 the trustees of the district but--in--accordance--with
10 subsection-(2)-of--section--16-2050--or--subsection--(8)--of
11 section--16-2610y--Rr--Cr-Mry-1947y-whichever-is-applicable;
12 and

13 (10) give to the trustees of each district, at least 14 quarterly, an itemized report for each fund maintained by 15 the district showing the paid warrants, outstanding 16 warrants, registered warrants, amount and types of revenue 17 received, and the cash balance."

18 Section 4. Section 75-6806, R.C.M. 1947, is amended to 19 read as follows:

20 "75-6806. Duties of trustees. The trustees of each 21 district shall have the sole power and authority to transact 22 all fiscal business and execute all contracts in the name of 23 such district. No person, other than the trustees, acting as 24 a governing board, shall have the authority to expend moneys 25 of the district. In conducting the fiscal business of the -15- SB 243 1 district, the trustees shall:

(1) cause the keeping of an accurate, detailed 2 accounting of all receipts and expenditures of school moneys 3 for each fund maintained by the district in accordance with 4 rules and regulations prescribed by the superintendent of 5 public instruction. The record of such accounting shall be 6 open to public inspection at any meeting of the trustees; 7 (2) authorize all expenditures of district moneys, and 8 9 cause warrants to be issued for the payment of lawful 10 obligations; 11 (3) have the authority to issue warrants on any budgeted fund in anticipation of budgeted revenues, except 12 that such expenditures shall not exceed the amount budgeted 13 14 for such fund: (4) invest any moneys of the district in--accordance 15 16 with--subsection-(2)-of-section-16-2050-or-subsection-(8)-of 17 section-16-26107-R.-Cr-M.7-19477--whichever--is--applicable; 18 whenever in the judgment of the trustees such investment 19 would be advantageous to the district, by directing the 20 county treasurer to invest any money of the district in 21 savings or time deposits in a state or national bank, 22 building or loan association or savings and loan association 23 insured by the F.D.I.C. or the F.S.L.I.C. or in direct 24 obligations of the United States government, payable within 25 one hundred eighty (180) days from the time of investment. -16-SB 243

1	All interest collected on such deposits or investments shall
2	be credited to the fund from which the money was withdrawn
3	except that interest earned on account of the investment of
4	money realized from the sale of bonds shall be credited to
5	the debt service fund, OR THE BUILDING FUND AT THE
6	DISCRETION OF THE BOARD OF TRUSTEES. The placement of the
7	investment by the county treasurer shall not be subject to
8	ratable distribution laws and shall be done in accordance
9	with the directive from the board of trustees. A district
10	may invest moneys under the state unified investment program
11	established in Title 79, chapter 3, R.C.M. 1947;
12	(5) report annually to the county superintendent not
13	later than the first day of August, the financial activities
14	of each fund maintained by the district during the last
15	completed school fiscal year on the forms prescribed and
16	furnished by the superintendent of public instruction.
17	Annual fiscal reports for joint school districts shall be
18	submitted to the county superintendent of each county in
19	which part of the joint district is situated;
20	(6) whenever requested, report any other fiscal
21	activities to the county superintendent, superintendent of

22 public instruction, or board of education;

23 (7) cause the accounting records of the district to be24 audited annually as required by law; and

25 (8) perform, in the manner permitted by law, such -17- SB 243 1 other fiscal duties that are in the best interests of the

2 district."

-End-

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ĩ	SENATE BILL NO. 243
2	INTRODUCED BY BOYLAN, SEIBEL
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE COUNTY
5	AUTHORITY TO INVEST SCHOOL DISTRICT FUNDS UNDER THE
6	PROVISIONS OF SECTIONS 16-2050 AND 16-2618, R.C.M. 1947, AND
7	TO PRESCRIBE THE LIMITATIONS FOR SCHOOL DISTRICT INVESTMENTS
8	UNDER SECTION 75-6806, R.C.M. 1947; AMENDING SECTIONS
9	16-2050, 16-2618, 75-6805, AND 75-6806, R.C.M. 1947."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 16-2050, R.C.M. 1947, is amended to
13	read as follows:
14	"16-2050. Investment of county moneys in county

n county 15 warrants and investment of school district or county high 16 school moneys. (1) Except as provided in subsection (2) of 17 this section, whenever the county has under its control any moneys, for which there is no immediate demand, in any 18 special fund subject to deposit which in the judgment of the 19 board of county commissioners it would be advantageous to 20 invest in county warrants, the county commissioners are 21 authorized in their discretion to direct the county 22 treasurer to purchase county warrants of the same county, 23 thereafter issued against funds in which there is not 24 25 sufficient money to pay such county warrants at the time of

THIRD READING

1 issuance, and in case of such purchase the county 2 commissioners shall designate the fund or funds, to be so invested, and shall fix the amount thereof, and shall also 3 designate the county warrant or warrants which are to be 4 5 purchased by such funds. The county clerk and recorder shall 6 thereupon cause to be attached to or stamped, written or 7 printed upon the warrants so ordered to be purchased a 8 notice to the effect that the county will exercise its 9 preference right to purchase such warrant. The county 10 treasurer shall thereafter when such county warrant is 11 presented to him, purchase the same out of the proper fund as designated by the board of county commissioners, and the 12 13 warrant so purchased shall be registered as other county 14 warrants, and bear interest as provided by law. When the designated amounts have been invested the county treasurer 15 16 shall notify the county clerk and recorder. Public funds 17 realized from the sale of bonds by a county for the purpose of constructing public buildings, or for other construction, 18 19 may be invested in any time or savings deposits, United 20 States certificates of indebtedness, United States treasury 21 notes or United States treasury bonds having a maturity date 22 of one (1) year or less when emergency conditions, beyond 23 the control of the county commissioners, exist which preclude the construction of the projects for which the 24 25 bonds were issued at the time such investments are made. -2-SB 243

Interest earned from such investments, including interest on the sale of bonds accrued in the period between the date of 2 issue and the time of purchase, shall be credited to the 3 sinking fund of the county, notwithstanding the provisions of subsection (6) of section 16-2618.

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ъ (2) Whenever the county has under its control any 7 moneys realized from the sale of bonds by a school-district 8 er county high school for the purpose of construction, for 9 which there is no immediate demand, which in the judgment of 10 the governing body of the school--district--or county high 11 school it would be advantageous to invest in any time or 12 savings deposits or in short-term obligations of the United 13 States of America, such governing body may in its discretion 14 direct the county treasurer to make such investments. Interest earned from such investments, except interest on 15 the sale of bonds accrued in the period between the date of 16 17 issue and the time of purchase which must be credited to the 18 sinking fund, may be credited to the sinking fund of the 19 said school-district-or county high school, provided that in 20 the event construction of said buildings is delayed for a period longer than six (6) months due to court action or 21 22 other causes beyond the control of the trustees, the 23 trustees may direct that interest earned be credited to the 24 fund from which the money was withdrawn. The trustees may 25 authorize expenditures from interest carned, except as -3-SB 243

provided above, for furnishing and equipping the buildings 1 for which the bonds were sold. 2

3 (3) No provision of this section may be construed to 4 prevent the investment of county,-school-district, or county high school moneys under the state unified investment 5 6 program established in Title 79, chapter 3."

7 Section 2. Section 16-2618, R.C.M. 1947, is amended to 8 read as follows:

9 "16-2618. Deposit of public funds by county, city and 10 town treasurers. (1) It shall be the duty of all county, city and town treasurers to deposit all public moneys in 11 12 their possession and under their control in any solvent banks, building and loan associations or savings and loan 13 associations located in the county, city or town of which 14 15 such treasurer is an officer, subject to national 16 supervision or state examination as the board of county 17 commissioners in the case of a county, or of the council in 18 the case of a city or town, may designate, and no other. The 19 treasurer shall take from such bank, building and loan 20 association or savings and loan association such security as 21 the board of county commissioners, in the case of a county, 22 or the council in the case of a city or town, may prescribe, 23 approve and deem fully sufficient and necessary to insure 24 the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits, provided 25

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that said board of county commissioners or city or town 1 council is hereby authorized to deposit such public moneys 2 3 not necessary for immediate use by such county, city or town 4 with any bank, building and loan association or savings and loan association authorized herein above in a savings or 5 time deposit; provided that the bank or banks or building 6 7 and loan association or savings and loan association in which the money is deposited shall pay on the moneys no less 8 9 than the rate of interest as is paid on money from private 10 sources on the same terms. Refusal of any bank, building and loan association or savings and loan association to pay said 11 interest rate shall constitute a waiver 12 of that institution's right to participate in the ratable 13 14 distribution of said moneys as set forth in subsection (4) 15 of this act, and provided that said board of county 16 commissioners, or city or town council is hereby authorized 17 to invest such public moneys not necessary for immediate use by such county, city or town, in direct obligations of the 18 19 United States government, payable within not to exceed one 20 hundred eighty (180) days from the time of such investment. (2) Said board of county commissioners, city or town 21 22 council may require security for only such portion of 23 deposits as is not quaranteed or insured according to law. 24 Such security shall consist of cashier's check or checks 25 issued by the Federal Reserve Bank, bonds of the United -5-SB 243

States government and its dependents, bonds guaranteed by 1 2 the United States government or its dependents, bonds and 3 warrants of the state of Montana, bonds and warrants of any 4 county of the state of Montana, and bonds of any city, town 5 or school district of the state of Montana, which are a general obligation of such county, city, town or school 6 7 district. bonds of the Federal Land Banks. Federal 8 Intermediate Credit Bank debentures, Federal Home Loan Bank notes and bonds, Bank for Co-operatives' debentures, Federal 9 10 National Mortgage Association notes, bonds and guaranteed 11 certificates of participation, obligations of or fully guaranteed by the Government National Mortgage Association, 12 Farmers' Home Administration insured notes, notes fully 13 quaranteed as to principal and interest by the Small 14 15 Business Administration, Federal Housing Administration 16 debentures, general obligation bonds of other states and 17 counties of other states and bonds issued in the Urited 18 States of America, which are quoted on the New York market 19 which shall be acceptable at not to exceed nine y per certum 20 (90%) of such market quotation.

21 (3) When negotiable securities are furnished, such 22 securities may be placed in trust and the trustee's receipt 23 may be accepted in lieu of the actual securities when such 24 receipt is in favor of the treasurer, his successors and the 25 state of Montana, and the form of receipt and the trustee SB 243

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1 have been approved by the department of intergovernmental 2 relations. All warrants or other negotiable securities must be properly assigned or endorsed in blank. It shall be the 3 duty of the board of county commissioners in the case of 4 county funds, or the council in the case of funds of a city 5 6 or town, upon the acceptance and approval of any of the 7 above-mentioned bonds or securities, to make a complete 8 minute entry of such acceptance and approval upon the record of their proceedings, and such bonds and securities shall be 9 10 reapproved at least quarter annually thereafter.

11 (4) (a) Demand deposits shall be placed only in 12 banks. When more than one bank is available in any county, 13 for the deposit of such county funds, or in any city or town 14 for the deposit of such city or town funds, such demand 15 deposits shall be distributed ratably among all of such 16 banks qualifying therefor, substantially in proportion to 17 paid-in capital and surplus of each such bank willing to 18 receive such demand deposits under the terms of this act, 19 and it shall be the duty of said county, city or town 20 treasurer to prorate all such demand deposits among all of 21 the banks qualified to receive the same as in this act 22 provided, to the end that an equitable distribution of such 23 demand deposits shall be maintained.

24 (b) Such public moneys not necessary for immediate use 25 by such county, city or town which are not invested in -7-SB 243

direct obligations of the United States government as 1 2 authorized herein shall be placed in time or savings deposits with any bank, building and loan association or З 4 savings and loan association in the county, city or town. When more than one bank, building and loan association or 5 savings and loan association is available in any county, for 6 7 the deposit of such county funds, or in any city or town for the deposit of such city or town funds, such funds shall be 8 distributed ratably among all of such banks, building and 9 10 loan associations and savings and loan associations qualifying therefor, substantially in proportion to the 11 total property taxes paid in such county or the county in 12 13 which such city or town is located during the preceding year, including taxes on shares of bank stock, by each such 14 15 bank, building and loan association or savings and loan association willing to receive such time or savings deposits 16 1.7 under the terms of this act, and it shall be the duty of said county, city or town treasurer to prorate all such time 18 19 or savings deposits among all of the banks, building and 20 loan associations and savings and loan associations qualified to receive the same as in this act provided, to 21 22 the end that an equitable distribution of such time or 23 savings deposits shall be maintained.

(5) Whenever it shall come to the attention of the 24 25 department of intergovernmental relations that the funds of SB 243 -8-

any county, city or town are not properly distributed as 1 provided in this act, the department of intergovernmental 2 relations shall order the treasurer of such county, city or 3 town to distribute said funds in accordance herewith, and if 4 such treasurer shall refuse or neglect to comply with such 5 order, it shall be the duty of the department of 6 intergovernmental relations to institute proceedings against 7 such treasurer at the cost of the county, city or town of 8 which such treasurer is an officer, on the official bond of 9 such treasurer. If no such bank, building and loan 10 associations or savings and loan associations exists in the 11 county, city or town, or if any banks, building and loan 12 associations or savings and loan associations existing 13 therein fails or refuses to qualify under the terms of this 14 act to receive such deposits, then and in such case, or in 15 either of such cases, such moneys as have not been accepted 16 by any banks, building and loan associations or savings and 17 loan associations within said county, city or town, shall be 18 deposited under the terms of this act, in the banks, 19 building and loan associations or savings and loan 20 associations most convenient to such county, city or town, 21 willing to accept such deposits under the terms of this act, 22 and qualified as above provided. Any banks, building and 23 loan associations or savings and loan associations receiving 24 such deposits, shall, through its president and cashier or 25 SB 243 -9-

1 secretary, make a statement guarter annually of account, under oath, showing all such moneys that have been deposited 2 3 with such bank, building and loan association or savings and loan association during the guarter, the amount of daily 4 5 balance in dollars, and the amount of interest by such banks, building and loan associations or savings and loan 6 associations credited or paid therefor, and showing that 7 neither such bank, building and loan association or savings 8 9 and loan association nor any officer thereof, nor any person 10 for it, has paid or given any consideration or emolument 11 whatsoever to the treasurer or to any other person other 12 than the interest provided for herein, for or on account of the making of such deposits, with any such bank, building 13 14 and loan association or savings and loan association. All 15 such deposits shall be subject to withdrawal by the 16 treasurer in such amounts as may be necessary from time to 17 time, and no deposit of funds shall be made, or permitted to 18 remain in any bank, building and loan association or savings 19 and loan association, until the security for such deposits shall have been first approved by the board of county 20 21 commissioners in the case of county funds, or by the council 22 in the case of city or town funds, and delivered to the 23 treasurer.

 24
 (6) Except--as--provided--in--subsection--{0}--of-this

 25
 sectiony--all All interest paid and collected on such

 -10 SB 243

1 deposits or investments shall be credited to the general 2 fund of the county, city or town to whose credit such funds 3 are deposited. Where moneys shall have been deposited in 4 accordance with the provisions of this act, the treasurer 5 shall not be liable for loss on account of any such deposit 6 that may occur through damage by the elements or for any other cause or reason occasioned through means other than 7 8 his own neglect, fraud, or dishonorable conduct.

9 (7) Any bank, building and loan association or savings 10 and loan association pledging securities as provided in this 11 act at any time it deems advisable or desirable may 12 substitute like securities for all or any part of the 13 securities pledged. The collateral so substituted shall be 14 approved by the governing body of the county, city or town 15 at its next official meeting. Such securities so substituted 16 shall at the time of substitution be at least equal in 17 principal amount to the securities for which substitution is 18 made, In the event that the securities so substituted are 19 held in trust, the trustee shall, on the same day the 20 substitution is made, forward by registered or certified mail to the county, city or town and to the depository bank, 21 22 building and loan association or savings and loan 23 association, a receipt specifically describing and 24 identifying both the securities so substituted and those 25 released and returned to the depository bank, building and -11-SB 243

1	loan association or savings and loan association.
2	<pre>+8}Whenever-in-the-judgment-of-thetrusteesofany</pre>
3	common-school-districty-high-school-districty-or-county-high
- 4	schoolit-wauld-be-advantageous-to-invest-any-money-of-such
5	school-or-school-district-in-savings-or-time-depositsina
.6	stateernationalbankybuilding-and-loan-association-or
7	savings-and-loan-association-insured-by-the-FrB.FrCorthe
8	Fr6.b.E.Corindirect-obligations-of-the-United-States
9	government;-payable-within-onehundredeighty{100}days
10	fromthe-time-of-investment;-such-governing-body-may-in-its
11	discretiondirectthecountytreasurertomakesuch
12	investmentsAllinterestcollectedonsuch-deposits-or
13	investments-shall-be-credited-to-thefundfromwhichthe
14	money-was-withdrawn;-provided-that-nothing-in-this-act-shall
15	be-interpreted-to-conflict-with-section-16-2050;"
16	Section 3. Section 75-6805, R.C.M. 1947, is amended to
17	read as follows:
18	75-6805. Duties of county treasurer. The county
19	treasurer of each county shall:
20	(1) receive and hold all school moneys subject to
21	apportionment, and keep a separate accounting of their
22	apportionments to the several districts which are entitled
23	to a portion of such moneys according to the apportionments
24	ordered by the county superintendent. A separate accounting
25	shall be maintained for each county fund supported by a

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county-wide levy for a specific, authorized 1 purpose, 2 including:

(a) the basic county tax in support of the elementary 3 foundation programs, 4

(b) the basic special tax for high schools in support 5 of the high school foundation programs, 6

(c) the county tax in support of the county's high 7 8 school transportation obligation,

(d) the county tax in support of the high school 9 10 obligations to the retirement systems of the state of 11 Montana,

(e) any additional county tax required by law to 12 provide for deficiency financing of the elementary 13 foundation programs. 14

(f) any additional county tax required by law to 15 provide for deficiency financing of the high school 16 foundation programs, 17

post-secondary county tax for a (q) the 18 vocational-technical center when levied by the board of 19 county commissioners, and 20

(h) any other county tax for schools which may be 21 authorized by law and levied by the county commissioners; 22

23 (2) whenever requested, notify the county superintendent of the amount of county school moneys on 24 25 deposit in each of the funds enumerated in subsection (1) of -13-

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1 this section and the amount of any other school moneys subject to apportionment, and apportion such county and 2 3 other school moneys to the districts in accordance with the 4 apportionment ordered by the county superintendent;

(3) keep a separate accounting of the expenditures for 5 6 each budgeted fund included on the final budget of each 7 district;

(4) keep a separate accounting of the receipts, 8 9 expenditures, and cash balances for each budgeted fund 10 included on the final budget of each district and for each 11 nonbudgeted fund established by each district;

12 (5) except as otherwise limited by law, pay all warrants properly drawn on the county or district school 13 14 moneys and properly endorsed by their holders;

15 (6) receive all revenue collected by and for each district and deposit these receipts in the fund designated 16 17 by law, or by the district if no fund is designated by law. 18 Interest and penalties on delinguent school taxes shall be 19 credited to the same fund and district for which the 20 original taxes were levied;

21 (7) send all revenues received for a joint district. 22 part of which is situated in his county, to the county treasurer designated as the custodian of such revenues, no 23 later than the fifteenth day of December of each year and 24 every three (3) months thereafter until the end of the 25 -14-SB 243 l school fiscal year;

۰.

(8) register district warrants drawn on a budgeted.
fund in accordance with section 16-2604, R. C. M., 1947,
when there are insufficient moneys available in such
budgeted fund to make payment of such warrant. Redemption of
registered warrants shall be made in accordance with
sections 16-2605, 16-2602, and 16-2607, R. C. M., 1947;

8 (9) invest the moneys of any district as directed by
9 the trustees of the district but--in--ascordance--with
10 subsection-{2}-of--acction--16-2050--or--subsection--{0}--of
11 section--16-26107--R7--Cr-Mr7-19477-whichover-is-applicable;
12 and

13 (10) give to the trustees of each district, at least 14 guarterly, an itemized report for each fund maintained by 15 the district showing the paid warrants, outstanding 16 warrants, registered warrants, amount and types of revenue 17 received, and the cash balance."

18 Section 4. Section 75-6806, R.C.M. 1947, is amended to 19 read as follows:

20 "75-6806. Duties of trustees. The trustees of each 21 district shall have the sole power and authority to transact 22 all fiscal business and execute all contracts in the name of 33 such district. No person, other than the trustees, acting as 24 a governing board, shall have the authority to expend moneys 25 of the district. In conducting the fiscal business of the -15- SB 243 1 district, the trustees shall:

2 (1) cause the keeping of an accurate, detailed З accounting of all receipts and expenditures of school moneys for each fund maintained by the district in accordance with 4 5. rules and regulations prescribed by the superintendent of public instruction. The record of such accounting shall be 6 open to public inspection at any meeting of the trustees; 7 8 (2) authorize all expenditures of district moneys, and 9 cause warrants to be issued for the payment of lawful 10 obligations; 11 (3) have the authority to issue warrants on any 12 budgeted fund in anticipation of budgeted revenues, except 13 that such expenditures shall not exceed the amount budgeted 14 for such fund; 15 (4) invest any moneys of the district in--accordance 16 with--subsection-{2}-of-section-16-2050-or-subsection-{0}-of 17 section-16-26187-Rr-Cr-Mrg-1947g--whichever--is--applicabley 18 whenever in the judgment of the trustees such investment 19 would be advantageous to the district, by directing the 20 county treasurer to invest any money of the district in 21 savings or time deposits in a state or national bank. 22 building or loan association or savings and loan association 23 insured by the F.D.I.C. or the F.S.L.I.C. LOCATED IN THE 24 COUNTY IN WHICH THE DISTRICT IS LOCATED, PROVIDED HOWEVER THAT IF NO SUCH BANK, BUILDING AND LOAN ASSOCIATION OR 25 -16-SB 243

SB 243

1	SAVINGS AND LOAN ASSOCIATION IS LOCATED IN THE COUNTY WHERE
2	THE DISTRICT IS SITUATED SUCH INVESTMENT MAY BE MADE IN SAID
3	BANKS OR ASSOCIATIONS LOCATED IN ADJACENT COUNTIES or in
4	direct obligations of the United States government, payable
5	within one hundred eighty (180) days from the time of
6	investment. All interest collected on such deposits or
7	investments shall be credited to the fund from which the
8	money was withdrawn except that interest earned on account
9	of the investment of money realized from the sale of bonds
10	shall be credited to the debt service fund, OR THE BUILDING
11	FUND AT THE DISCRETION OF THE BOARD OF TRUSTEES. The
12	placement of the investment by the county treasurer shall
13	not be subject to ratable distribution laws and shall be
14	done in accordance with the directive from the board of
15	trustees. A district may invest moneys under the state
16	unified investment program established in Title 79, chapter
17	3, R.C.M. 1947;

18 (5) report annually to the county superintendent not 19 later than the first day of August, the financial activities of each fund maintained by the district during the last 20 21 completed school fiscal year on the forms prescribed and furnished by the superintendent of public instruction. 22 23 Annual fiscal reports for joint school districts shall be submitted to the county superintendent of each county in 24 which part of the joint district is situated; 25

(6) whenever requested, report any other fiscal
 activities to the county superintendent, superintendent of
 public instruction, or board of education;

4 (7) cause the accounting records of the district to be 5 audited annually as required by law; and

6 (8) perform, in the manner permitted by law, such
7 other fiscal duties that are in the best interests of the
8 district."

-End-

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SENATE BILL NO. 243 INTRODUCED BY BOYLAN, SEIBEL

A BILL FOR AN ACT ENTITLED: "AN ACT TO REMOVE THE COUNTY AUTHORITY TO INVEST SCHOOL DISTRICT FUNDS UNDER THE PROVISIONS OF SECTIONS 16-2050 AND 16-2618, R.C.M. 1947, AND TO PRESCRIBE THE LIMITATIONS FOR SCHOOL DISTRICT INVESTMENTS UNDER SECTION 75-6806, R.C.M. 1947; AMENDING SECTIONS 16-2050, 16-2618, 75-6805, AND 75-6806, R.C.M. 1947."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 12 Section 1. Section 16-2050, R.C.M. 1947, is amended to 13 read as follows:

"16-2050, Investment of county moneys in county 14 warrants and investment of school district or county high 15 school moneys. (1) Except as provided in subsection (2) of 16 this section, whenever the county has under its control any 17 18 moneys, for which there is no immediate demand, in any special fund subject to deposit which in the judgment of the 19 board of county commissioners it would be advantageous to 20 invest in county warrants, the county commissioners are 21 22 authorized in their discretion to direct the county treasurer to purchase county warrants of the same county, 23 thereafter issued against funds in which there is not 24 sufficient money to pay such county warrants at the time of 25

REFERENCE BILL

1 issuance, and in case of such purchase the county 2 commissioners shall designate the fund or funds, to be so 3 invested, and shall fix the amount thereof, and shall also designate the county warrant or warrants which are to be Δ 5 purchased by such funds. The county clerk and recorder shall 6 thereupon cause to be attached to or stamped, written or 7 printed upon the warrants so ordered to be purchased a 8 notice to the effect that the county will exercise its 9 preference right to purchase such warrant. The county 10 treasurer shall thereafter when such county warrant is 11 presented to him, purchase the same out of the proper fund 12 as designated by the board of county commissioners, and the 13 warrant so purchased shall be registered as other county 14 warrants, and bear interest as provided by law. When the 15 designated amounts have been invested the county treasurer 16 shall notify the county clerk and recorder. Public funds 17 realized from the sale of bonds by a county for the purpose 18 of constructing public buildings, or for other construction, may be invested in any time or savings deposits, United 19 20 States certificates of indebtedness, United States treasury 21 notes or United States treasury bonds having a maturity date 22 of one (1) year or less when emergency conditions, beyond 23 control of the county commissioners, exist which the 24 preclude the construction of the projects for which the bonds were issued at the time such investments are made. 25 -2-SB 243

Interest earned from such investments, including interest on
 the sale of bonds accrued in the period between the date of
 issue and the time of purchase, shall be credited to the
 sinking fund of the county, notwithstanding the provisions
 of subsection (6) of section 16-2618.

6 (2) Whenever the county has under its control any 7 moneys realized from the sale of bonds by a school--district 8 er county high school for the purpose of construction, for 9 which there is no immediate demand, which in the judgment of 10 the governing body of the school--district--or county high 11 school it would be advantageous to invest in any time or 12 savings deposits or in short-term obligations of the United 13 States of America, such governing body may in its discretion 14 direct the county treasurer to make such investments. 15 Interest earned from such investments, except interest on the sale of bonds accrued in the period between the date of 16 issue and the time of purchase which must be credited to the 17 18 sinking fund, may be credited to the sinking fund of the 19 said school-district-or county high school, provided that in 20 the event construction of said buildings is delayed for a 21 period longer than six (6) months due to court action or 22 other causes beyond the control of the trustees, the trustees may direct that interest earned be credited to the 23 24 fund from which the money was withdrawn. The trustees may 25 authorize expenditures from interest earned, except as -3-SB 243

1 provided above, for furnishing and equipping the buildings
2 for which the bonds were sold.

3 (3) No provision of this section may be construed to
4 prevent the investment of county<sub>7</sub>-school-district<sub>7</sub> or county
5 high school moneys under the state unified investment
6 program established in Title 79, chapter 3."

7 Section 2. Section 16-2618, R.C.M. 1947, is amended to 8 read as follows:

9 "16-2618. Deposit of public funds by county, city and town treasurers. (1) It shall be the duty of all county, 10 city and town treasurers to deposit all public moneys in 11 their possession and under their control in any solvent 12 banks, building and loan associations or savings and loan 13 associations located in the county, city or town of which 14 15 such treasurer is an officer, subject to national 16 supervision or state examination as the board of county 17 commissioners in the case of a county, or of the council in 18 the case of a city or town, may designate, and no other. The treasurer shall take from such bank, building and loan 19 association or savings and loan association such security as 20 the board of county commissioners, in the case of a county, 21 or the council in the case of a city or town, may prescribe, 22 approve and deem fully sufficient and necessary to insure 23 the safety and prompt payment of all such deposits, together 24 with the interest on any time or savings deposits, provided 25 -4-SB 243

that said board of county commissioners or city or town 1 2 council is hereby authorized to deposit such public moneys not necessary for immediate use by such county, city or town 3 with any bank, building and loan association or savings and 4 5 loan association authorized herein above in a savings or time deposit; provided that the bank or banks or building 6 7 and loan association or savings and loan association in 8 which the money is deposited shall pay on the moneys no less 9 than the rate of interest as is paid on money from private 10 sources on the same terms. Refusal of any bank, building and 11 loan association or savings and loan association to pay said interest rate shall constitute a waiver of that 12 institution's right to participate in the ratable 13 distribution of said moneys as set forth in subsection (4) 14 15 of this act. and provided that said board of county commissioners, or city or town council is hereby authorized 16 17 to invest such public moneys not necessary for immediate use 18 by such county, city or town, in direct obligations of the United States government, payable within not to exceed one 19 hundred eighty (180) days from the time of such investment. 20 21 (2) Said board of county commissioners, city or town 22 council may require security for only such portion of deposits as is not guaranteed or insured according to law. 23 24 Such security shall consist of cashier's check or checks issued by the Federal Reserve Bank, bonds of the United 25 -5-SB 243

1 States government and its dependents, bonds guaranteed by 2 the United States government or its dependents. bonds and 3 warrants of the state of Montana, bonds and warrants of any 4 county of the state of Montana, and bonds of any city, town or school district of the state of Montana, which are a 5 6 general obligation of such county, city, town or school 7 district, bonds of the Federal Land Banks, Federal Intermediate Credit Bank debentures, Federal Home Loan Bank 8 9 notes and bonds, Bank for Co-operatives' debentures, Federal 10 National Mortgage Association notes, bonds and guaranteed 11 certificates of participation, obligations of or fully 12 guaranteed by the Government National Mortgage Association, Farmers' Home Administration insured notes, notes fully 13 14 guaranteed as to principal and interest by the Small Business Administration, Federal Housing Administration 15 16 debentures, general obligation bonds of other states and 17 counties of other states and bonds issued in the United 18 States of America, which are quoted on the New York market 19 which shall be acceptable at not to exceed ninety per centum 20 (90%) of such market quotation. 21 (3) When negotiable securities are furnished, such

22 securities may be placed in trust and the trustee's receipt 23 may be accepted in lieu of the actual securities when such 24 receipt is in favor of the treasurer, his successors and the 25 state of Montana, and the form of receipt and the trustee -6- SB 243

have been approved by the department of intergovernmental 1 2 relations. All warrants or other negotiable securities must 3 be properly assigned or endorsed in blank. It shall be the duty of the board of county commissioners in the case of 4 5 county funds, or the council in the case of funds of a city or town, upon the acceptance and approval of any of the 6 above-mentioned bonds or securities, to make a complete 7 8 minute entry of such acceptance and approval upon the record 9 of their proceedings, and such bonds and securities shall be 10 reapproved at least guarter annually thereafter.

11 (4) (a) Demand deposits shall be placed only in 12 banks. When more than one bank is available in any county, for the deposit of such county funds, or in any city or town 13 14 for the deposit of such city or town funds, such demand 15 deposits shall be distributed ratably among all of such banks qualifying therefor, substantially in proportion to 16 17 paid-in capital and surplus of each such bank willing to 18 receive such demand deposits under the terms of this act, 19 and it shall be the duty of said county, city or town treasurer to prorate all such demand deposits among all of 20 the banks qualified to receive the same as in this act 21 22 provided, to the end that an equitable distribution of such 23 demand deposits shall be maintained.

(b) Such public moneys not necessary for immediate useby such county, city or town which are not invested in

-7-

SB 243

1 direct obligations of the United States government as 2 authorized herein shall be placed in time or savings deposits with any bank, building and loan association or 3 4 savings and loan association in the county. city or town. 5 When more than one bank, building and loan association or 6 savings and loan association is available in any county, for 7 the deposit of such county funds, or in any city or town for 8 the deposit of such city or town funds, such funds shall be 9 distributed ratably among all of such banks, building and loan associations and savings and loan associations 10 qualifying therefor, substantially in proportion to the 11 12 total property taxes paid in such county or the county in 13 which such city or town is located during the preceding 14 year, including taxes on shares of bank stock, by each such 15 bank, building and loan association or savings and loan association willing to receive such time or savings deposits 16 17 under the terms of this act, and it shall be the duty of said county, city or town treasurer to prorate all such time 18 or savings deposits among all of the banks, building and 19 loan associations and savings and loan associations 20 qualified to receive the same as in this act provided, to 21 the end that an equitable distribution of such time or 22 23 savings deposits shall be maintained.

24 (5) Whenever it shall come to the attention of the
 25 department of intergovernmental relations that the funds of
 -8- SB 243

any county, city or town are not properly distributed as 1 provided in this act, the department of intergovernmental 2 relations shall order the treasurer of such county, city or 3 town to distribute said funds in accordance herewith, and if 4 such treasurer shall refuse or neglect to comply with such 5 order, it shall be the duty of the department of 6 intergovernmental relations to institute proceedings against 7 such treasurer at the cost of the county, city or town of 8 which such treasurer is an officer, on the official bond of 9 10 such treasurer. If no such bank, building and loan associations or savings and loan associations exists in the 11 county, city or town, or if any banks, building and loan 12 associations or savings and loan associations existing 13 therein fails or refuses to qualify under the terms of this 14 act to receive such deposits, then and in such case, or in 15 either of such cases, such moneys as have not been accepted 16 by any banks, building and loan associations or savings and 17 loan associations within said county, city or town, shall be 18 deposited under the terms of this act, in the banks, 19 loan associations or savings and loan 20 building and 21 associations most convenient to such county, city or town, willing to accept such deposits under the terms of this act, 22 and gualified as above provided. Any banks, building and 23 24 loan associations or savings and loan associations receiving such deposits, shall, through its president and cashier or 25 SB 243 -9-

1 secretary, make a statement quarter annually of account, 2 under oath, showing all such moneys that have been deposited 3 with such bank, building and loan association or savings and 4 loan association during the guarter, the amount of daily balance in dollars, and the amount of interest by such 5 б banks, building and loan associations or savings and loan 7 associations credited or paid therefor, and showing that neither such bank, building and loan association or savings 8 9 and loan association nor any officer thereof, nor any person 10 for it. has paid or given any consideration or emolument 11 whatsoever to the treasurer or to any other person other 12 than the interest provided for herein, for or on account of 13 the making of such deposits, with any such bank, building 14 and loan association or savings and loan association. All 15 such deposits shall be subject to withdrawal by the 16 treasurer in such amounts as may be necessary from time to 17 time, and no deposit of funds shall be made, or permitted to 18 remain in any bank, building and loan association or savings and loan association, until the security for such deposits 19 20 shall have been first approved by the board of county 21 commissioners in the case of county funds, or by the council 22 in the case of city or town funds, and delivered to the 23 treasurer. 24 (6) Except--as--provided--in--subsection--(8)--of-this

25 section,--all All interest paid and collected on such -10- SB 243

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dacosits on invastments shall be credited to the general 1 2 fund of the county, city or town to whose credit such funds 3 are deposited. Where moneys shall have been deposited in 4 accordance with the provisions of this act, the treasurer 5 shall not be liable for loss on account of any such deposit 6 that may occur through damage by the elements or for any 7 other cause or reason occasioned through means other than his own neglect, fraud, or dishonorable conduct. 8

9 (7) Any bank, building and loan association or savings and loan association pledging securities as provided in this 10 act at any time it deems advisable or desirable may 11 12 substitute like securities for all or any part of the 13 securities pledged. The collateral so substituted shall be 14 approved by the governing body of the county, city or town 15 at its next official meeting. Such securities so substituted 16 shall at the time of substitution be at least equal in 17 principal amount to the securities for which substitution is 18 made. In the event that the securities so substituted are held in trust, the trustee shall, on the same day the 19 substitution is made, forward by registered or certified 20 21 mail to the county, city or town and to the depository bank, building and loan association or savings and loan 22 23 association. a receipt specifically describing and 24 identifying both the securities so substituted and those 25 released and returned to the depository bank, building and -11-SB 243

loan association or savings and loan association. 2 +8}--Whenever-in-the-indoment-of-the--trustees--of--any 3 common-school-districty-high-school-districty-or-county-high 4 sshool--it-would-bo-advantageous-to-invest-anv-money-of-such 5 school-or-school-district-in-savings-or-time-deposite--in--a 6 state--or--national--bank---building-and-loan-aseogiation-or 7 savings-and-loan-association-insured-by-the-F.B.I.C.-or--the 8 Pr6vLyIrCy--or--in--direct-obligations-of-the-United-States 9 governmenty-payable-within-one--hundred--eighty--{188}--days 10 from--the-time-of-investmenty-such-governing-body-may-in-its 11 disgretion--direct--the--county--treasurer--to---make---such 12 investments---All--interest--collected--on--such-deposits-or investments-shall-be-credited-to-the--fund--from--which--the 13 14 money-was-withdraway-provided-that-nothing-in-this-act-shall 15 be-interpreted-to-conflict-with-section-16-2050." Section 3. Section 75-6805, R.C.M. 1947, is amended to 16 read as follows: 17 18 "75-6805. Duties of county treasurer. The county treasurer of each county shall: 19 (1) receive and hold all school moneys subject to 20 apportionment, and keep a separate accounting of their 21 apportionments to the several districts which are entitled 22 23 to a portion of such moneys according to the apportionments 24 ordered by the county superintendent. A separate accounting

shall be maintained for each county fund supported by a 25 -12-SB 243 1 county-wide levy for a specific, authorized purpose,
2 including:

3 (a) the basic county tax in support of the elementary4 foundation programs,

5 (b) the basic special tax for high schools in support 6 of the high school foundation programs,

7 (c) the county tax in support of the county's high8 school transportation obligation,

9 (d) the county tax in support of the high school
10 obligations to the retirement systems of the state of
11 Montana,

12 (e) any additional county tax required by law to 13 provide for deficiency financing of the elementary 14 foundation programs,

15 (f) any additional county tax required by law to 16 provide for deficiency financing of the high school 17 foundation programs,

18 (g) the county tax for a post-secondary 19 vocational-technical center when levied by the board of 20 county commissioners, and

21 (h) any other county tax for schools which may be 22 authorized by law and levied by the county commissioners; 23 (2) whenever requested. notify the county 24 superintendent of the amount of county school moneys on 25 deposit in each of the funds enumerated in subsection (1) of -13-SB 243 1 this section and the amount of any other school moneys
2 subject to apportionment, and apportion such county and
3 other school moneys to the districts in accordance with the
4 apportionment ordered by the county superintendent;

5 (3) keep a separate accounting of the expenditures for
6 each budgeted fund included on the final budget of each
7 district;

8 (4) keep a separate accounting of the receipts, 9 expenditures, and cash balances for each budgeted fund 10 included on the final budget of each district and for each 11 nonbudgeted fund established by each district:

12 (5) except as otherwise limited by law, pay all
13 warrants properly drawn on the county or district school
14 moneys and properly endorsed by their holders;

(6) receive all revenue collected by and for each
district and deposit these receipts in the fund designated
by law, or by the district if no fund is designated by law.
Interest and penalties on delinquent school taxes shall be
credited to the same fund and district for which the
original taxes were levied;

21 (7) send all revenues received for a joint district, 22 part of which is situated in his county, to the county 23 treasurer designated as the custodian of such revenues, no 24 later than the fifteenth day of December of each year and 25 every three (3) months thereafter until the end of the -14- SB 243 1 school fiscal year;

2 (8) register district warrants drawn on a budgeted 3 fund in accordance with section 16-2604, R. C. M., 1947, 4 when there are insufficient moneys available in such 5 budgeted fund to make payment of such warrant. Redemption of 6 registered warrants shall be made in accordance with 7 sections 16-2605, 16-2602, and 16-2607, R. C. M., 1947;

8 (9) invest the moneys of any district as directed by
9 the trustees of the district but--in--accordance--with
10 subsection-(2)-of--section--16-2050--or--subsection--(8)--of
11 section--16-26107--RT--CT-MT7-19477-whichever-is-applicable;
12 and

13 (10) give to the trustees of each district, at least 14 quarterly, an itemized report for each fund maintained by 15 the district showing the paid warrants, outstanding 16 warrants, registered warrants, amount and types of revenue 17 received, and the cash balance."

18 Section 4. Section 75-6806, R.C.M. 1947, is amended to 19 read as follows:

20 "75-6806. Duties of trustees. The trustees of each 21 district shall have the sole power and authority to transact 22 all fiscal business and execute all contracts in the name of 23 such district. No person, other than the trustees, acting as 24 a governing board, shall have the authority to expend moneys 25 of the district. In conducting the fiscal business of the 21 -15- SB 243 1 district, the trustees shall:

2 (1) cause the keeping of an accurate, detailed 3 accounting of all receipts and expenditures of school moneys 4 for each fund maintained by the district in accordance with 5 rules and regulations prescribed by the superintendent of 6 public instruction. The record of such accounting shall be 7 open to public inspection at any meeting of the trustees: 8 authorize all expenditures of district moneys, and 9 cause warrants to be issued for the payment of lawful

10 obligations;

11 (3) have the authority to issue warrants on any 12 budgeted fund in anticipation of budgeted revenues, except 13 that such expenditures shall not exceed the amount budgeted 14 for such fund;

15 (4) invest any moneys of the district in--accordance 16 with--subsection-{2}-of-section-16-2050-or-subsection-{0}-of 17 section-16-2618y-R.-C.-M.y-1947y--whichever--is--applicabley 18 whenever in the judgment of the trustees such investment would be advantageous to the district, by directing the 19 20 county treasurer to invest any money of the district in savings or time deposits in a state or national bank, 21 22 building or loan association or savings and loan association 23 insured by the F.D.I.C. or the F.S.L.I.C. LOCATED IN THE 24 COUNTY IN WHICH THE DISTRICT IS LOCATED, PROVIDED HOWEVER 25 THAT IF NO SUCH BANK, BUILDING AND LOAN ASSOCIATION OR -16-SB 243

## SB 0243/03

SB 243

1	SAVINGS AND LOAN ASSOCIATION IS LOCATED IN THE COUNTY WHERE
2	THE DISTRICT IS SITUATED SUCH INVESTMENT MAY BE MADE IN SAID
3	BANKS OR ASSOCIATIONS LOCATED IN ADJACENT COUNTIES or in
4	direct obligations of the United States government, payable
5	within one hundred eighty (180) days from the time of
6	investment. All interest collected on such deposits or
7	investments shall be credited to the fund from which the
8	money was withdrawn except that interest earned on account
9	of the investment of money realized from the sale of bonds
10	shall be credited to the debt service fund, OR THE BUILDING
11	FUND AT THE DISCRETION OF THE BOARD OF TRUSTEES. The
12	placement of the investment by the county treasurer shall
13	not be subject to ratable distribution laws and shall be
14	done in accordance with the directive from the board of
15	trustees. A district may invest moneys under the state
16	unified investment program established in Title 79, chapter
17	3, R.C.M. 1947;
18	(5) report annually to the county superintendent not

19 later than the first day of August, the financial activities 20 of each fund maintained by the district during the last 21 completed school fiscal year on the forms prescribed and 22 furnished by the superintendent of public instruction. 23 Annual fiscal reports for joint school districts shall be 24 submitted to the county superintendent of each county in 25 which part of the joint district is situated; (6) whenever requested, report any other fiscal
 activities to the county superintendent, superintendent of
 public instruction, or board of education;
 (7) cause the accounting records of the district to be
 audited annually as required by law; and
 (8) perform, in the manner permitted by law, such

7 other fiscal duties that are in the best interests of the 8 district."

-End-

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SB 243

-17-