

1 *Senate* BILL NO. *248*  
 2 INTRODUCED BY *Hallahan Ryan*

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION  
 5 11-1914, R.C.M. 1947, TO PROVIDE THAT TRUSTEES OF FIRE  
 6 DEPARTMENT RELIEF ASSOCIATIONS IN THIRD CLASS CITIES MAY  
 7 CONTINUE TO INVEST THEIR SURPLUS FUNDS IF THEY YIELD WITHIN  
 8 ONE PERCENT OF THE YIELD ON INVESTMENTS OF PUBLIC RETIREMENT  
 9 FUNDS."

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

12 Section 1. Section 11-1914, R.C.M. 1947, is amended to  
 13 read as follows:

14 "11-1914. Duties of trustees--investment of surplus  
 15 funds. (1) The board of trustees of the fire department  
 16 relief association shall audit the accounts of the  
 17 association at least every six (6) months and shall report  
 18 the condition of them at the next regular meeting of the  
 19 association. The management of the fire department relief  
 20 associations in municipalities other than in first and  
 21 second class cities shall be vested in the board of  
 22 trustees. When so directed by a majority vote of the members  
 23 of the association, the board of trustees may invest the  
 24 surplus funds of the association or any part of them, in any  
 25 time or saving deposits, in any solvent bank, building and

1 loan association or savings and loan association operating  
 2 in the county where the city or town is located, in bonds or  
 3 other securities of the United States government, in general  
 4 obligation bonds or warrants of any state, county, or city  
 5 as are recommended by the state auditor and approved by the  
 6 department of intergovernmental relations. At the time of  
 7 purchase the investments must be stamped in boldface type,  
 8 substantially as follows: "Property of the .... Fire  
 9 Department Relief Association, and negotiable only upon the  
 10 order of the board of trustees of such association."  
 11 Provided, however, that when the average yield on  
 12 investments of public retirement funds under the state board  
 13 of investments exceeds by one percent (1%) in any fiscal  
 14 year the investment yield of said fire department relief  
 15 association funds such funds shall be remitted to the state  
 16 treasurer for investment by the state board of investments  
 17 as is provided in the provisions of this section for  
 18 associations in first and second class cities; and said fire  
 19 department relief association shall submit every six (6)  
 20 months a financial statement detailing their investments to  
 21 the department of intergovernmental relations; and the  
 22 department shall advise said fire department relief  
 23 association of the current yield of investment of public  
 24 retirement funds.

25 (2) The management of the fire department relief

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1 associations in first and second class cities shall be  
2 vested in the board of trustees of such associations subject  
3 to the following provisions of this section.

4 The board of trustees shall submit to the department of  
5 intergovernmental relations before October 1 in each  
6 odd-numbered year, all information requested by the  
7 department of intergovernmental relations necessary to  
8 complete an actuarial valuation of the funds of the  
9 association. This valuation is to be prepared by a qualified  
10 actuary selected by the department of intergovernmental  
11 relations. This valuation shall consider the actuarial  
12 soundness of the association's funds for the two (2)  
13 preceding fiscal years. A qualified actuary is a member of  
14 the American Academy of Actuaries or of any other  
15 organization deemed by the municipal audit division to have  
16 similar standards. In each fiscal year in which an actuarial  
17 valuation is prepared, the department of intergovernmental  
18 relations shall submit to the state auditor a request for  
19 payment of the expenses incurred in securing the actuarial  
20 valuation. These expenses may not exceed six thousand  
21 dollars (\$6,000) in any fiscal year and the state auditor  
22 shall make payment to the actuary designated by the request.

23 (3) Whenever the monies in the disability and pension  
24 fund exceed:

25 (a) one and one-half (1 1/2) times the monthly benefit

1 paid in the preceding month, or

2 (b) five thousand dollars (\$5,000), whichever is  
3 greater, then the board shall remit such excess amounts to  
4 the state treasurer. The state treasurer shall invest such  
5 remittances under the direction of the state board of  
6 investments as provided by section 79-311.

7 ~~(4) After January 1, 1975, all investments held by a~~  
8 ~~board of trustees shall be transferred as directed by the~~  
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10 ~~may defer any such transfer to a date later than January 1,~~  
11 ~~1975, but not later than the maturity date of the~~  
12 ~~investment. The state board of investment may make rules to~~  
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-End-

Approved by Comm.  
on Local Government

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Senate BILL NO. 248  
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A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 11-1914, R.C.M. 1947, TO PROVIDE THAT TRUSTEES OF FIRE DEPARTMENT RELIEF ASSOCIATIONS IN THIRD CLASS CITIES MAY CONTINUE TO INVEST THEIR SURPLUS FUNDS IF THEY YIELD WITHIN ONE PERCENT OF THE YIELD ON INVESTMENTS OF PUBLIC RETIREMENT FUNDS."

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loan association or savings and loan association operating in the county where the city or town is located, in bonds or other securities of the United States government, in general obligation bonds or warrants of any state, county, or city as are recommended by the state auditor and approved by the department of intergovernmental relations. At the time of purchase the investments must be stamped in boldface type, substantially as follows: "Property of the .... Fire Department Relief Association, and negotiable only upon the order of the board of trustees of such association." Provided, however, that when the average yield on investments of public retirement funds under the state board of investments exceeds by one percent (1%) in any fiscal year the investment yield of said fire department relief association funds such funds shall be remitted to the state treasurer for investment by the state board of investments as is provided in the provisions of this section for associations in first and second class cities; and said fire department relief association shall submit every six (6) months a financial statement detailing their investments to the department of intergovernmental relations; and the department shall advise said fire department relief association of the current yield of investment of public retirement funds.

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