

1 *Senate* BILL NO. *231*
 2 INTRODUCED BY *Rasmussen, Holt, Devine, Thomas*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT ESTABLISHMENT
 5 OF COMMON TRUST FUNDS FOR COLLECTIVE INVESTMENT OF FUNDS BY
 6 AFFILIATED BANKS OR TRUST COMPANIES."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. There is a new R.C.M. section numbered
 10 5-1407 that reads as follows:

11 5-1407. Common trust funds -- affiliates.

12 (1) Notwithstanding the provisions of 5-1401, any bank or
 13 trust company qualified to act as fiduciary in this state
 14 may:

15 (a) establish and maintain common trust funds for the
 16 collective investment of funds held in any fiduciary
 17 capacity by it or by another bank or trust company which is
 18 owned or controlled by a corporation which owns or controls
 19 such bank or trust company; and

20 (b) as a fiduciary or cofiduciary, invest funds which
 21 it holds for investment in common trust funds established
 22 and maintained pursuant to subsection (a) if such investment
 23 is not prohibited by the instrument, judgment, decree, or
 24 order creating such fiduciary relationship. This section
 25 applies to fiduciary relationships now in existence or

1 hereafter created.

2 (2) To the extent not inconsistent with the provisions
 3 of this section, the provisions of 5-1401 through 5-1406
 4 relating to common trust funds shall apply to the
 5 establishment and maintenance of common trust funds under
 6 this section.

-End-

STATE OF MONTANA

REQUEST NO. 541-77

FISCAL NOTE

Form BD-15

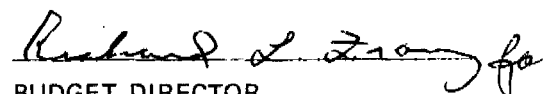
In compliance with a written request received February 10, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 231 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to permit establishment of common trust funds for collective investment of funds by affiliated banks or trust companies.

FISCAL IMPACT:

SB 231 would have no appreciable fiscal impact upon the operation of the Department of Business Regulation. It would increase the trust powers of trust companies and banks currently qualified to act as fiduciaries. This function would be covered during the annual examination by this Department but would not amount to a significant addition to the present workload.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-21-77

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INTRODUCED BY *Senate* BILL NO. *231*
Rasmussen *Scott Devine Thomas*

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hereafter created.

(2) To the extent not inconsistent with the provisions of this section, the provisions of 5-1401 through 5-1406 relating to common trust funds shall apply to the establishment and maintenance of common trust funds under this section.

-End-

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