

CHAPTER NO. 432

HOUSE BILL NO. 531

INTRODUCED BY SALES

IN THE HOUSE

February 2, 1979	Introduced and referred to Committee on State Administration.
February 13, 1979	Committee recommend bill do pass as amended. Report adopted.
February 14, 1979	Printed and placed on members' desks.
February 15, 1979	Second reading, do pass.
February 17, 1979	Third reading, passed. Transmitted to second house.

IN THE SENATE

February 19, 1979	Introduced and referred to Committee on State Administration.
March 15, 1979	Committee recommend bill be concurred in. Report adopted.
March 17, 1979	Motion pass consideration.
March 19, 1979	Second reading, concurred in.
March 22, 1979	Third reading, concurred in.

IN THE HOUSE

March 22, 1979	Returned from second house Concurred in. Sent to enrolling. Reported correctly enrolled.
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HOUSE BILL NO. 531

INTRODUCED BY

Salis

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 17-6-103, MCA, TO AUTHORIZE THE STATE BOARD OF INVESTMENTS TO ACCEPT MORTGAGES AND TRUST INDENTURES ON REAL PROPERTY AS COLLATERAL TO SECURE DEPOSITS OF PUBLIC FUNDS."

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

Section 1. Section 17-6-103, MCA, is amended to read:

"17-6-103. Security for deposits of public funds. The following kinds of securities may be pledged or guarantees may be issued to secure deposits of public funds:

- (1) direct obligations of the United States;
- (2) securities as to which the payment of principal and interest is guaranteed by the United States;
- (3) securities issued or fully guaranteed by the following agencies of the United States, whether or not guaranteed by the United States:
 - (a) commodity credit corporation;
 - (b) federal intermediate credit banks;
 - (c) federal land bank;
 - (d) bank for cooperatives;
 - (e) federal home loan banks;
 - (f) federal national mortgage association;

- (g) government national mortgage association;
- (h) small business administration; and
- (i) federal housing administration ~~(not including insured-mortgages);~~
- (4) general obligation bonds of the state or of any county, city, school district, or other political subdivision of the state;
- (5) revenue bonds of any county, city, or other political subdivision of the state, when backed by the full faith and credit of such subdivision;
- (6) interest-bearing warrants of the state or of any county, city, school district, or other political subdivision of the state issued in evidence of claims in an amount which, with all other claims on the same fund, do not exceed the amount validly appropriated in the current budget for expenditure from the fund in the year in which they are issued;
- (7) obligations of housing authorities of the state secured by a pledge of annual contributions or by a loan agreement made by the United States or any agency thereof providing for contributions or a loan sufficient with other funds pledged to pay the principal of and interest on the obligations when due. Subject to rules prescribed by the department of community affairs, the bonds and other obligations made eligible for investment in 32-1-424(3) and

1 7-15-4505 may be used as security for all deposits of public
2 funds or obligations for which depository bonds or any kind
3 of bonds or other securities are required or may by law be
4 deposited as security.

5 (8) general obligation bonds of other states and of
6 municipalities and counties of other states; and

7 (9) undertaking or guarantees issued by a surety
8 company authorized to do business in the state; and

9 (10) first mortgages and trust indentures on real
10 property."

-End-

Approved by Committee
on State Administration

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12 following kinds of securities may be pledged or guarantees
13 may be issued to secure deposits of public funds:
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16 and interest is guaranteed by the United States;
17 (3) securities issued or fully guaranteed by the
18 following agencies of the United States, whether or not
19 guaranteed by the United States:
20 (a) commodity credit corporation;
21 (b) federal intermediate credit banks;
22 (c) federal land bank;
23 (d) bank for cooperatives;
24 (e) federal home loan banks;
25 (f) federal national mortgage association;

1 (g) government national mortgage association;
2 (h) small business administration; and
3 (i) federal housing administration ~~(not---including~~
4 ~~insured-mortgages);~~
5 (4) general obligation bonds of the state or of any
6 county, city, school district, or other political
7 subdivision of the state;
8 (5) revenue bonds of any county, city, or other
9 political subdivision of the state, when backed by the full
10 faith and credit of such subdivision;
11 (6) interest-bearing warrants of the state or of any
12 county, city, school district, or other political
13 subdivision of the state issued in evidence of claims in an
14 amount which, with all other claims on the same fund, do not
15 exceed the amount validly appropriated in the current budget
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6 municipalities and counties of other states; and

7 (9) undertaking or guarantees issued by a surety
8 company authorized to do business in the state; and

9 ~~(10) first mortgages and trust indentures on real~~
10 ~~property. THE DEPOSITORY SHALL, ON A QUARTERLY BASIS,~~
11 ~~CERTIFY TO THE STATE TREASURER THAT SUFFICIENT FIRST~~
12 ~~MORTGAGES AND TRUST INDENTURES ON REAL PROPERTY ARE~~
13 ~~AVAILABLE AND SEGREGATED TO SECURE DEPOSITS OF PUBLIC FUNDS.~~
14 ~~THE BOARD OF INVESTMENTS SHALL DETERMINE THE AMOUNT OF~~
15 ~~SECURITY REQUIRED."~~

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(6) interest-bearing warrants of the state or of any county, city, school district, or other political subdivision of the state issued in evidence of claims in an amount which, with all other claims on the same fund, do not exceed the amount validly appropriated in the current budget for expenditure from the fund in the year in which they are issued;

(7) obligations of housing authorities of the state secured by a pledge of annual contributions or by a loan agreement made by the United States or any agency thereof providing for contributions or a loan sufficient with other funds pledged to pay the principal of and interest on the obligations when due. Subject to rules prescribed by the department of community affairs, the bonds and other obligations made eligible for investment in 32-1-424(3) and

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