# CHAPTER NO. \_432\_\_\_\_.

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# 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 S	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 I	HOUSE
March 22, 1979	Returned from second house Concurred in. Sent to enrolling.
	Reported correctly enrolled.

LG 1424/01

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HOLUE BILL NO. 531 1 INTRODUCED BY \_\_\_\_\_ 2 з A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 4 17-6-103, MCA, TO AUTHORIZE THE STATE BOARD OF INVESTMENTS 5 TO ACCEPT MORTGAGES AND TRUST INDENTURES ON REAL PROPERTY AS 6 COLLATERAL TO SECURE DEPOSITS OF PUBLIC FUNDS.\* 7 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 9 Section 1. Section 17-6-103, MCA, is amended to read: 10 \*17-6-103. Security for deposits of public funds. The 11 following kinds of securities may be pledged or guarantees 12 may be issued to secure deposits of public funds: 13 (1) direct obligations of the United States; 14 (2) securities as to which the payment of principal 15 and interest is quaranteed by the United States; 16 (3) securities issued or fully guaranteed by the 17 following agencies of the United States, whether or not 18 guaranteed by the United States: 19

20 (a) commodity credit corporation;

21 (b) federal intermediate credit banks;

22 (c) federal land bank;

(d) bank for cooperatives; 23

federal home loan banks; 24 (e)

(f) federal national mortgage association; 25

1 (q) government national mortgage association; 2 (h) small business administration; and 3 4 insured-wortgages;; 5 (4) general obligation bonds of the state or of any county, city, school district, or other political 6 subdivision of the state: 7 8 (5) revenue bonds of any county, city, or other political subdivision of the state, when backed by the full 9 10 faith and credit of such subdivision; (6) interest-bearing warrants of the state or of any 11 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 for expenditure from the fund in the year in which they are 16 17 issued; 18 [7] obligations of housing authorities of the state 19 secured by a pledge of annual contributions or by a loan 20 agreement made by the United States or any agency thereof 21 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 23 24 department of community affairs, the bonds and other

obligations made eligible for investment in 32-1-424(3) and

-2- HBS3) INTRODUCED BILL

## LC 1424/01

1	7-15-4505 may be used as security for all deposits of public
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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 quarantees issued by a surety
8	company authorized to do business in the state <del>r; and</del>
9	(10) first mortgages and trust indentures on real
10	property."

-End-

### Approved by Committee on State Administration

1	HOUSE BILL NO. 531
2	INTRODUCED BY SALES
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4	A BILL FOR AN ACT ENTITLED: MAN ACT TO AMEND SECTION
5	17-6-103, MCA, TO AUTHORIZE THE STATE BOARD OF INVESTMENTS
6	TO ACCEPT MORTGAGES AND TRUST INDENTURES ON REAL PROPERTY AS
7	COLLATERAL TO SECURE DEPOSITS OF PUBLIC FUNDS."
8	
¢	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 17-6-103, MCA, is amended to read:
n	#17-6-103. Security for deposits of public funds. The
12	following kinds of securities may be pledged or guarantees
13	may be issued to secure deposits of public funds:
14	(1) direct obligations of the United States;
15	(2) securities as to which the payment of principal
15	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 {notincluding
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
16	for expenditure from the fund in the year in which they are
17	issued;
18	(7) obligations of housing authorities of the state
19	secured by a pledge of annual contributions or by a loan
20	agreement made by the United States or any agency thereof
21	providing for contributions or a loan sufficient with other
22	funds pledged to pay the principal of and interest on the
23	obligations when due. Subject to rules prescribed by the
24	department of community affairs, the bonds and other
25	obligations made eligible for investment in 32-1-424(3) and

-2- HB 531 SECOND READING

1 7-15-4505 may be used as security for all deposits of public funds or obligations for which depository bonds or any kind 2 of bonds or other securities are required or may by law be 3 4 deposited as security. 5 (8) general obligation bonds of other states and of municipalities and counties of other states; and 6 7 (9) undertaking or guarantees issued by a surety 8 company authorized to do business in the statewi and 9 (10) first portgages and trust indentures on real 10 DEODECTY. THE DEPOSITORY SHALL. ON A QUARTERLY BASIS.

11 CERTIEY 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."

-End-

1	HOUSE BILL NO. 531	1	(g) government national mortgage association;
2	INTRODUCED BY SALES	2	(h) small business administration; and
3		3	(i) federal housing administration <del>(notincluding</del>
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION	4	insured-mortgages;;
5	17-6-103, MCA, TO AUTHORIZE THE STATE BOARD OF INVESTMENTS	5	(4) general obligation bonds of the state or of any
6	TO ACCEPT MORTGAGES AND TRUST INDENTURES ON REAL PROPERTY AS	6	county, city, school district, or other political
7	COLLATERAL TO SECURE DEPOSITS OF PUBLIC FUNDS.	7	subdivision of the state;
8		8	(5) revenue bonds of any county, city, or other
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	9	political subdivision of the state, when backed by the full
10	Section 1. Section 17-6-103, MCA, is amended to read:	10	faith and credit of such subdivision;
11	"17-6-103. Security for deposits of public funds. The	11	(6) interest-bearing warrants of the state or of any
12	following kinds of securities may be pledged or guarantees	12	county, city, school district, or other political
13	may be issued to secure deposits of public funds:	13	subdivision of the state issued in evidence of claims in an
14	(1) direct obligations of the United States;	14	amount which, with all other claims on the same fund, do not
15	(2) securities as to which the payment of principal	15	exceed the amount validly appropriated in the current budget
16	and interest is guaranteed by the United States;	16	for expenditure from the fund in the year in which they are
17	(3) securities issued or fully guaranteed by the	17	issued;
18	following agencies of the United States, whether or not	18	{7} obligations of housing authorities of the state
19	guaranteed by the United States:	19	secured by a pledge of annual contributions or by a loan
20	<pre>(a) commodity credit corporation;</pre>	20	agreement made by the United States or any agency thereof
21	(b) federal intermediate credit banks;	21	providing for contributions or a loan sufficient with other
22	(c) federal land bank;	22	funds pledged to pay the principal of and interest on the
23	(d) bank for cooperatives;	23	obligations when due. Subject to rules prescribed by the
24	(e) federal home loan banks;	24	department of community affairs, the bonds and other
25	(f) federal national mortgage association;	25	obligations made eligible for investment in 32-1-424(3) and

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THIRD READING

HB 531

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 states <u>; and</u>
9	(10) first mortgages and trust indentures on real
10	property. IHE DEPOSITORY SHALL, ON A QUARTERLY BASIS.
11	<u>CERTIEYIOTHESTATETREASURERTHATSUFFICIENTFIRST</u>
12	NORTGAGES AND TRUST INDENTURES ON REAL PROPERTY ARE
13	AVAILABLE AND SEGREGATED TO SECURE DEPOSITS OF PUBLIC FUNDSA
14	THE BOARD OF INVESTMENTS SHALL DETERMINE THE AMOUNT OF
15	SECURITY REQUIRED."
	~End-

HB 531

HOUSE BILL NO. 531 1 INTRODUCED BY SALES 2 3 A BILL FOR AN ACT ENTITLED: #AN ACT TO AMEND SECTION 4 17-6-103. HCA, TO AUTHORIZE THE STATE BOARD OF INVESTMENTS 5 TO ACCEPT HORTGAGES AND TRUST INDENTURES ON REAL PROPERTY AS 6 COLLATERAL TO SECURE DEPOSITS OF PUBLIC FUNDS." 7 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 9 10 Section 1. Section 17-6-103, MCA, is amended to read: 11 \*17-6-103. Security for deposits of public funds. The following kinds of securities may be pledged or guarantees 12 13 may be issued to secure deposits of public funds: (1) direct obligations of the United States; 14 15 (2) securities as to which the payment of principal and interest is guaranteed by the United States; 16 17 (3) securities issued or fully guaranteed by the 18 following agencies of the United States, whether or not 19 quaranteed 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:

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23 obligations when due. Subject to rules prescribed by the department of community affairs, the bonds and other 24 25 obligations made eligible for investment in 32-1-424(3) and

funds pledged to pay the principal of and interest on the

-2-'19 531 REFERENCE BILL

HB 531

7-15-4505 may be used as security for all deposits of public
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5 (8) general obligation bonds of other states and of
b municipalities and counties of other states; and

7 (9) undertaking or guarantees issued by a surety
 a company authorized to do business in the statew<u>r</u> and
 9 (10) first mortgages and trust indentures on real
 10 property. INE\_DEPOSITORY\_SHALLs\_ON\_A\_QUARTERLY\_BASISs
 11 CERTIFY\_TD\_THE\_STATE\_TREASUREA\_THAT\_SUFFICIENT\_FIRST
 12 HORIGAGES\_AND\_TRUST\_INDENTURES\_ON\_REAL\_PROPERTY\_ARE
 13 AVAILABLE\_AND\_SEGREGATED\_TD\_SECURE\_DEPOSITS\_OF\_PUBLIC\_FUNDSs

14 THE BOARD OF INVESTMENTS SHALL: DETERMINE THE ANOUNT DE

15 SECURITY REQUIRED."

-End-