

SENATE BILL 158

IN THE SENATE

January 18, 1979	Introduced and referred to Committee on Taxation.
January 19, 1979	Fiscal note requested.
January 25, 1979	Fiscal note returned.
April 20, 1979	Died in Committee.

1 *Sen.* BILL NO. 158  
2 INTRODUCED BY Tom Mannix, Robin Larson  
3 BY REQUEST OF THE COAL TAX OVERSIGHT COMMITTEE *Robin*  
4 *Mark*

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH PREFERENCE  
6 FOR INVESTMENT OF CERTAIN STATE FUNDS IN MONTANA  
7 SECURITIES."

8

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

10 Section 1. Preference for Montana investments. The  
11 board of investments shall invest to the maximum extent  
12 possible, without jeopardizing the quality of the  
13 investments or the need for liquidity, the funds enumerated  
14 in subsections (1), (3), (4), (5), and (6) of 17-6-203,  
15 excluding any retirement funds, in securities issued by  
16 Montana corporations and political subdivisions of the  
17 state, even if the investment will produce up to 1% less  
18 annual income than investment in comparable out-of-state  
19 bonds and securities.

-End-

158  
INTRODUCED BILL

STATE OF MONTANA

REQUEST NO. 46-79

**FISCAL NOTE**

Form BD-15

In compliance with a written request received January 22, 19 79, there is hereby submitted a Fiscal Note for SB 158 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 establish preference for investment of certain state funds in Montana securities, "even if the investment will produce up to 1 percent less annual income".

**Assumptions:**

- a. Projected investments affected by the proposed legislation will approximate \$529.1 million in FY 1980 and \$614.6 million in FY 1981.
- b. Projected income from these investments will approximate \$42.3 million in FY 1980 and \$49.2 million in FY 1981.
- c. Under the proposed legislation, projected income would approximate \$37.0 million in FY 1980 and \$43.0 million in FY 1981.

**Fiscal Impact:**

- a. The proposed legislation would reduce projected investment income by approximately \$11.50 million in the FY 1980-FY 1981 biennium.
- b. General Fund projected investment income would be reduced by approximately \$3.30 million in the FY 1980-FY 1981 biennium.

**Technical Notes:**

Conflicts with Prudent Man Rule.

*Leland L. Drangfor*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/25/79