

SENATE BILL NO. 383

INTRODUCED BY THOMAS

IN THE SENATE

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| February 6, 1979 | Introduced and referred to Committee on Business and Industry. |
| 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 as amended. |
| February 19, 1979 | Correctly engrossed. |
| February 20, 1979 | Third reading, passed. Transmitted to second house. |

IN THE HOUSE

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| February 21, 1979 | Introduced and referred to Committee on Business and Industry. |
| March 5, 1979 | Committee recommend bill be concurred in. Report adopted. |
| March 6, 1979 | Second reading, concurred in. |
| March 8, 1979 | Third reading, concurred in. |

IN THE SENATE

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| March 9, 1979 | Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled. |
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1 *Leach* BILL NO. *383*
 2 INTRODUCED BY *Thomas*
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4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 5 17-6-103, MCA, TO AUTHORIZE SECURITIES THAT MAY BE PLEDGED
 6 TO SECURE DEPOSITS OF PUBLIC FUNDS."

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

8 Section 1. Section 17-6-103, MCA, is amended to read:
 9 "17-6-103. Security for deposits of public funds. The
 10 following kinds of securities may be pledged or guarantees
 11 may be issued to secure deposits of public funds:

- 12 (1) direct obligations of the United States;
- 13 (2) securities as to which the payment of principal
 14 and interest is guaranteed by the United States;
- 15 (3) securities issued or fully guaranteed by the
 16 following agencies of the United States, whether or not
 17 guaranteed by the United States:

 - 18 (a) commodity credit corporation;
 - 19 (b) federal intermediate credit banks;
 - 20 (c) federal land bank;
 - 21 (d) bank for cooperatives;
 - 22 (e) federal home loan banks;
 - 23 (f) federal national mortgage association;
 - 24 (g) government national mortgage association;

- 1 (h) small business administration; and
- 2 (i) federal housing administration (not including
 3 insured mortgages);
- 4 (4) general obligation bonds of the state or of any
 5 county, city, school district, or other political
 6 subdivision of the state;
- 7 (5) revenue bonds of any county, city, or other
 8 political subdivision of the state, when backed by the full
 9 faith and credit of such subdivision or when the revenues
 10 pledged to the payment of the bonds are derived from a water
 11 or sewer system and the issuer has covenanted to establish
 12 and maintain rates and charges for the system in an amount
 13 sufficient to produce revenues equal to at least 125% of the
 14 average annual principal and interest due on all bonds
 15 payable for such revenues during the outstanding term of
 16 such bonds;
- 17 (6) interest-bearing warrants of the state or of any
 18 county, city, school district, or other political
 19 subdivision of the state issued in evidence of claims in an
 20 amount which, with all other claims on the same fund, do not
 21 exceed the amount validly appropriated in the current budget
 22 for expenditure from the fund in the year in which they are
 23 issued;
- 24 (7) obligations of housing authorities of the state
 25 secured by a pledge of annual contributions or by a loan

1 agreement made by the United States or any agency thereof
2 providing for contributions or a loan sufficient with other
3 funds pledged to pay the principal of and interest on the
4 obligations when due. Subject to rules prescribed by the
5 department of community affairs, the bonds and other
6 obligations made eligible for investment in 32-1-424(3) and
7 7-15-4505 may be used as security for all deposits of public
8 funds or obligations for which depository bonds or any kind
9 of bonds or other securities are required or may by law be
10 deposited as security.

11 (8) general obligation bonds of other states and of
12 municipalities and counties of other states; and

13 (9) undertaking or guarantees issued by a surety
14 company authorized to do business in the state;

15 (10) bonds issued pursuant to Title 7, chapter 12,
16 parts 21 and 41; and

17 (11) bonds issued pursuant to Title 90, chapter 6, part
18 1a.

-End-

Approved by Committee
on Business and Industry

SENATE BILL NO. 383
INTRODUCED BY THOMAS

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and interest is guaranteed by the United States;
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 - (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 ~~or when the revenues
pledged to the payment of the bonds are derived from a water
or sewer system and the issuer has covenanted to establish
and maintain rates and charges for the system in an amount
sufficient to produce revenues equal to at least 125% of the
average annual principal and interest due on all bonds
payable for such revenues during the outstanding term of
such bonds;~~

(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
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8 funds or obligations for which depository bonds or any kind
9 of bonds or other securities are required or may by law be
10 deposited as security.

11 (8) general obligation bonds of other states and of
12 municipalities, end counties, AND SCHOOL DISTRICTS of other
13 states; and

14 (9) undertaking or guarantees issued by a surety
15 company authorized to do business in the state;

16 (10) bonds issued pursuant to Title 7, chapter 12,
17 parts 21 and 41; and

18 (11) bonds issued pursuant to Title 90, chapter 6, part
19 1a"

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3 insured mortgages);

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5 county, city, school district, or other political
6 subdivision of the state;

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8 political subdivision of the state, when backed by the full
9 faith and credit of such subdivision; ~~or when the revenues~~
10 ~~pledged to the payment of the bonds are derived from a water~~
11 ~~or sewer system and the issuer has covenanted to establish~~
12 ~~and maintain rates and charges for the system in an amount~~
13 ~~sufficient to produce revenues equal to at least 125% of the~~
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15 company authorized to do business in the state;

16 (10) bonds issued pursuant to Title 7, chapter 12,
17 parts 21 and 41; and

18 (11) bonds issued pursuant to Title 90, chapter 6, part
19 1x; AND

20 (12) REVENUE BONDS ISSUED BY ANY UNIT OF THE UNIVERSITY
21 SYSTEM OF THE STATE OF MONTANA."

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