

HOUSE BILL NO. 296  
INTRODUCED BY NORDTVEDT

IN THE HOUSE

January 16, 1981	Introduced and referred to Committee on State Administration.
January 28, 1981	Committee recommend bill do pass as amended. Report adopted.
January 29, 1981	Bill printed and placed on members' desks.
January 30, 1981	Second reading, do pass.
January 31, 1981	Correctly engrossed.
February 2, 1981	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 3, 1981	Introduced and referred to Committee on State Administration.
March 11, 1981	Committee recommend bill be concurred in. Report adopted.
March 12, 1981	Second reading, concurred in.
March 14, 1981	Third reading, concurred in. Ayes 34; Noes, 13

IN THE HOUSE

March 17, 1981	Returned from Senate. Concurred in.
March 20, 1981	Sent to enrolling. Reported correctly enrolled.

1 HOUSE BILL NO. 296  
2 INTRODUCED BY Hardtweil

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE  
5 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII,  
6 SECTION 13, OF THE MONTANA CONSTITUTION REMOVING THE  
7 RESTRICTION ON INVESTMENT OF PUBLIC FUNDS IN CORPORATE  
8 CAPITAL STOCK AND THE REQUIREMENT THAT SCHOOL FUND  
9 INVESTMENTS BEAR A FIXED INTEREST RATE."

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

12           Section 1. Article VIII, section 13, of the  
13   Constitution of the State of Montana is amended to read:

14           \*Section 13. Investment of public funds. (1) The  
15 legislature shall provide for a unified investment program  
16 for public funds and provide rules therefor, including  
17 supervision of investment of surplus funds of all counties,  
18 cities, towns, and other local governmental entities. Each  
19 fund forming a part of the unified investment program shall  
20 be separately identified. ~~Except-for-moneys--contributed--to~~  
21 ~~retirement--funds--no--public--funds--shall--be--invested--in~~  
22 ~~private--corporate--capital--stock~~ The investment program  
23 shall be audited at least annually and a report thereof  
24 submitted to the governor and legislature.

25           (2) The public school fund and the permanent funds of

1 the Montana university system and all other state  
2 institutions of learning shall be safely and conservatively  
3 invested in:

4           (a) Public securities of the state, its subdivisions,  
5    local government units, and districts within the state, or

6 (b) Bonds of the United States or other securities  
7 fully guaranteed as to principal and interest by the United  
8 States, or

9           (c) Such other safe investments bearing a fixed rate  
10 of interest as may be provided by law."

11       Section 2. Effective date. If approved by the  
12       electorate, this amendment is effective January 1, 1983.

13           Section 3. Submission to electorate. This amendment  
14 shall be submitted to the electors of the State of Montana  
15 at the general election to be held November 2, 1981, by  
16 printing on the ballot the full title of this act and the  
17 following:

18 ☐ FOR removing the restriction on investment of public  
19 funds in corporate capital stock and the requirement  
20 that school fund investments bear a fixed rate of  
21 interest.

22 ☐ AGAINST removing the restriction on investment of  
23 public funds in corporate capital stock and the  
24 requirement that school fund investments bear a  
25 fixed rate of interest.

-End-  
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INTRODUCED BILL  
HB 296

Approved by Committee  
on State Administration

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17    supervision of investment of surplus funds of all counties,  
18    cities, towns, and other local governmental entities. Each  
19    fund forming a part of the unified investment program shall  
20    be separately identified. ~~Except for monies contributed to~~  
21    ~~retirement funds, no public funds shall be invested in~~  
22    ~~private corporate capital stock.~~ The investment program  
23    shall be audited at least annually and a report thereof  
24    submitted to the governor and legislature.  
25       (2) The public school fund and the permanent funds of

1    the Montana university system and all other state  
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13       Section 3. Submission to electorate. This amendment  
14    shall be submitted to the electors of the State of Montana  
15    at the general election to be held November, ~~24-1981~~ 1982,  
16    by printing on the ballot the full title of this act and the  
17    following:  
18       ☐ FOR removing the restriction on investment of public  
19       funds in corporate capital stock and the requirement  
20       that school fund investments bear a fixed rate of  
21       interest.  
22       ☐ AGAINST removing the restriction on investment of  
23       public funds in corporate capital stock and the  
24       requirement that school fund investments bear a  
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-End-  
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SECOND READING

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

Section 1. Article VIII, section 13, of the Constitution of the State of Montana is amended to read:

"Section 13. Investment of public funds. (1) The legislature shall provide for a unified investment program for public funds and provide rules therefor, including supervision of investment of surplus funds of all counties, cities, towns, and other local governmental entities. Each fund forming a part of the unified investment program shall be separately identified. ~~Except for monies contributed to retirement funds, no public funds shall be invested in private corporate capital stock.~~ The investment program shall be audited at least annually and a report thereof submitted to the governor and legislature.

(2) The public school fund and the permanent funds of

the Montana university system and all other state institutions of learning shall be safely and conservatively invested in:

(a) Public securities of the state, its subdivisions, local government units, and districts within the state, or

(b) Bonds of the United States or other securities fully guaranteed as to principal and interest by the United States, or

(c) Such other safe investments ~~bearing a fixed rate of interest~~ as may be provided by law."

Section 2. Effective ~~date~~. If approved by the electorate, this amendment is effective January 1, 1983.

Section 3. Submission to electorate. This amendment shall be submitted to the electors of the State of Montana at the general election to be held November ~~2, 1981~~ 1982, by printing on the ballot the full title of this act and the following:

☐ FOR removing the restriction on investment of public funds in corporate capital stock and the requirement that school fund investments bear a fixed rate of interest.

☐ AGAINST removing the restriction on investment of public funds in corporate capital stock and the requirement that school fund investments bear a fixed rate of interest.

-End-  
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THIRD READING  
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-End-

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REFERENCE BILL