

Senate Bill 357

In The Senate

February 3, 1981

Introduced and referred
to Committee on Business
and Industry.

April 23, 1981

Died in Committee.

1 *Anna* BILL NO. 357
 2 INTRODUCED BY *Ann* _____
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE AN ECONOMIC
 5 DEVELOPMENT FUND TO BE INVESTED IN PREFERRED STOCK OF SMALL
 6 BUSINESS INVESTMENT CORPORATIONS; AMENDING SECTION 17-6-203,
 7 MCA; AND PROVIDING A CONTINGENT EFFECTIVE DATE."
 8

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

10 NEW SECTION. Section 1. Economic development account
 11 -- investment. (1) There is created an investment fund that
 12 shall be known as the economic development fund.

13 (2) Notwithstanding 17-6-201 or 17-6-211, upon request
 14 of the [economic development division of the department of
 15 commerce], the board of investments shall invest money from
 16 the fund in the preferred stock of small business investment
 17 corporations, created under the Small Business Investment
 18 Program, Title 15, chapter 14B, U.S.C., if the federal
 19 government provides matching funds.

20 (3) If the small business investment corporation has
 21 earnings available for payment of preferred dividends, the
 22 corporation shall pay dividends to preferred stockholders.
 23 The preferred stock shall expire upon receipt by the state
 24 of sums equal to the purchase price of the stock plus 6%
 25 simple interest.

1 Section 2. Section 17-6-203, MCA, is amended to read:
 2 "17-6-203. Separate investment funds. Separate
 3 investment funds shall be maintained as follows:

4 (1) the trust and legacy fund, including all public
 5 school funds and funds of the Montana university system and
 6 other state institutions of learning referred to in sections
 7 2 and 10, Article X, of the 1972 Montana constitution and
 8 all money referred to in 17-2-102(8). The principal and any
 9 part thereof of each and every subfund constituting the
 10 Montana trust and legacy fund shall be subject to payment at
 11 any time when due under the statutory provisions applicable
 12 thereto and according to the provisions of the gift,
 13 donation, grant, legacy, bequest, or devise through or from
 14 which the particular subfund arises.

15 (2) a separate investment fund, which may not be held
 16 jointly with other funds, for money pertaining to each
 17 retirement or insurance system now or hereafter maintained
 18 by the state, including those now maintained under the
 19 following statutes:

- 20 (a) the highway patrolmen's retirement system
- 21 described in Title 19, chapter 6;
- 22 (b) the public employees' retirement system described
- 23 in Title 19, chapter 3;
- 24 (c) the game wardens' retirement system described in
- 25 Title 19, chapter 8;

1 (d) the teachers' retirement system described in Title
2 19, chapter 4; and

3 (e) the industrial accident insurance program
4 described in Title 39, chapter 71, part 23;

5 (3) a pooled investment fund, including all other
6 accounts within the treasury fund structure established by
7 17-2-102;

8 (4) a fund consisting of gifts, donations, grants,
9 legacies, bequests, devises, and other contributions made or
10 given for a specific purpose or under conditions expressed
11 in the gift, donation, grant, legacy, bequest, devise, or
12 contribution on the part of the state of Montana to be
13 observed. If such gift, donation, grant, legacy, bequest,
14 devise, or contribution permits investment and is not
15 otherwise restricted by its terms, it may be treated jointly
16 with other such gifts, donations, grants, legacies,
17 bequests, devises, or contributions.

18 (5) a fund consisting of coal severance taxes
19 allocated thereto under section 5, Article IX, of the
20 Montana constitution; the principal of this trust fund shall
21 be permanent and invested in the permissible investments
22 enumerated in 17-6-211; in the event the legislature
23 appropriates any part of the principal of this fund by vote
24 of three-fourths of the members of each house, such
25 liquidation may create a gain or loss in the principal; and

1 ~~(6) an economic development fund, as established in~~
2 ~~[section 1], consisting of money appropriated to the fund~~
3 ~~and the income therefrom; and~~

4 ~~(6)(7) such additional investment funds as may be~~
5 ~~expressly required by law or may be determined by the board~~
6 ~~of investments to be necessary to fulfill fiduciary~~
7 ~~responsibilities of the state with respect to funds from a~~
8 ~~particular source."~~

9 Section 3. Coordination instructions. (1) If __ Bill
10 No. __ [LC 1350] does not pass, the reference to "department
11 of commerce" in this act shall be changed to "department of
12 community affairs" or such other department as performs the
13 functions contained in 90-1-105.

14 (2) If __ Bill No. __ [LC 1110] does not pass, the
15 reference in this act to "economic development division"
16 shall be deleted.

17 Section 4. Effective date. This act is effective on
18 passage and approval of __ Bill No. __ [LC 841] and approval
19 by the people of the constitutional amendment provided for
20 in __ Bill No. __ [LC 841].

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