

HOUSE BILL NO. 104

INTRODUCED BY MARKS

IN THE HOUSE

January 7, 1985	Introduced and referred to Committee on Local Government.
January 16, 1985	Committee recommend bill do pass as amended. Report adopted. Bill printed and placed on members' desks.
January 17, 1985	Second reading, do pass. Considered correctly engrossed.
January 18, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 19, 1985	Introduced and referred to Committee on Local Government.
March 6, 1985	Committee recommend bill be concurrent in. Report adopted.
March 7, 1985	Second reading, concurred in.
March 9, 1985	Third reading, concurred in. Ayes, 47; Noes, 0. Returned to House.

IN THE HOUSE

March 11, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 104
2 INTRODUCED BY MARKS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING COUNTIES TO
5 INVEST IN REGISTERED WARRANTS OF SCHOOL DISTRICTS AND
6 MUNICIPALITIES; PROVIDING THAT THE BOARD OF COUNTY
7 COMMISSIONERS MAY ESTABLISH THE AMOUNT OF SUCH WARRANTS TO
8 BE PURCHASED AND THE INTEREST RATE TO BE PAID THE COUNTY;
9 AMENDING SECTIONS 7-6-2701, 7-6-4501, AND 7-6-4502, MCA."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 7-6-2701, MCA, is amended to read:
13 "7-6-2701. Investment of certain money in county,
14 municipal, and school warrants. (1) Except as provided in
15 7-6-2802, ~~whenever the~~ if a county has under its control any
16 money for which there is no immediate demand, in any special
17 fund subject to deposit, which in the judgment of the board
18 of county commissioners it would be advantageous to invest
19 in county, municipal, or school district registered
20 warrants, the county commissioners are authorized in their
21 discretion to direct the county treasurer to purchase county
22 such warrants of entities located in the same county
23 ~~thereafter--issued--against--funds--in--which--there--is--not~~
24 ~~sufficient-money-to-pay-such-county-warrants-at-the-time--of~~
25 ~~issuance.~~

1 ~~(2) In--case--of--such-purchase~~ For such purchases, the
2 county commissioners shall:

3 (a) designate the fund or funds to be so invested; and
4 ~~shall~~

5 (b) fix the amount thereof that may be purchased;

6 (c) establish the rate of interest the county shall
7 receive for the investment; and ~~shall also~~

8 (d) designate the ~~county-warrant-or~~ warrants which are
9 to be purchased by such funds.

10 ~~(2)(3) The county--clerk-and-recorder-shall--thereupon~~
11 officer drawing a warrant to be purchased for investment by
12 a county shall cause to be attached to or stamped, written,
13 or printed upon the ~~warrants--so--ordered--to--be--purchased~~
14 warrant a notice to the effect that the county will exercise
15 its preference right to purchase such the warrant.

16 (4) (a) A school district or county warrant presented
17 to the county treasurer for purchase by the county must be
18 registered as any other school district or county warrant.

19 (b) A municipal warrant presented to the municipal
20 clerk or treasurer for purchase by the county must be
21 registered, and the holder of the warrant must be informed
22 that the warrant may be presented to the county treasurer
23 for purchase by the county.

24 (5) The county treasurer shall thereafter, when such
25 county a warrant designated for purchase under the



1 provisions of subsection (2) is presented to him, purchase
 2 the same out of the proper fund as designated by the board.
 3 ~~The warrant so purchased shall be registered as other county~~
 4 ~~warrants and bear interest as provided by law.~~ When the
 5 designated amounts have been invested, the county treasurer
 6 shall notify the county clerk and recorder or the applicable
 7 officer authorized to draw such warrants.

8 {3}(6) Interest earned from such investments,
 9 including interest on the sale of bonds accrued in the
 10 period between the date of issue and the time of purchase,
 11 shall be credited to the sinking fund of the county,
 12 notwithstanding the provisions of 7-6-204(1).

13 {4}(7) No provision of this section may be construed
 14 to prevent the investment of county or county high school
 15 money under the state unified investment program established
 16 in Title 17, chapter 6, part 2."

17 Section 2. Section 7-6-4501, MCA, is amended to read:

18 "7-6-4501. Interest on unpaid warrants. (1) When any
 19 warrant drawn upon the treasury of a city or town and
 20 pursuant to any ordinance or resolution or direction of the
 21 council of the city or town is presented to the city
 22 treasurer or town clerk for payment and the same is not paid
 23 for want of funds, the city treasurer or town clerk must
 24 endorse thereon "Not paid for want of funds", annexing the
 25 date of presentation, and signing his name thereto.

1 (2) From ~~that~~ the time of the endorsement until the
 2 warrant is called for payment, the warrant bears interest at
 3 a rate fixed by ordinance, or if the warrant is subject to
 4 purchase for investment by a county as provided in 7-6-2701
 5 and is held by a county, the warrant bears interest at a
 6 rate fixed by the board of county commissioners under
 7 7-6-2701."

8 Section 3. Section 7-6-4502, MCA, is amended to read:

9 "7-6-4502. Call for payment of warrants drawing
 10 interest. (1) When Except as provided in subsection (2),
 11 when there is money in the city or town treasury applicable
 12 to the payment of any warrants drawing interest and
 13 sufficient to pay the same, the city treasurer or town clerk
 14 must:

15 (a) give notice in some newspaper published in such
 16 city or town or, if none is published therein, then by
 17 written notice posted in a conspicuous place on the outer
 18 door of the office of the city treasurer or town clerk,
 19 stating that he is ready to pay the said warrants and giving
 20 the number of the warrants to be paid; and

21 (b) if the warrants are subject to purchase by the
 22 county for investment as provided in 7-6-2701, notify the
 23 county treasurer that any such warrants in the possession of
 24 the county will be paid upon presentation to the city
 25 treasurer or town clerk.

1 (2) If all of such warrants are held by a county, only
2 the notice provided for in subsection (1)(b) is required.
3 ~~(2)~~(3) The warrants so called shall cease to draw
4 interest from the time of the first publication or posting
5 of such notice unless all of such warrants are held by a
6 county, in which case the warrants cease to draw interest
7 from the time of notification of the county treasurer."

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

HOUSE BILL NO. 104
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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING COUNTIES TO INVEST IN REGISTERED WARRANTS OF SCHOOL DISTRICTS AND MUNICIPALITIES; PROVIDING THAT THE BOARD OF COUNTY COMMISSIONERS MAY ESTABLISH THE AMOUNT OF SUCH WARRANTS TO BE PURCHASED AND THE INTEREST RATE TO BE PAID THE COUNTY; AMENDING SECTIONS 7-6-2701, 7-6-4501, AND 7-6-4502, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 7-6-2701, MCA, is amended to read:

"7-6-2701. Investment of certain money in county, municipal, and school warrants. (1) Except as provided in 7-6-2802, whenever the if a county has under its control any money for which there is no immediate demand, in any special fund subject to deposit, which in the judgment of the board of county commissioners it would be advantageous to invest in county, municipal, or school district registered warrants, the county commissioners are authorized in their discretion to direct the county treasurer to purchase county such warrants of entities located in the same county thereafter--issued--against--funds--in--which--there--is--not sufficient-money-to-pay-such-county-warrants-at-the-time--of

issuance.

(2) In--case--of--such--purchase For such purchases, the county commissioners shall:

(a) designate the fund or funds to be so invested; and shall

(b) fix the amount thereof that may be purchased;

(c) establish the rate of interest the county shall receive for the investment; and shall also

(d) designate the county-warrant-or warrants which are to be purchased by such funds.

(3) The county--clerk-and-recorder-shall--thereupon officer drawing a warrant to be purchased for investment by a county shall cause to be attached to or stamped, written, or printed upon the warrants--so--ordered--to--be--purchased warrant a notice to the effect that the county will exercise its preference right to purchase such the warrant.

(4) (a) A school district or county warrant presented to the county treasurer for purchase by the county must be registered as any other school district or county warrant.

(b) A municipal warrant presented to the municipal clerk or treasurer for purchase by the county must be registered, and the holder of the warrant must be informed that the warrant may be presented to the county treasurer for purchase by the county.

(5) The county treasurer shall thereafter, when such



1 county a warrant designated for purchase under the
 2 provisions of subsection (2) is presented to him, purchase
 3 the same out of the proper fund as designated by the board.
 4 ~~The warrant so purchased shall be registered as other county~~
 5 ~~warrants and bear interest as provided by law.~~ When the
 6 designated amounts have been invested, the county treasurer
 7 shall notify the county clerk and recorder or the applicable
 8 officer authorized to draw such warrants.

9 {3}(6) Interest earned from such investments,
 10 including interest on the sale of bonds accrued in the
 11 period between the date of issue and the time of purchase,
 12 shall be credited to the sinking fund of the county,
 13 notwithstanding the provisions of 7-6-204(1).

14 {4}(7) No provision of this section may be construed
 15 to prevent the investment of county or county high school
 16 money under the state unified investment program established
 17 in Title 17, chapter 6, part 2."

18 Section 2. Section 7-6-4501, MCA, is amended to read:

19 "7-6-4501. Interest on unpaid warrants. (1) When any
 20 warrant drawn upon the treasury of a city or town and
 21 pursuant to any ordinance or resolution or direction of the
 22 council of the city or town is presented to the city
 23 treasurer or town clerk for payment and the same is not paid
 24 for want of funds, the city treasurer or town clerk must
 25 endorse thereon "Not paid for want of funds", annexing the

1 date of presentation, and signing his name thereto.

2 (2) From that the time of the endorsement until the
 3 warrant is called for payment, the warrant bears interest at
 4 a rate fixed by ordinance, or if the warrant is subject to
 5 purchase for investment by a county as provided in 7-6-2701
 6 and is held by a county, the warrant bears interest at a
 7 rate fixed by the board of county commissioners under
 8 7-6-2701."

9 Section 3. Section 7-6-4502, MCA, is amended to read:

10 "7-6-4502. Call for payment of warrants drawing
 11 interest. (1) When Except as provided in subsection (2),
 12 when there is money in the city or town treasury applicable
 13 to the payment of any warrants drawing interest and
 14 sufficient to pay the same, the city treasurer or town clerk
 15 must:

16 (a) give notice in some newspaper published in such
 17 city or town or, if none is published therein, then by
 18 written notice posted in a conspicuous place on the outer
 19 door of the office of the city treasurer or town clerk,
 20 stating that he is ready to pay the said warrants and giving
 21 the number of the warrants to be paid; and

22 (b) if the warrants are subject to purchase by the
 23 county for investment as provided in 7-6-2701, notify the
 24 county treasurer that any such warrants in the possession of
 25 the county will be paid upon presentation to the city

1 treasurer or town clerk.

2 (2) If all of such warrants are held by a county, only
3 the notice provided for in subsection (1)(b) is required.

4 †2) (3) The warrants so called shall cease to draw
5 interest from the time of the first publication or posting
6 of such notice unless all of such warrants are held by a
7 county, in which case the warrants cease to draw interest
8 from the time of notification of the county treasurer."

9 NEW SECTION. SECTION 4. EFFECTIVE DATE. THIS ACT IS
10 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

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