SENATE BILL NO. 7

INTRODUCED BY NEUMAN

INTERIM JOINT SUBCOMMITTEE NO. 3

IN THE SENATE

January 7, 1985	Introduced and referred to Committee on Local Government.
January 10, 1985	Committee recommend bill do pass. Report adopted.
January 11, 1985	Bill printed and placed on members' desks.
January 12, 1985	Second reading, do pass.
January 14, 1985	Considered correctly engrossed.
January 15, 1985	Third reading, passed. Ayes, 49; Noes, 0.
	Transmitted to House.
IN THE H	OUSE
January 16, 1985	Introduced and referred to Committee on Business and Labor.
March 6, 1985	Committee recommend bill be concurred in. Report adopted.
March 8, 1985	Second reading, concurred in.
March 9, 1985	Third reading, concurred in.
	Returned to Senate.

IN THE SENATE

March 11, 1985

Received from House.

Sent to enrolling.

Reported correctly enrolled.

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2	INTRODUCED BY NEUMAN
3	BY REQUEST OF THE
4	INTERIM JOINT SUBCOMMITTEE NO. 3
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT TO AUTHORIZE SECURITIES
7	OF THE FEDERAL HOME LOAN MORTGAGE CORPORATION TO BE PLEDGED
8	TO SECURE DEPOSITS OF PUBLIC FUNDS; AMENDING SECTION
9	17-6-103, MCA; AND PROVIDING AN EFFECTIVE DATE."
LO	
li	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 17-6-103, MCA, is amended to read:
١3	"17-6-103. Security for deposits of public funds. The
14	following kinds of securities may be pledged or guarantees
15	may be issued to secure deposits of public funds:
16	(1) direct obligations of the United States;
L 7	(2) securities as to which the payment of principal
16	and interest is guaranteed by the United States;
L9	(3) securities issued or fully guaranteed by the
20	following agencies of the United States or their successors,
21	whether or not guaranteed by the United States:
22	(a) cc modity credit corporation;
23	(b) federal intermediate credit banks;
24	(c) federal land bank;
25	(d) bank for cooperatives:

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1 (e) federal home loan banks;

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- 2 federal national mortgage association;
- 3 (g) government national mortgage association;
- (h) small business administration; and
- 5 (i) federal housing administration; and
- 6 (j) federal home loan mortgage corporation;
- 7 (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

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irrevocable escrow."

issued:

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- (7) obligations of housing authorities of the state secured by a pledge of annual contributions or by a loan agreement made by the United States or any agency thereof providing for contributions or a loan sufficient with other funds pledged to pay the principal of and interest on the obligations when due. Subject to rules prescribed by the department of commerce, the bonds and other obligations made eligible for investment in 32-1-424(3) and 7-15-4505 may be used as security for all deposits of public funds or obligations for which depository bonds or any kind of bonds or other securities are required or may by law be deposited as security.
- (8) general obligation bonds of other states and of municipalities, counties, and school districts of other states;
- (9) undertaking or guarantees issued by a surety company authorized to do business in the state;
- (10) first mortgages and trust indentures on real property. The depository shall, on a quarterly basis, certify to the state treasurer that sufficient first mortgages and trust indentures on real property are available and segregated to secure deposits of public funds. The board of investments shall determine the amount of security required.

- 1 (11) bonds issued pursuant to Title 7, chapter 12,
 2 parts 21 and 41;
- 3 (12) bonds issued pursuant to Title 90, chapter 6, part 4 1;
- 5 (13) revenue bonds issued by any unit of the university 6 system of the state of Montana; and
- 7 (14) advance refunded bonds secured by direct 8 obligations of the United States treasury held in
- NEW SECTION. Section 2. Effective date. This act is effective July 1, 1985.

-End-

APPROVED BY COMM. ON LOCAL GOVERNMENT

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18	and interest is guaranteed by the United States;
19	(3) securities issued or fully guaranteed by the
20	following agencies of the United States or their successors,
21	whether or not guaranteed by the United States:
22	(a) cc modity credit corporation;
23	(b) federal intermediate credit banks;
24	(c) federal land bank;
25	(d) bank for cooperatives;

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Montana	Legislative	Council

(e) federal home loan banks;

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

effective July 1, 1985.

issued:

- (7) obligations of housing authorities of the state secured by a pledge of annual contributions or by a loan agreement made by the United States or any agency thereof providing for contributions or a loan sufficient with other funds pledged to pay the principal of and interest on the obligations when due. Subject to rules prescribed by the department of commerce, the bonds and other obligations made eligible for investment in 32-1-424(3) and 7-15-4505 may be used as security for all deposits of public funds or obligations for which depository bonds or any kind of bonds or other securities are required or may by law be deposited as security.
- (8) general obligation bonds of other states and of municipalities, counties, and school districts of other states;
- (9) undertaking or guarantees issued by a surety company authorized to do business in the state;
- (10) first mortgages and trust indentures on real property. The depository shall, on a quarterly basis, certify to the state treasurer that sufficient first mortgages and trust indentures on real property are available and segregated to secure deposits of public funds. The board of investments shall determine the amount of security required.

parts 21 and 41;

(12) bonds issued pursuant to Title 90, chapter 6, part

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(13) revenue bonds issued by any unit of the university system of the state of Montana; and

(14) advance refunded bonds secured by direct obligations of the United States treasury held in irrevocable escrow."

(11) bonds issued pursuant to Title 7, chapter 12,

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NEW SECTION. Section 2. Effective date. This act is

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L5	may be issued to secure deposits of public funds:
16	direct obligations of the United States;
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18	and interest is guaranteed by the United States;
19	(3) securities issued or fully guaranteed by the
20	following agencies of the United States or their successors,
21	whether or not guaranteed by the United States:
22	(a) commodity credit corporation;
23	(b) federal intermediate credit banks;
24	(c) federal land bank;
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2	(f) federal national mortgage association;
3	(g) government national mortgage association;
4	(h) small business administration; and
5	(i) federal housing administration; and
6	(j) federal home loan mortgage corporation;
7	(4) general obligation bonds of the state or of any
8	county, city, school district, or other political
9	subdivision of the state;
10	(5) revenue bonds of any county, city, or other
11	political subdivision of the state, when backed by the full
12	faith and credit of such subdivision or when the revenues
13	pledged to the payment of the bonds are derived from a water
14	or sewer system and the issuer has covenanted to establish
15	and maintain rates and charges for the system in an amount
16	sufficient to produce revenues equal to at least 125% of the
17	average annual principal and interest due on all bonds
18	payable for such revenues during the outstanding term of
19	such bonds;
20	(6) interest-bearing warrants of the state or of any
21	county, city, school district, or other political
22	subdivision of the state issued in evidence of claims in an
23	amount which, with all other claims on the same fund, do not
24	exceed the amount validly appropriated in the current budget
25	for expenditure from the fund in the year in which they are

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- (8) general obligation bonds of other states and of municipalities, counties, and school districts of other states;
- (9) undertaking or guarantees issued by a surety company authorized to do business in the state;
- (10) first mortgages and trust indentures on real property. The depository shall, on a quarterly basis, certify to the state treasurer that sufficient first mortgages and trust indentures on real property are available and segregated to secure deposits of public funds. The board of investments shall determine the amount of security required.

- 1 (11) bonds issued pursuant to Title 7, chapter 12,
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-End-

SB 0007/02

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SB 0007/02 SB 0007/02

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