

SENATE BILL NO. 9

1/07 Introduced
1/07 Referred to State Administration
1/08 Fiscal Note Requested
1/14 Hearing
1/14 Fiscal Note Received
1/15 Committee Report-Bill Do Pass
1/17 2nd Reading Indefinitely Postponed

1 SENATE BILL NO. 9
 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 ALLOW FOUR
 7 ADDITIONAL EXEMPT POSITIONS ON THE STAFF OF THE BOARD OF
 8 INVESTMENTS; AMENDING SECTIONS 2-15-1005 AND 2-18-103, MCA;
 9 AND PROVIDING AN EFFECTIVE DATE."

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

12 Section 1. Section 2-18-103, MCA, is amended to read:
13 "2-18-103. Officers and employees excepted. Parts 1
14 and 2 do not apply to the following positions in state
15 government:

- 16 (1) elected officials;
- 17 (2) county assessors and their chief deputy;
- 18 (3) officers and employees of the legislative branch;
- 19 (4) judges and employees of the judicial branch;
- 20 (5) members of boards and commissions appointed by the
21 governor, appointed by the legislature, or appointed by
22 other elected state officials;
- 23 (6) officers or members of the militia;
- 24 (7) agency heads appointed by the governor;
- 25 (8) academic and professional administrative personnel

1 with individual contracts under the authority of the board
 2 of regents of higher education;
 3 (9) academic and professional administrative personnel
 4 and live-in houseparents who have entered into individual
 5 contracts with the state school for the deaf and blind under
 6 the authority of the state board of public education;
 7 (10) teachers under the authority of the department of
 8 institutions;
 9 (11) investment officer, and assistant investment
 10 officer, and four professional investment staff positions of
 11 the board of investments; and
 12 (12) four professional staff positions under the board
 13 of oil and gas conservation."
 14 Section 2. Section 2-15-1005, MCA, is amended to read:
 15 "2-15-1005. Board of investments -- allocation --
 16 composition -- quasi-judicial. (1) There is a board of
 17 investments.
 18 (2) Except as otherwise provided in this subsection,
 19 the board is allocated to the department for administrative
 20 purposes only as prescribed in 2-15-121. Personnel for the
 21 board shall be appointed by the department subject to the
 22 approval of the board, except that the board may employ an
 23 investment officer and assistant investment officer, who
 24 will have general responsibility for management of the
 25 board's staff and directing investment activity, and four



1 professional investment staff members. The investment
2 officer, and assistant investment officer, and four
3 professional investment staff members serve at the pleasure
4 of the board, and the board may prescribe the duties and
5 annual salary of both each.

6 (3) The board is composed of five members, appointed
7 by the governor as prescribed in 2-15-124, informed and
8 experienced in the subject of investments.

9 (4) The board is designated as a quasi-judicial board
10 for the purposes of 2-15-124."

11 NEW SECTION. Section 3. Effective date. This act is
12 effective July 1, 1985.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 14-85Form BD-15

In compliance with a written request received January 9, 19 85, there is hereby submitted a Fiscal Note for S.B. 9 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 9 allows four additional exempt positions on the staff of the Board of Investments.

ASSUMPTIONS:

Positions affected are currently classified. Interim Joint Subcommittee No. 3 recognized that assets under the management of the B.O.I. will increase substantially in the future. Currently, the assets under management are growing at an annual rate of 15 percent.

FISCAL IMPACT:

Expenditures:

	<u>FY 86</u>	<u>FY 87</u>	<u>Total Biennium</u>
Personal Services	\$25,000	\$25,000	\$50,000

The funding will be provided from the program's proprietary account.

LONG RANGE IMPACTS:

Based on the results of the study conducted by the Interim Joint Subcommittee No. 3 the assets under the management of the B.O.I. will increase substantially in the future. In order to give Montana the optimum return on its assets, it is necessary that these assets be managed by a competent and professional investment staff. Due to ever changing economic conditions long range return on assets are not quantifiable.

David L. Hunter
BUDGET DIRECTOR
Office of Budget and Program Planning

Date: JAN 14, 1985

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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