

SENATE BILL NO. 10

1/07 Introduced  
1/07 Referred to State Administration  
1/15 Hearing  
1/26 Adverse Committee Report  
Adverse Committee Report Rejected  
1/29 2nd Reading Do Not Pass  
Constitutional Amendment  
1/31 3rd Reading Do Not Pass  
Constitutional Amendment

Transmitted to House

2/27 Referred to State Administration  
3/08 Hearing  
3/13 Comm Report-Bill Concurred As Amended  
3/15 2nd Reading Concurred  
3/22 3rd Reading Concurred

Returned to Senate with Amendments

3/27 2nd Reading Amendments Concurred  
3/29 3rd Reading Amendments Concurred  
4/09 3rd Reading Do Not Pass  
Required 2/3 Vote Not Obtained  
4/09 Bill Killed



LC 0015/01

1 principle govern the investment of public funds.  
2  AGAINST removing the restrictions on investment of  
3 public funds and providing that the "prudent expert"  
4 principle govern the investment of public funds.

-End-

SB 0010/02  
CONSTITUTIONAL AMENDMENT  
COMMITTEE  
ON STATE ADMINISTRATION  
RECOMMEND DO NOT PASS  
ON MOTION, PRINTED AND  
PLACED ON SECOND READING

1 SENATE BILL NO. 10

2 INTRODUCED BY NEUMAN

3 BY REQUEST OF JOINT INTERIM SUBCOMMITTEE NO. 3

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE  
6 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII,  
7 SECTION 13, OF THE MONTANA CONSTITUTION REMOVING THE  
8 RESTRICTIONS ON INVESTMENT OF PUBLIC FUNDS AND PROVIDING  
9 ~~THAT THE "PRUDENT-EXPERT" PRINCIPLE GOVERN THE INVESTMENT OF~~  
10 ~~PUBLIC FUNDS, EXCEPT AS PROVIDED BY LAW."~~

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

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

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

1 (2) ~~The public school fund and the permanent funds of~~  
2 ~~the Montana university system and all other state~~  
3 ~~institutions of learning shall be safely and conservatively~~  
4 ~~invested in:~~

5 (a) ~~Public securities of the state, its subdivisions,~~  
6 ~~local government units, and districts within the state, or~~  
7 (b) ~~Bonds of the United States or other securities~~  
8 ~~fully guaranteed as to principal and interest by the United~~  
9 ~~States, or~~

10 (c) ~~Such other safe investments bearing a fixed rate~~  
11 ~~of interest as may be provided by law. The unified~~  
12 ~~investment program shall be administered as provided by law,~~  
13 ~~and any investment manager shall discharge his duties with~~  
14 ~~the care, skill, prudence, and diligence expected of a~~  
15 ~~prudent expert."~~

16 NEW SECTION. Section 2. Effective date. If approved  
17 by the electorate, this amendment is effective January 1,  
18 1987.

19 NEW SECTION. Section 3. Submission to electorate.  
20 This amendment shall be submitted to the electors of the  
21 state of Montana at the general election to be held November  
22 4, 1986, by printing on the ballot the full title of this  
23 act and the following:

24  FOR removing the restrictions on investment of  
25 public funds ~~and providing that the "prudent expert"~~

1        ~~principle--govern--the--investment--of-public-funds,~~  
2        EXCEPT AS PROVIDED BY LAW.  
3         AGAINST removing the restrictions on investment of  
4        public funds ~~and-providing-that-the-"prudent-expert"~~  
5        ~~principle--govern--the--investment--of-public-funds,~~  
6        EXCEPT AS PROVIDED BY LAW.

-End-

CONSTITUTIONAL AMENDMENT

SENATE BILL NO. 10

INTRODUCED BY NEUMAN

BY REQUEST OF JOINT INTERIM SUBCOMMITTEE NO. 3

A BILL FOR AN ACT ENTITLED: "AN ACT TO SUBMIT TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 13, OF THE MONTANA CONSTITUTION REMOVING THE RESTRICTIONS ON INVESTMENT OF PUBLIC FUNDS AND PROVIDING THAT THE "PRUDENT-EXPERT" PRINCIPLE GOVERN THE INVESTMENT OF PUBLIC FUNDS, EXCEPT AS PROVIDED BY LAW."

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. The unified investment program shall be administered as provided by law and any investment manager shall discharge his duties with the care, skill, prudence, and diligence expected of a prudent expert."

NEW SECTION. Section 2. Effective date. If approved by the electorate, this amendment is effective January 1, 1987.

NEW SECTION. 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 4, 1986, by printing on the ballot the full title of this act and the following:

[ ] FOR removing the restrictions on investment of public funds and providing that the "prudent expert"



1 ~~principle--govern--the--investment--of--public-funds,~~

2 EXCEPT AS PROVIDED BY LAW.

3  AGAINST removing the restrictions on investment of

4 public funds ~~and-providing-that-the-"prudent-expert"~~

5 ~~principle--govern--the--investment--of--public-funds,~~

6 EXCEPT AS PROVIDED BY LAW.

-End-

STANDING COMMITTEE REPORT

March 12 1985

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Bill No. 10

Third reading copy (Blue color)

AMEND CONSTITUTION TO PROVIDE PRUDENT EXPERT RULE FOR INVESTMENTS

Respectfully report as follows: That Senate Bill No. 10

BE AMENDED AS FOLLOWS:

- 1) Title, line 8. Strike: "RESTRICTIONS" Insert: "CONSTRAINTS"
2) Page 2, line 24. Strike: "restrictions" Insert: "constraints"
3) Page 3, line 3. Strike: "restrictions" Insert: "constraints"

AND AS AMENDED BE CONCURRED IN

Handwritten initials '78'

Handwritten text 'AMA 313-85'

Signature of Walter R. Sales, Chairman



CONSTITUTIONAL AMENDMENT

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 2 INTRODUCED BY NEUMAN  
 3 BY REQUEST OF JOINT INTERIM SUBCOMMITTEE NO. 3  
 4

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 7 SECTION 13, OF THE MONTANA CONSTITUTION REMOVING THE  
 8 RESTRICTIONS CONSTRAINTS ON INVESTMENT OF PUBLIC FUNDS AND  
 9 ~~PROVIDING THAT THE "PRUDENT--EXPERT"--PRINCIPLE--GOVERN--THE~~  
 10 ~~INVESTMENT--OF--PUBLIC--FUNDS, EXCEPT AS PROVIDED BY LAW."~~

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

1 (2) ~~The public school fund and the permanent funds--of~~  
 2 ~~the--Montana--university--system--and--all--other--state~~  
 3 ~~institutions--of--learning--shall--be--safely--and--conservatively~~  
 4 ~~invested--in:~~

5 (a) ~~Public--securities--of--the--state,--its--subdivisions,~~  
 6 ~~local--government--units,--and--districts--within--the--state,--or~~  
 7 (b) ~~Bonds--of--the--United--States--or--other--securities~~  
 8 ~~fully--guaranteed--as--to--principal--and--interest--by--the--United~~  
 9 ~~States,--or~~

10 (c) ~~Such--other--safe--investments--bearing--a--fixed--rate~~  
 11 ~~of--interest--as--may--be--provided--by--law. The unified~~  
 12 ~~investment program shall be administered as provided by law~~  
 13 ~~and--any--investment--manager--shall--discharge--his--duties--with~~  
 14 ~~the--care,--skill,--prudence,--and--diligence--expected--of--a~~  
 15 ~~prudent--expert."~~

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 17 by the electorate, this amendment is effective January 1,  
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24  FOR removing the restrictions CONSTRAINTS on  
 25 investment of public funds and ~~providing--that--the~~



1       ~~"prudent-expert"-principle-govern-the-investment--of~~  
2       ~~public-funds, EXCEPT AS PROVIDED BY LAW.~~  
3        AGAINST removing the restrictions CONSTRAINTS on  
4       investment of public funds ~~and-providing-that-the~~  
5       ~~"prudent-expert"-principle-govern-the-investment--of~~  
6       ~~public-funds, EXCEPT AS PROVIDED BY LAW.~~

-End-