

SENATE BILL NO. 164

INTRODUCED BY NEUMAN, MILLER, TOWE

BY REQUEST OF THE
DEPARTMENT OF ADMINISTRATION

IN THE SENATE

January 19, 1985	Introduced and referred to Committee on State Administration.
February 4, 1985	Committee recommend bill do pass. Report adopted.
February 5, 1985	Bill printed and placed on members' desks.
February 6, 1985	Second reading, do pass.
February 7, 1985	Considered correctly engrossed.
February 8, 1985	Third reading, passed. Ayes, 38; Noes, 11. Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on State Administration.
March 13, 1985	Committee recommend bill be concurrent in. Report adopted.
March 16, 1985	Second reading, concurred in.
March 18, 1985	Third reading, concurred in. Returned to Senate.

IN THE SENATE

March 18, 1985

Received from House.

March 19, 1985

Sent to enrolling.

Reported correctly enrolled.

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 7 LAWS PRESCRIBING THE RESPECTIVE POWERS AND DUTIES OF THE
 8 DEPARTMENT OF ADMINISTRATION, STATE TREASURER, AND THE BOARD
 9 OF INVESTMENTS; ALLOWING THE BOARD TO HIRE ITS OWN
 10 PERSONNEL; REQUIRING THE BOARD TO KEEP CERTAIN RECORDS;
 11 AMENDING SECTIONS 2-15-1005 AND 17-6-201, MCA; AND PROVIDING
 12 AN EFFECTIVE DATE."

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

15 Section 1. Section 2-15-1005, MCA, is amended to read:
 16 "2-15-1005. Board of investments -- allocation --
 17 composition -- quasi-judicial. (1) There is a board of
 18 investments.

19 (2) Except as otherwise provided in this subsection,
 20 the board is allocated to the department for administrative
 21 purposes only as prescribed in 2-15-121. ~~Personnel for the~~
 22 ~~board shall be appointed by the department -- subject -- to -- the~~
 23 ~~approval -- of -- the -- board, except that the~~ However, the board
 24 may hire its own personnel and is not subject to
 25 2-15-121(2)(d). The board may employ an investment officer

1 and assistant investment officer who will have general
 2 responsibility for management of the board's staff and
 3 directing investment activity. The investment officer and
 4 assistant investment officer serve at the pleasure of the
 5 board, and the board may prescribe the duties and annual
 6 salary of both.

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

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

12 Section 2. Section 17-6-201, MCA, is amended to read:
 13 "17-6-201. Unified investment program -- general
 14 provisions. (1) The uniform investment program directed by
 15 Article VIII, section 13, of the 1972 Montana constitution
 16 to be provided for public funds shall be administered by the
 17 board of investments and the Montana economic development
 18 board in accordance with the rules provided in this chapter
 19 and with that degree of judgment and care, under
 20 circumstances from time to time prevailing, which people of
 21 prudence, discretion, and intelligence exercise in the
 22 management of their own affairs, not for speculation but for
 23 investment, considering the probable safety of their capital
 24 as well as the probable income to be derived, and
 25 preservation of purchasing power of capital during periods

1 of sustained high monetary inflation. Investments by the
2 Montana economic development board are limited to those made
3 from the Montana in-state investment fund and for the
4 purposes set forth in part 3.

5 (2) All state funds shall be invested and reinvested
6 in securities enumerated in 17-6-211 to the maximum extent
7 consistent with this policy and with the need and timing of
8 cash expenditures for particular purposes.

9 (3) The board of investments has the sole authority to
10 invest state funds other than the Montana in-state
11 investment fund. No other agency may invest such state
12 funds. The board shall direct the investment of state funds
13 in accordance with the laws and constitution of this state.
14 The board has the power to veto any investments made under
15 its general supervision.

16 (4) The board of investments shall:

17 (a) assist agencies with public money to determine if,
18 when, and how much surplus cash is available for investment;

19 (b) determine the amount of surplus treasury cash to
20 be invested;

21 (c) determine the type of investment to be made; and

22 (d) prepare the claim to pay for the investment; and

23 (e) keep an account of the total of each investment
24 fund and of all the investments belonging to such fund and a
25 record of the participation of each treasury fund account

1 therein.

2 (5) The board of investments may:

3 (a) execute deeds of conveyance transferring all real
4 property obtained through foreclosure of any investments
5 purchased under the provisions of 17-6-211 when full payment
6 has been received therefor;

7 (b) direct the withdrawal of any funds deposited by or
8 for the state treasurer pursuant to 17-6-101 and 17-6-105;

9 (c) direct the sale of any securities in the program
10 at their full and true value when found necessary to raise
11 money for payments due from the treasury funds for which the
12 securities have been purchased.

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14 ~~total of each investment fund and of all the investments~~
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16 ~~treasury fund account therein and shall make from time to~~
17 ~~time such reports with reference thereto as may be directed~~
18 ~~by the board of investments.~~

19 {7}{6} The cost of administering and accounting for
20 each investment fund shall be deducted from the income
21 therefrom, except that such costs of the nonexpendable trust
22 funds shall be paid from income otherwise receivable from
23 the pooled investment fund, and the amounts required for
24 this purpose shall be appropriated by the legislature from
25 the respective investment funds."

LC 0903/01

1 NEW SECTION. Section 3. Extension of authority. Any
2 existing authority of the department of administration,
3 board of investments, or state treasurer to make rules on
4 the subject of the provisions of this act is extended to the
5 provisions of this act.

6 NEW SECTION. Section 4. Effective date. This act is
7 effective July 1, 1985.

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 5 board, and the board may prescribe the duties and annual
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7 (3) The board is composed of five members, appointed
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12 Section 2. Section 17-6-201, MCA, is amended to read:

13 "17-6-201. Unified investment program -- general
 14 provisions. (1) The uniform investment program directed by
 15 Article VIII, section 13, of the 1972 Montana constitution
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 21 prudence, discretion, and intelligence exercise in the
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 24 as well as the probable income to be derived, and
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1 of sustained high monetary inflation. Investments by the
2 Montana economic development board are limited to those made
3 from the Montana in-state investment fund and for the
4 purposes set forth in part 3.

5 (2) All state funds shall be invested and reinvested
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7 consistent with this policy and with the need and timing of
8 cash expenditures for particular purposes.

9 (3) The board of investments has the sole authority to
10 invest state funds other than the Montana in-state
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