

HOUSE BILL NO. 175

INTRODUCED BY HANSEN, HOFFMAN, SQUIRES, STRIZICH

IN THE HOUSE

JANUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
JANUARY 14, 1989	FIRST READING.
JANUARY 20, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 21, 1989	PRINTING REPORT.
JANUARY 23, 1989	SECOND READING, DO PASS.
JANUARY 24, 1989	ENGROSSING REPORT.
JANUARY 25, 1989	THIRD READING, PASSED. AYES, 84; NOES, 14.
	TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 26, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
MARCH 1, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 3, 1989	SECOND READING, CONCURRED IN.
MARCH 6, 1989	THIRD READING, CONCURRED IN. AYES, 45; NOES, 5.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 7, 1989	RECEIVED FROM SENATE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 HOUSE BILL NO. 175
 2 INTRODUCED BY Steve J. Hansen Robert Hoffman
 3 Agustin St

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPOSIT
 5 OF LOCAL GOVERNMENT TIME AND REPURCHASE DEPOSITS IN ANY
 6 BANK, SAVINGS AND LOAN ASSOCIATION, OR CREDIT UNION IN THE
 7 STATE; PROVIDING FOR THE SOLICITATION OF BIDS FOR SUCH
 8 DEPOSITS; ALLOWING A LOCAL BANK, SAVINGS AND LOAN
 9 ASSOCIATION, OR CREDIT UNION TO MATCH AN INTEREST RATE FROM
 10 AN INSTITUTION NOT LOCATED IN THE CITY, TOWN, OR COUNTY; AND
 11 AMENDING SECTIONS 7-6-201, AND 7-6-206, MCA."

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

14 **Section 1.** Section 7-6-201, MCA, is amended to read:

15 "7-6-201. Deposit of public funds in financial
 16 institutions. (1) Except as provided in 7-6-202, 7-6-206{3},
 17 or 7-6-2701, it shall be the duty of all county and city
 18 treasurers and town clerks to deposit all public money in
 19 their possession and under their control in any solvent
 20 banks, building and loan associations, savings and loan
 21 associations, or credit unions located in the county, city,
 22 or town of which such treasurer is an officer, subject to
 23 national supervision or state examination as the local
 24 governing body may designate, and no other.

25 (2) Said local governing body is hereby authorized to

1 deposit such public money not necessary for immediate use by
 2 such county, city, or town in a savings or time deposit with
 3 any bank, building and loan association, savings and loan
 4 association, or credit union authorized above or in a
 5 repurchase agreement as authorized in 7-6-213.

6 (3) The treasurer or town clerk shall take from such
 7 bank, building and loan association, savings and loan
 8 association, or credit union such security as the local
 9 governing body may prescribe, approve, and deem fully
 10 sufficient and necessary to insure the safety and prompt
 11 payment of all such deposits, together with the interest on
 12 any time or savings deposits.

13 (4) All such deposits shall be subject to withdrawal
 14 by the treasurer or town clerk in such amounts as may be
 15 necessary from time to time. No deposit of funds shall be
 16 made or permitted to remain in any bank, building and loan
 17 association, savings and loan association, or credit union
 18 until the security for such deposits shall have been first
 19 approved by the local governing body and delivered to the
 20 treasurer or town clerk."

21 **Section 2.** Section 7-6-206, MCA, is amended to read:

22 "7-6-206. Time deposits -- repurchase agreement. (1)
 23 ~~Such-public~~ Public money not necessary for immediate use by
 24 ~~such a~~ county, city, or town which is not invested in direct
 25 obligations of the United States government as authorized in

1 7-6-202 may be placed in time or savings deposits with any
 2 bank, savings and loan association, or credit union in the
 3 county,---city,---or---town state or placed in repurchase
 4 agreements as authorized in 7-6-213,---and money. Money placed
 5 in repurchase agreements is subject to subsections
 6 subsection (2) and {3}.

7 (2) When---more---than---one---bank,---savings---and---loan
 8 association,---or---credit---union---is---available---in---any---county---for
 9 the---time---or---savings---deposit---of---such---county---funds---or---in---any
 10 city---or---town---for---the---time---or---savings---deposit---of---such---city---or
 11 town---funds,---such---funds---may---be---distributed---ratably---among---all
 12 of---such---banks,---savings---and---loan---associations,---and---credit
 13 unions---qualifying---therefor---and---substantially---in---proportion
 14 to---the---total---property---taxes---paid---during---the---preceding---year
 15 in---such---county---or---the---county---in---which---such---city---or---town---is
 16 located---and---the---corporation---license---taxes---paid---by---each---bank,
 17 savings---and---loan---association,---or---credit---union---willing---to
 18 receive---such---time---or---savings---deposits---under---the---terms---of
 19 this---part.

20 {3}---In---lieu---of---a---ratable---distribution---among---banks,
 21 savings---and---loan---associations,---and---credit---unions---within---the
 22 county,---city,---or---town,---the The local governing body may
 23 solicit bids without---advertising for time or savings
 24 deposits from any bank, savings and loan association, or
 25 credit union in a county having at least two such financial

1 institutions the state. Such---institutions---may---request---in
 2 writing---that---they---be---listed---for---solicitation---on---bids---for
 3 public---money---not---necessary---for---immediate---use---by---the---unit---of
 4 local---government,---in---counties---having---less---than---two---such
 5 institutions,---the The local governing body may solicit bids
 6 from---and deposit public money in such institutions in
 7 neighboring---counties unless the a local financial
 8 institution agrees to pay the same rate of interest bid by
 9 the---neighboring a financial institutions institution not
 10 located in the county, city, or town. The governing body may
 11 solicit bids by notice sent by mail to the investment
 12 institutions whose who have requested that their names are
 13 be listed as--provided--herein for bid notice with the
 14 department of administration. The---provisions---of---this
 15 subsection---shall---be---considered---as---meeting---the---requirements
 16 of---subsection---{2};"

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

HOUSE BILL NO. 175

INTRODUCED BY HANSEN, HOFFMAN, SQUIRES, STRIZICH

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPOSIT OF LOCAL GOVERNMENT TIME AND REPURCHASE DEPOSITS IN ANY BANK, SAVINGS AND LOAN ASSOCIATION, OR CREDIT UNION IN THE STATE; PROVIDING FOR THE SOLICITATION OF BIDS FOR SUCH DEPOSITS; ALLOWING A LOCAL BANK, SAVINGS AND LOAN ASSOCIATION, OR CREDIT UNION TO MATCH AN INTEREST RATE FROM AN INSTITUTION NOT LOCATED IN THE CITY, TOWN, OR COUNTY; AND AMENDING SECTIONS 7-6-201, AND 7-6-206, MCA."

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

Section 1. Section 7-6-201, MCA, is amended to read:

"7-6-201. Deposit of public funds in financial institutions. (1) Except as provided in 7-6-202, 7-6-206{3}, or 7-6-2701, it shall be the duty of all county and city treasurers and town clerks to deposit all public money in their possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to

deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk."

Section 2. Section 7-6-206, MCA, is amended to read:

"7-6-206. Time deposits -- repurchase agreement. (1) ~~Such-public~~ Public money not necessary for immediate use by ~~such a~~ county, city, or town which is not invested in direct obligations of the United States government as authorized in

7-6-202 may be placed in time or savings deposits with any bank, savings and loan association, or credit union in the county, city, or town state or placed in repurchase agreements as authorized in 7-6-213, and money. Money placed in repurchase agreements is subject to subsections subsection (2) and (3).

(2) When more than one bank, savings and loan association, or credit union is available in any county for the time or savings deposit of such county funds or in any city or town for the time or savings deposit of such city or town funds, such funds may be distributed ratably among all of such banks, savings and loan associations, and credit unions qualifying therefor and substantially in proportion to the total property taxes paid during the preceding year in such county or the county in which such city or town is located and the corporation license taxes paid by each bank, savings and loan association, or credit union willing to receive such time or savings deposits under the terms of this part.

(3) In lieu of a ratable distribution among banks, savings and loan associations, and credit unions within the county, city, or town, the The local governing body may solicit bids without advertising for time or savings deposits from any bank, savings and loan association, or credit union in a county having at least two such financial

institutions the state. Such institutions may request in writing that they be listed for solicitation on bids for public money not necessary for immediate use by the unit of local government. In counties having less than two such institutions, the The local governing body may solicit bids from and deposit public money in such institutions in neighboring counties unless the a local financial institution agrees to pay the same rate of interest bid by the neighboring a financial institutions institution INSTITUTION not located in the county, city, or town. The governing body may solicit bids by notice sent by mail to the investment institutions whose who have requested that their names are be listed as provided herein for bid notice with the department of administration. The provisions of this subsection shall be considered as meeting the requirements of subsection (2).

-End-

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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPOSIT OF LOCAL GOVERNMENT TIME AND REPURCHASE DEPOSITS IN ANY BANK, SAVINGS AND LOAN ASSOCIATION, OR CREDIT UNION IN THE STATE; PROVIDING FOR THE SOLICITATION OF BIDS FOR SUCH DEPOSITS; ALLOWING A LOCAL BANK, SAVINGS AND LOAN ASSOCIATION, OR CREDIT UNION TO MATCH AN INTEREST RATE FROM AN INSTITUTION NOT LOCATED IN THE CITY, TOWN, OR COUNTY; AND AMENDING SECTIONS 7-6-201, AND 7-6-206, MCA."

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Section 1. Section 7-6-201, MCA, is amended to read:

"7-6-201. Deposit of public funds in financial institutions. (1) Except as provided in 7-6-202, 7-6-206(3), or 7-6-2701, it shall be the duty of all county and city treasurers and town clerks to deposit all public money in their possession and under their control in any solvent banks, building and loan associations, savings and loan associations, or credit unions located in the county, city, or town of which such treasurer is an officer, subject to national supervision or state examination as the local governing body may designate, and no other.

(2) Said local governing body is hereby authorized to

deposit such public money not necessary for immediate use by such county, city, or town in a savings or time deposit with any bank, building and loan association, savings and loan association, or credit union authorized above or in a repurchase agreement as authorized in 7-6-213.

(3) The treasurer or town clerk shall take from such bank, building and loan association, savings and loan association, or credit union such security as the local governing body may prescribe, approve, and deem fully sufficient and necessary to insure the safety and prompt payment of all such deposits, together with the interest on any time or savings deposits.

(4) All such deposits shall be subject to withdrawal by the treasurer or town clerk in such amounts as may be necessary from time to time. No deposit of funds shall be made or permitted to remain in any bank, building and loan association, savings and loan association, or credit union until the security for such deposits shall have been first approved by the local governing body and delivered to the treasurer or town clerk."

Section 2. Section 7-6-206, MCA, is amended to read:

"7-6-206. Time deposits -- repurchase agreement. (1) ~~Such-public~~ Public money not necessary for immediate use by ~~such a~~ county, city, or town which is not invested in direct obligations of the United States government as authorized in

1 7-6-202 may be placed in time or savings deposits with any
 2 bank, savings and loan association, or credit union in the
 3 county, city, or town state or placed in repurchase
 4 agreements as authorized in 7-6-213, and money. Money placed
 5 in repurchase agreements is subject to subsections
 6 subsection (2) and (3).

7 (2) When more than one bank, savings and loan
 8 association, or credit union is available in any county for
 9 the time or savings deposit of such county funds or in any
 10 city or town for the time or savings deposit of such city or
 11 town funds, such funds may be distributed ratably among all
 12 of such banks, savings and loan associations, and credit
 13 unions qualifying therefor and substantially in proportion
 14 to the total property taxes paid during the preceding year
 15 in such county or the county in which such city or town is
 16 located and the corporation license taxes paid by each bank,
 17 savings and loan association, or credit union willing to
 18 receive such time or savings deposits under the terms of
 19 this part.

20 (3) In lieu of a ratable distribution among banks,
 21 savings and loan associations, and credit unions within the
 22 county, city, or town, the The local governing body may
 23 solicit bids without advertising for time or savings
 24 deposits from any bank, savings and loan association, or
 25 credit union in a county having at least two such financial

1 institutions the state. Such institutions may request in
 2 writing that they be listed for solicitation on bids for
 3 public money not necessary for immediate use by the unit of
 4 local government in counties having less than two such
 5 institutions, the The local governing body may solicit bids
 6 from and deposit public money in such institutions in
 7 neighboring counties unless the a local financial
 8 institution agrees to pay the same rate of interest bid by
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 10 INSTITUTION not located in the county, city, or town. The
 11 governing body may solicit bids by notice sent by mail to
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 13 their names are be listed as provided herein for bid notice
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22 or town of which such treasurer is an officer, subject to
23 national supervision or state examination as the local
24 governing body may designate, and no other.

25 (2) Said local governing body is hereby authorized to

1 deposit such public money not necessary for immediate use by
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 9 the---time---or---savings---deposit---of---such---county---funds---or---in---any
 10 city---or---town---for---the---time---or---savings---deposit---of---such---city---or
 11 town---funds,---such---funds---may---be---distributed---ratably---among---all
 12 of---such---banks,---savings---and---loan---associations,---and---credit
 13 unions---qualifying---therefor---and---substantially---in---proportion
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