

HOUSE BILL 176

Introduced by Hansen, S., et al.

1/13	Introduced
1/14	Referred to Local government
1/19	Hearing
1/20	Committee Report--Bill Not Passed
1/21	Adverse Committee Report Adopted

House BILL NO. 176

INTRODUCED BY Steve J. Gauthier Robert Hoffman

Sig. Steve J. Gauthier

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT A FINANCIAL INSTITUTION PROVIDE SECURITY FOR LOCAL GOVERNMENT DEPOSITS THAT ARE NOT OTHERWISE GUARANTEED OR INSURED ACCORDING TO LAW; AND AMENDING SECTION 7-6-207, MCA."

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

**Section 1.** Section 7-6-207, MCA, is amended to read:

"7-6-207. Deposit security. (1) The local governing body may shall require security only for ~~that portion of the~~ deposits which is that are not guaranteed or insured according to law and ~~as to such unguaranteed or uninsured portion to the extent of~~:

~~(a) 50% of such deposits if the institution in which the deposit is made has a net worth to total assets ratio of 6% or more; or~~

~~(b) 100% if the institution in which the deposit is made has a net worth to total assets ratio of less than 6%.~~

The security shall consist of those enumerated in 17-6-103 or cashier's checks issued to the depository institution by any federal reserve bank.

(2) When negotiable securities are furnished, such securities may be placed in trust. The trustee's receipt may

1 be accepted in lieu of the actual securities when such  
2 receipt is in favor of the treasurer or town clerk and his  
3 successors. All warrants or other negotiable securities  
4 must be properly assigned or endorsed in blank. It is the  
5 duty of the appropriate governing body, upon the acceptance  
6 and approval of any of the above-mentioned bonds or  
7 securities, to make a complete minute entry of the  
8 acceptance and approval upon the record of their  
9 proceedings, and the bonds and securities shall be  
10 reapproved at least quarter-annually thereafter."

-End-