

HOUSE BILL NO. 543

INTRODUCED BY EWER, HIBBARD, GRADY, R. JOHNSON

IN THE HOUSE

FEBRUARY 9, 1993                   INTRODUCED AND REFERRED TO COMMITTEE  
ON BUSINESS & ECONOMIC DEVELOPMENT.  
  
FIRST READING.  
  
FEBRUARY 16, 1993                   COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.  
  
FEBRUARY 17, 1993                   PRINTING REPORT.  
  
SECOND READING, DO PASS.  
  
FEBRUARY 18, 1993                   ENGROSSING REPORT.  
  
FEBRUARY 19, 1993                   THIRD READING, PASSED.  
AYES, 94; NOES, 4.  
  
FEBRUARY 22, 1993                   TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 22, 1993                   INTRODUCED AND REFERRED TO COMMITTEE  
ON BUSINESS & INDUSTRY.  
  
FIRST READING.  
  
MARCH 24, 1993                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.  
  
MARCH 26, 1993                   SECOND READING, CONCURRED IN.  
  
MARCH 27, 1993                   THIRD READING, CONCURRED IN.  
AYES, 48; NOES, 0.  
  
RETURNED TO HOUSE.

IN THE HOUSE

MARCH 29, 1993                   RECEIVED FROM SENATE.  
  
SENT TO ENROLLING.  
  
REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 543  
 2 INTRODUCED BY James Hillman  
 3 Bundy Robinson

4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A FIDUCIARY  
 5 TO ACQUIRE AND INVEST FIDUCIARY FUNDS IN A MANAGEMENT  
 6 INVESTMENT COMPANY OR INVESTMENT TRUST EVEN IF THE FIDUCIARY  
 7 IS PROVIDING COMPENSATED SERVICES TO THE MANAGEMENT  
 8 INVESTMENT COMPANY OR INVESTMENT TRUST; REQUIRING THE  
 9 FIDUCIARY TO DISCLOSE TO TRUST BENEFICIARIES THE  
 10 COMPENSATION THE FIDUCIARY IS RECEIVING FROM A MANAGEMENT  
 11 INVESTMENT COMPANY OR INVESTMENT TRUST; AND AMENDING SECTION  
 12 72-34-309, MCA."  
 13

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

15 NEW SECTION. Section 1. Investment by trust fiduciary  
 16 in management investment company or investment trust. (1) In  
 17 the absence of an express prohibition in a trust instrument,  
 18 a trust company fiduciary or the trust division of a  
 19 financial institution, whether organized under state or  
 20 federal law, may acquire and retain, invest, and reinvest  
 21 fiduciary funds in the securities of or other interests in  
 22 an open-end or closed-end management investment company or  
 23 investment trust registered under 15 U.S.C. 80a-1 through  
 24 80a-64.

25 (2) The investments authorized in subsection (1) may be

1 made even if the fiduciary is providing services to a  
 2 management investment company or investment trust and is  
 3 receiving compensation as an investment adviser or manager,  
 4 sponsor, broker, distributor, custodian, transfer agent, or  
 5 registrar or for a similar service. The fiduciary shall  
 6 disclose to all current income beneficiaries of the trust  
 7 the rate, formula, and method of compensation for the  
 8 services provided.

9 **Section 2.** Section 72-34-309, MCA, is amended to read:

10 "72-34-309. Investments. The trustee has the power to  
 11 invest, including making those investments provided for in  
 12 [section 1], in any kind of property, whether real,  
 13 personal, or mixed."

14 NEW SECTION. Section 3. Codification instruction.  
 15 [Section 1] is intended to be codified as an integral part  
 16 of Title 32, chapter 1, part 4, and the provisions of Title  
 17 32, chapter 1, part 4, apply to [section 1].

-End-



APPROVED BY COMM. ON BUSINESS AND ECONOMIC DEVELOPMENT

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A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A FIDUCIARY TO ACQUIRE AND INVEST FIDUCIARY FUNDS IN A MANAGEMENT INVESTMENT COMPANY OR INVESTMENT TRUST EVEN IF THE FIDUCIARY OR AN AFFILIATE OF THE FIDUCIARY IS PROVIDING COMPENSATED SERVICES TO THE MANAGEMENT INVESTMENT COMPANY OR INVESTMENT TRUST; REQUIRING THE FIDUCIARY TO DISCLOSE TO TRUST BENEFICIARIES THE COMPENSATION THE FIDUCIARY IS RECEIVING FROM A MANAGEMENT INVESTMENT COMPANY OR INVESTMENT TRUST; AND AMENDING SECTION 72-34-309, MCA."

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

NEW SECTION. Section 1. Investment by trust fiduciary in management investment company or investment trust. (1) In the absence of an express prohibition in a trust instrument, a trust company fiduciary or the trust division of a financial institution, whether organized under state or federal law, may acquire and retain, invest, and reinvest fiduciary funds in the securities of or other interests in an open-end or closed-end management investment company or investment trust registered under 15 U.S.C. 80a-1 through 80a-64.

(2) The investments authorized in subsection (1) may be

made even if the fiduciary OR AN AFFILIATE OF THE FIDUCIARY is providing services to a management investment company or investment trust and is receiving compensation as an investment adviser or manager, sponsor, broker, distributor, custodian, transfer agent, or registrar or for a similar service. The fiduciary shall disclose to all current income beneficiaries of the trust the rate, formula, and method of compensation for the services provided.

Section 2. Section 72-34-309, MCA, is amended to read:

"72-34-309. Investments. The trustee has the power to invest, including making those investments provided for in [section 1], in any kind of property, whether real, personal, or mixed."

NEW SECTION. Section 3. Codification instruction. (Section 1) is intended to be codified as an integral part of Title 32, chapter 1, part 4, and the provisions of Title 32, chapter 1, part 4, apply to [section 1].

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