

SENATE BILL NO. 86

INTRODUCED BY JERGESON, COBB, KADAS, KEATING
BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

IN THE SENATE

JANUARY 6, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
FEBRUARY 2, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 3, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
FEBRUARY 4, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 47; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 5, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
MARCH 3, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 6, 1993	SECOND READING, CONCURRED IN.
MARCH 9, 1993	THIRD READING, CONCURRED IN. AYES, 92; NOES, 6.
MARCH 10, 1993	RETURNED TO SENATE.

IN THE SENATE

MARCH 11, 1993	RECEIVED FROM HOUSE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 86
2 INTRODUCED BY Jerguson Bob Kadar B. E. J.
3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE STATE
6 TREASURER TO USE OUT-OF-STATE FINANCIAL INSTITUTIONS FOR
7 SERVICES THAT ARE NOT AVAILABLE THROUGH IN-STATE FINANCIAL
8 INSTITUTIONS; AND AMENDING SECTION 17-6-101, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 17-6-101, MCA, is amended to read:

12 "17-6-101. Deposit of funds in the hands of the state
13 treasurer. (1) Under the direction of the board of
14 investments, the state treasurer shall deposit public moneys
15 money in his the treasurer's possession and under his the
16 treasurer's control in solvent banks, building and loan
17 associations, savings and loan associations, and credit
18 unions located in the state, except as otherwise provided by
19 law, subject to national supervision or state examination.

20 (2) If needed financial services are not available
21 through solvent banks, building and loan associations,
22 savings and loan associations, and credit unions located in
23 the state, the state treasurer may deposit public money in
24 out-of-state financial institutions subject to national
25 supervision.

1 ~~(2)~~(3) The state treasurer shall deposit funds in such
2 banks, building and loan associations, savings and loan
3 associations, and credit unions and in such amounts as that
4 may be designated by the board of investments and withdraw
5 such deposits when instructed to by the board of
6 investments.

7 ~~(3)~~(4) When moneys-have money has been deposited under
8 the board of investments and in accordance with the law, the
9 treasurer is not liable for loss on account of any such
10 deposit occurring from any cause other than his the
11 treasurer's own neglect or fraud.

12 ~~(4)~~(5) The state treasurer shall withdraw all deposits
13 or any part thereof of the deposits from time to time to pay
14 and discharge the legal obligations of the state duly
15 presented to him the treasurer in accordance with the law."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0086, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

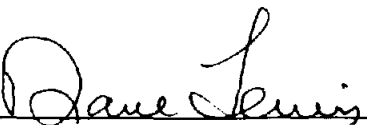
The bill amends the law directing the deposit of funds held by the state treasurer by allowing such funds to be deposited in certain types of out-of-state financial institutions if "needed financial services" are not available from financial institutions located in Montana.

ASSUMPTIONS:

1. Certain financial services, such as transaction settlements and security safekeeping services, are not available from in-state financial corporations. In these cases, the state must contract with an in-state intermediary who in turn contracts with an out-of-state firm for the service.
2. It is assumed these services will not become available from an in-state provider within the 1995 biennium.

FISCAL IMPACT:

Based on a recent audit by the Office of the Legislative Auditor, it was estimated that a net general fund savings of \$279,000 per year would result from direct contracts with out-of-state providers.

 1-25-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1/27/93
GREG JERGESON, PRIMARY SPONSOR DATE

Fiscal Note for SB0086, as introduced

SB 86

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

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