

SENATE BILL NO. 90

INTRODUCED BY JACOBSON, B. BROWN

IN THE SENATE

JANUARY 6, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
JANUARY 16, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 18, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
JANUARY 19, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 20, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
JANUARY 30, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
FEBRUARY 2, 1993	SECOND READING, CONCURRED IN.
FEBRUARY 4, 1993	THIRD READING, CONCURRED IN. AYES, 95; NOES, 3.
FEBRUARY 5, 1993	RETURNED TO SENATE.

IN THE SENATE

FEBRUARY 5, 1993	RECEIVED FROM HOUSE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

CONSTITUTIONAL AMENDMENT

1 Senate BILL NO. 90
2 INTRODUCED BY J. Frederick B. Brown
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE
5 QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII,
6 SECTION 13, OF THE MONTANA CONSTITUTION TO PROVIDE FOR
7 INVESTMENT OF PUBLIC PENSION ASSETS; ENACTING A PROVISION
8 REQUIRING THAT ALL EXISTING AND FUTURE ASSETS OF PUBLIC
9 PENSION TRUST FUNDS MUST BE PROTECTED AND EXCLUSIVELY
10 ADMINISTERED BY THE GOVERNING BOARDS IN AN ACTUARIALLY SOUND
11 MANNER AND THAT ALL ASSETS ARE HELD IN TRUST FOR THE
12 EXCLUSIVE PURPOSE OF EFFICIENTLY AND PROMPTLY PROVIDING
13 BENEFITS AND SERVICES TO CURRENT AND FUTURE PUBLIC EMPLOYEE
14 RETIREES AND THEIR BENEFICIARIES; AND PROVIDING AN EFFECTIVE
15 DATE."

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18 **Section 1.** Article VIII, section 13, of The
19 Constitution of the State of Montana is amended to read:

20 "Section 13. Investment of public funds and public
21 retirement system assets. (1) The legislature shall provide
22 for a unified investment program for public funds and public
23 retirement system assets and provide rules therefor,
24 including supervision of investment of surplus funds of all
25 counties, cities, towns, and other local governmental

1 entities. Each fund forming a part of the unified investment
2 program shall be separately identified. Except ~~for monies~~
3 ~~contributed--to--retirement--funds~~ as provided in subsection
4 (3), no public funds shall be invested in private corporate
5 capital stock. The investment program shall be audited at
6 least annually and a report thereof submitted to the
7 governor and legislature.

8 (2) The public school fund and the permanent funds of
9 the Montana university system and all other state
10 institutions of learning shall be safely and conservatively
11 invested in:

12 (a) Public securities of the state, its subdivisions,
13 local government units, and districts within the state, or

14 (b) Bonds of the United States or other securities
15 fully guaranteed as to principal and interest by the United
16 States, or

17 (c) Such other safe investments bearing a fixed rate of
18 interest as may be provided by law.

19 (3) Investment of public retirement system assets shall
20 be managed in a fiduciary capacity in the same manner that a
21 prudent expert acting in a fiduciary capacity and familiar
22 with the circumstances would use in the conduct of an
23 enterprise of a similar character with similar aims. Public
24 retirement system assets may be invested in private
25 corporate capital stock."

1 **Section 2.** Article VIII of The Constitution of the
2 State of Montana is amended by adding a new section 15 that
3 reads:

4 **Section 15. Public retirement system assets.** (1) Public
5 retirement systems shall be funded on an actuarially sound
6 basis. Public retirement system assets, including income and
7 actuarially required contributions, shall not be encumbered,
8 diverted, reduced, or terminated and shall be held in trust
9 to provide benefits to participants and their beneficiaries
10 and to defray administrative expenses.

11 (2) The governing boards of public retirement systems
12 shall administer the system, including actuarial
13 determinations, as fiduciaries of system participants and
14 their beneficiaries.

15 **NEW SECTION. Section 3.** **Effective date.** If approved by
16 the electorate, the amendments in sections 1 and 2 are
17 effective January 1, 1995.

18 **NEW SECTION. Section 4.** **Submission to electorate.** The
19 amendments set forth in sections 1 and 2 shall be submitted
20 to the qualified electors of Montana at the general election
21 to be held in November 1994 by printing on the ballot the
22 full title of this act and the following:

23 ☐ FOR protection of public pension funds and
24 beneficiaries.

25 ☐ AGAINST protection of public pension funds and

1 beneficiaries.

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION
CONSTITUTIONAL AMENDMENT

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Section 2. Article VIII of The Constitution of the State of Montana is amended by adding a new section 15 that reads:

Section 15. Public retirement system assets. (1) Public retirement systems shall be funded on an actuarially sound basis. Public retirement system assets, including income and actuarially required contributions, shall not be encumbered, diverted, reduced, or terminated and shall be held in trust to provide benefits to participants and their beneficiaries and to defray administrative expenses.

(2) The governing boards of public retirement systems shall administer the system, including actuarial determinations, as fiduciaries of system participants and their beneficiaries.

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☐ AGAINST protection of public pension funds and

beneficiaries.

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