

SENATE BILL NO. 139

INTRODUCED BY TOWE

IN THE SENATE

JANUARY 13, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
JANUARY 22, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
JANUARY 23, 1993	PRINTING REPORT.
	SECOND READING, DO PASS.
JANUARY 25, 1993	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 26, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
MARCH 12, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 17, 1993	SECOND READING, CONCURRED IN.
MARCH 19, 1993	THIRD READING, CONCURRED IN. AYES, 78; NOES, 21.
MARCH 22, 1993	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 24, 1993	RECEIVED FROM HOUSE.
	SECOND READING, AMENDMENTS CONCURRED IN.

MARCH 25, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 139
 2 INTRODUCED BY Pay
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A LOCAL
 5 GOVERNMENT TO INVEST IN GOVERNMENT OBLIGATIONS GUARANTEED
 6 BUT NOT ISSUED BY THE UNITED STATES; AND AMENDING SECTIONS
 7 7-6-202 AND 7-6-206, MCA."
 8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10 **Section 1.** Section 7-6-202, MCA, is amended to read:
 11 "7-6-202. Investment of public money in direct
 12 obligations of the United States. (1) A local governing body
 13 may invest public money not necessary for immediate use by
 14 the county, city, or town in:
 15 (a) direct obligations of the United States government;
 16 and
 17 (b) securities issued by agencies of the United States;
 18 (c) securities guaranteed but not issued by agencies of
 19 the United States; or
 20 (d) mutual funds that invest only in:
 21 (i) government obligations;
 22 (ii) securities issued by agencies of the United States;
 23 or
 24 (iii) securities guaranteed but not issued by agencies
 25 of the United States.

1 (2) The local governing body may invest in these
 2 obligations either directly or in the form of securities of
 3 or other interests in an open-end or closed-end management
 4 type investment company or investment trust registered under
 5 the Investment Company Act of 1940 (15 U.S.C. 80a-1 through
 6 80a-64), as amended, if:
 7 (a) the portfolio of the investment company or
 8 investment trust is limited to United States government
 9 obligations and repurchase agreements fully collateralized
 10 by United States government obligations; and
 11 (b) the investment company or investment trust takes
 12 delivery of the collateral for any repurchase agreement,
 13 either directly or through an authorized custodian."
 14 **Section 2.** Section 7-6-206, MCA, is amended to read:
 15 "7-6-206. Time deposits -- repurchase agreement. (1)
 16 Public money not necessary for immediate use by a county,
 17 city, or town which that is not invested in direct
 18 obligations of the United States government or in mutual
 19 funds as authorized in 7-6-202 may be placed in time or
 20 savings deposits with any a bank, savings and loan
 21 association, or credit union in the state or placed in
 22 repurchase agreements as authorized in 7-6-213. Money placed
 23 in repurchase agreements is subject to subsection (2).
 24 (2) The local governing body may solicit bids for time
 25 or savings deposits from any a bank, savings and loan

1 association, or credit union in the state. The local
2 governing body may deposit public money in ~~such~~ the
3 institutions unless a local financial institution agrees to
4 pay the same rate of interest bid by a financial institution
5 not located in the county, city, or town. The governing body
6 may solicit bids by notice sent by mail to the investment
7 institutions who have requested that their names be listed
8 for bid notice with the department of administration."

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

Senate BILL NO. 139

INTRODUCED BY For

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A LOCAL GOVERNMENT TO INVEST IN GOVERNMENT OBLIGATIONS GUARANTEED BUT NOT ISSUED BY THE UNITED STATES; AND AMENDING SECTIONS 7-6-202 AND 7-6-206, MCA."

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

Section 1. Section 7-6-202, MCA, is amended to read:

"7-6-202. Investment of public money in direct obligations of the United States. (1) A local governing body may invest public money not necessary for immediate use by the county, city, or town in:

(a) direct obligations of the United States government;

and

(b) securities issued by agencies of the United States;

(c) securities guaranteed but not issued by agencies of the United States; or

(d) mutual funds that invest only in:

(i) government obligations;

(ii) securities issued by agencies of the United States;

or

(iii) securities guaranteed but not issued by agencies of the United States.

(2) The local governing body may invest in these obligations either directly or in the form of securities of or other interests in an open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 through 80a-64), as amended, if:

(a) the portfolio of the investment company or investment trust is limited to United States government obligations and repurchase agreements fully collateralized by United States government obligations; and

(b) the investment company or investment trust takes delivery of the collateral for any repurchase agreement, either directly or through an authorized custodian."

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

"7-6-206. Time deposits -- repurchase agreement. (1) Public money not necessary for immediate use by a county, city, or town which that is not invested in direct obligations of the United States government or in mutual funds as authorized in 7-6-202 may be placed in time or savings deposits with any a bank, savings and loan association, or credit union in the state or placed in repurchase agreements as authorized in 7-6-213. Money placed in repurchase agreements is subject to subsection (2).

(2) The local governing body may solicit bids for time or savings deposits from any a bank, savings and loan

1 association, or credit union in the state. The local
2 governing body may deposit public money in ~~such~~ the
3 institutions unless a local financial institution agrees to
4 pay the same rate of interest bid by a financial institution
5 not located in the county, city, or town. The governing body
6 may solicit bids by notice sent by mail to the investment
7 institutions who have requested that their names be listed
8 for bid notice with the department of administration."

-End-

1 Senate BILL NO. 139
2 INTRODUCED BY Sen. [Signature]
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A LOCAL
5 GOVERNMENT TO INVEST IN GOVERNMENT OBLIGATIONS GUARANTEED
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12 obligations of the United States. (1) A local governing body
13 may invest public money not necessary for immediate use by
14 the county, city, or town in:

15 (a) direct obligations of the United States government;
16 and

17 (b) securities issued by agencies of the United States;

18 (c) securities guaranteed but not issued by agencies of
19 the United States; or

20 (d) mutual funds that invest only in:

21 (i) government obligations;

22 (ii) securities issued by agencies of the United States;

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24 (iii) securities guaranteed but not issued by agencies
25 of the United States.

1 (2) The local governing body may invest in these
2 obligations either directly or in the form of securities of
3 or other interests in an open-end or closed-end management
4 type investment company or investment trust registered under
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6 80a-64), as amended, if:

7 (a) the portfolio of the investment company or
8 investment trust is limited to United States government
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10 by United States government obligations; and

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12 delivery of the collateral for any repurchase agreement,
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21 association, or credit union in the state or placed in
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7 institutions who have requested that their names be listed
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-End-

HOUSE STANDING COMMITTEE REPORT

March 12, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Local Government report that Senate Bill 139 (third reading copy -- blue) be concurred in as amended .

Signed: Norm Wallin
Norm Wallin, Chair

And, that such amendments read:

Carried by: Rep. Dowell

1. Page 1, line 18 and line 24.

Following: "guaranteed"

Insert: "by the United States or by an agency of the United States"

-END-

Committee Vote:
Yes 9, No 6.

SB 139

HOUSE

Handwritten: 3-12-93 9:35

SENATE BILL NO. 139

INTRODUCED BY TOWE

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and

(b) securities issued by agencies of the United States;

(c) securities guaranteed BY THE UNITED STATES OR BY AN AGENCY OF THE UNITED STATES but not issued by agencies of the United States; or

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-End-