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SENATE JOINT RESOLUTION NO. 19
INTRODUCED BY Sprague

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE FEASIBILITY OF ESTABLISHING A STATE-CHARTERED OR STATE-OWNED FINANCIAL INSTITUTION TO ACCEPT AND INVEST FOREIGN DEPOSITS; AND REQUIRING A REPORT OF THE FINDINGS OF THE STUDY TO THE 55TH LEGISLATURE.

WHEREAS, Montana law provides for the establishment of state-chartered investment companies that are not subject to federal regulation; and

WHEREAS, Montana law also provides that state regulators keep the required financial reports of those companies confidential; and

WHEREAS, international currency flows are increasing in frequency and volume, and the capacity of Swiss and other foreign financial institutions to accept confidential deposits is not increasing; and

WHEREAS, political instability in Mexico and Canada, as well as other countries, increases the likelihood that citizens of foreign countries will seek a secure haven for their financial capital; and

WHEREAS, the State of Montana stands to gain substantial financial and economic benefits in the form of tax revenue, tax relief, and increased investment from the establishment of a state-chartered or state-owned financial institution designed specifically to accept foreign deposits.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

- That an appropriate interim committee be assigned to study:
 - (1) the legal and practical feasibility of setting up a state-chartered or state-owned financial institution;
 - (2) the incentives that such a company might offer potential foreign depositors; and
 - (3) the full range of financial, economic, social, and political benefits and costs to Montana citizens that would be associated with the establishment of the institution.

BE IT FURTHER RESOLVED, that the interim committee report the findings of the study, including any recommendations, to the 55th Legislature.

-END-
- 1 -



SJ 19
INTRODUCED BILL

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SJR0019, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A joint resolution of the Senate and the House of Representatives requesting an interim study of the feasibility of establishing a state-chartered or state-owned financial institution to accept and invest foreign deposits; and requiring a report of the findings of the study to the 55th Legislature.

ASSUMPTIONS:

1. The appropriation listed in HB2, second reading copy, to the Legislative Council for interim studies will be passed and approved.
2. The study resolution will receive a sufficiently high priority from the interim study poll that it will be selected and a committee will be appointed.
3. The committee will meet approximately six times between July 1, 1995 and September 15, 1996. The costs of the study including legislator salary, per diem, travel reimbursements, and general operating expenses will be approximately \$16,950 over the biennium. Personal services will be \$4,460 and \$12,490 will be needed for operating expenses.
4. The interim studies appropriated funds to the Legislative Council will be sufficient to absorb the costs of this study.
5. Existing staff at the State Auditor's Office, Department of Commerce, and Department of Administration will be able to assist in the development of the study and report called for in the resolution.

FISCAL IMPACT:

The projected cost of \$16,950 will be absorbed within the interim studies appropriation to the Legislative Council.

David Lewis 3-17-95

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Mike Sprague 3/18/95

MIKE SPRAGUE, PRIMARY SPONSOR DATE

Fiscal Note for SJR0019, as introduced

SJ 19

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SENATE JOINT RESOLUTION NO. 19
Spiegel

INTRODUCED BY

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE FEASIBILITY OF ESTABLISHING A STATE-CHARTERED OR STATE-OWNED FINANCIAL INSTITUTION TO ACCEPT AND INVEST FOREIGN DEPOSITS; AND REQUIRING A REPORT OF THE FINDINGS OF THE STUDY TO THE 55TH LEGISLATURE.

WHEREAS, Montana law provides for the establishment of state-chartered investment companies that are not subject to federal regulation; and

WHEREAS, Montana law also provides that state regulators keep the required financial reports of those companies confidential; and

WHEREAS, international currency flows are increasing in frequency and volume, and the capacity of Swiss and other foreign financial institutions to accept confidential deposits is not increasing; and

WHEREAS, political instability in Mexico and Canada, as well as other countries, increases the likelihood that citizens of foreign countries will seek a secure haven for their financial capital; and

WHEREAS, the State of Montana stands to gain substantial financial and economic benefits in the form of tax revenue, tax relief, and increased investment from the establishment of a state-chartered or state-owned financial institution designed specifically to accept foreign deposits.

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- (3) the full range of financial, economic, social, and political benefits and costs to Montana citizens that would be associated with the establishment of the institution.

BE IT FURTHER RESOLVED, that the interim committee report the findings of the study, including any recommendations, to the 55th Legislature.

-END-
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SECOND READING

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-END-



SJ 19
THIRD READING

SENATE JOINT RESOLUTION NO. 19

INTRODUCED BY SPRAGUE

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