

HOUSE JOINT RESOLUTION NO. 25

INTRODUCED BY S. MALEK

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF INVESTMENT AND BANKING CHANGES NECESSARY TO CREATE A STATE BANK OF MONTANA SIMILAR TO THE BANK OF NORTH DAKOTA.

WHEREAS, the Bank of North Dakota has provided that state with a source of economic development funds, which has allowed partnering with most financial institutions and specific assistance to farms and ranches, as well as mortgage assistance; and

WHEREAS, the Bank of North Dakota has been in existence since 1919 and the investment structures have developed over time and helped to provide that state with a solid financial base; and

WHEREAS, Montana's 1972 Constitution directed a unified investment program for public funds, a program that is assigned to the Board of Investments and that has many of the functions of the Bank of North Dakota but approaches those functions in a different manner; and

WHEREAS, the Bank of North Dakota consolidates the handling of all state funds, while in Montana various economic development and home ownership programs have limited bond-issuing authority, which may be more efficient if consolidated within one agency.

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

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, to investigate:

(1) the constitutional obligation that public funds be prudently invested and whether the diversion of certain public funds to in-state investment programs is constitutional and whether those funds may be appropriately used to benefit private entities;

(2) the Bank of North Dakota programs that provide financing for economic development and venture capital, loans for farms and ranches, and secondary mortgage assistance, whether these programs operate similarly to programs in Montana, and what changes would be necessary in statute to make Montana programs more like North Dakota programs;



1 (3) the working relationship of the Bank of North Dakota with its state-chartered and federally chartered
2 financial institutions and whether creation of a state bank would harm or help Montana financial institutions; and

3 (4) the structure of the Bank of North Dakota and whether that structure is appropriate for Montana or
4 whether another structure may be more appropriate.

5 BE IT FURTHER RESOLVED, that the study involve economic development specialists, financial
6 institutions, state agencies responsible for bonding programs and state investments, particularly the Board of
7 Investments, the Board of Housing, the Montana Facility Finance Authority, and the Montana Agricultural Loan
8 Authority.

9 BE IT FURTHER RESOLVED, that the appropriate committee designated by the Legislative Council
10 make recommendations and findings regarding the appropriateness of:

11 (1) revising Montana statutes and, if necessary, the Montana Constitution to create a state bank of
12 Montana;

13 (2) investing within the state if out-of-state investments may produce more wealth; and

14 (3) state involvement in investing in private or nonprofit entities for economic development or community
15 development purposes.

16 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
17 requirements, be concluded prior to September 15, 2012.

18 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
19 comments, or recommendations of the appropriate committee, be reported to the 63rd Legislature.

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