



AN ACT PROVIDING FOR A 3% MANAGEMENT RATE ON CERTAIN PORTFOLIOS MANAGED BY THE BOARD OF INVESTMENTS; PROVIDING FUND TRANSFERS; EXCLUDING CERTAIN FUNDS; AMENDING SECTION 39-71-2320, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AN APPLICABILITY DATE, AND A TERMINATION DATE.

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

Section 1. Management rate transfer -- exceptions. (1) Subject to any limitations in the Montana constitution, for each calendar year, the board of investments shall transfer to the fire suppression account provided for in 76-13-150 a 3% management rate on any board of investments' investment portfolio:

(a) that has an average asset balance greater than \$1 billion; and

(b) whose average asset balance contains sufficient funds to offset all liabilities as determined by the most recent actuarial study, including the independent actuarial report submitted to the legislature under 39-71-2363(3).

(2) The 3% management rate applies to the average asset balance in excess of \$1 billion. The board of investments shall transfer the 3% management rate to the fire suppression account provided for in 76-13-150 on or before April 1 of the immediately following calendar year.

(3) The state fund may not raise rates or reduce dividends to offset real or estimated losses associated with the 3% management rate transfer.

Section 2. Section 39-71-2320, MCA, is amended to read:

"39-71-2320. Property of state fund -- investment required -- exception. All Except for the management rate transfer under [section 1], all premiums and other money paid to the state fund, all property and securities acquired through the use of money belonging to the state fund, and all interest and dividends earned upon money belonging to the state fund are the sole property of the state fund and must be used exclusively for the operations and obligations of the state fund. ~~The~~ Except for the management rate transfer, the

money collected by the state fund for claims for injuries occurring on or after July 1, 1990, may not be used for any other purpose and may not be transferred by the legislature to other funds or used for other programs. However, state fund money must be invested by the board of investments provided for in 2-15-1808, and subject to the investment agreement with the board of investments, the earnings on investments are the sole property of the state fund as provided in this section."

Section 3. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 17, and the provisions of Title 17 apply to [section 1].

Section 4. Effective date. [This act] is effective on passage and approval.

Section 5. Applicability. [This act] applies to calendar years 2017 and 2018, and the 3% management rate is payable to the fire suppression account provided for in 76-13-150 by April 1, 2018, and April 1, 2019, respectively.

Section 6. Termination. [This act] terminates June 30, 2019.

- END -

I hereby certify that the within bill,
SB 0004, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2017.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2017.

SENATE BILL NO. 4
INTRODUCED BY E. BUTTREY
BY REQUEST OF THE GOVERNOR

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