



MONTANA CONSTITUTION

ARTICLE VIII, SECTION 13

Section 13. Investment of public funds and public retirement system and state compensation insurance fund assets.

(1) The legislature shall provide for a unified investment program for public funds and public retirement system and state compensation insurance fund assets and provide rules therefor, including supervision of investment of surplus funds of all counties, cities, towns, and other local governmental entities. Each fund forming a part of the unified investment program shall be separately identified. Except as provided in subsections (3) and (4), no public funds shall be invested in private corporate capital stock. The investment program shall be audited at least annually and a report thereof submitted to the governor and legislature.

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

- (a) Public securities of the state, its subdivisions, local government units, and districts within the state, or
- (b) Bonds of the United States or other securities fully guaranteed as to principal and interest by the United States, or
- (c) Such other safe investments bearing a fixed rate of interest as may be provided by law.

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

(4) Investment of state compensation insurance fund assets shall be managed in a fiduciary capacity in the same manner that a prudent expert acting in a fiduciary capacity and familiar with the circumstances would use in the conduct of a private insurance organization. State compensation insurance fund assets may be invested in private corporate capital stock. However, the stock investments shall not exceed 25 percent of the book value of the state compensation insurance fund's total invested assets.

History: Amd. Const. Amend. No. 25, approved Nov. 8, 1994; amd. Const. Amend. No. 34, approved Nov. 7, 2000.

Compiler's Comments

2000 Amendment by Referendum: Constitutional Amendment No. 34, proposed by Ch. 516, L. 1999, and approved at the general election held November 7, 2000, in (1) in first sentence inserted "and state compensation insurance fund" and in third sentence inserted reference to subsection (4); inserted (4) concerning investment of up to 25% of state compensation insurance fund assets in private corporate capital stock; and made minor changes in style. Amendment effective January 1, 2001. (See text of referendum in final volume of 2001 Laws of Montana.)