

SENATE BILL NO. 152

INTRODUCED BY D. FERN, M. DUNWELL, J. FULLER, M. REGIER, L. SMITH, M. YAKAWICH, L. DEMING,
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BEARD

A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN
AMENDMENT TO ARTICLE VIII, SECTION 13, OF THE MONTANA CONSTITUTION TO ALLOW A PORTION
OF THE COAL SEVERANCE TAX TRUST FUND TO BE INVESTED IN PRIVATE CORPORATE STOCK;
AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Article VIII, section 13, of The Constitution of the State of Montana is amended to read:

**"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), through (5), no public funds ~~shall~~ may 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.

(5) Up to 25 percent of ~~the funds in the coal severance taxes distributed after December 31, 2026,~~ to the coal severance tax trust fund provided for in Article IX, section 5, may be invested in private corporate capital stock. ~~Investment of the funds in the coal severance tax trust fund 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."~~

NEW SECTION. Section 2. Two-thirds vote required. Because [section 1] is a legislative proposal to amend the constitution, Article XIV, section 8, of the Montana constitution requires an affirmative roll call vote of two-thirds of all the members of the legislature, whether one or more bodies, for passage.

NEW SECTION. Section 3. Effective date. [This act] is effective on approval by the electorate.

NEW SECTION. Section 4. Submission to electorate. [This act] shall be submitted to the qualified electors of Montana at the general election to be held in November 2026 by printing on the ballot the full title of [this act] and the following:

☐ YES on Constitutional Amendment ____.

☐ NO on Constitutional Amendment ____.

- END -