_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: “AN ACT REVISING BOARD OF INVESTMENT LAWS; LIMITING STATE INVESTMENT IN SECURITIES THAT ARE NOT ACCOUNTABLE; MANDATING DIVESTMENT FROM UNACCOUNTABLE SECURITIES; PROVIDING DEFINITIONS; AND PROVIDING AN EFFECTIVE DATE.”

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

NEW SECTION. **Section 1. Sound and verifiable investments by board.** (1) The purpose of this section is to ensure that constitutional principles set forth in Article VIII, section 13, of the Montana Constitution requiring prudent, safe, and conservative investments are met.

(2) The board may not invest in a security listed on an exchange in a jurisdiction in which the federal public company accounting oversight board:

(a) has not conducted an inspection of a registered public accounting firm required by federal law; and

(b) is prevented from conducting an inspection required by federal law because of a law or policy of an authority in the jurisdiction.

(3) The board shall consult with the securities and exchange commission on a biennial basis in order to ensure compliance with subsection (1).

(4) The board shall divest from securities in which investment is precluded by subsection (1):

(a) when divestment can be achieved without a loss of capital or revenue; or

(b) whenever prudent.

(5) As used in this section, the following definitions apply:

(a) "Board" means the Montana board of investments.

(b) "Registered public accounting firm" has the meaning provided in 15 U.S.C. 7201, as of March 1, 2025.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 17, chapter 6, part 2, and the provisions of Title 17, chapter 6, part 2, apply to [section 1].

NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2025.

- END -