Stricken language would be deleted from and underlined language would be added to present law. Act 458 of the Regular Session

1 2	State of Arkansas 89th General Assembly	As Engrossed: S3/6/13 $ m A~Bill$		
3	Regular Session, 2013		SENATE BILL 535	
4	,			
5	By: Senator Maloch			
6				
7	For An Act To Be Entitled			
8	AN ACT TO AUTHORIZE INVESTMENT OF PUBLIC FUNDS IN			
9	ADDITIONAL INVESTMENTS INSURED BY THE FEDERAL DEPOSIT			
10	INSURANCE CORPORATION; TO DECLARE AN EMERGENCY; AND			
11	FOR OTHER PURPOSES.			
12				
13				
14	Subtitle			
15	TO AUTHORIZE INVESTMENT OF PUBLIC FUNDS			
16	IN ADDITIONAL INVESTMENTS INSURED BY THE			
17	FEDERAL DEPOSIT INSURANCE CORPORATION;			
18	AND TO L	DECLARE AN EMERGENCY.		
19				
20				
21	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:			
22				
23	SECTION 1. Arkansa	s Code § 19-8-111(a), concernin	ng additional	
24	authority for investment of public funds, is amended to read as follows:			
25	(a) Notwithstandin	g any law to the contrary, incl	uding , but not	
26	limited to, §§ 19-8-103 and 19-8-105, the state or local government and any			
27	trusts created <u>established</u> under the Local Government Joint Investment Trust			
28	Act, § 19-8-301 et seq., may invest public funds through an eligible bank			
29	under § 19-8-105 if:			
30	(1) The bank arranges for the deposit of all or a portion of the			
31	funds $\frac{1}{2}$ in $\frac{1}{2}$ one (1) or more banks or savings and			
32	loan associations located $\frac{\text{within } \underline{\text{inside}}}{\text{the United States for the account of}}$			
33	the state or local government or trust;			
34	(2) Each cer	(2) Each certificate of deposit is insured by the Federal		
35	Deposit Insurance Corpora	Deposit Insurance Corporation for one hundred percent (100%) of the principal		
36	and accrued interest of the certificate of deposit;			

1	(3) The bank acts as custodian of the certificates of deposit		
2	issued deposits made for the account of the state or local government or		
3	trust and, as custodian, is charged with the care of the certificates of		
4	deposit deposits and their segregation in appropriate records reflecting the		
5	total principal amount of the certificates of deposit deposits for each		
6	custodial account; and		
7	(4) At the time On the date the funds are deposited and the		
8	certificates of deposit are issued according to subdivision (a)(1) of this		
9	$\underline{\text{section}},$ the bank receives an amount of deposits from customers of other		
10	financial institutions located $\frac{1}{1}$ $\frac{1}{1}$ inside the United States that is equal to		
11	or greater than the amount of the funds invested by the state or local		
12	government or trust.		
13			
14	SECTION 2. EMERGENCY CLAUSE. It is found and determined by the		
15	General Assembly of the State of Arkansas that the limitations on the		
16	investment of public funds have resulted in economic harm to Arkansas; that		
17	the limitation on investment of public funds creates inflexibility and		
18	potential loss of investment funds; and that this act is immediately		
19	necessary to provide greater flexibility in the options available for		
20	investment of public funds. Therefore, an emergency is declared to exist,		
21	and this act being immediately necessary for the preservation of the public		
22	peace, health, and safety shall become effective on:		
23	(1) The date of its approval by the Governor;		
24	(2) If the bill is neither approved nor vetoed by the Governor,		
25	the expiration of the period of time during which the Governor may veto the		
26	bill; or		
27	(3) If the bill is vetoed by the Governor and the veto is		
28	overridden, the date the last house overrides the veto.		
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30	/s/Maloch		
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33	APPROVED: 03/21/2013		
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