

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Harriman**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 28-65-311 GOVERNING
9 AUTHORIZED INVESTMENTS FOR FIDUCIARIES AND GUARDIANS, TO
10 PROVIDE AUTHORIZATION FOR CERTAIN GUARDIANS TO INVEST IN
11 COMMON TRUST FUNDS INVESTING IN COMMON OR PREFERRED STOCKS
12 MAINTAINED BY THOSE GUARDIANS; AND FOR OTHER PURPOSES."

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14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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16 SECTION 1. Arkansas Code 28-65-311(b) is hereby amended to read as
17 follows:

18 "(b) The guardian shall invest the funds of the ward not reasonably
19 needed for the ward's care, maintenance, or education in securities selected
20 by the guardian from among the following categories:

21 (1) Bonds, notes, or certificates of indebtedness which are the
22 direct obligations of, or the principal and income of which are
23 unconditionally guaranteed by, the United States of America;

24 (2) Bonds or notes issued by the State of Arkansas;

25 (3) Arkansas State Board of Education bonds issued under Acts
26 1937, No. 162 [repealed];

27 (4) Bonds issued by a county, city, incorporated town, or
28 improvement district of the State of Arkansas, whether the bonds are the
29 general obligation of the issuer or are payable out of a special fund, as long
30 as the bonds are negotiable instruments under the law;

31 (5) Bonds issued by a school district of the State of Arkansas;

32 (6) Shares, share accounts, or accounts of any building and loan
33 association organized under the laws of the State of Arkansas or of any
34 federal savings and loan association domiciled in the State of Arkansas which
35 are insured by the Federal Savings and Loan Insurance Corporation. However, no

1 such investment shall exceed the amounts so insured;

2 (7) Notes, bonds, debentures, or other similar obligations issued
3 by Federal Land Banks, Federal Intermediate Credit banks, or Banks for
4 Cooperatives, or any other obligations issued pursuant to the provisions of an
5 Act of Congress of the United States known as the Farm Credit Act of 1971 and
6 acts amendatory thereto;

7 (8) Bonds issued by a national mortgage association;

8 (9) Notes or bonds secured by mortgage or deed of trust which the
9 Federal Housing Administration has insured or has made a commitment to insure;

10 (10) Notes or bonds secured fully as to principal and interest by
11 a first mortgage or deed of trust upon improved or timbered real property
12 located in the State of Arkansas in which provision is made for regular
13 periodic payments on the principal, at least annually, sufficient in amount to
14 amortize the indebtedness during a period not exceeding fifteen (15) years.
15 These notes or bonds are to be in an amount not exceeding sixty-five percent
16 (65%) of the value of the real property security as determined by an appraisal
17 thereof approved by the court;

18 (11) Bonds, notes, debentures, or other direct obligations of a
19 state, county, or city located without the State of Arkansas but within the
20 United States of America, or of a corporation incorporated under the laws of
21 the United States of America or of any state of the United States of America
22 or of the District of Columbia which, at the time of the purchase, shall be
23 rated in either the highest or next highest classification established by at
24 least two (2) nationally recognized standard financial rating services;

25 (12) Shares of any open-end or closed-end management-type
26 investment company or investment trust registered under the Federal Investment
27 Company Act of 1940, as amended, the portfolio of which is limited to the
28 securities described in subdivisions (1)-(11) herein and to repurchase
29 agreements fully collateralized by such securities, provided that the investment
30 company or investment trust takes delivery of the collateral either directly
31 or through an authorized custodian;

32 (13) Contracts for annuities or for life, health, or accident insurance on
33 the person of the ward, or of another in whom the ward has an insurable
34 interest, or a combination of any such contracts, if the contract is payable
35 to the ward or to his estate, is in the usual form, and is issued by an

1 insurance company authorized to do business in the State of Arkansas. Any such
2 contract shall reserve the right in the ward to change the beneficiary thereof
3 after the termination of his incompetency; or

4 (14) Shares or interests in any common trust fund investing in
5 common stocks or preferred stocks listed on a national securities exchange
6 maintained by a guardian which is a state or national bank or trust company
7 authorized by the provisions of §§28-69-201 - 28-69-204 to establish and
8 maintain common trust funds."

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10 SECTION 2. All provisions of this act of a general and permanent nature
11 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
12 Revision Commission shall incorporate the same in the Code.

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14 SECTION 3. If any provision of this act or the application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of the act which can be given effect without
17 the invalid provision or application, and to this end the provisions of this
18 act are declared to be severable.

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20 SECTION 4. All laws and parts of laws in conflict with this act are
21 hereby repealed.

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