

1 **State of Arkansas**
2 **78th General Assembly**
3 **First Extraordinary Session, 1992**
4 **By: Senator Hopkins**

A Bill ACT 50 OF 1992

SENATE BILL 6

Call Item #

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 23-32-1003 CONCERNING THE
9 INVESTMENT OR DEPOSIT OF FUNDS BY THE STATE TREASURER IN A
10 BANK ORGANIZED AND EXISTING UNDER THE LAWS OF ARKANSAS;
11 AND FOR OTHER PURPOSES."

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

16 SECTION 1. Arkansas Code 23-32-1003 is amended to read as follows:

17 "23-32-1003. Deposit of funds of public officers and agencies.

18 (a) It shall be lawful for any bank organized and existing under the
19 laws of this state to secure the deposit with it of the following described
20 funds:

21 (1) Any county of this state or any agency, corporate
22 instrumentality, or political subdivision thereof;

23 (2) Any municipality of this state or any agency, corporate
24 instrumentality, or political subdivision thereof;

25 (3) Any state-supported university or college;

26 (4) Any school district of this state;

27 (5) Any community college district of this state;

28 (6) Any state or United States relief body;

29 (7) Any road, drainage, levee, bridge, street, sewer, paving, or
30 other improvement district organized under the laws of this state;

31 (8) Any regional water distribution district organized under the
32 laws of this state;

33 (9) Any federal agency;

34 (10) The United States Postal Service;

35 (11) Any receiver of any state or federal court, whether
36 appointed in proceedings pending in this state or elsewhere;

1 (12) Any referee in bankruptcy;

2 (13) Any receiver, trustee, or operating officials appointed by
3 any federal court in any bankruptcy, debt-adjustment, or composition
4 proceeding pending within this state or elsewhere;

5 (14) Any pension or retirement fund for employees of any county
6 in this state or any agency, corporate instrumentality, or political
7 subdivision thereof;

8 (15) Any pension or retirement fund for employees of any
9 municipality in this state or any agency, corporate instrumentality, or
10 political subdivision thereof; and

11 (16) Any funds deposited by the State Treasurer.

12 (b) (1) A state bank may secure the deposit of such funds, subject to
13 the depositor's discretion regarding the suitability of the collateral, by the
14 pledge or escrow of the assets of the bank consisting of:

15 (A) Bonds, notes, or treasury certificates issued by the
16 United States or guaranteed as to the payment of principal and interest by the
17 United States;

18 (B) Bonds or notes constituting obligations of the Federal
19 National Mortgage Association, the Government National Mortgage Association,
20 the Federal Home Loan Mortgage Corporation, the Federal Financing Bank, or the
21 Student Loan Marketing Association;

22 (C) Bonds or notes constituting direct obligations of the
23 State of Arkansas;

24 (D) Bonds or notes issued by any local improvement district
25 or any public school district organized under the laws of this state, which
26 bonds, notes, or certificates, at the time of the pledge, are not in default
27 either as to interest or principal; or

28 (E) Shares of any open-end or closed-end management-type
29 investment company or investment trust registered under the Federal Investment
30 Company Act of 1940, as amended, the portfolio of which is limited to the
31 securities described in subdivisions (b) (1) (A) - (b) (1) (C) and repurchase
32 agreements fully collateralized by such securities, provided that the
33 investment company or investment trust takes delivery of the collateral either
34 directly or through an authorized custodian; provided, however, that this
35 subdivision (1) (E) shall not apply to county funds or funds under the

1 possession or control of a county treasurer at the time of the deposit. This
2 subdivision (1)(E) shall not apply to any funds invested or deposited by the
3 State Treasurer.

4 (2) The aggregate market value of assets pledged or escrowed to
5 secure the deposit of funds by any single depositor shall not at any time
6 exceed one hundred ten percent (110%) of the amount of funds on deposit from
7 the depositor plus the maximum amount of interest payable by the bank on the
8 deposit during the next twelve (12) months.

9 (c) The powers herein conferred upon banks organized and existing under
10 the laws of this state are cumulative to such similar powers as they now may
11 hold under existing laws."

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

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

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23 SECTION 4. All laws or parts of laws in conflict with this act are
24 hereby repealed.

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26 SECTION 5. EMERGENCY. It is hereby found and determined by the General
27 Assembly of the state of Arkansas that the current authority for a bank to
28 secure the deposit of funds from the State Treasurer needs clarification; that
29 greater flexibility should be given to the investment of such funds; and this
30 act is immediately necessary to accomplish these purposes. Therefore, an
31 emergency is hereby declared to exist and this act being immediately necessary
32 for the preservation of the public peace, health and safety shall be in full
33 force and effect from and after its passage and approval.

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APPROVED: 3-17-92

