

As Engrossed: 3/15/93

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Hopkins**

A Bill

ACT 745 OF 1993
SENATE BILL 735

For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF CHAPTER 3 OF TITLE 19
9 RELATING TO STATE TREASURY MANAGEMENT LAW; AND FOR OTHER
10 PURPOSES."

Subtitle

13 "AMENDING THE STATE TREASURY MANAGEMENT LAW."

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

17 SECTION 1. Arkansas Code 19-3-213(b) is amended tdo read as follows:

18 "(b) Upon receipt of the estimate and certification required in
19 subsection (a) of this section, the State Treasurer shall deduct from the
20 aggregate total amount so estimated by the Chief Fiscal Officer of the State
21 the total principal amount of securities then held in the Securities Account
22 in the State Treasury. The resultant remainder shall be the amount of state
23 funds which the State Treasurer may place on time deposit-open accounts or in
24 certificates of deposit in depository banks during the next period, with the
25 agreements to provide for the payment of interest on such time deposit-open
26 accounts, at the rate fixed by the State Board of Finance as provided in
27 §19-3-212."

29 SECTION 2. Arkansas Code 19-3-214(a) is amended to read as follows:

30 "(a) Interest from time to time due by each depository shall be paid
31 and transmitted on each due date to and in the manner authorized and
32 prescribed by the State Treasurer."

34 SECTION 3. Arkansas Code 19-3-216 is amended to read as followsS:

35 "19-3-216. Charges on deposits.

36 The State Treasurer, acting ministerially, shall have the authority to

1 enter into an agreement with any financial institution handling state funds to
2 pay processing fees for handling such funds if it is deemed to be in the best
3 interest of the state of Arkansas. In the absence of such an agreement, no
4 depository of State Treasury funds shall make any charge for the handling of
5 funds, any claim based upon any such charge or purported charge shall be
6 void."

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8 SECTION 4. Arkansas Code 19-3-219(b) (1) (A) is amended to read as
9 follows:

10 "(b) State Funds.. (1) (A) The investment of state funds, as
11 distinguished from federal funds and trust funds, shall be under the exclusive
12 jurisdiction of the State Board of Finance. Such state funds may be invested
13 only in direct obligations of, or obligations on which the timely payment of
14 principal and interest is fully guaranteed by, any agency or instrumentality
15 of the United States of America, in general obligations of the State of
16 Arkansas, and in obligations of corporations organized under the provisions of
17 the Arkansas Development Finance Corporation Act, § 15-14-901 et seq., and
18 issued thereunder to the extent of twenty million dollars (\$20,000,000)."

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20 SECTION 5. Arkansas Code 19-3-219(b) (2) (A) is amended to read as
21 follows:

22 "(2) (A) Moneys required for each such purchase shall be withdrawn from
23 the Cash Account and paid over to the seller of the obligations and the
24 obligations shall be deposited in the Securities Account."

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26 SECTION 6. Arkansas Code 19-3-307 is amended to read as follows:

27 "19-3-307. Permissible investments.

28 (a) (1) All state, trust, and federal funds which shall be available for
29 investment under § 19-3-208 shall be invested in certificates of deposit of
30 banks and also, where the investment is for a term of one hundred eighty (180)
31 days or longer, in certificates of deposit of savings and loan associations as
32 provided in subsection (b) of this section, in direct general obligations of
33 the State of Arkansas, and in obligations of corporations organized under the
34 provisions of the Arkansas Development Finance Corporation Act, § 15-4-901 et
35 seq., and as issued thereunder to the extent of twenty million dollars

1 (\$20,000,000).

2 (2) The State Board of Finance, to the extent reasonably required for
3 liquidity, may purchase in the open market, upon receipt of not less than two
4 (2) quotation bids, direct obligations of, or obligations on which the timely
5 payment of principal and interest is fully guaranteed by, any agency or
6 instrumentality of the United States of America subject, however, to a
7 repurchase agreement under which the seller of the securities shall pay a
8 fixed rate of interest and shall repurchase the securities at the price paid
9 at a fixed time.

10 (3) Moneys required for each such purchase shall be withdrawn from the
11 Cash Account and paid over to the seller of the obligations and the
12 obligations shall be deposited in the Securities Account.

13 (b) Funds which the board shall, from time to time, decide in its
14 discretion to invest for a term of one hundred eighty (180) days or longer and
15 which shall be subject to investment in certificates of deposit of banks and
16 savings and loan associations pursuant to subsection (a) of this section shall
17 be prorated between banks and savings and loan associations as provided in §
18 19-3-308."

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20 SECTION 7. All provisions of this act of a general and permanent nature
21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
22 Revision Commission shall incorporate the same in the Code.

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24 SECTION 8. If any provision of this act or the application thereof to
25 any person or circumstance is held invalid, such invalidity shall not affect
26 other provisions or applications of the act which can be given effect without
27 the invalid provision or application, and to this end the provisions of this
28 act are declared to be severable.

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30 SECTION 9. All laws and parts of laws in conflict with this act are
31 hereby repealed.

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/s/Senator Hopkins

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APPROVED: 3/26/93

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