Stricken language would be deleted from and underlined language would be added to present law.

Act 882 of the Regular Session

State of Arkansas
92nd General Assembly
Regular Session, 2019

By: Senator Rapert
By: Representative Lundstrum

For An Act To Be Entitled
AN ACT TO AMEND THE LAW CONCERNING THE STATE BOARD OF FINANCE; TO AMEND THE LAW CONCERNING THE INVESTMENT OF FUNDS IN THE STATE TREASURY; TO AMEND THE POWERS AND DUTIES OF THE STATE BOARD OF FINANCE IN RELATION TO THE CHIEF INVESTMENT OFFICER OF THE TREASURER OF STATE’S OFFICE; AND FOR OTHER PURPOSES.

Subtitle
TO AMEND THE LAW CONCERNING THE INVESTMENT OF FUNDS IN THE STATE TREASURY; AND TO AMEND THE POWERS AND DUTIES OF THE STATE BOARD OF FINANCE IN RELATION TO THE CHIEF INVESTMENT OFFICER OF THE TREASURER OF STATE’S OFFICE.

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

SECTION 1. Arkansas Code § 19-3-518(b)(1)(B)(xiv), concerning the securities and bank certificates of deposit in which the funds in the State Treasury may be invested, is amended to read as follows:

(xiv) As approved by the guidelines established by the State Treasury investment policy approved by the State Board of Finance, a corporate obligation with an investment grade rating of at least BBB, A2, P2, or higher an equivalent rating as indicated by at least two (2) nationally recognized statistical rating organizations.
SECTION 2. Arkansas Code § 19-3-518(b)(3), concerning the investment
of funds in the State Treasury in securities and bank certificates of
deposit, is amended to read as follows:

(3)(A) All purchases and sales of securities by the Treasurer of
State shall be made upon receipt of not less than three (3) quotation bids
from through securities brokers:

(i) Specifically approved by the State Board of
Finance; or

(ii) Meeting criteria established by the State Board
of Finance.

(B)(i) All purchases and sales of securities by the
Treasurer of State shall be made using a competitive procedure that:

(i) Is approved by the State Board of Finance; and

(ii) Has the goals of:

(a) Obtaining the optimal price and value for
the securities; and

(b) Not showing preference toward any
securities broker.

(C)(i) However, the State Board of Finance may subscribe
for obligations offered by the United States Department of the Treasury.

(ii) An obligation offered by the United States
Department of the Treasury held in the State Treasury may be exchanged for
another obligation offered by the United States Department of the Treasury if
an exchange privilege has been extended by the United States Department of
the Treasury.

SECTION 3. Arkansas Code § 19-3-704(b), concerning the powers and
duties of the State Board of Finance, is amended to read as follows:

(b)(1) The board shall select the chief investment compliance officer
within the Treasurer of State’s office based upon nominations received from
the Treasurer of State.

(2) The chief investment compliance officer shall:

(A) Be employed by the board;

(B) Work with and at the direction of the Treasurer of
State consistent with the policies and directives of the board; and

(C) Serve at the pleasure of the board.  APPROVED: 4/11/19