

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

SENATE BILL 535

5 By: Senator Maloch
6

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; AND FOR OTHER PURPOSES.
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Subtitle

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13 TO AUTHORIZE INVESTMENT OF PUBLIC FUNDS
14 IN ADDITIONAL INVESTMENTS INSURED BY THE
15 FEDERAL DEPOSIT INSURANCE CORPORATION.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 19-8-111(a), concerning additional
22 authority for investment of public funds, is amended to read as follows:

23 (a) Notwithstanding any law to the contrary, including, ~~but not~~
24 ~~limited to,~~ §§ 19-8-103 and 19-8-105, the state or local government and any
25 trusts ~~created~~ established under the Local Government Joint Investment Trust
26 Act, § 19-8-301 et seq., may invest public funds through an eligible bank
27 under § 19-8-105 if:

28 (1) The bank arranges for the deposit of all or a portion of the
29 funds ~~in certificates of deposit in~~ into one (1) or more banks or savings and
30 loan associations located ~~within~~ inside the United States for the account of
31 the state or local government or trust;

32 (2) Each ~~certificate of deposit~~ is insured by the Federal
33 Deposit Insurance Corporation for one hundred percent (100%) of the principal
34 and accrued interest of the ~~certificate of deposit~~;

35 (3) The bank acts as custodian of the ~~certificates of deposit~~
36 ~~issued~~ deposits made for the account of the state or local government or



1 trust and, as custodian, is charged with the care of the ~~certificates of~~
2 ~~deposit~~ deposits and their segregation in appropriate records reflecting the
3 total principal amount of the ~~certificates of deposit~~ deposits for each
4 custodial account; and

5 (4) ~~At the time~~ On the date the funds are deposited ~~and the~~
6 ~~certificates of deposit are issued~~ according to subdivision (a)(1) of this
7 section, the bank receives an amount of deposits from customers of other
8 financial institutions located ~~in~~ inside the United States that is equal to
9 or greater than the amount of the funds invested by the state or local
10 government or trust.

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