

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1230

By: Representative Easley

For An Act To Be Entitled

"THE PUBLIC MONIES DEPOSIT PROTECTION ACT OF 1989."

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

SECTION 1. Depositories. Subject to the requirement of Section 3 of this act, all banks and savings and loan associations located in the State of Arkansas are designated depositories of State Treasury funds, school district funds, any funds of counties and city governments and funds of municipal utility systems (collectively, "public monies").

SECTION 2. Definitions. As used in this Act, the terms "bank", "savings and loan association" and "State Treasury funds" shall have the same meaning as used in Ark. Code Ann. §19-3-302.

SECTION 3. Collateralization of Deposits. All deposits of public monies over and above the amount which is insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation shall be fully collateralized with obligations appearing on a list of approved collateral compiled annually by the State Board of Finance. The State Board of Finance is directed to compile such a list of approved collateral for public monies within 60 days of the adoption of this act and publish it promptly in a newspaper having general circulation throughout the State. The Board of Finance is further directed to review the list of approved collateral each December and publish the list, in the same manner as directed above, by December 31 of each year.

SECTION 4. Purpose of the Act. It is the policy of the State of Arkansas to insure that public monies are deposited in such a manner as to protect them from loss. The purpose of this Act is to implement that policy

by substituting this Act for all prior acts regulating the deposit of public monies. This Act is to be interpreted as inconsistent with, and not supplemental to, all prior acts on this subject. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. Emergency Clause. It is hereby determined by the Arkansas General Assembly that new measures are needed to insure that the deposits of public monies are protected from potential losses caused by the failure of financial institutions. Therefore, an emergency is hereby declared to exist and that this Act, being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effect from and after the date of its passage and approval.