

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: S3/13/19
A Bill

SENATE BILL 501

By: Senator Maloch

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE INVESTMENT OF
GUARDIANSHIP FUNDS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE
INVESTMENT OF GUARDIANSHIP FUNDS.

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

SECTION 1. Arkansas Code § 28-65-311(c), concerning the limitations on appropriate investments that may be made by a guardian of the estate, is amended to read as follows:

(c)(1) Without prior order of the court, no investment shall be made, other than an investment in:

(A) Direct obligations of, or obligations unconditionally guaranteed as to principal and income by, the United States;

(B) Bonds issued by the State of Arkansas; ~~or~~

(C) Shares of any investment company or investment trust described in subdivision (b)(12) of this section, the portfolio of which is limited to the securities described in subdivisions (c)(1)(A) and (B) of this section and to repurchase agreements fully collateralized by such securities, provided that the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian;

(D) Bonds issued by a school district in this state;

(E) Notes, bonds, debentures, or other similar obligations issued by a federal land bank, a federal intermediate credit bank, a bank for a cooperative, or any other obligation issued under the Farm Credit Act of



1971, 12 U.S.C. § 2001 et seq., as it existed on January 1, 2019;

(F) Bonds issued by a national mortgage association;

(G)(i) A certificate of deposit or another interest-bearing deposit account of a bank domiciled in this state that is insured by the Federal Deposit Insurance Corporation.

(ii) However, an investment in a certificate of deposit or an interest-bearing deposit account shall not exceed the amount insured; or

(H)(i) Shares, share certificates, share accounts, or accounts of a:

(a) Building and loan association organized under the laws of this state;

(b) Federal savings and loan association domiciled in this state and insured by the Savings Association Insurance Fund; or

(c)(1) Credit union in this state for eligible members that is insured by the National Credit Union Administration.

(2) Subdivision (c)(1)(H)(i)(c)(1) of this section does not expand the field of membership of a credit union.

(ii) However, an investment in shares, share certificates, share accounts, or accounts listed in subdivision (c)(1)(H)(i) of this section shall not exceed the amount insured.

(2) The court shall not approve an investment in an issue of securities which has been in default for a period exceeding one hundred twenty (120) days during the five (5) years next preceding the investment.

SECTION 2. Arkansas Code § 28-66-113(a)(2), concerning investment of surplus funds by a guardian under the Uniform Veterans' Guardianship Act, is amended to read as follows:

(2) However, a guardian may invest surplus funds without prior court authorization in:

(A) Direct unconditional interest-bearing obligations of this state or of the United States; ~~and~~

(B) Obligations where the interest and principal are unconditionally guaranteed by the United States;

(C) Bonds issued by a school district in this state;

(D) Notes, bonds, debentures, or other similar obligations issued by a federal land bank, a federal intermediate credit bank, a bank for a cooperative, or any other obligation issued under the Farm Credit Act of 1971, 12 U.S.C. § 2001 et seq., as it existed on January 1, 2019;

(E) Bonds issued by a national mortgage association;

(F)(i) A certificates of deposit or another interest-bearing deposit account of a bank domiciled in this state that are insured by the Federal Deposit Insurance Corporation.

(ii) However, an investment in a certificate of deposit or an interest-bearing deposit account shall not exceed the amount insured; or

(G)(i) Shares, share certificates, share accounts, or accounts of a:

(a) Building and loan association organized under the laws of this state;

(b) Federal savings and loan association domiciled in this state and insured by the Savings Association Insurance Fund; or

(c)(1) Credit union in this state for eligible members that is insured by the National Credit Union Administration.

(2) Subdivision (a)(2)(G)(i)(c)(1) of this section does not expand the field of membership of a credit union.

(ii) However, an investment in shares, share certificates, share accounts, or accounts listed in subdivision (a)(2)(G)(i) of this section shall not exceed the amount insured.

/s/Maloch

APPROVED: 3/29/19