

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

SENATE BILL 454

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**