

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

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S3/6/13
A Bill

SENATE BILL 535

By: Senator Maloch

For An Act To Be Entitled

*AN ACT TO AUTHORIZE INVESTMENT OF PUBLIC FUNDS IN
ADDITIONAL INVESTMENTS INSURED BY THE FEDERAL DEPOSIT
INSURANCE CORPORATION; TO DECLARE AN EMERGENCY; AND
FOR OTHER PURPOSES.*

Subtitle

*TO AUTHORIZE INVESTMENT OF PUBLIC FUNDS
IN ADDITIONAL INVESTMENTS INSURED BY THE
FEDERAL DEPOSIT INSURANCE CORPORATION;
AND TO DECLARE AN EMERGENCY.*

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

SECTION 1. Arkansas Code § 19-8-111(a), concerning additional authority for investment of public funds, is amended to read as follows:

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

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

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



(3) The bank acts as custodian of the ~~certificates of deposit issued~~ deposits made for the account of the state or local government or trust and, as custodian, is charged with the care of the ~~certificates of deposit~~ deposits and their segregation in appropriate records reflecting the total principal amount of the ~~certificates of deposit~~ deposits for each custodial account; and

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

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the limitations on the investment of public funds have resulted in economic harm to Arkansas; that the limitation on investment of public funds creates inflexibility and potential loss of investment funds; and that this act is immediately necessary to provide greater flexibility in the options available for investment of public funds. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.

/s/Maloch