

1 SB282
2 136408-1
3 By Senator Taylor
4 RFD: Governmental Affairs
5 First Read: 09-FEB-12

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8 SYNOPSIS: This bill would amend Section 41-14-30 of
9 the Code of Alabama 1975, to expand the types of
10 bank investment products that are eligible for
11 deposit of State Treasury monies, remove the limit
12 restriction for investment in US Treasury and
13 agency obligations, and allow short-term investment
14 in other instruments.

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16 A BILL
17 TO BE ENTITLED
18 AN ACT
19

20 To amend Section 41-14-30, Code of Alabama 1975,
21 relating to deposit of state funds in qualified public
22 depositories; to expand the types of investments in which the
23 State Treasurer may invest.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Section 41-14-30, Code of Alabama 1975,
26 is amended to read as follows:

27 "§41-14-30.

1 "(a) The State Treasurer may deposit the money of
2 the state in any available bank investment product in any bank
3 or savings association that is a qualified public depository
4 under Chapter 14A of this title and that has been designated
5 as a state depository according to law, so long as ~~said the~~
6 bank or savings association agrees to pay interest on ~~a~~
7 ~~portion of said the money as provided in this article.~~

8 "(b) The State Treasurer may invest so much of ~~said~~
9 ~~the funds as he or she may deem appropriate, but not in excess~~
10 ~~of 20% of total state moneys,~~ in bonds, notes, or treasury
11 bills of the United States or in obligations of any agency or
12 instrumentality of the United States of America, including but
13 not limited to the Federal Land Bank, Federal Home Loan Bank,
14 Federal National Mortgage Association, Federal Intermediate
15 Credit Bank, banks for cooperatives, Resolution Trust
16 Corporation, or any of its other agencies, or in any other
17 obligations guaranteed as to principal and interest by the
18 United States, or in money market mutual funds which invest
19 solely in securities otherwise authorized in this section.

20 "(c) Funds may also be invested in such obligations
21 of the United States or its agencies under a repurchase
22 agreement for a shorter time than the maturity date of the
23 security itself.

24 "(d) Funds may also be invested in commercial paper
25 with the highest quality credit rating at the time of purchase
26 and in banker's acceptances."

1 Section 2. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.