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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Angela L. De Jean.

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DIGEST

SB 248 Reengrossed

2015 Regular Session

Murray

Present law (R.S. 17:3803(B)(1)(e)) provides that the state treasurer is authorized and directed to invest offshore revenues which are deposited into any fund created pursuant to the constitution or statutes of the state which are determined by the state treasurer to be available for investment in certain permitted investments.

Present law provides that permitted investments include investment grade commercial paper and investment grade corporate notes and bonds traded in U.S. markets, denominated in U.S. dollars, issued in the U.S. by a corporation whose common stock is listed on the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automated Quotations System, or other such stock exchange domiciled in the U.S. and registered with the U.S. Securities and Exchange Commission.

Proposed law deletes present law further permits investment in investment grade commercial paper issued in the U.S., traded in the U.S. markets, denominated in U.S. dollars, with a short-term rating of at least A-1 by Standard & Poor's Financial Services LLC (S&P) or P-1 by Moody's Investor Services, Inc. (Moody's) or the equivalent rating by a Nationally Recognized Statistical Rating Organization (NRSRO).

Proposed law further permits investment in investment grade corporate notes and bonds issued in the U.S., traded in U.S. markets, denominated in United States dollars, rated Baa or better by Moody's or BBB or better by S&P, and the trades of which are settled through The Depository Trust & Clearing Corporation (DTCC), a national clearinghouse in the U.S. for the settlement of securities trades.

Present law (33:2955(A)(1)(h)) provides that all municipalities, parishes, school boards, and any other political subdivisions of the state are authorized and directed to invest such monies in any general fund or special fund of the political subdivision, and any other funds under the control of the political subdivision which they, in their discretion, may determine to be available for investment in certain obligations.

Present law further provides that such permitted investments include investment grade (A-1/P-1) commercial paper of domestic U.S. Corporations.

Proposed law deletes present law and provides that such permitted investments include investment grade commercial paper issued in the U.S., traded in the U.S. markets, denominated in U.S. dollars, with a short-term rating of at least A-1 by S&P or P-1 by Moody's or the equivalent rating by a Nationally Recognized Statistical Rating Organization (NRSRO).

Present law (39:98.2(A)(5)) provides that the treasurer is authorized and directed to invest monies in the Millennium Trust which are available for investment in certain investments, including investment grade commercial paper and investment grade corporate notes and bonds traded in U.S. markets, denominated in U.S. dollars, and issued in the U.S. by a corporation whose common stock is listed on the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automated Quotations System, or other such stock exchange domiciled in the U.S. and registered with the U.S. Securities and Exchange Commission.

Proposed law deletes present law and permits investment in investment grade commercial paper issued in the U.S., traded in the United States markets, denominated in United States dollars, with a short-term rating of at least A-1 by S&P or P-1 by Moody's or the equivalent rating by a Nationally Recognized Statistical Rating Organization (NRSRO).

Proposed law further permits investment in investment grade corporate notes and bonds issued in the U.S., traded in U.S. markets, denominated in U.S. dollars, rated Baa or better by Moody's or BBB or better by S&P, and the trades of which are settled through The Depository Trust & Clearing Corporation (DTCC), a national clearinghouse in the U.S. for the settlement of securities trades.

Present law (49:327(B)(1)(e)) provides that the state treasurer is authorized and directed to invest monies on deposit in the state treasury belonging to the general fund of the state, funds in the state treasury to the credit of state agencies, departments, boards, and commissions, and any other funds under the control of the state treasurer which he, in his discretion, may determine to be available for investment in certain investments.

Present law provides that the state treasurer is authorized to invest in investment grade commercial paper and investment grade corporate notes and bonds traded in U.S. markets, denominated in U.S. dollars, and issued in the U.S. by a corporation whose common stock is listed on the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers Automated Quotations Systems, or other such stock exchange domiciled in the U.S. and registered with the U.S. Securities and Exchange Commission.

Present law provides that at no time shall the funds invested in paper, notes, and bonds enumerated in present law exceed 20% of all monies invested as of that date.

Proposed law provides that the state treasurer is authorized to invest in investment grade commercial paper issued in the U.S., traded in the U.S. markets, denominated in U.S. dollars, with a short-term rating of at least A-1 by S&P or P-1 by Moody's or the equivalent rating by a Nationally Recognized Statistical Rating Organization (NRSRO).

Proposed law further provides that the state treasurer may invest in investment grade corporate notes and bonds issued in the United States, traded in United States markets, denominated in United States dollars, rated Baa or better by Moody's or BBB or better by S&P, and the trades of which are settled through The Depository Trust & Clearing Corporation (DTCC), a national clearinghouse in the United States for the settlement of securities trades.

Proposed law retains present law that at no time shall the funds invested in paper, notes, and bonds enumerated in present law exceed 20% of all monies invested as of that date.

Effective August 1, 2015.

(Amends R.S. 17:3803(B)(1)(e), R.S. 33:2955(A)(1)(h), R.S. 39:98.2(A)(5) and R.S. 49:327(B)(1)(e))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes Legislative Bureau technical changes.