

SENATE BILL NO. 248

BY SENATOR MURRAY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To amend and reenact 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), relative to investment authority of the state and political subdivisions; to provide relative to certain authorized investment of monies; to provide relative to certain investment grade commercial paper; to provide relative to investment authority of the state treasurer; to provide relative to investment authority of political subdivisions; to provide relative to Millennium Trust and certain offshore revenues investment; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:3803(B)(1)(e) is hereby amended and reenacted to read as follows:

§3803. Investment authority; treasurer

* * *

B. Grant of authority.

(1) The state treasurer is hereby 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 the following permitted investments:

* * *

1 ~~(e)(i) Investment grade commercial paper and investment grade corporate~~
 2 ~~notes and bonds traded in United States markets, denominated in United States~~
 3 ~~dollars, issued in the United States by a corporation whose common stock is listed~~
 4 ~~on the New York Stock Exchange, the American Stock Exchange, the National~~
 5 ~~Association of Securities Dealers Automated Quotations System, or other such stock~~
 6 ~~exchange domiciled in the United States and registered with the United States~~
 7 ~~Securities and Exchange Commission~~ **Investment grade commercial paper issued**
 8 **in the United States, traded in the United States markets, denominated in**
 9 **United States dollars, with a short-term rating of at least A-1 by Standard &**
 10 **Poor's Financial Services LLC or P-1 by Moody's Investor Service, Inc. or the**
 11 **equivalent rating by a Nationally Recognized Statistical Rating Organization**
 12 **(NRSRO).**

13 **(ii) Investment grade corporate notes and bonds issued in the United**
 14 **States, traded in United States markets, denominated in United States dollars,**
 15 **rated Baa or better by Moody's Investor Service, Inc. or BBB or better by**
 16 **Standard & Poor's Financial Services LLC , and the trades of which are settled**
 17 **through The Depository Trust & Clearing Corporation (DTCC), a national**
 18 **clearinghouse in the United States for the settlement of securities trades.**

19 * * *

20 Section 2. R.S. 33:2955(A)(1)(h) is hereby amended and reenacted to read as
 21 follows:

22 §2955. Investments by political subdivisions

23 A.(1) All municipalities, parishes, school boards, and any other political
 24 subdivisions of the state are hereby authorized and directed to invest such monies in
 25 any general fund or special fund of the political subdivision, and any other funds
 26 under the control of the political subdivision which they, in their discretion, may
 27 determine to be available for investment in any of the following obligations:

28 * * *

29 (h) ~~Investment grade (A-1/P-1) commercial paper of domestic United States~~
 30 corporations **Investment grade commercial paper issued in the United States,**

1 traded in the United States markets, denominated in United States dollars, with
 2 a short-term rating of at least A-1 by Standard & Poor's Financial Services
 3 LLC or P-1 by Moody's Investor Service, Inc. or the equivalent rating by a
 4 Nationally Recognized Statistical Rating Organization (NRSRO).

5 * * *

6 Section 3. R.S. 39:98.2(A)(5) is hereby amended and reenacted to read as follows:

7 §98.2. Investment of Millennium Trust

8 A. The treasurer is authorized and directed to invest monies in the
 9 Millennium Trust which are available for investment in the following investments:

10 * * *

11 ~~(5)(a) Investment grade commercial paper and investment grade corporate~~
 12 ~~notes and bonds traded in United States markets, denominated in United States~~
 13 ~~dollars, and issued in the United States by a corporation whose common stock is~~
 14 ~~listed on the New York Stock Exchange, the American Stock Exchange, the National~~
 15 ~~Association of Securities Dealers Automated Quotations System, or other such stock~~
 16 ~~exchange domiciled in the United States and registered with the United States~~
 17 ~~Securities and Exchange Commission~~ Investment grade commercial paper issued
 18 in the United States, traded in the United States markets, denominated in
 19 United States dollars, with a short-term rating of at least A-1 by Standard &
 20 Poor's Financial Services LLC or P-1 by Moody's Investor Service, Inc. or the
 21 equivalent rating by a Nationally Recognized Statistical Rating Organization
 22 (NRSRO).

23 (b) Investment grade corporate notes and bonds issued in the United
 24 States, traded in United States markets, denominated in United States dollars,
 25 rated Baa or better by Moody's Investor Service, Inc. or BBB or better by
 26 Standard & Poor's Financial Services LLC, and the trades of which are settled
 27 through The Depository Trust & Clearing Corporation (DTCC), a national
 28 clearinghouse in the United States for the settlement of securities trades.

29 * * *

30 Section 4. R.S. 49:327(B)(1)(e) is hereby amended and reenacted to read as follows:

1 §327. Authorized investments; maturity; interest rates

2 * * *

3 B. Funds on deposit in state treasury.

4 (1) The state treasurer is hereby authorized and directed to invest monies on
 5 deposit in the state treasury belonging to the general fund of the state, funds in the
 6 state treasury to the credit of state agencies, departments, boards, and commissions,
 7 and any other funds under the control of the state treasurer which he, in his
 8 discretion, may determine to be available for investment in the following:

9 * * *

10 ~~(e)(i) Investment grade commercial paper and investment grade corporate~~
 11 ~~notes and bonds traded in United States markets, denominated in United States~~
 12 ~~dollars, and issued in the United States by a corporation whose common stock is~~
 13 ~~listed on the New York Stock Exchange, the American Stock Exchange, the National~~
 14 ~~Association of Securities Dealers Automated Quotations Systems, or other such~~
 15 ~~stock exchange domiciled in the United States and registered with the United States~~
 16 ~~Securities and Exchange Commission. However, at no time shall the funds invested~~
 17 ~~in paper, notes, and bonds enumerated in this Subparagraph exceed twenty percent~~
 18 ~~of all monies invested as of that date~~ **Investment grade commercial paper issued**
 19 **in the United States, traded in the United States markets, denominated in**
 20 **United States dollars, with a short-term rating of at least A-1 by Standard &**
 21 **Poor's Financial Services LLC or P-1 by Moody's Investor Service, Inc. or the**
 22 **equivalent rating by a Nationally Recognized Statistical Rating Organization**
 23 **(NRSRO).**

24 **(ii) Investment grade corporate notes and bonds issued in the United**
 25 **States, traded in United States markets, denominated in United States dollars,**
 26 **rated Baa or better by Moody's Investor Service, Inc. or BBB or better by**
 27 **Standard & Poor's Financial Services LLC, and the trades of which are settled**
 28 **through The Depository Trust & Clearing Corporation (DTCC), a national**
 29 **clearinghouse in the United States for the settlement of securities trades.**

30 **(iii) However, at no time shall the funds invested in paper, notes, and**

1 **bonds enumerated in these Items exceed twenty percent of all monies invested**

2 **as of that date.**

3 * * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____