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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by James Benton.

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## DIGEST

Proposed law authorizes municipalities, parishes, school boards, and other political subdivisions to invest available monies in certain types of investment vehicles. Subject to certain restrictions, these authorized investments include but are not limited to:

- (1) U.S. Treasury obligations.
- (2) Bonds, notes, etc., backed by the full faith and credit of the U.S.
- (3) Bonds, notes, etc., issued or guaranteed by U.S. government instrumentalities.
- (4) Direct security purchase agreements.
- (5) Certificates of deposit.
- (6) Mutual or trust fund institutions.
- (7) Debt instruments issued by the state of La. or any of its political subdivisions.

Proposed law retains present law and further authorizes political subdivisions to invest in debt instruments issued by other states or their political subdivisions.

Proposed law requires that the investments meet a certain minimum national investment grade rating. Proposed law further requires the La. political subdivision purchasing such debt instruments to retain and maintain the services of an investment advisor registered with the U.S. Securities and Exchange Commission for the entirety of the time the political subdivision owns said debt instruments.

Effective August 15, 2010.

(Adds R.S. 33:2955(A)(1)(k))