
DIGEST

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HB 159 Engrossed

2019 Regular Session

Berthelot

Abstract: Provides relative to acceptable forms of security that a bank may provide for deposits of local government funds.

Present law requires a bank to provide security for deposits made to the bank by a political subdivision of the state. Specifies acceptable securities.

Proposed law authorizes the following additional forms of security for such deposits:

- (1) Any obligation, security, or investment that a local government may invest in directly.
- (2) Letters of credit issued by the Federal Home Loan Bank.
- (3) Any recognized system or program providing Federal Depositors Insurance Corporation insurance coverage.

(Adds R.S. 39:1221(7), (8), and (9) and 1242(A)(4), (5), and (6))