
DIGEST

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HB 575 Engrossed

2020 Regular Session

Thompson

Abstract: Expands the types of instruments that may be required as collateral for deposit of state funds into a depository or fiscal agent bank.

Present law requires state depositing authorities to require security for deposits of state funds into fiscal agent banks. Defines "state depositing authority" as the state treasurer, any other elected state official, or any department, board, commission or institution of the state. Defines "fiscal agent bank" as any bank selected and designated by the Interim Emergency Board for deposit of state funds by the treasurer and other elected state officials or any department, board, commission, or institution of the state. Proposed law retains present law.

Proposed law expands the types of collateral that a state depositing authority may accept from a fiscal agent bank to include:

- (1) Any obligation, security, or investment that the state may invest in directly under present law (R.S. 49:327).
- (2) State bonds, debentures, notes or other indebtedness of a certain minimum credit rating issued by a state other than La. or such other state's political subdivisions.
- (3) Bonds, debentures, notes, or other indebtedness of a certain minimum credit rating issued by domestic U.S. corporations.

Proposed law further provides that notwithstanding any provision of law to the contrary, there shall be no duration limitation or restriction on the bonds used as security pursuant to present and proposed law.

(Adds R.S. 49:321(A)(5)-(7) and (G))