

House Bill 777

By: Representatives Floyd of the 132nd, Shaw of the 143rd, Skipper of the 116th, Parrish of the 102nd, Porter of the 119th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated,
2 relating to state depositories, so as to provide for letters of credit issued by the Federal Home
3 Loan Bank to be accepted to secure state funds on deposit in state depositories; to provide
4 for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Article 3 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to
8 state depositories, is amended by striking subsections (b), (c), and (d) of Code Section
9 50-17-59, relating to deposit of securities in lieu of bond, and inserting in lieu thereof the
10 following:

11 "(b) The director may accept letters of credit issued by the Federal Home Loan Bank to
12 secure state funds on deposit in state depositories.

13 ~~(b)~~ (c) The director shall also accept the guarantee or insurance of accounts of the Federal
14 Deposit Insurance Corporation to secure state funds on deposit in state depositories, to the
15 extent authorized by federal law governing the Federal Deposit Insurance Corporation.

16 ~~(c)~~ (d) Upon approval by the director, a state depository may secure deposits made with
17 it in part by surety bond, ~~and~~ in part by deposit of any or all of the bonds mentioned in
18 subsection (a) of this Code section, whether these bonds are owned by the depository or by
19 another bank, and in part by letters of credit pursuant to subsection (b) of this Code section,
20 or by ~~either~~ any such method. The board may determine, however, that such security will
21 be required only in the case of time deposits under a contract providing for the payment of
22 interest.

23 ~~(d)~~ (e) The director is authorized to contract with any bank, other than the state depository
24 offering the security, for the purpose of safekeeping the securities deposited with the
25 director under this provision."

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SECTION 2.

2 All laws and parts of laws in conflict with this Act are repealed.