

Senate Bill 501

By: Senators Price of the 56th and Levetan of the 40th

AS PASSED

**A BILL TO BE ENTITLED
AN ACT**

To amend Article 3 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to state depositories, so as to change certain provisions regarding authorized investments of the State Depository Board; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 3 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to state depositories, is amended by striking Code Section 50-17-63, relating to authorized deposit and investment of funds of the State Depository Board which reads as follows:

"50-17-63.

(a) All demand funds held by any department, board, bureau, or other agency of the state shall be deposited in state depositories, except the monthly deposits of funds for current operating expenses may be deposited in a foreign bank by any department, board, bureau, or other agency of the state which has a foreign office, provided that the department, board, bureau, or other agency of the state limits its operating deposits in foreign banks to conform to guidelines and dollar limitations prescribed by the State Depository Board; and such funds that are in excess of requirements for current operating expenses shall be placed under time deposit agreements by the director conforming to interest contracts then having approval of the board made pursuant to Code Section 50-17-52; and any funds not deposited or placed under time deposit agreements shall be subject to immediate withdrawal on order of the director when directed by the board. The board may permit any department, board, bureau, or other agency to invest funds collected directly by that department, board, bureau, or agency in short-term time deposit agreements, provided the interest income of those funds is remitted to the director as revenues of the state.

(b) All departments, boards, bureaus, and other agencies of the state shall report to the board, on such forms and at such times as the board may prescribe, such information as the board may reasonably require concerning deposits and withdrawals pursuant to this Code

1 section and shall enable the board to determine compliance with this Code section. Interest
2 earned on state funds withdrawn from the state treasury on approved budgets shall be
3 remitted to the Office of Treasury and Fiscal Services by each department, board, bureau,
4 or agency and placed in the general fund. The board may permit the director to invest in
5 any one or more of the following: bankers' acceptances; commercial paper; bonds, bills,
6 certificates of indebtedness, notes, or other obligations of the United States and its
7 subsidiary corporations and instrumentalities or entities sanctioned or authorized by the
8 United States government including, but not limited to, obligations or securities issued or
9 guaranteed by Banks for Cooperatives regulated by the Farm Credit Administration, the
10 Commodity Credit Corporation, Farm Credit Banks regulated by the Farm Credit
11 Administration, Federal Assets Financing Trusts, the Federal Financing Bank, Federal
12 Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National
13 Mortgage Association, the Financial Assistance Corporation chartered by the Farm Credit
14 Administration, the Government National Mortgage Association, the Import-Export Bank,
15 Production Credit Associations regulated by the Farm Credit Administration, the
16 Resolution Trust Corporation, and the Tennessee Valley Authority; obligations of
17 corporations organized under the laws of this state or any other state but only if the
18 corporation has a market capitalization equivalent to \$100 million; provided, however, that
19 such obligation shall be listed as investment grade by a nationally recognized rating
20 agency; bonds, notes, warrants, and other securities not in default which are the direct
21 obligations of the government of any foreign country which the International Monetary
22 Fund lists as an industrialized country and for which the full faith and credit of such
23 government has been pledged for the payment of principal and interest, provided that such
24 securities are listed as investment grade by a nationally recognized rating agency; and,
25 provided, further, such securities are fully negotiable and transferable; or obligations
26 issued, assumed, or guaranteed by the International Bank for Reconstruction and
27 Development or the International Financial Corporation, provided that such securities are
28 listed as investment grade by a nationally recognized rating agency and are fully negotiable
29 and transferable; provided, however, that interest earned on the investment of motor fuel
30 tax revenues shall be defined as motor fuel tax revenues and shall be appropriated in
31 conformity with and pursuant to Article III, Section IX, Paragraph VI(b) of the Constitution
32 of Georgia."

33 and inserting in its place a new Code Section 50-17-63 to read as follows:

34 "50-17-63.

35 (a) All demand funds held by any department, board, bureau, or other agency of the state
36 shall be deposited in state depositories, except the monthly deposits of funds for current
37 operating expenses may be deposited in a foreign bank by any department, board, bureau,

1 or other agency of the state which has a foreign office, provided that the department, board,
2 bureau, or other agency of the state limits its operating deposits in foreign banks to
3 conform to guidelines and dollar limitations prescribed by the State Depository Board; and
4 such funds that are in excess of requirements for current operating expenses shall be placed
5 under time deposit agreements by the director conforming to interest contracts then having
6 approval of the board made pursuant to Code Section 50-17-52; and any funds not
7 deposited or placed under time deposit agreements shall be subject to immediate
8 withdrawal on order of the director when directed by the board. The board may permit any
9 department, board, bureau, or other agency to invest funds collected directly by that
10 department, board, bureau, or agency in short-term time deposit agreements, provided the
11 interest income of those funds is remitted to the director as revenues of the state.

12 (b) All departments, boards, bureaus, and other agencies of the state shall report to the
13 board, on such forms and at such times as the board may prescribe, such information as the
14 board may reasonably require concerning deposits and withdrawals pursuant to this Code
15 section and shall enable the board to determine compliance with this Code section. Interest
16 earned on state funds withdrawn from the state treasury on approved budgets shall be
17 remitted to the Office of Treasury and Fiscal Services by each department, board, bureau,
18 or agency and placed in the general fund. The board may permit the director to invest in
19 any one or more of the following: bankers' acceptances; commercial paper; bonds, bills,
20 certificates of indebtedness, notes, or other obligations of the United States and its
21 subsidiary corporations and instrumentalities or entities sanctioned or authorized by the
22 United States government including, but not limited to, obligations or securities issued or
23 guaranteed by Banks for Cooperatives regulated by the Farm Credit Administration, the
24 Commodity Credit Corporation, Farm Credit Banks regulated by the Farm Credit
25 Administration, Federal Assets Financing Trusts, the Federal Financing Bank, Federal
26 Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National
27 Mortgage Association, the Financial Assistance Corporation chartered by the Farm Credit
28 Administration, the Government National Mortgage Association, the Import-Export Bank,
29 Production Credit Associations regulated by the Farm Credit Administration, the
30 Resolution Trust Corporation, and the Tennessee Valley Authority; obligations of
31 corporations organized under the laws of this state or any other state but only if the
32 corporation has a market capitalization equivalent to \$100 million; provided, however, that
33 such obligation shall be listed as investment grade by a nationally recognized rating
34 agency; bonds, notes, warrants, and other securities not in default which are the direct
35 obligations of the government of any foreign country which the International Monetary
36 Fund lists as an industrialized country and for which the full faith and credit of such
37 government has been pledged for the payment of principal and interest, provided that such

1 securities are listed as investment grade by a nationally recognized rating agency; or
2 obligations issued, assumed, or guaranteed by the International Bank for Reconstruction
3 and Development or the International Financial Corporation, provided that such securities
4 are listed as investment grade by a nationally recognized rating agency; provided, however,
5 that interest earned on the investment of motor fuel tax revenues shall be defined as motor
6 fuel tax revenues and shall be appropriated in conformity with and pursuant to Article III,
7 Section IX, Paragraph VI(b) of the Constitution of Georgia."

8 **SECTION 2.**

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