

House Bill 96 (AS PASSED HOUSE AND SENATE)

By: Representatives Mills of the 25th, Floyd of the 147th, Hill of the 21st, and Knight of the 126th

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 a 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 revising subsections (b), (c), and (d) of Code Section
9 50-17-59, relating to deposit of securities in lieu of bond, to read as follows:
10 "(b) The director may accept letters of credit issued by a Federal Home Loan Bank to
11 secure state funds on deposit in state depositories.
12 ~~(b)(c)~~ The director shall also accept the guarantee or insurance of accounts of the Federal
13 Deposit Insurance Corporation to secure state funds on deposit in state depositories, to the
14 extent authorized by federal law governing the Federal Deposit Insurance Corporation.
15 ~~(e)(d)~~ Upon approval by the director, a state depository may secure deposits made with
16 it in part by surety bond, and in part by deposit of any or all of the bonds mentioned in
17 subsection (a) of this Code section, whether these bonds are owned by the depository or by
18 another bank, and in part by letters of credit pursuant to subsection (b) of this Code section,
19 or by either any such method. The board may determine, however, that such security will
20 be required only in the case of time deposits under a contract providing for the payment of
21 interest.
22 ~~(d)(e)~~ The director is authorized to contract with any bank, other than the state depository
23 offering the security, for the purpose of safekeeping the securities deposited with the
24 director under this provision."

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SECTION 2.

2 All laws and parts of laws in conflict with this Act are repealed.