

The Senate Committee on Finance offered the following substitute to HB 901:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to authorize the state treasurer to invest in mutual funds; to provide for the power to
3 make loan commitments and loans to local governments and nongovernment entities for
4 projects that permanently protect land and water; to provide for related matters; to provide
5 an effective date; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
9 in Code Section 50-17-63, relating to deposit of demand funds, investment of funds, reports,
10 remittance of interest earned, and motor fuel tax revenues, by revising subsection (b) as
11 follows:

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16 earned on state funds withdrawn from the state treasury on approved budgets shall be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 the State Treasurer by each department, board, bureau, or agency
18 and placed in the general fund. The board may permit the state treasurer to invest in any
19 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; the shares of any mutual fund the investments of which are limited to securities of
 35 the type described in this subsection and distributions from which are treated for federal
 36 income tax purposes in the same manner as the interest on said obligations, provided that
 37 at the time of investment such obligations, or the obligations held by any such unit
 38 investment trust or the obligations held or to be acquired by any such mutual fund, are
 39 limited to obligations which are rated within one of the top two rating categories of any
 40 nationally recognized rating service or any rating service recognized by the commissioner
 41 of banking and finance, and no others, or to securities lending transactions involving
 42 securities of the type described in this subsection; bonds, notes, warrants, and other
 43 securities not in default which are the direct obligations of the government of any foreign
 44 country which the International Monetary Fund lists as an industrialized country and for
 45 which the full faith and credit of such government has been pledged for the payment of
 46 principal and interest, provided that such securities are listed as investment grade by a
 47 nationally recognized rating agency; or obligations issued, assumed, or guaranteed by the
 48 International Bank for Reconstruction and Development or the International Financial
 49 Corporation, provided that such securities are listed as investment grade by a nationally
 50 recognized rating agency; provided, however, that interest earned on the investment of
 51 motor fuel tax revenues shall be defined as motor fuel tax revenues and shall be
 52 appropriated in conformity with and pursuant to Article III, Section IX, Paragraph VI(b)
 53 of the Constitution of Georgia. The board may also permit the state treasurer to lend any
 54 of the securities of the type identified in this subsection subject to the limitations of
 55 subsection (b) of Code Section 50-5A-7 and this chapter."

56 **SECTION 2.**

57 Said title is further amended in subsection (b) of Code Section 50-23-5, relating to purpose,
 58 powers, and duties, by deleting "and" at the end of paragraph (32), by replacing the period
 59 with "; and" at the end of paragraph (33), and by adding a new paragraph to read as follows:
 60 "(34) To make loan commitments and loans to local governments and nongovernmental
 61 entities for projects that permanently protect land and water, or interests therein, that are

62 in their undeveloped natural states or have been developed to be consistent with, or are
63 restored to be consistent with, one or more of the following conservation purposes:
64 (A) Water quality protection for rivers, streams, and lakes;
65 (B) Flood protection;
66 (C) Wetlands protection;
67 (D) Reduction of erosion through protection of steep slopes, areas with erodible soils,
68 and stream banks;
69 (E) Protection of riparian buffers and other areas that serve as natural habitats and
70 corridors for native plant and animal species;
71 (F) Protection of prime agricultural and forestry lands;
72 (G) Protection of cultural sites, heritage corridors, and archeological and historic
73 resources;
74 (H) Scenic protection;
75 (I) Provision of recreation in the form of boating, hiking, camping, fishing, hunting,
76 running, jogging, biking, walking, or similar outdoor activities; and
77 (J) Connection of existing or planned areas contributing to the goals set out in this
78 paragraph."

79 **SECTION 3.**

80 This Act shall become effective upon its approval by the Governor or upon its becoming law
81 without such approval.

82 **SECTION 4.**

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