

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

As Engrossed: S3/13/19

A Bill

SENATE BILL 501

5 By: Senator Maloch
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For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE INVESTMENT OF
9 GUARDIANSHIP FUNDS; AND FOR OTHER PURPOSES.

Subtitle

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12 TO AMEND THE LAW CONCERNING THE
13 INVESTMENT OF GUARDIANSHIP FUNDS.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 28-65-311(c), concerning the limitations on
20 appropriate investments that may be made by a guardian of the estate, is
21 amended to read as follows:

22 (c)(1) Without prior order of the court, no investment shall be made,
23 other than an investment in:

24 (A) Direct obligations of, or obligations unconditionally
25 guaranteed as to principal and income by, the United States;

26 (B) Bonds issued by the State of Arkansas; ~~or~~

27 (C) Shares of any investment company or investment trust
28 described in subdivision (b)(12) of this section, the portfolio of which is
29 limited to the securities described in subdivisions (c)(1)(A) and (B) of this
30 section and to repurchase agreements fully collateralized by such securities,
31 provided that the investment company or investment trust takes delivery of
32 the collateral either directly or through an authorized custodian;

33 (D) Bonds issued by a school district in this state;

34 (E) Notes, bonds, debentures, or other similar obligations
35 issued by a federal land bank, a federal intermediate credit bank, a bank for
36 a cooperative, or any other obligation issued under the Farm Credit Act of



1 1971, 12 U.S.C. § 2001 et seq., as it existed on January 1, 2019;

2 (F) Bonds issued by a national mortgage association;

3 (G)(i) A certificate of deposit or another interest-
4 bearing deposit account of a bank domiciled in this state that is insured by
5 the Federal Deposit Insurance Corporation.

6 (ii) However, an investment in a certificate of
7 deposit or an interest-bearing deposit account shall not exceed the amount
8 insured; or

9 (H)(i) Shares, share certificates, share accounts, or
10 accounts of a:

11 (a) Building and loan association organized
12 under the laws of this state;

13 (b) Federal savings and loan association
14 domiciled in this state and insured by the Savings Association Insurance
15 Fund; or

16 (c)(1) Credit union in this state for eligible
17 members that is insured by the National Credit Union Administration.

18 (2) Subdivision (c)(1)(H)(i)(c)(1) of
19 this section does not expand the field of membership of a credit union.

20 (ii) However, an investment in shares, share
21 certificates, share accounts, or accounts listed in subdivision (c)(1)(H)(i)
22 of this section shall not exceed the amount insured.

23 (2) The court shall not approve an investment in an issue of
24 securities which has been in default for a period exceeding one hundred
25 twenty (120) days during the five (5) years next preceding the investment.

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27 SECTION 2. Arkansas Code § 28-66-113(a)(2), concerning investment of
28 surplus funds by a guardian under the Uniform Veterans' Guardianship Act, is
29 amended to read as follows:

30 (2) However, a guardian may invest surplus funds without prior
31 court authorization in:

32 (A) Direct unconditional interest-bearing obligations of
33 this state or of the United States; ~~and~~

34 (B) Obligations where the interest and principal are
35 unconditionally guaranteed by the United States;

36 (C) Bonds issued by a school district in this state;

1 (D) Notes, bonds, debentures, or other similar obligations
2 issued by a federal land bank, a federal intermediate credit bank, a bank for
3 a cooperative, or any other obligation issued under the Farm Credit Act of
4 1971, 12 U.S.C. § 2001 et seq., as it existed on January 1, 2019;

5 (E) Bonds issued by a national mortgage association;

6 (F)(i) A certificates of deposit or another interest-
7 bearing deposit account of a bank domiciled in this state that are insured by
8 the Federal Deposit Insurance Corporation.

9 (ii) However, an investment in a certificate of
10 deposit or an interest-bearing deposit account shall not exceed the amount
11 insured; or

12 (G)(i) Shares, share certificates, share accounts, or
13 accounts of a:

14 (a) Building and loan association organized
15 under the laws of this state;

16 (b) Federal savings and loan association
17 domiciled in this state and insured by the Savings Association Insurance
18 Fund; or

19 (c)(1) Credit union in this state for eligible
20 members that is insured by the National Credit Union Administration.

21 (2) Subdivision (a)(2)(G)(i)(c)(1) of
22 this section does not expand the field of membership of a credit union.

23 (ii) However, an investment in shares, share
24 certificates, share accounts, or accounts listed in subdivision (a)(2)(G)(i)
25 of this section shall not exceed the amount insured.

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28 /s/Maloch

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31 **APPROVED: 3/29/19**