HLS 19RS-630 ENGROSSED

2019 Regular Session

HOUSE BILL NO. 159

1

BY REPRESENTATIVE BERTHELOT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BANKS/BANKING: Provides relative to the forms of security banks may use to secure funds deposited by local governments

AN ACT

2	To enact R.S. 39:1221(7), (8), and (9) and 1242(A)(4), (5), and (6), relative to security for
3	bank deposits made by local government; to provide relative to authorized securities;
4	and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 39:1221(7), (8), and (9) and 1242(A)(4), (5), and (6) are hereby
7	enacted to read as follows:
8	§1221. Security for deposits; kinds
9	Local depositing authorities shall require as security for deposits:
10	* * *
11	(7) Notwithstanding any other law to the contrary, any obligation, security,
12	or investment that a political subdivision of the state may invest in directly as
13	provided in R.S. 33:2955.
14	(8) Letters of credit issued by the Federal Home Loan Bank as authorized by
15	R.S. 6:318 or 748.1.
16	(9) Any recognized system or program providing Federal Deposit Insurance
17	Corporation insurance coverage as authorized by R.S. 6:319.
18	* * *

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1	§1242. Security for deposits
2	A. The commissioner of public finance, or the finance officer of cities
3	having a population exceeding one hundred fifty thousand, or any department, board,
4	commission, or institution thereof, shall require as security for deposits belonging
5	to and held in their custody:
6	* * *
7	(4) Notwithstanding any other law to the contrary, any obligation, security,
8	or investment that a municipality may invest in directly as provided in R.S. 33:2955.
9	(5) Letters of credit issued by the Federal Home Loan Bank as authorized by
10	R.S. 6:318 or 748.1.
1	(6) Any recognized system or program providing Federal Deposit Insurance
12	Corporation insurance coverage as authorized by R.S. 6:319.
13	* * *
	

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 159 Engrossed

2019 Regular Session

Berthelot

Abstract: Provides relative to acceptable forms of security that a bank may provide for deposits of local government funds.

<u>Present law</u> requires a bank to provide security for deposits made to the bank by a political subdivision of the state. Specifies acceptable securities.

<u>Proposed law</u> authorizes the following additional forms of security for such deposits:

- (1) Any obligation, security, or investment that a local government may invest in directly.
- (2) Letters of credit issued by the Federal Home Loan Bank.
- (3) Any recognized system or program providing Federal Depositors Insurance Corporation insurance coverage.

(Adds R.S. 39:1221(7), (8), and (9) and 1242(A)(4), (5), and (6))