2015 Regular Session

HOUSE BILL NO. 176

BY REPRESENTATIVE SHADOIN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana. LOCAL FINANCE: Provides relative to investments by political subdivisions

1	AN ACT
2	To amend and reenact R.S. 33:2955(A)(1)(k)(iii) and (l)(iii), relative to investments by
3	political subdivisions; to provide with respect to requirements for investments in
4	bonds, debentures, notes, or other indebtedness; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 33:2955(A)(1)(k)(iii) and (l)(iii) are hereby amended and reenacted
7	to read as follows:
8	§2955. Investments by political subdivisions
9	A.(1) All municipalities, parishes, school boards, and any other political
10	subdivisions of the state are hereby authorized and directed to invest such monies in
11	any general fund or special fund of the political subdivision, and any other funds
12	under the control of the political subdivision which they, in their discretion, may
13	determine to be available for investment in any of the following obligations:
14	* * *
15	(k) Bonds, debentures, notes, or other indebtedness issued by a state of the
16	United States of America other than Louisiana or any such state's political
17	subdivisions provided that all of the following conditions are met:
18	* * *
19	(iii) Prior to purchase of any such indebtedness and at all times during which
20	such indebtedness is owned, the purchasing Louisiana political subdivision retains

Page 1 of 2

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	the services of an investment advisor registered with the United States Securities and
2	Exchange Commission or of a bank or trust company that has offices in Louisiana
3	and that is regulated by the Office of Financial Institutions or the applicable federal
4	agency.
5	(1) Bonds, debentures, notes, or other indebtedness issued by domestic
6	United States corporations provided that all of the following conditions are met:
7	* * *
8	(iii) Prior to purchase of any such indebtedness and at all times during which
9	such indebtedness is owned, the purchasing Louisiana political subdivision retains
10	the services of an investment advisor registered with the United States Securities and
11	Exchange Commission or of a bank or trust company that has offices in Louisiana
12	and that is regulated by the Office of Financial Institutions or the applicable federal
13	agency.
14	* * *

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 176 Original 2015 Regular Session

Shadoin

Abstract: Provides relative to investments by political subdivisions pertaining to bonds, debentures, notes, or other indebtedness.

<u>Present law</u> authorizes all municipalities, parishes, school boards, and any other political subdivisions of the state to invest in certain obligations. Further provides that such monies may be invested in bonds, debentures, notes, or other indebtedness issued by a state other than La. or any such state's political subdivisions, or by domestic U.S. corporations, provided that certain conditions are met. <u>Proposed law</u> retains present law.

<u>Present law</u> provides that one such condition is, prior to purchase of any such indebtedness and at all times during which such indebtedness is owned, the purchasing La. political subdivision shall retain the services of an investment adviser registered with the U.S. Securities and Exchange Commission. <u>Proposed law</u> retains <u>present law</u> but allows the purchasing La. political subdivision the option of satisfying <u>present law</u> requirements by retaining the services of a bank or trust company that has offices in La. and that is regulated by the Office of Financial Institutions or the applicable federal agency.

(Amends R.S. 33:2955(A)(1)(k)(iii) and (l)(iii))