

SENATE BILL NO. 88

BY SENATOR MORRELL

1 AN ACT

2 To amend and reenact R.S. 39:1242(C), relative to security for deposits; to exempt certain
3 deposits insured or guaranteed by a governmental agency insuring bank deposits that
4 is organized under federal law from security requirements; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 39:1242(C) is hereby amended and reenacted to read as follows:

8 §1242. Security for deposits

9 * * *

10 C. The market value, excluding accrued interest, of the securities held by
11 any depositing authority shall at all times be equal to one hundred percent of the
12 amount on deposit to the credit of the depositing authority **except that portion of**
13 **the deposits insured or guaranteed by any government agency insuring bank**
14 **deposits that is organized under the laws of the United States**; provided that in
15 the case of bonds or other interest-bearing obligations guaranteed as to principal and
16 interest by the United States, or an agency thereof, or bonds of any parish,
17 municipality, industrial district or industrial board which are secured by a lease
18 executed in accordance with the provisions of Article XIV, Sections 14(b.2) and
19 14(b.3) of the Constitution of 1921 or R.S. 39:1001 et seq. or R.S. 51:1151 et seq.,
20 as amended, and partially or fully guaranteed by the Louisiana Board of Commerce
21 and Industry in accordance with the provisions of the Bond Lease Guarantee Act*
22 of the 1968 Regular Session of the Louisiana Legislature, the market value of said
23 bonds or obligations, excluding accrued interest, shall not be deemed to exceed an
24 amount in excess of the principal so guaranteed. The market value of the securities
25 used to secure deposits as provided herein may be calculated on the basis of the
26 quarterly reports of financial conditions submitted by the fiscal agent bank to the
27 office of financial institutions, Federal Deposit Insurance Corporation, or Office of

