

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

HOUSE BILL NO. 1931

By: Morgan

AS INTRODUCED

An Act relating to public finance; amending 62 O.S. 1991, Section 516.3, which relates to collateral for certain deposits; authorizing State Treasurer to accept the certain securities and instruments as collateral; authorizing State Treasurer to establish standards; modifying instruments authorized for security at public deposits; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 62 O.S. 1991, Section 516.3, is amended to read as follows:

Section 516.3 A. The State Treasurer may accept certain securities and other instruments as collateral, as determined by the State Treasurer in his or her sole discretion. To insure the safety of public funds, the State Treasurer may establish standards which restrict, or limit further, any of the types or classes of securities or instruments which may be accepted. The class and character of collateral securities, other than letters of credit or surety bonds, that may be pledged and taken, for the purposes of Sections 516.1 through 516.10 of this title and other laws which require or allow collateral for public fund deposits, to secure the

deposit of public funds in excess of the amount or amounts insured by an agency of the United States government shall be limited and restricted to negotiable instruments, payable to bearer, or certified registered public obligation or registered public obligation as follows:

~~1. United States Bonds, Treasury Notes or Treasury Certificates, or bonds or certificates payable by the Treasurer of the United States issued by an agency of the United States pursuant to the authority of an Act of Congress and only if the full faith and credit of the United States is pledged to the payment thereof;~~

~~2. Obligations of, or obligations which are fully guaranteed as to principal and interest by, the United States, including guaranteed portions of said obligations but only to the extent of the guarantee;~~

~~3. Notes, bonds, or debentures issued or insured by the Veterans Administration or the Federal Housing Administration;~~

~~4. Obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or of any federal farm credit bank, or federal land bank or banks or federal home loan bank notes or bonds;~~

~~5. State of Oklahoma Bonds, Treasury Notes or Treasury certificates, or bonds or certificates payable by the State Treasurer and issued by an agency of the State of Oklahoma pursuant to an act of the Legislature and only if the full faith and credit of the state is pledged to the payment thereof;~~

~~6. Bonds issued by any county in the State of Oklahoma;~~

~~7. Bonds issued by any school district or board of education in any county in the State of Oklahoma;~~

~~8. Bonds issued by any city or town in the State of Oklahoma only if pledge of ad valorem levy appears in the face of such bonds to assure the payment thereof, regardless of other revenue pledged, and only where the net sinking fund indebtedness of such city or~~

~~town as of the last preceding June 30, plus any additional bond issues, not including funding or refunding issues since made subsequent, does not exceed thirty percent (30%) of the valuation certified as disclosed by the budget thereof last filed with the State Auditor and Inspector;~~

~~9. Revenue or general obligation bonds, escrowed to maturity in direct government obligations where the full faith and credit of the United States is pledged to secure both principal and interest; or~~

~~10. Revenue bonds or notes issued by a public trust which operates a public utility and of which the depositing entity is the sole beneficiary excluding obligations which are industrial development bonds as defined in Section 103 of the Internal Revenue Code of 1954, as amended, and regulations promulgated thereto.~~

~~B. In lieu of said securities or any of them, a surety company bond in all respects as otherwise provided by law for state depository banks may be pledged and taken The State Treasurer may select, but shall not be required to accept, the following:~~

~~1. Obligations, including letters of credit, of the United States government, its agencies and instrumentalities;~~

~~2. Obligations of this state or of a county, municipality, or school district of this state or of an instrumentality of this state or a county, municipality or school district of this state;~~

~~3. General obligation bonds of any other state of the United States; and~~

~~4. A surety bond issued by an insurance company licensed under the laws of the State of Oklahoma whose claims-paying ability is rated in the highest category by at least one nationally recognized statistical rating agency.~~

SECTION 2. This act shall become effective July 1, 1997.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-1-6415

MAH