

## AMENDMENTS TO HOUSE BILL NO. 1296

Sponsor: REPRESENTATIVE FREEMAN

Printer's No. 1889

1 Amend Bill, page 1, line 13, by striking out "a section" and  
2 inserting

3 sections

4 Amend Bill, page 1, line 15, by inserting after "a"

5 local government investment trust or local government  
6 investment pool may, on behalf of a

7 Amend Bill, page 1, line 16, by striking out "may" and  
8 inserting a comma

9 Amend Bill, page 5, by inserting between lines 16 and 17

10 Section 1.2. (a) In addition to products otherwise  
11 authorized by law, a public corporation or municipal authority  
12 may invest and reinvest money of the public corporation or  
13 municipal authority in any of the following financial products:

14 (1) Negotiable certificates of deposit or other evidences of  
15 deposit, with a remaining maturity of three years or less,  
16 issued by a nationally or State-chartered bank, a Federal or  
17 State savings and loan association or a State-licensed branch of  
18 a foreign bank. For obligations with a maturity of one year or  
19 less, the debt obligations of the issuing institution or its  
20 parent must be rated in the top short-term rating category by at  
21 least two nationally recognized statistical ratings  
22 organizations. For obligations with a maturity in excess of one  
23 year, the senior debt obligations of the issuing institution or  
24 its parent must be rated at least "A" or its equivalent by at  
25 least two nationally recognized statistical ratings  
26 organizations.

27 (2) Demand deposits placed in accordance with the following  
28 conditions:

29 (i) The money is initially deposited and invested through a  
30 federally insured institution having a place of business in the  
31 Commonwealth, which is selected by the public corporation or  
32 municipal authority.

33 (ii) The selected institution arranges for the redeposit of

1 the money in deposits in one or more financial institutions  
2 insured by the Federal Deposit Insurance Corporation, for the  
3 account of the public corporation or municipal authority.

4 (iii) The full amount of principal and any accrued interest  
5 of each such deposit is insured by the Federal Deposit Insurance  
6 Corporation.

7 (iv) On the same date that the money is redeposited pursuant  
8 to paragraph (ii), the selected institution receives an amount  
9 of deposits from customers of other financial institutions equal  
10 to or greater than the amount of money initially invested  
11 through the selected institution by the public corporation or  
12 municipal authority.

13 (3) Obligations, participations or other instruments of any  
14 Federal agency, instrumentality or United States government-  
15 sponsored enterprise, including those issued or fully guaranteed  
16 as the principal and interest by Federal agencies,  
17 instrumentalities or United States government-sponsored  
18 enterprises, if the debt obligations are rated at least "A" or  
19 its equivalent by at least two nationally recognized statistical  
20 ratings organizations.

21 (4) Repurchase agreements with respect to United States  
22 Treasury bills or obligations, participations or other  
23 instruments of or guaranteed by the United States or any Federal  
24 agency, instrumentality or United States government-sponsored  
25 enterprise.

26 (b) Nothing in subsection (a) shall be construed to  
27 supersede or preempt other investment powers of public  
28 corporations or municipal authorities as authorized by law.

29 (c) As used in this section, the term "public corporation"  
30 shall have the same meaning as given to it in section 1 of the  
31 act of May 16, 1929 (P.L.1773, No.581), entitled, "An act to  
32 supplement an act approved the twentieth day of April, one  
33 thousand eight hundred and seventy-four (Pamphlet Laws, sixty-  
34 five), entitled 'An act to regulate the manner of increasing the  
35 indebtedness of municipalities; to provide for the redemption of  
36 the same; and to impose penalties for illegal increase thereof,'  
37 by authorizing the sale of property purchased by a public  
38 corporation out of funds provided by increase of indebtedness of  
39 such corporation; and providing for the disposition of the funds  
40 realized from such sale."