

AMENDMENTS TO HOUSE BILL NO. 1296

Sponsor: REPRESENTATIVE FREEMAN

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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) Shares of an investment company registered under the
28 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1
29 et seq.) whose shares are registered under the Securities Act of
30 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.), if all of the
31 following conditions are met:

32 (i) The investments of the company are the authorized
33 investments under this subsection.

1 (ii) The investment company is managed in accordance with 17
2 CFR 270.2a-7 (relating to money market funds).

3 (iii) The investment company is rated in the highest
4 category by a nationally recognized rating agency.

5 (3) Demand deposits placed in accordance with the following
6 conditions:

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

11 (ii) The selected institution arranges for the redeposit of
12 the money in deposits in one or more financial institutions
13 insured by the Federal Deposit Insurance Corporation, for the
14 account of the public corporation or municipal authority.

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

18 (iv) On the same date that the money is redeposited pursuant
19 to paragraph (ii), the selected institution receives an amount
20 of deposits from customers of other financial institutions equal
21 to or greater than the amount of money initially invested
22 through the selected institution by the public corporation or
23 municipal authority.

24 (4) Obligations, participations or other instruments of any
25 Federal agency, instrumentality or United States government-
26 sponsored enterprise, including those issued or fully guaranteed
27 as the principal and interest by Federal agencies,
28 instrumentalities or United States government-sponsored
29 enterprises, if the debt obligations are rated at least "A" or
30 its equivalent by at least two nationally recognized statistical
31 ratings organizations.

32 (5) Repurchase agreements with respect to United States
33 Treasury bills or obligations, participations or other
34 instruments of or guaranteed by the United States or any Federal
35 agency, instrumentality or United States government-sponsored
36 enterprise.

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

40 (c) As used in this section, the term "public corporation"
41 shall have the same meaning as given to it in section 1 of the
42 act of May 16, 1929 (P.L.1773, No.581), entitled, "An act to
43 supplement an act approved the twentieth day of April, one
44 thousand eight hundred and seventy-four (Pamphlet Laws, sixty-
45 five), entitled 'An act to regulate the manner of increasing the
46 indebtedness of municipalities; to provide for the redemption of
47 the same; and to impose penalties for illegal increase thereof,'
48 by authorizing the sale of property purchased by a public
49 corporation out of funds provided by increase of indebtedness of
50 such corporation; and providing for the disposition of the funds
51 realized from such sale."