

HOUSE BILL NO. 1193

Introduced by

Representative Klemin

Senator Burckhard

1 A BILL for an Act to amend and reenact section 21-06-07 of the North Dakota Century Code,
2 relating to investments for political subdivisions.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 21-06-07 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **21-06-07. Political subdivisions may invest funds.**

- 7 1. Counties, cities, school districts, park districts, and townships in this state may invest
8 moneys in their general fund, or balances in any special or temporary fund, in:
- 9 a. Bonds, treasury bills and notes, or other securities that are a direct obligation of,
10 or an obligation insured or guaranteed by, the treasury of the United States, or its
11 agencies, instrumentalities, or organizations created by an act of Congress.
 - 12 b. Securities sold under agreements to repurchase written by a financial institution
13 in which the underlying securities for the agreement to repurchase are of a type
14 listed above.
 - 15 c. Certificates of deposit fully insured by the federal deposit insurance corporation
16 or by the state.
 - 17 d. ~~Obligations of the state.~~
 - 18 e. Certificates of deposit, savings deposits, or other deposits fully insured or
19 guaranteed by the federal deposit insurance corporation and placed for the
20 benefit of the public depositor by a public depository through an appropriate
21 deposit placement service as determined by the commissioner of financial
22 institutions.
 - 23 e. State and local securities:

- 1 (1) Any security that is a general obligation of any state or local government
- 2 with taxing powers and is rated in the highest three categories by a
- 3 nationally recognized rating agency.
- 4 (2) Any security that is a revenue obligation of any state or local government
- 5 and is rated in the highest two categories by a nationally recognized rating
- 6 agency.
- 7 (3) A general obligation of the state housing finance agency that is a moral
- 8 obligation of the state and is rated in the highest three categories by a
- 9 nationally recognized rating agency.
- 10 (4) Any security that is an obligation of a school district and is rated in the
- 11 highest two categories by a nationally recognized rating agency.
- 12 (5) Obligations of the state and its political subdivisions.
- 13 f. Commercial paper issued by a United States corporation rated in the two highest
- 14 quality categories by at least two nationally recognized rating agencies and
- 15 matures in two hundred seventy days or less.
- 16 g. Banker's acceptances of United States banks that are rated in the two highest
- 17 categories by at least two nationally recognized rating agencies.
- 18 h. Shares of an investment company registered under the Investment Company Act
- 19 of 1940 [15 U.S.C. Section 80a-1 et seq.], that holds itself out as a money market
- 20 fund meeting the conditions of Rule 2a-7 of the securities and exchange
- 21 commission and is rated in one of the two highest rating categories for money
- 22 market funds by at least one nationally recognized rating agency.
- 23 2. Bonds, treasury bills and notes, or other securities so purchased must be taken into
- 24 consideration in making levies for the ensuing year, and when funds are needed for
- 25 current expenses, the governing board and authorities of such municipalities may
- 26 convert those obligations into cash.