

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