

---

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

HB 230 Original

2018 Regular Session

Berthelot

**Abstract:** Provides relative to investments by political subdivisions pertaining to bonds, debentures, notes, or other indebtedness.

Present law authorizes all municipalities, parishes, school boards, and any other political subdivisions of the state to invest in certain obligations. Further provides that monies may be invested in bonds, debentures, notes, or other indebtedness issued by a state other than La. or any such state's political subdivisions or by domestic U.S. corporations, provided that certain conditions are met. Proposed law retains present law.

Present law provides that one such condition is, prior to purchase of any such indebtedness and at all times during which such indebtedness is owed, the purchasing La. political subdivision shall retain the services of an investment adviser registered with the U.S. Securities and Exchange Commission or a trust company that has offices in La., that is regulated by the Office of Financial Institutions or the applicable federal agency, and that owes a fiduciary duty to act solely in the best interest of the political subdivision. Proposed law retains present law but allows the purchasing La. political subdivision the option of satisfying present law requirements by retaining the services of an institution insured by the Federal Deposit Insurance Corp. that has trust powers in La. and has a main office or a bank branch in La.

(Amends R.S. 33:2955(A)(1)(k)(iii) and (l)(iii))