
DIGEST

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HB 230 Engrossed

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 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 that is insured by the Federal Deposit Insurance Corp., that has trust powers in La., and that has a main office or a bank branch in La.

Effective upon signature of governor or lapse of time for gubernatorial action.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill:

1. Add provision that Act becomes effective upon signature of governor or lapse of time for gubernatorial action.