

2023 Regular Session

HOUSE BILL NO. 334

BY REPRESENTATIVES PHELPS, COX, JORDAN, AND LARVADAIN

1 AN ACT

2 To amend and reenact R.S. 6:652.2(A)(2) and 656(A)(1)(introductory paragraph) and (c),
3 R.S. 39:1221(A)(6), and R.S. 49:321(A)(4), relative to private insurance for certain
4 deposits and shares; to allow certain financial institutions to use private insurance to
5 secure investments and loans; to allow use of private deposit insurance as security
6 for state and local depositing authorities; to provide for effectiveness; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 6:652.2(A)(2) and 656(A)(1)(introductory paragraph) and (c) are
10 hereby amended and reenacted to read as follows:

11 §652.2. Share and share certificate accounts as legal investments

12 A.

13 * * *

14 (2) Investments by banks and trust companies; by the state of Louisiana, its
15 agencies, boards, commissions, and departments; by the state treasurer of state funds
16 standing in the name of the state treasurer; by political subdivisions of the state and
17 other public bodies existing under the constitution and laws of the state of Louisiana,
18 any parish, or any political subdivision of any parish, and city, town, or village, or
19 any political subdivision of any city, town, or village shall not exceed at any one
20 time the sum of the primary amount insured by the National Credit Union
21 Administration and the excess amount insured by a private sector insurance provider
22 or ~~other~~ a deposit insurance corporation in any one federally or state chartered credit

1 union, ~~unless the uninsured portion is collateralized by the pledge of securities in the~~
2 ~~manner provided by R.S. 49:321~~ in lieu of collateralization by the pledging of
3 securities in the manner provided by R.S. 39:1221 or R.S. 49:321.

4 * * *

5 §656. Loans

6 A. A credit union may make loans, under terms and conditions specified in
7 the bylaws, to its members, and extend lines of credit to its members, to other credit
8 unions, and to credit union organizations, and ~~to~~ participate with other credit unions,
9 credit union organizations, or financial organizations to credit union members in
10 accordance with the following:

11 (1) Loans to members shall be made in conformity with criteria established
12 by the board of directors, ~~provided that if:~~

13 * * *

14 (c) A loan secured by the insurance or guarantee of the federal government,
15 of a state government, ~~or~~ any agency of either, or private-sector insurance provider
16 may be made for the maturity and under the terms and conditions specified in the law
17 under which such insurance or guarantee is provided.

18 * * *

19 Section 2. R.S. 39:1221(A)(6) is hereby amended and reenacted to read as follows:

20 §1221. Security for deposits; kinds

21 A. Local depositing authorities shall require as security for deposits:

22 * * *

23 (6) Deposit guaranty bonds underwritten and guaranteed by an insurance
24 company, licensed to do business in this state, listed as an approved surety by the
25 United States Department of the Treasury, or private deposit insurance underwritten
26 and issued by an insurer licensed to do business in this state, and approved for these
27 purposes by the Interim Emergency Board, that provide coverage for deposits of
28 depositing authorities in excess of the amounts insured by the Federal Deposit
29 Insurance Corporation or any other governmental agency insuring bank or other

1 financial institution deposits that is organized under the laws of the United States,
2 and the form and content of which are approved in advance by the state treasurer.

3 * * *

4 Section 3. R.S. 49:321(A)(4) is hereby amended and reenacted to read as follows:

5 §321. Security for deposit of funds; checks and drafts of departments

6 A. State depositing authorities shall require as security for deposits of state
7 funds either:

8 * * *

9 (4) Deposit guaranty bonds underwritten and guaranteed by an insurance
10 company, licensed to do business in this state, listed as an approved surety by the
11 United States Department of the Treasury, or private deposit insurance underwritten
12 and issued by an insurer licensed to do business in this state, and approved for this
13 purpose by the Interim Emergency Board, that provide coverage for deposits of
14 depositing authorities in excess of the amounts insured by the Federal Deposit
15 Insurance Corporation or any other governmental agency insuring bank or other
16 financial institution deposits that is organized under the laws of the United States,
17 and the form and content of which are approved in advance by the state treasurer.

18 * * *

19 Section 4. This Act shall become effective on July 1, 2023.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____