

2018 Regular Session

HOUSE BILL NO. 230

BY REPRESENTATIVE BERTHELOT

1 AN ACT

2 To amend and reenact R.S. 33:2955(A)(1)(k)(iii) and (l)(iii), relative to investments by  
3 political subdivisions; to provide with respect to requirements for investments in  
4 bonds, debentures, notes, or other indebtedness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 33:2955(A)(1)(k)(iii) and (l)(iii) are hereby amended and reenacted  
7 to read as follows:

8 §2955. Investments by political subdivisions

9 A.(1) All municipalities, parishes, school boards, and any other political  
10 subdivisions of the state are hereby authorized and directed to invest such monies in  
11 any general fund or special fund of the political subdivision, and any other funds  
12 under the control of the political subdivision which they, in their discretion, may  
13 determine to be available for investment in any of the following obligations:

14 \* \* \*

15 (k) Bonds, debentures, notes, or other indebtedness issued by a state of the  
16 United States of America other than Louisiana or any such state's political  
17 subdivisions provided that all of the following conditions are met:

18 \* \* \*

19 (iii) Prior to purchase of any such indebtedness and at all times during which  
20 such indebtedness is owned, the purchasing Louisiana political subdivision retains  
21 the services of an investment advisor registered with the United States Securities and  
22 Exchange Commission; a trust department of an institution that is insured by the  
23 Federal Deposit Insurance Corporation, that exercises trust powers in Louisiana, and

1           ~~that has a main office or a bank branch in Louisiana;~~ or a trust company that has  
2           offices in Louisiana, that is regulated by the Office of Financial Institutions or the  
3           applicable federal agency, and that owes a fiduciary duty to act solely in the best  
4           interest of the political subdivision.

5                   (1) Bonds, debentures, notes, or other indebtedness issued by domestic  
6           United States corporations provided that all of the following conditions are met:

7   \*       \*       \*

8                   (iii) Prior to purchase of any such indebtedness and at all times during which  
9           such indebtedness is owned, the purchasing Louisiana political subdivision retains  
10          the services of an investment advisor registered with the United States Securities and  
11          Exchange Commission; a trust department of an institution that is insured by the  
12          Federal Deposit Insurance Corporation, that exercises trust powers in Louisiana, and  
13          ~~that has a main office or a bank branch in Louisiana;~~ or a trust company that has  
14          offices in Louisiana, that is regulated by the Office of Financial Institutions or the  
15          applicable federal agency, and that owes a fiduciary duty to act solely in the best  
16          interest of the political subdivision.

17   \*       \*       \*

18           Section 2. This Act shall become effective upon signature by the governor or, if not  
19          signed by the governor, upon expiration of the time for bills to become law without signature  
20          by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
21          vetoed by the governor and subsequently approved by the legislature, this Act shall become  
22          effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_