

## RÉSUMÉ DIGEST

**ACT 195 (HB 575)**

**2020 Regular Session**

**Thompson**

Existing law requires state depositing authorities to require security for deposits of state funds into fiscal agent banks. Defines "state depositing authority" as the state treasurer, any other elected state official, or any department, board, commission or institution of the state. Defines "fiscal agent bank" as any bank selected and designated by the Interim Emergency Board for deposit of state funds by the treasurer and other elected state officials or any department, board, commission, or institution of the state.

New law expands the types of collateral that a state depositing authority may accept from a fiscal agent bank to include:

- (1) Any obligation, security, or investment that the state may invest in directly under existing law (R.S. 49:327).
- (2) State bonds, debentures, notes, or other indebtedness of a certain minimum credit rating issued by a state other than La. or such other state's political subdivisions.
- (3) Bonds, debentures, notes, or other indebtedness of a certain minimum credit rating issued by domestic U.S. corporations.

New law further provides that notwithstanding any provision of law to the contrary, there shall be no duration limitation or restriction on the bonds used as security pursuant to existing law and new law.

Effective Aug. 1, 2020.

(Adds R.S. 49:321(A)(5)-(7) and (G))