

Regular Session, 2014

SENATE BILL NO. 442

BY SENATOR MARTINY

MUNICIPALITIES. Provides relative to investments by political subdivisions. (8/1/14)

1 AN ACT

2 To amend and reenact R.S. 33:2955(A)(1)(j)(iii) and (k)(ii) and to enact R.S. 33:2955
3 (A)(1)(l), relative to investments by political subdivisions; to provide for bonds,
4 debentures, notes, or other evidence of indebtedness; to provide for a time period;
5 to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

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

9 §2955. Investments by political subdivisions

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

15 * * *

16 (j) Bonds, debentures, notes, or other evidence of indebtedness issued by the
17 state of Louisiana or any of its political subdivisions provided that all of the

1 following conditions are met:

2 * * *

3 (iii) The indebtedness has a final maturity, mandatory tender, or a continuing
4 optional tender of no more than ~~three~~ **five** years, except that such ~~three~~ **five**-year
5 limitation shall not apply to **either of the following**:

6 (aa) ~~funds~~ **Funds** held by a trustee, escrow agent, paying agent, or other third
7 party custodian in connection with a bond issue ~~or~~.

8 (bb) ~~investment~~ **Investment** of funds held by either a hospital service district,
9 a governmental 501(c)(3), or a public trust authority.

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

13 * * *

14 (ii) The indebtedness has a final maturity, mandatory tender, or a continuing
15 optional tender of no more than ~~three~~ **five** years, except that such ~~three~~ **five**-year
16 limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or
17 other third-party custodian in connection with a bond issue nor to investment of
18 funds held by either a hospital service district, a governmental 501(c)(3)
19 organization, or a public trust authority.

20 * * *

21 **(l) Bonds, debentures, notes, or other indebtedness issued by domestic**
22 **United States corporations provided that all of the following conditions are met:**

23 **(i) The indebtedness shall have a long-term rating of Aa3 or higher by**
24 **Moody's Investors Service, a long-term rating of AA- or higher by Standard &**
25 **Poor's, or a long-term rating of AA- or higher by Fitch, Inc.**

26 **(ii) The indebtedness has a final maturity, mandatory tender, or a**
27 **continuing optional tender of no more than five years.**

28 **(iii) Prior to purchase of any such indebtedness and at all times during**
29 **which such indebtedness is owned, the purchasing Louisiana political**

