

Prior law provided that bonds, debentures, notes, or other evidence of indebtedness issued by the state or any of its political subdivisions has a final maturity, mandatory tender, or a continuing optional tender of no more than three years, except that such three-year limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or other third party custodian in connection with a bond issue or investment of funds held by either a hospital service district, a governmental 501(c)(3), or a public trust authority.

New law retains prior law and changes the final maturity, mandatory tender, or a continuing optional tender from three years to five years for bonds, debentures, notes, or other evidence of indebtedness issued by the state or any of its political subdivisions.

Prior law provided that bonds, debentures, notes, or other indebtedness issued by a state of the United States of America other than Louisiana or any such state's political subdivisions has a final maturity, mandatory tender, or a continuing optional tender of no more than three years, except that such three-year limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or other third party custodian in connection with a bond issue or investment of funds held by either a hospital service district, a governmental 501(c)(3), or a public trust authority.

New law retains prior law and changes the final maturity, mandatory tender, or a continuing optional tender from three years to five years for bonds, debentures, notes, or other indebtedness issued by a state of the United States of America other than Louisiana or any such state's political subdivisions.

New law provides that bonds, debentures, notes, or other evidence of indebtedness issued by domestic United States corporations shall have a long-term rating of Aa3 or higher by Moody's Investors Service, a long-term rating of AA- or higher by Standard & Poor's or a long-term rating of AA- or higher by Fitch, Inc. and that the indebtedness has a final maturity, mandatory tender, or a continuing optional tender of no more than five years.

New law requires that prior to purchase of any such indebtedness and at all times during which such indebtedness is owned, the purchasing Louisiana political subdivision retains the services of an investment advisor registered with the United States Securities and Exchange Commission.

Effective August 1, 2014.

(Amends R.S. 33:2955(A)(1)(j)(iii) and (k)(ii); adds R.S. 33:2955(A)(1)(l))