

AN ACT

ENTITLED, An Act to authorize investment of public funds in bonds issued by or direct obligations of certain political subdivisions or bonding authorities of the state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 4-5 be amended by adding thereto a NEW SECTION to read as follows:

In addition to the investments permitted by § 4-5-6, any public funds which are not needed for current operating expenses may be invested in:

- (1) Direct obligations of any county, municipality, or school district in the state; and
- (2) Bonds issued by the South Dakota Housing Development Authority, the South Dakota Health and Educational Facilities Authority, or the South Dakota Building Authority.

The investments shall be registered in the name of the political subdivision or authority or held under a custodial agreement at a bank. The investments shall be rated at the time of purchase within the two highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions. Other than permanent, trust, retirement, building, and depreciation reserve funds, such securities shall mature with eighteen months from the date of purchase or be redeemable at par at the option of the holder within eighteen months from the date of purchase.

Moneys in any bond redemption fund may be invested only in the types of investments listed in § 4-5-6. The investments shall be due and payable on or before the date when the bonds for the payment of which the bond redemption fund was created become due and payable, except bonds of the United States redeemable at par.

Section 2. That § 13-16-18 be amended to read as follows:

13-16-18. All accumulations in all school district funds shall be deposited in lawful depositories in checking accounts, savings accounts, or time deposits, or invested, except as hereinafter limited,

in:

- (1) Bonds, registered warrants, or promissory notes of the school district making the investment, or securities issued and guaranteed by the United States government; or
- (2) Investments authorized by section 1 of this Act.

The interest accruing on the investment or deposit shall be credited to the respective fund or the general fund. Other than permanent, trust, retirement, building, and depreciation reserve funds, such securities shall mature within eighteen months from the date of purchase or be redeemable at par at the option of the holder within eighteen months from the date of purchase.

Moneys in any bond redemption fund may be invested only in the types of investments listed in subdivision (1). The investments shall be due and payable on or before the date when the bonds for the payment of which the bond redemption fund was created become due and payable, except bonds of the United States redeemable at par.

In carrying out the provisions of this section, all transactions shall be by resolutions of the board, which resolutions shall be regularly filed and recorded with the business manager as a public record.

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I certify that the attached Act
originated in the
SENATE as Bill No. 68
Secretary of the Senate
=====

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 68
File No.
Chapter No.

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Received at this Executive Office
this ___ day of _____,
20___ at _____ M.
By _____
for the Governor
=====

The attached Act is hereby
approved this ___ day of
_____, A.D., 20___

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20___
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State