Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1193

Introduced by

Representative Klemin

Senator Burckhard

A BILL for an Act to amend and reenact section 21-06-07 of the North Dakota Century Code, relating to investments for political subdivisions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 21-06-07 of the North Dakota Century Code is amended and reenacted as follows:

21-06-07. Political subdivisions may invest funds.

1. Counties, cities, school districts, park districts, and townships in this state may invest moneys in their general fund, or balances in any special or temporary fund, in:
   a. Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress.
   b. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.
   c. Certificates of deposit fully insured by the federal deposit insurance corporation or by the state.
   d. ~~Obligations of the state.~~
   ~~e.~~ Certificates of deposit, savings deposits, or other deposits fully insured or guaranteed by the federal deposit insurance corporation and placed for the benefit of the public depositor by a public depository through an appropriate deposit placement service as determined by the commissioner of financial institutions.
   <u>e.</u> <u>State and local securities:</u>

(1) Any security that is a general obligation of any state or local government with taxing powers and is rated in the highest three categories by a nationally recognized rating agency.

(2) ~~Any security that is a revenue obligation of any state or local government and is rated in the highest two categories by a nationally recognized rating agency.~~

~~(3) A general~~An obligation of the state housing finance agency that is ~~a moral obligation of the state and is~~ rated in the highest ~~three~~two categories by a nationally recognized rating agency.

~~(4)~~(3) Any security that is ~~an~~a general obligation of a school district and is rated in the highest two categories by a nationally recognized rating agency.

~~(5)~~(4) Obligations of ~~the~~this state and general obligations of its political subdivisions.

f. Commercial paper issued by a United States corporation rated in the ~~two~~ highest quality ~~categories~~category by at least two nationally recognized rating agencies and matures in two hundred seventy days or less.

~~g. Banker's acceptances of United States banks that are rated in the two highest categories by at least two nationally recognized rating agencies.~~

~~h. Shares of an investment company registered under the Investment Company Act of 1940 [15 U.S.C. Section 80a-1 et seq.], that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the securities and exchange commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized rating agency.~~

2. Bonds, treasury bills and notes, or other securities so purchased must be taken into consideration in making levies for the ensuing year, and when funds are needed for current expenses, the governing board and authorities of such municipalities may convert those obligations into cash.