

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 6 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 SECTION 1. IC 5-13-9-2 IS AMENDED TO READ AS
- 4 FOLLOWS: [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) Each officer
- 5 designated in section 1 of this chapter may invest or reinvest any funds
- 6 that are held by the officer and available for investment in any of the
- 7 following:
- 8 (1) Securities backed by the full faith and credit of the United
- 9 States Treasury or fully guaranteed by the United States and
- 10 issued by any of the following:
- 11 (A) The United States Treasury.
- 12 (B) A federal agency.
- 13 (C) A federal instrumentality.
- 14 (D) A federal government sponsored enterprise.
- 15 (2) Discount notes issued by any of the following:
- 16 (A) A federal agency.
- 17 (B) A federal instrumentality.
- 18 (C) A federal government sponsored enterprise.
- 19 (b) If an investment under subsection (a)(1) is made at a cost in
- 20 excess of the par value of the securities purchased, any premium paid
- 21 for the securities shall be deducted from the first interest received and
- 22 returned to the fund from which the investment was purchased, and
- 23 only the net amount is considered interest income.
- 24 (c) The officer making the investment may sell any securities
- 25 acquired and may do anything necessary to protect the interests of the

1 funds invested, including the exercise of exchange privileges which
2 may be granted with respect to maturing securities in cases where the
3 new securities offered in exchange meet the requirements for initial
4 investment.

5 (d) The investing officers of the political subdivisions are the legal
6 custodians of securities under this chapter. They shall accept
7 safekeeping receipts or other reporting for securities from:

8 (1) a duly designated depository as prescribed in this article; or

9 (2) a financial institution located either in or out of Indiana
10 having custody of securities with a combined capital and surplus
11 of at least ten million dollars (\$10,000,000) according to the last
12 statement of condition filed by the financial institution with its
13 governmental supervisory body.

14 (e) The state board of accounts may rely on safekeeping receipts
15 or other reporting from any depository or financial institution.

16 **(f) In addition to any other investments allowed under this**
17 **chapter, a clerk-treasurer of a town with a population of more than**
18 **four thousand (4,000) but less than five thousand (5,000) in a**
19 **county having a population of more than seventy-five thousand**
20 **(75,000) but less than seventy-eight thousand (78,000) may also**
21 **invest money in a host community agreement future fund**
22 **established by ordinance of the town in:**

23 **(1) municipal securities; and**

24 **(2) equity securities;**

25 **having a stated final maturity of any number of years or having no**
26 **stated final maturity. The total investments outstanding under this**
27 **subsection may not exceed twenty-five percent (25%) of the total**
28 **portfolio of funds invested by the clerk-treasurer of a town.**
29 **However, an investment that complies with this subsection when**
30 **the investment is made remains legal even if a subsequent decrease**
31 **in the total portfolio invested by the clerk-treasurer of a town**
32 **causes the percentage of investments outstanding under this**
33 **subsection to exceed twenty-five per cent (25%).**

34 SECTION 2. IC 5-13-9-5.6 IS AMENDED TO READ AS
35 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec.. 5.6. **Except for**
36 **investments allowed under section 2(f) of this chapter,** investments
37 made under this chapter must have a stated final maturity of not more
38 than:

39 **(1) five (5) years for investments made from a host**
40 **community agreement future fund established by ordinance**
41 **of a town with a population of more than four thousand**
42 **(4,000) but less than five thousand (5,000) in a county having**
43 **a population of more than seventy-five thousand (75,000) but**
44 **less than seventy-eight thousand (78,000); or**

45 **(2) two (2) years for a fund or political subdivision not**
46 **described in subdivision (1);**

47 after the date of purchase or entry into a repurchase agreement.".

48 Renumber all SECTIONS consecutively.

(Reference is to ESB 6 as printed March 26, 1999.)

Representative THOMPSON