

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 1431

AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-13-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) **Except as provided in section 2.4 of this chapter and subsection (b)**, in addition to any other statutory power to make investments, each county treasurer and each fiscal officer of any political subdivision other than a county, under the guidelines established, respectively, by the board of county commissioners of each county and the fiscal body of any other subdivision, and any other officer of a local government entity authorized by statute or court order to make investments, may invest any funds held by each in accordance with this chapter.

(b) The state treasurer may invest funds under section 2.5 of this chapter.

~~(b)~~ (c) The funds that may be invested under this chapter include money raised by bonds issued for a future specific purpose, sinking funds, depreciation reserve funds, gift, bequest or endowment, and any other funds available for investment.

SECTION 2. IC 5-13-9-2.4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 2.4. An officer of:**

- (1) a political subdivision; or**
- (2) other local government entity;**

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designated under section 1 of this chapter shall annually obtain the approval of the fiscal body of the political subdivision or the governing body of the local government entity before making investments under section 2.5 of this chapter.

SECTION 3. IC 5-13-9-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 2.5. (a) An officer designated in section 1 of this chapter may invest or reinvest funds that are held by the officer and available for investment in investments commonly known as money market mutual funds that are in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).**

(b) The investments described in subsection (a) may not exceed fifty percent (50%) of the funds held by the officer and available for investment. This limitation does not apply to investments made by a county treasurer between:

- (1) the date that is ten (10) days before each property tax installment due date described in IC 6-1.1-22-9; and**
- (2) the property tax settlement distribution date described in IC 6-1.1-27-1(b).**

(c) The investments described in subsection (a) shall be made through depositories designated by the state board of finance as depositories for state deposits under IC 5-13-9.5.

(d) The portfolio of an investment company or investment trust described in subsection (a) must be limited to the following:

- (1) Direct obligations of the United States.**
- (2) Obligations issued by any of the following:**
 - (A) A federal agency.**
 - (B) A federal instrumentality.**
 - (C) A federal government sponsored enterprise.**
- (3) Repurchase agreements fully collateralized by obligations described in subdivision (1) or (2).**

(e) The form of securities of or interests in an investment company or investment trust described in subsection (a) must be rated as one (1) of the following:

- (1) AAAm, or its equivalent, by Standard and Poor's Corporation or its successor.**
- (2) Aaa, or its equivalent, by Moody's Investors Service, Inc. or its successor.**

(f) The form of securities in an investment company or

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investment trust described in subsection (a) is considered to have a stated final maturity of one (1) day.

(g) The state board of accounts may rely on transaction confirmations evidencing ownership of the form of securities of or interests in an investment company or investment trust described in subsection (a).

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