AN ACT

ENTITLED, An Act to permit the investment of public funds in certificates of deposit insured by the Federal Deposit Insurance Corporation.

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 lieu of or in addition to other statutory authorization for the investment of public funds, any public funds that are not needed for current operating expenses may be invested in accordance with the following conditions:

(1) The public funds shall initially be placed by the public funds depositor in a bank or savings and loan association located in this state which offers Federal Deposit Insurance Corporation insurance on its deposits;

(2) The selected bank or savings and loan association simultaneously shall arrange for the deposit of the public funds in certificates of deposit in one or more banks or savings and loan associations wherever located in the United States, for the account of the public funds depositor;

(3) At the same time the public funds are deposited and the certificates of deposit are issued for the benefit of the depositor, the selected bank or savings and loan association shall receive an amount of deposits from customers of other banks or savings and loan associations equal to the amount of the public funds initially placed by the public funds depositor;

(4) Each such certificate of deposit shall be insured by the Federal Deposit Insurance Corporation;

(5) The selected bank or savings and loan association shall act as custodian for the public funds depositor with respect to the certificates of deposit issued for the depositor's

account.

An Act to permit the investment of public funds in certificates of deposit insured by the Federal Deposit Insurance Corporation.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1137

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Chief Clerk

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_____
Speaker of the House

Attest:

_____
Chief Clerk

_____
President of the Senate

Attest:

_____
Secretary of the Senate

House Bill No. 1137
File No. ____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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

_____
Governor

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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