

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

337T0565

HOUSE BILL NO. 1097

Introduced by: Representatives Novstrup (David), Hawley, Hoffman, Kirkeby, Kirschman,
and Solum and Senators Johnston, Krebs, Rampelberg, and Sutton

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regulating the investment of
2 unneeded state operating expenses in banks.

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

4 Section 1. That § 4-5-6.1 be amended to read as follows:

5 4-5-6.1. In lieu of or in addition to other statutory authorization for the investment of public
6 funds, any public funds that are not needed for current operating expenses may be invested in
7 accordance with the following conditions:

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

11 (2) The selected bank ~~or savings and loan association simultaneously~~ shall arrange for
12 the deposit of the public funds in ~~certificates of deposit in one or more banks or~~
13 ~~savings and loan associations~~ federally insured financial institutions wherever located
14 in the United States, for the account of the public funds depositor;

15 (3) ~~At the same time~~ On the same date that the public funds are deposited ~~and the~~



1 ~~certificates of deposit are issued for the benefit of the depositor pursuant to~~
2 ~~subdivision (2) of this section, the selected bank or savings and loan association shall~~
3 receive an amount of deposits from customers of other ~~banks or savings and loan~~
4 ~~associations~~ federally insured financial institutions equal to the amount of the public
5 funds initially placed by the public funds depositor;

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

8 (5) The selected bank ~~or savings and loan association~~ shall act as custodian for the public
9 funds depositor with respect to the ~~certificates of deposit issued for~~ deposits placed
10 in the depositor's account.