



2022 South Dakota Legislature
House Bill 1002
ENROLLED

AN ACT

ENTITLED An Act to revise certain provisions regarding the investments authorized for state public funds.

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

Section 1. That § 4-5-26 be AMENDED:

4-5-26. State public funds made available for investment may be invested in the following classes of securities and investments and, except as provided by § 3-12C-223; chapter 3-13; chapter 13-63; the permanent school and other educational and charitable trust funds as provided in S.D. Const., Art. VIII, §§ 2 and 7; the permanent trust fund containing the net proceeds from the sale of state cement enterprises as provided in S.D. Const., Art. XIII, § 20; the health care trust fund as provided in S.D. Const., Art. XII, § 5; and the education enhancement trust fund as provided in S.D. Const., Art. XII, § 6; not otherwise:

- (1) Direct and indirect obligations of the United States government;
- (2) Agencies and instrumentalities of the United States government;
- (3) Mortgage-backed securities of United States government-sponsored enterprises;
- (4) Direct obligations of the State of South Dakota and any of its political subdivisions;
- (5) Obligations consisting of notes, bonds, debentures, and certificates which are direct obligations of a solvent corporation or trust existing under the laws of the United States or any state thereof, if such investments are rated in the four highest classifications established by at least two standard rating services at the time of purchase;
- (6) Savings accounts, share accounts, certificates of deposit of banks, savings and loan associations, building and loan associations, and bankers' acceptances;
- (7) Repurchase agreements fully collateralized by securities described in this section;
- (8) Shares in exchange-traded funds and open-end, no-load funds that are administered by an investment company registered under the Federal Investment

Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933 and investments are predominantly in securities described in this section;
or

- (9) In addition to the investments authorized by subdivisions (1) to (8) of this section, inclusive, the investment council may also allocate a sum certain of state public funds for investment in the accounts and certificates of South Dakota banks and associations. This sum shall initially be offered to South Dakota banks and associations, and if not initially fully subscribed, the investment officer shall immediately reoffer the unsubscribed sum to other qualified public depositories defined by subdivision 4-6A-1(7).

An Act to revise certain provisions regarding the investments authorized for state public funds.

I certify that the attached Act originated in the:
House as Bill No. 1002

Received at this Executive Office this ____ day of _____, 2022 at _____ M.

Chief Clerk

By _____ for the Governor

Speaker of the House

The attached Act is hereby approved this _____ day of _____, A.D., 2022

Attest:

Chief Clerk

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

President of the Senate

Attest:

Filed _____, 2022 at _____ o'clock __ M.

Secretary of the Senate

Secretary of State

House Bill No. 1002
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State