

AN ACT

ENTITLED, An Act to expand collateral eligible to be pledged as security for public deposits.

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

Section 1. That § 4-6A-1 be amended to read as follows:

4-6A-1. Terms as used in this chapter mean:

- (1) "Commission," the South Dakota Public Deposit Protection Commission created under § 4-6A-2;
- (2) "Deposit insurance," insurance provided by the Federal Deposit Insurance Corporation or the National Credit Union Administration;
- (3) "Eligible collateral," collateral which is eligible as security for public deposits pursuant to §§ 51A-10-9, 51A-4-25, and 51A-4-26 and also includes certificates of deposit that are owned by the qualified public depository and that are fully insured by deposit insurance, and that portion of loans which are unconditionally guaranteed by a United States government agency including Government National Mortgage Association (GNMA), the Veterans' Administration (VA), the Federal Housing Administration (FHA), the Farmers Home Administration (FmHA), the Export-Import Bank (EXIMBANK), the Overseas Private Investment Corporation (OPIC), the Commodity Credit Corporation (CCC), and the Small Business Administration (SBA). Further, in lieu of pledging eligible securities, a qualified public depository may furnish to a public depositor irrevocable standby letters of credit issued by Federal Home Loan Banks to the public depositor accompanied by a written evidence of that bank's public debt rating which may not be less than "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation, or a qualified public depository may furnish to a public depositor a corporate surety bond of a corporation authorized to do business in South Dakota;

- (4) "Loss," issuance of an order of supervisory authority restraining a qualified public depository from making payments of deposit liabilities or the appointment of a receiver for a qualified public depository;
- (5) "Maximum liability," a sum equal to one hundred percent of the public deposit accounts which exceed deposit insurance, which are held by the qualified public depository;
- (6) "Public deposit," all general, special, and other funds held or administered by this state or any political subdivision thereof, including counties, municipalities, townships, and school districts, or by any officer, commission, board, bureau, or agency of the state or political subdivision or any tribal government funds, and which public deposit is insured, in whole or in part, by deposit insurance. Deposits placed in banks by the Value Added Finance Authority created pursuant to chapter 1-16E are not public deposits;
- (7) "Qualified public depository," a state bank, national bank, federal savings and loan association, or a federally chartered credit union located in this state which receives or holds public deposits; and segregates eligible collateral for public deposits as described in § 4-6A-3;
- (8) "Treasurer," the state treasurer, a county treasurer, a treasurer of any other municipal corporation, or the custodian of any public funds.

An Act to expand collateral eligible to be pledged as security for public deposits.

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I certify that the attached Act
originated in the
HOUSE as Bill No. 1084

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. 1084
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,
20__ at _____ M.

By _____
for the Governor
=====

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

Governor

=====
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