



2022 South Dakota Legislature

House Bill 1002

Introduced by: The Committee on State Affairs at the request of the State Investment Council

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

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

4 **Section 1. That § 4-5-26 be AMENDED:**

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

13 (1) Direct and indirect obligations of the United States government;

14 (2) Agencies and instrumentalities of the United States government;

15 (3) Mortgage-backed securities of United States government-sponsored enterprises;

16 (4) Direct obligations of the State of South Dakota and any of its political subdivisions;

17 ~~(4)(5)~~ Obligations consisting of notes, bonds, debentures, and certificates which are direct
 18 obligations of a solvent corporation or trust existing under the laws of the United
 19 States or any state thereof, if such investments are rated in the four highest
 20 classifications established by at least two standard rating services at the time of
 21 purchase;

22 ~~(5)(6)~~ Savings accounts, share accounts, certificates of deposit of banks, savings and loan
 23 associations, building and loan associations, and bankers' acceptances; ~~or~~

24 (7) Repurchase agreements fully collateralized by securities described in this section;

25 (8) Shares in exchange-traded funds and open-end, no-load funds that are
 26 administered by an investment company registered under the Federal Investment

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

4 ~~(6)~~(9) In addition to the investments authorized by subdivisions (1) to ~~(5)~~ (8) of this
5 section, inclusive, the investment council may also allocate a sum certain of state
6 public funds for investment in the accounts and certificates of South Dakota banks
7 and associations. This sum shall initially be offered to South Dakota banks and
8 associations, and if not initially fully subscribed, the investment officer shall
9 immediately reoffer the unsubscribed sum to other qualified public depositories
10 defined by subdivision 4-6A-1(7).