

By: Representative Morris

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1334

1 AN ACT TO AMEND SECTION 31-25-19, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT BANK TO RECEIVE AND
3 ACCEPT LOAN GUARANTEES; TO ALLOW THE MISSISSIPPI DEVELOPMENT BANK
4 TO LOAN MONEY TO A LOCAL GOVERNMENTAL UNIT UNDER ANY LOAN GUARANTY
5 PROGRAM OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES,
6 INCLUDING THE UNITED STATES DEPARTMENT OF AGRICULTURE RURAL
7 UTILITY SERVICES WATER AND WASTE DISPOSAL GUARANTEED LOAN PROGRAM
8 AND COMMUNITY PROGRAMS GUARANTEED LOAN PROGRAM OR ANY SUCH
9 SUCCESSOR GUARANTY PROGRAM; TO PROVIDE ADDITIONAL AUTHORITY TO THE
10 MISSISSIPPI DEVELOPMENT BANK; TO AMEND SECTION 31-25-21,
11 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT
12 BANK TO ISSUE BONDS TO FUND LOANS UNDER ANY LOAN GUARANTY PROGRAM;
13 TO AMEND SECTION 31-25-27, MISSISSIPPI CODE OF 1972, TO AUTHORIZE
14 LOCAL GOVERNMENTAL UNITS TO BORROW MONEY FROM THE MISSISSIPPI
15 DEVELOPMENT BANK UNDER ANY LOAN GUARANTY PROGRAM OF ANY DEPARTMENT
16 OR AGENCY OF THE UNITED STATES, INCLUDING THE UNITED STATES
17 DEPARTMENT OF AGRICULTURE RURAL UTILITY SERVICES WATER AND WASTE
18 DISPOSAL GUARANTEED LOAN PROGRAM AND COMMUNITY PROGRAMS GUARANTEED
19 LOAN PROGRAM OR ANY SUCH SUCCESSOR GUARANTY PROGRAM; TO AMEND
20 SECTION 31-25-51, MISSISSIPPI CODE OF 1972, TO REVISE THE POWERS
21 OF THE MISSISSIPPI DEVELOPMENT BANK; AND FOR RELATED PURPOSES.

22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

23 **SECTION 1.** Section 31-25-19, Mississippi Code of 1972, is
24 amended as follows:

25 31-25-19. In addition to the other powers granted to the
26 bank under this act, the bank shall have the power:

- 27 (a) To sue and be sued in its own name;
- 28 (b) To have an official seal and to alter the same at
29 pleasure;

30 (c) To maintain an office at such place or places
31 within this state as it may designate, by lease without the
32 approval of any other state agency or department;

33 (d) To adopt and from time to time to amend and repeal
34 bylaws and rules and regulations, not inconsistent with this act,
35 to carry into effect the powers and purposes of the bank and



36 governing the conduct of its affairs and business and the use of
37 its services and facilities;

38 (e) To make, enter into and enforce all contracts or
39 agreements necessary, convenient or desirable for the purposes of
40 the bank or pertaining to any loan to a local governmental unit
41 made by the purchase of municipal securities or to the performance
42 of its duties and execution or carrying out of any of its other
43 powers under this act;

44 (f) To acquire, hold, use and dispose of its income,
45 revenues, funds and monies;

46 (g) To the extent that it will facilitate the conduct
47 of its operations and thereby further the purposes of this act, to
48 acquire real or other personal property, or any interest therein,
49 on either a temporary or long-term basis in the name of the bank
50 by gift, purchase, transfer, foreclosure, lease or otherwise,
51 including rights or easements, hold, sell, assign, lease, encumber
52 mortgage or otherwise dispose of any real or other personal
53 property, or any interest therein or mortgage interest owned by it
54 or under its control, custody or in its possession and release or
55 relinquish any right, title, claim, lien, interest, easement or
56 demand however acquired, including any equity or right of
57 redemption in property foreclosed by it and to do any of the
58 foregoing by public or private sale; and, to the same extent, to
59 lease or rent any lands, buildings, structures, facilities or
60 equipment from private parties;

61 (h) To enter into agreements or other transactions with
62 and accept the cooperation of the United States or any agency
63 thereof or of the state or any agency or governmental subdivision
64 thereof (including any local governmental unit whether or not such
65 local governmental unit is selling or has sold its bonds to the
66 bank) in furtherance of the purposes of this act and the corporate
67 purposes of the bank, and to do any and all things necessary in
68 order to avail itself of such cooperation;



69 (i) To receive and accept grants, aid or contributions,
70 including loan guarantees, from any source of money, materials,
71 property, labor, supplies, services, program or other things of
72 value, to be held, used and applied to carry out the purposes of
73 this act subject to such conditions upon which such grants and
74 contributions, including loan guarantees, may be made, including,
75 but not limited to, gifts or grants, including loan guarantees,
76 from any department or agency of the United States or of this
77 state or of any governmental subdivision of this state (including
78 any local governmental unit whether or not such local governmental
79 unit is selling or has sold its bonds to the bank) for any purpose
80 consistent with this act, and to do any and all things necessary,
81 useful, desirable or convenient in connection with the procurement
82 acceptance or disposition of such gifts or grants, including loan
83 guarantees;

84 (j) To procure insurance against any loss in connection
85 with its property and other assets in such amounts and from
86 insurers as it deems desirable, and to obtain from any department
87 or agency of the United States of America or nongovernmental
88 insurer any insurance or guaranty, to the extent now or hereafter
89 available, as to, or of or for the payment or repayment of
90 interest, principal or redemption price, if any, or all or any
91 part thereof, on any bonds issued by the bank, or on any municipal
92 securities of local governmental units purchased or held by the
93 bank pursuant to this act; and notwithstanding any other
94 provisions of this act to the contrary, to enter into any
95 agreement or contract whatsoever with respect to any such
96 insurance or guaranty, except to the extent that the same would in
97 any way impair or interfere with the ability of the bank to
98 perform and fulfill the terms of any agreement made with the
99 holders of the bonds of the bank;

100 (k) To employ administrative and clerical staff,
101 managing agents, architects, engineers, attorneys, accountants,



102 and financial advisors and experts and such other advisors,
103 consultants, agents and employees as may be necessary in its
104 judgment and to fix their compensation, and to perform its powers
105 or functions through its officers, agents and employees or by
106 contracts with any firm, person or corporation;

107 (l) To the extent permitted under its contract with the
108 holders of bonds of the bank, to consent to any modification of
109 the rate of interest, time and payment of any installment of
110 principal or interest, security or any other term of such bond,
111 contract or agreement of any kind to which the bank is a party;

112 (m) To purchase, hold or dispose of any of its bonds;

113 (n) Notwithstanding any law to the contrary, * * * to
114 invest any funds or monies of the bank or proceeds of any
115 securities or certificates of participation in such manner as
116 shall be deemed by the bank to be prudent except as otherwise
117 permitted or provided by this act;

118 (o) To conduct examinations and hearings and to hear
119 testimony and take proof, under oath or affirmation, at public or
120 private hearings, on any matter material for its information and
121 necessary to carry out this act;

122 (p) To loan money to local governmental units by the
123 purchase of municipal securities, subject to the provisions of
124 this act;

125 (q) To borrow money for any of its corporate purposes
126 and to issue bonds therefor, subject to the provisions of this
127 act; * * *

128 (r) To exercise any and all of the powers granted to
129 the bank by any other section of this act and to do any act
130 necessary or convenient to the exercise of the powers herein
131 granted or reasonably implied therefrom;

132 (s) To loan money to any local governmental unit under
133 any loan guaranty program of any department or agency of the
134 United States, including the United States Department of



135 Agriculture Rural Utility Services Water and Waste Disposal
136 Guaranteed Loan Program and Community Programs Guaranteed Loan
137 Program or any such successor guaranty programs; and

138 (t) Notwithstanding any law to the contrary, to
139 contract with any local governmental unit for the exercise by the
140 bank of any and all of the bank's powers as set out in the act,
141 with respect to proceeds of such local governmental unit's
142 securities or certificates of participation issued by such local
143 governmental unit pursuant to any state law authorizing the
144 issuance of local governmental unit debt.

145 Paragraphs (s) and (t) of this section shall be deemed to
146 provide all necessary authority for the doing of the things
147 authorized thereby and shall be liberally construed to accomplish
148 the purposes and the authorizations therein stated.

149 **SECTION 2.** Section 31-25-21, Mississippi Code of 1972, is
150 amended as follows:

151 31-25-21. The bank is hereby granted, has and may exercise
152 the power to borrow money and issue its bonds in such principal
153 amounts as it shall deem necessary to provide funds to accomplish
154 a public purpose or purposes of the state provided for under this
155 chapter, including:

156 (a) The making of loans to local governmental units by
157 the purchase of municipal securities thereof;

158 (b) The payment, funding, refunding of the principal
159 of, or interest or redemption premiums on, any bonds issued by it
160 whether the bonds have or have not become due or subject to
161 redemption in accordance with their terms;

162 (c) The establishment or increase of such debt service
163 reserves and capitalized interest accounts to pay bonds or
164 interest thereon as the bank shall consider necessary or advisable
165 in the marketing of such bonds;



166 (d) The payment of consultant and legal fees and such
167 other costs of issuance and expenses necessary or incidental to
168 such bond issue;

169 (e) The deposit of funds into reserve funds established
170 by the bank;

171 (f) The establishment or increase of reserves to pay
172 all other costs and expenses of the bank incident to and necessary
173 or convenient to carrying out its corporate purposes and powers;

174 (g) The deposit of funds into the Water Pollution
175 Control Revolving Fund and the Water Pollution Control Emergency
176 Loan Fund created pursuant to Sections 49-17-81 through 49-17-89;

177 (h) The issuance of up to Fifty Million Dollars
178 (\$50,000,000.00) in revenue bonds for regional solid waste
179 authorities and county cooperative service districts;

180 (i) The advance purchase of energy for any municipality
181 that operates a gas producing, generating, transmission or
182 distribution system, or an electric generating, transmission or
183 distribution system under Sections 21-27-11 through 21-27-71;

184 (j) The issuance of revenue bonds to fund or assist in
185 funding retirement systems established pursuant to Sections
186 21-29-1 through 21-29-55 and Sections 21-29-101 through 21-29-151.
187 Before any revenue bonds may be issued for this purpose the
188 municipality whose retirement system is being funded by such bonds
189 shall have an actuary perform a study through the Public
190 Employees' Retirement System to determine the amount of revenue
191 bonds that should be issued to make such retirement system
192 actuarially sound;

193 (k) To issue general obligation bonds of the State of
194 Mississippi for the purposes provided in Section 31-25-20(g), as
195 such section existed on April 3, 1996. The authority to issue
196 such general obligation bonds of the State of Mississippi shall be
197 repealed from and after the date that the bonds have been issued
198 in their entirety;



199 (1) The issuance of bonds to fund loans made by the
200 bank to any local governmental unit under any loan guaranty
201 program of any department or agency of the United States,
202 including the United States Department of Agriculture Rural
203 Utility Services Water and Waste Disposal Guaranteed Loan Program
204 and Community Programs Guaranteed Loan Program or any such
205 successor guaranty programs.

206 (m) Any other lawful, corporate purpose.

207 **SECTION 3.** Section 31-25-27, Mississippi Code of 1972, is
208 amended as follows:

209 31-25-27. (1) Each local governmental unit is hereby
210 authorized and empowered to contract with the bank with respect to
211 the bank's purchase of such local governmental unit's securities
212 and such contract shall contain such terms and conditions as may
213 be prescribed by the bank. Each local governmental unit is
214 authorized and empowered to pay to the bank such fees and charges
215 for services as the bank may prescribe.

216 (2) Each local governmental unit is hereby authorized to
217 issue securities under the provisions of this act and to sell such
218 securities to the bank to raise money for any purpose or purposes
219 set forth in Sections 21-27-23, 21-33-301, 21-33-325, 21-33-326,
220 31-27-5, 17-17-301 et seq. and any other state law authorizing the
221 issuance of local governmental unit debt, and for the purpose of
222 refunding any securities issued under the provisions of this act
223 or under the provisions of Section 21-27-11 et seq., or Section
224 21-33-301 et seq., or Section 31-27-1 et seq. Such securities may
225 be issued in accordance with Sections 21-33-301, 21-33-303,
226 21-33-307, 21-33-309, 21-33-311, 21-33-313, 21-33-325 and
227 21-33-326, or Sections 21-27-23 through 21-27-43 and Sections
228 21-27-47 through 21-27-71, or Sections 31-27-1 through 31-27-25,
229 or Sections 17-5-3 through 17-5-11, or Sections 49-17-101 through
230 49-17-123, or Sections 17-17-301 through 17-17-349 or any other
231 state law authorizing issuance of local governmental unit debt, as



232 the case may be, unless otherwise specifically provided in this
233 act; provided, however, the securities of any local governmental
234 unit may be issued with such terms and provisions as may be
235 necessary and appropriate in order to comply with the provisions
236 of any loan agreement described in Section 49-17-87. Whenever
237 securities shall be issued under this subsection, the governing
238 authority may also pledge to the payment of principal of, premium,
239 if any, and interest on such securities the revenues of any
240 project to be constructed, improved or purchased with the proceeds
241 thereof. Whenever any project is a part of a system or combined
242 system, then all or any portion of the revenues of such system or
243 combined system may be pledged to secure repayment of such
244 securities as determined by the bank.

245 (3) Each local governmental unit is hereby authorized to
246 issue securities to the bank to raise money for any purpose or
247 purposes set forth in Sections 19-9-1, 19-9-27 or 19-9-28 and for
248 the purpose of refunding any securities issued under the
249 provisions of this act or under the provisions of Section 19-9-1
250 et seq. Such securities may be issued in accordance with Sections
251 19-9-1, 19-9-3, 19-9-5, 19-9-7, 19-9-9, 19-9-11, 19-9-13, 19-9-15,
252 19-9-17, 19-9-27 and 19-9-28, or Sections 17-5-3 through 17-5-11,
253 or Sections 49-17-101 through 49-17-123, as the case may be,
254 unless otherwise specifically provided in this act; provided,
255 however, the securities of any local governmental unit may be
256 issued with such terms and provisions as may be necessary and
257 appropriate in order to comply with the provisions of any loan
258 agreement described in Section 49-17-87. Whenever securities
259 shall be issued under this subsection, the board of supervisors of
260 the county may also pledge to the payment of principal of,
261 premium, if any, and interest on such securities the revenues of
262 any project to be constructed, improved, repaired or purchased
263 with the proceeds thereof. Whenever any project is a part of a
264 system or combined system, then all or any portion of the revenues



265 of such system or combined system may be pledged to secure
266 repayment of such securities as determined by the bank.

267 (4) In addition, any local governmental unit is hereby
268 authorized to issue securities to the bank to raise money for any
269 purpose or purposes otherwise authorized by state law and for the
270 purpose of refunding any securities issued under the provisions of
271 this act or as otherwise authorized by state law including Section
272 49-17-83 et seq. Such securities may be issued in accordance with
273 any other applicable provision of state law related to the
274 issuance of securities including Section 49-17-83 et seq.

275 Whenever securities shall be issued under this subsection, the
276 governing body of such local governmental unit may also pledge to
277 the payment of principal of, premium, if any, and interest on such
278 securities the revenues of any project to be constructed, improved
279 or purchased with the proceeds thereof. Whenever any project is a
280 part of a system or combined system, then all or any portion of
281 the revenues of such system or combined system may be pledged to
282 secure repayment of such securities as determined by the bank.

283 (5) Securities issued by a local governmental unit under the
284 provisions of this act:

285 (a) May be sold only to the bank at private sale and
286 may be sold at such price or prices, in such manner and at such
287 times as may be agreed to by the bank and the local governmental
288 unit, and the governing body of the local governmental unit may
289 pay all expenses, premiums, fees and commissions which it may deem
290 necessary and advantageous in connection with the issuance and
291 sale thereof;

292 (b) Shall be secured as provided by Chapter 27, Title
293 21, Mississippi Code of 1972; Chapter 33, Title 21, Mississippi
294 Code of 1972; or Chapter 9, Title 19, Mississippi Code of 1972, or
295 other provisions of state law, and as provided in this act; and it
296 is the intention of the Legislature that any pledge of earnings,
297 revenues or other monies made by the local governmental unit shall



298 be valid and binding from the time the pledge is made; that the
299 earnings, revenues or other monies so pledged and thereafter
300 received by the local governmental unit shall immediately be
301 subject to the lien of such pledge without any physical delivery
302 thereof or further act, and that the lien of any such pledge shall
303 be valid and binding as against all parties having claims of any
304 kind in tort, contract or otherwise against the local governmental
305 unit irrespective of whether such parties have notice thereof; and
306 neither the resolution nor any other instrument by which a pledge
307 is created need be recorded;

308 (c) Neither the officers or members of the governing
309 body of the local governmental unit nor any person executing the
310 bonds shall be personally liable on the bonds or be subject to any
311 personal liability or accountability by reason of the issuance
312 thereof;

313 (d) Shall be issued for the purposes set forth in this
314 act and shall include terms and conditions which meet the state
315 law authorizing the issuance of such local governmental unit debt
316 and/or such terms and conditions consistent with the requirements
317 for issuance of Mississippi Development Bank Bonds under Section
318 31-25-37.

319 (6) Each local governmental unit issuing securities under
320 the provisions of this act is hereby authorized and empowered in
321 connection with the issuance of such securities to enter into any
322 covenants, agreements as to defaults and agreements as to remedies
323 of the bank for defaults with respect to such local governmental
324 unit's operation, revenues, assets, monies, funds or property as
325 may be prescribed by the bank.

326 (7) The proceeds of securities shall be deposited in one or
327 more special funds established by resolution of the local
328 governmental unit issuing the same and shall be applied to the
329 following: (a) the purpose for which the securities were issued;
330 (b) the payment of all costs of issuance of the securities; (c)



331 the payments of any fees and charges established by the bank; (d)
332 the payment of interest on the securities for a period of time not
333 greater than the period of time estimated to be required to
334 complete the purpose for which the securities were issued; all to
335 the extent provided by resolution of the governing body of the
336 local governmental unit and approved by the bank. Such special
337 fund shall be held by commercial banks qualified to act as
338 depositories therefor.

339 (8) In the event the bank determines to issue bonds and in
340 connection therewith to exercise the powers provided in subsection
341 (7) of Section 31-25-37, and if the requirements of subsection
342 (2), (3) or (4) as the case may be, of this section have been
343 satisfied, a local governmental unit is authorized to issue its
344 securities as provided in this section.

345 (9) Securities issued under this act may be validated in the
346 manner and with the force and effect provided in Section 31-13-1
347 et seq.

348 (10) This act shall be deemed to provide an additional,
349 alternative and complete method for the doing of the things
350 authorized hereby and shall be deemed and construed to be
351 supplemental to any power conferred by other laws on local
352 governmental units and not in derogation of any such powers.

353 (11) Any person who attempts to or obtains financial aid for
354 a local governmental unit hereunder or who attempts to or sells
355 securities of a governmental unit to the bank by false or
356 misleading information or who shall by fraud attempt to obtain
357 monies from the bank or its approval for the payment of monies or
358 shall fraudulently attempt to or does prevent the collection of
359 any monies due to the bank shall, upon conviction, be guilty of a
360 felony for each offense.

361 (12) Upon the sale and issuance of any securities to the
362 bank by any governmental unit, such governmental unit shall be
363 held and be deemed to have agreed that in the event of the failure



364 of such governmental unit to pay the interest on or the principal
365 of any of such securities owned or held by the bank as and when
366 due and payable, such governmental unit shall have waived any and
367 all defenses to such nonpayment, and the bank upon such nonpayment
368 shall thereupon constitute a holder or owner of such securities as
369 being in default, and the bank may then and thereupon avail itself
370 of all remedies, rights and provisions of law applicable in such
371 circumstance, including without limitation any remedies or rights
372 theretofore agreed to by the local governmental unit, and that all
373 of the securities of the issue of securities of such governmental
374 unit as to which there has been such nonpayment, shall for all of
375 the purposes of this section be held and be deemed to have become
376 due and payable and to be unpaid. The bank is hereby authorized
377 and empowered to carry out the provisions of this section and to
378 exercise all of the rights and remedies and provisions of law
379 herein provided or referred to.

380 (13) Any local governmental unit which borrows from the bank
381 is hereby authorized and empowered to agree in writing with the
382 bank that, as provided in this subsection, the State Tax
383 Commission or any state agency, department or commission created
384 pursuant to state law shall (a) withhold all or any part (as
385 agreed by the local governmental unit) of any monies which such
386 local governmental unit is entitled to receive from time to time
387 pursuant to any law and which is in the possession of the State
388 Tax Commission, or any state agency, department or commission
389 created pursuant to state law and (b) pay the same over to the
390 bank to satisfy any delinquent payments on any securities issued
391 by such local governmental unit under the provisions of this act
392 and any other delinquent payments due and owing the bank by such
393 local governmental unit, all as the same shall occur. In the
394 event the bank shall file a copy of such written agreement,
395 together with a statement of delinquency, with the State Tax
396 Commission, or any state agency, department or commission created



397 pursuant to state law then the State Tax Commission or any state
398 agency, department or commission created pursuant to state law
399 shall immediately make the withholdings provided in such agreement
400 from the amounts due the local governmental unit and shall
401 continue to pay the same over to the bank until all such
402 delinquencies are satisfied.

403 (14) (a) If the state or any agency thereof, the
404 institutions of higher learning of the state or any education
405 building corporation established for institutions of higher
406 learning, borrows funds from the bank under Section 31-25-28 or
407 sells its securities to the bank pursuant to this act, then such
408 local governmental unit shall certify the following to the bank
409 prior to the issuance of bonds:

410 (i) The legal authority for such local
411 governmental unit to borrow funds; and

412 (ii) That such local governmental unit does not
413 intend to request an additional appropriation from the Legislature
414 to pay debt service on the loan or for such security.

415 (b) If the state or any agency thereof, the
416 institutions of higher learning of the state or any education
417 building corporation established for institutions of higher
418 learning, does not make the certification required under paragraph
419 (a)(ii) of this subsection, then such local governmental unit
420 shall not borrow funds from the bank under Section 31-25-28 or
421 sell its securities to the bank pursuant to this act unless an
422 appropriation by the Legislature authorizes the payment of debt
423 service for the first year of the loan or for such security.

424 (15) Any local governmental unit may borrow money from the
425 bank loaned under any loan guaranty program of any department or
426 agency of the United States, including the United States
427 Department of Agriculture Rural Utility Services Water and Waste
428 Disposal Guaranteed Loan Program and Community Programs Guaranteed
429 Loan Program or any such successor guaranty programs.



430 (16) Notwithstanding any law to the contrary, each local
431 governmental unit is authorized and empowered to contract with the
432 bank for the exercise by the bank of any and all of the bank's
433 powers as set out in the act with respect to the proceeds of such
434 local governmental unit's securities or certificates of
435 participation issued by such local governmental unit pursuant to
436 any state law authorizing the issuance of local governmental unit
437 debt.

438 Subsections (15) and (16) of this section shall be deemed to
439 provide all necessary authority for the doing of the things
440 authorized thereby and shall be liberally construed to accomplish
441 the purposes and authorizations therein stated.

442 **SECTION 4.** Section 31-25-51, Mississippi Code of 1972, is
443 amended as follows:

444 31-25-51. (1) The bonds of the bank shall be legal
445 investments in which all public officers and public bodies of this
446 state, its political subdivisions, all municipalities and
447 municipal subdivisions, all insurance companies and associations,
448 trust companies, savings banks and savings associations, including
449 savings and loan associations, building and loan associations,
450 investment companies and other persons carrying on a banking
451 business, all administrators, guardians, executors, trustees and
452 other fiduciaries, and all other persons whatsoever who are now or
453 may hereafter be authorized to invest funds, including capital, in
454 their control or belonging to them. The notes and bonds are also
455 hereby made securities which may properly and legally be deposited
456 with and received by all public officers and bodies of the state
457 or any agency or political subdivisions of the state and all
458 municipalities and public corporations for any purpose for which
459 the deposit of bonds or other obligations of the state is now or
460 may hereafter be authorized by law.

461 (2) Notwithstanding the provisions of any law to the
462 contrary, * * * to invest money of the bank * * *, including



463 proceeds from the sale of any bonds, notes, any securities or
464 certificates of participation:

465 (a) In obligations of any municipality or the state or
466 the United States of America;

467 (b) In obligations the principal and interest of which
468 are guaranteed by the state or the United States of America;

469 (c) In obligations of any corporation wholly owned by
470 the United States of America;

471 (d) In obligations of any corporation sponsored by the
472 United States of America which is, or may become, eligible as
473 collateral for advances to member banks as determined by the Board
474 of Governors of the Federal Reserve System;

475 (e) In obligations of insurance firms or other
476 corporations whose investments are rated "AA" or better by
477 recognized rating companies;

478 (f) In certificates of deposit or time deposits of
479 qualified depositories of the state as approved by the State
480 Depository Commission, secured in such manner, if any, as the
481 corporation shall determine;

482 (g) In contracts for the purchase and sale of
483 obligations of the type specified in items (a) through (e) above;

484 (h) In repurchase agreements secured by obligations
485 specified in items (a) through (e) above; and

486 (i) In money market funds, the assets of which are
487 required to be invested in obligations specified in items (a)
488 through (f) above.

489 **SECTION 5.** This act shall take effect and be in force from
490 and after its passage.

