

**Adopted  
AMENDMENT NO 1 PROPOSED TO**

**Cmte Sub for Senate Bill No. 2226**

1           **AMEND** by inserting the following below line 137 and  
2 renumbering the subsequent section:

**BY: Senator(s) Harkins**

3           **SECTION \*.** Section 27-105-33, Mississippi Code of 1972, is  
4 amended as follows:

5           27-105-33. It shall be the duty of the State Treasurer and  
6 the Executive Director of the Department of Finance and  
7 Administration on or about the tenth day of each month, and in  
8 their discretion at any other time, to analyze carefully the  
9 amount of cash in the General Fund of the state and in all special  
10 funds credited to any special purpose designated by the State  
11 Legislature or held to meet the budgets or appropriations for  
12 maintenance, improvements and services of the several  
13 institutions, boards, departments, commissions, agencies, persons  
14 or entities of the state, and to determine in their opinion when  
15 the cash in such funds is in excess of the amount required to meet  
16 the current needs and demands of no more than seven (7) business  
17 days on such funds and report their findings to the Governor. It  
18 shall be the duty of the State Treasurer to provide a cash flow  
19 model for forecasting revenues and expenditures on a bimonthly  
20 basis and providing technical assistance for its operation. The  
21 Department of Finance and Administration shall use the cash flow



22 model furnished by the State Treasurer, in analyzing the amount of  
23 funds on deposit and available for investment.

24 The State Treasurer is hereby authorized, empowered and  
25 directed to invest all such excess general and special funds of  
26 the state in the following manner:

27 (a) Funds shall be allocated equally among all  
28 qualified state depositories which do not have demand accounts in  
29 excess of One Hundred Fifty Thousand Dollars (\$150,000.00) until  
30 each qualified depository willing to accept the same shall have on  
31 deposit or in security repurchase agreements or in other  
32 securities authorized in paragraph (d) of this section at interest  
33 the sum of Three Hundred Thousand Dollars (\$300,000.00). For the  
34 purposes of this subsection, no branch bank or branch office shall  
35 be counted as a separate depository.

36 (b) The balance, if any, of such excess general and  
37 special funds shall be offered to qualified depositories of the  
38 state on a pro rata basis as provided in Section 27-105-9. For  
39 the purposes of this subsection, the pro rata share of each  
40 depository shall be reduced by the amount of the average daily  
41 collected earning balance of demand deposits maintained by the  
42 State Treasurer pursuant to Section 27-105-9 during the preceding  
43 calendar year, and such reduction shall be allocated pro rata  
44 among other eligible depositories.

45 (c) Funds offered pursuant to paragraphs (a) and (b)  
46 above shall be invested for periods of up to one (1) year, and



47 shall bear interest at an interest rate no less than that  
48 numerically equal to the bond equivalent yield on direct  
49 obligations of the United States Treasury of comparable maturity,  
50 as determined by the State Treasurer. In determining such rate,  
51 the State Treasurer shall consider the Legislature's desire to  
52 distribute funds equitably throughout the state to the maximum  
53 extent possible.

54 (d) To the extent that the State Treasurer shall find  
55 that general and special funds cannot be invested pursuant to  
56 paragraphs (a), (b) and (c) of this section for the stated  
57 maturity up to one (1) year, the Treasurer may invest such funds,  
58 together with any other funds required for current operation, as  
59 determined pursuant to this section, in the following:

60 (i) Time certificates of deposit or  
61 interest-bearing accounts with qualified state depositories. For  
62 those funds determined under prudent judgment of the State  
63 Treasurer to be made available for investment in time certificates  
64 of deposit, the rate of interest paid by the depositories shall be  
65 determined by rules and regulations adopted and promulgated by the  
66 State Treasurer which may include competitive bids. At the time  
67 of investment, the interest rate on such certificates of deposit  
68 under the provisions of this subparagraph shall be a rate not less  
69 than the bond equivalent yield on direct obligations of the United  
70 States Treasury with a similar length of maturity.



71 (ii) Direct United States Treasury obligations,  
72 the principal and interest of which are fully guaranteed by the  
73 government of the United States.

74 (iii) United States government agency, United  
75 States government instrumentality or United States  
76 government-sponsored enterprise obligations, the principal and  
77 interest of which are fully guaranteed by the government of the  
78 United States, such as the Government National Mortgage  
79 Association; or United States governmental agency, United States  
80 government instrumentality or United States government-sponsored  
81 enterprise obligations, the principal and interest of which are  
82 guaranteed by any United States government agency, United States  
83 government instrumentality or United States government-sponsored  
84 enterprise contained in a list promulgated by the State Treasurer.

85 (iv) Direct security repurchase agreements and  
86 reverse direct security repurchase agreements of any federal book  
87 entry of only those securities enumerated in subparagraphs (ii)  
88 and (iii) above. "Direct security repurchase agreement" means an  
89 agreement under which the state buys, holds for a specified time,  
90 and then sells back those securities and obligations enumerated in  
91 subparagraphs (ii) and (iii) above. "Reverse direct securities  
92 repurchase agreement" means an agreement under which the state  
93 sells and after a specified time buys back any of the securities  
94 and obligations enumerated in subparagraphs (ii) and (iii) above.



95 A qualified state depository shall be given preference for such  
96 agreements when possible.

97 (v) Bonds issued, assumed or guaranteed by the  
98 Country of Israel, provided that:

99 1. Investments in such instruments shall be  
100 denominated in United States currency;

101 2. Such bonds must be of investment grade as  
102 rated by at least one (1) nationally recognized statistical rating  
103 agency; and

104 3. The amount of funds invested in such bonds  
105 at any time shall not exceed \* \* \* Fifty Million Dollars  
106 (\$50,000,000.00).

107 (vi) Corporate bonds and taxable municipal bonds;  
108 or corporate short-term obligations of corporations or of wholly  
109 owned subsidiaries of corporations, whose short-term obligations  
110 are rated A-1 or better by Standard and Poor's, rated P-1 or  
111 better by Moody's Investment Service, F-1 or better by Fitch  
112 Ratings, Ltd., or the equivalent of these ratings if assigned by  
113 another United States Securities and Exchange Commission  
114 designated Nationally Recognized Statistical Rating Organization.

115 (e) For the purposes of this section, direct  
116 obligations issued by the United States of America shall be deemed  
117 to include securities of, or other interests in, any open-end or  
118 closed-end management type investment company or investment trust  
119 registered under the provisions of 15 USCS Section 80(a)-1 et



120 seq., provided that the portfolio of such investment company or  
121 investment trust is limited to direct obligations issued by the  
122 United States of America, United States government agencies,  
123 United States government instrumentalities or United States  
124 government-sponsored enterprises, and to repurchase agreements  
125 fully collateralized by direct obligations of the United States of  
126 America, United States government agencies, United States  
127 government instrumentalities or United States government-sponsored  
128 enterprises, and the investment company or investment trust takes  
129 delivery of such collateral for the repurchase agreement, either  
130 directly or through an authorized custodian. The State Treasurer  
131 and the Executive Director of the Department of Finance and  
132 Administration shall review and approve the investment companies  
133 and investment trusts in which funds invested under paragraph (d)  
134 of this section may be invested. The total dollar amount of funds  
135 invested in all open-end and closed-end management type investment  
136 companies and investment trusts at any one time shall not exceed  
137 twenty percent (20%) of the total dollar amount of funds invested  
138 under paragraph (d) of this section.

139 (f) Investments authorized by subparagraphs (ii) and  
140 (iii) of paragraph (d) shall mature on such date or dates as  
141 determined by the State Treasurer in the exercise of prudent  
142 judgment to generate a favorable return to the state and will  
143 allow the monies to be available for use at such time as the  
144 monies will be needed for state purposes. However, the maturity



145 of securities purchased as enumerated in subparagraphs (ii) and  
146 (iii) shall not exceed ten (10) years from date of purchase.  
147 Special funds shall be considered those funds created  
148 constitutionally, statutorily or administratively which are not  
149 considered general funds. All funds invested for a period of  
150 thirty (30) days or longer under paragraph (d) shall bear a rate  
151 at least equal to the current established rate under paragraph (c)  
152 of this section.

153 (g) Any interest-bearing deposits or certificates of  
154 deposit shall not exceed at any time the amount insured by the  
155 Federal Deposit Insurance Corporation in any one (1) banking  
156 institution, the Federal Savings and Loan Insurance Corporation in  
157 any one (1) savings and loan association, or other deposit  
158 insurance corporation approved by the State Treasurer, unless the  
159 uninsured portion is collateralized by the pledge of securities in  
160 the manner provided by Section 27-105-5.

161 (h) Unless otherwise provided, income from investments  
162 authorized by the provisions of this subsection shall be credited  
163 to the State General Fund.

164 (i) Not more than Five Hundred Thousand Dollars  
165 (\$500,000.00) of funds may be invested with foreign financial  
166 institutions, and the State Treasurer may enter into price  
167 contracts for the purchase or exchange of foreign currency or  
168 other arrangements for currency exchange in an amount not to  
169 exceed Five Hundred Thousand Dollars (\$500,000.00) upon specific



170 direction of the Department of Economic and Community Development.  
171 The State Treasurer shall promulgate all rules and regulations for  
172 applications, qualifications and any other necessary matters for  
173 foreign financial institutions.

174 Any liquidating agent of a depository in liquidation,  
175 voluntary or involuntary, shall redeem from the state any bonds  
176 and securities which have been pledged to secure state funds and  
177 such redemption shall be at the par value or market value thereof,  
178 whichever is greater; otherwise, The liquidating agent or receiver  
179 may pay off the state in full for its deposits and retrieve the  
180 pledged securities without regard to par or market value.

181 The State Treasurer and the Executive Director of the  
182 Department of Finance and Administration shall make monthly  
183 reports to the Legislative Budget Office containing a full and  
184 complete statement of all funds invested by virtue of the  
185 provisions of this section and the revenues derived therefrom and  
186 the expenses incurred therewith, together with all such other  
187 information as may seem to each of them as being pertinent to  
188 inform fully the Mississippi Legislature with reference thereto.

189 The State Treasurer shall not deposit any funds on demand  
190 deposit with any authorized depository, unless such depository has  
191 contracted for interest-bearing accounts or time certificates of  
192 deposit.

193 Notwithstanding the foregoing, any financial institution not  
194 meeting the prescribed ratio requirement set forth in Section





195 27-105-5 whose accounts are insured by the Federal Deposit  
196 Insurance Corporation, or any successor to that insurance  
197 corporation, may receive state funds in an amount not exceeding  
198 the amount which is insured by such insurance corporations and may  
199 qualify as a state depository to the extent of such insurance for  
200 this purpose only. The paid-in and earned capital funds of such  
201 financial institution shall not be included in the computations  
202 specified in Section 27-105-9(a) and (b).

203 **FURTHER, AMEND the title to conform.**

