

By: Stogner

To: Business and  
Financial  
Institutions

SENATE BILL NO. 3159

1 AN ACT TO PROVIDE THAT ALL MONIES OF A RURAL WATERWORKS  
2 CORPORATION SHALL BE DEPOSITED IN ONE OR MORE BANKS OR TRUST  
3 COMPANIES AND, IF THE CORPORATION SHALL SO REQUIRE, EACH ACCOUNT  
4 SHALL BE CONTINUOUSLY SECURED BY A PLEDGE OF DIRECT OBLIGATIONS OF  
5 THE UNITED STATES OF AMERICA OR OF THE STATE OF MISSISSIPPI; AND  
6 FOR RELATED PURPOSES.

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

8 SECTION 1. All monies, from whatever source derived, of a  
9 nonprofit, nonshare corporation chartered under Section 79-11-101  
10 et seq. for the purpose of owning and operating rural waterworks  
11 shall be deposited in one or more banks or trust companies, and,  
12 if the corporation shall so require, each account shall be  
13 continuously secured by a pledge of direct obligations of the  
14 United States of America or of the State of Mississippi having an  
15 aggregate market value, exclusive of accrued interest, at all  
16 times at least equal to the balance on deposit in the account or  
17 accounts.

18 Such securities shall either be deposited with the  
19 corporation or held by a trustee or agent satisfactory to the  
20 corporation. In lieu of any pledge of such securities, the  
21 deposits may be secured by a surety bond or bonds which shall be  
22 in form, sufficiency and substance satisfactory to the  
23 corporation.

24 SECTION 2. This act shall take effect and be in force from  
25 and after July 1, 2000.