

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HOUSE BILL 402

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Patsy G. Trujillo Knauer

AN ACT

RELATING TO THE INVESTMENT OF PUBLIC MONEY; FACILITATING THE ABILITY OF LOCAL PUBLIC BODIES TO INVEST IN THE SHORT-TERM INVESTMENT FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-10-10 NMSA 1978 (being Laws 1933, Chapter 175, Section 4, as amended) is amended to read:

"6-10-10. DEPOSIT AND INVESTMENT OF FUNDS. --

A. Upon the certification or designation of any bank, savings and loan association or credit union whose deposits are insured by an agency of the United States to receive public money on deposit, the state treasurer and county or municipal treasurers who have on hand any public money by virtue of their offices [~~shall~~] may make deposit of that money in banks and savings and loan associations, and may

underscored material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1 make deposit of that money in credit unions whose deposits are  
2 insured by an agency of the United States, designated by the  
3 authority authorized by law to so designate to receive the  
4 deposits of all money thereafter received or collected by the  
5 treasurers.

6 B. In addition to investments made pursuant to  
7 other law, county or municipal treasurers may deposit money in  
8 one or more accounts with any such bank, savings and loan  
9 association or credit union located in their respective  
10 counties, subject to limitation on credit union accounts.

11 C. The state treasurer may deposit money in one or  
12 more accounts with any such bank, savings and loan association  
13 or credit union, subject to the limitation on credit union  
14 accounts.

15 D. Duplicate receipts or deposit slips shall be  
16 taken for each deposit made pursuant to Subsection A, B or C  
17 of this section. When deposits are made by the state  
18 treasurer, one copy of the receipt or deposit slip shall be  
19 retained by the state treasurer and the other copy shall be  
20 filed monthly on the first day of each month with the  
21 financial control division of the department of finance and  
22 administration. When deposits are made by the treasurer or  
23 any other authorized person making the deposits for a board of  
24 finance of a public or educational institution, one copy of  
25 the receipt or deposit slip shall be retained by the treasurer

. 140692. 1

underscored material = new  
[bracketed material] = delete

1 or authorized person so making the deposit and the other copy  
2 shall be filed monthly on the first day of each month with  
3 that board of finance. When deposits are made by a county or  
4 municipal treasurer, one of the duplicate receipts or deposit  
5 slips shall be retained by the treasurer so making the deposit  
6 and the other copy shall be filed monthly on the first day of  
7 each month with the secretary of the board of finance of the  
8 county or municipality for which that treasurer is acting.

9 E. "Deposit", as used in this section, means  
10 either investment or deposit and includes share, share  
11 certificate and share draft.

12 F. County or municipal treasurers, by and with the  
13 advice and consent of their respective boards of finance  
14 charged with the supervision and control of the respective  
15 funds, have the power to invest all sinking funds or money  
16 remaining unexpended from the proceeds of any issue of bonds  
17 or other negotiable securities of any county, municipality or  
18 school district that is entrusted to their care and custody  
19 and all money not immediately necessary for the public uses of  
20 the counties, municipalities or school districts not invested  
21 or deposited [~~in banks, savings and loan associations or~~  
22 ~~credit unions~~] pursuant to other law in:

23 (1) bonds or negotiable securities of the  
24 United States, the state or any county, municipality or school  
25 district that has a taxable valuation of real property for the

underscored material = new  
[bracketed material] = delete

1 last preceding year of at least one million dollars  
2 (\$1,000,000) and has not defaulted in the payment of any  
3 interest or sinking fund obligation or failed to meet any  
4 bonds at maturity at any time within five years last  
5 preceding; or

6 (2) securities that are issued by the United  
7 States government or by its agencies or instrumentalities and  
8 that are either direct obligations of the United States or are  
9 backed by the full faith and credit of the United States  
10 government or agencies guaranteed by the United States  
11 government.

12 G. The treasurer of a class A county or the  
13 treasurer of a municipality having a population of more than  
14 sixty-five thousand according to the most recent federal  
15 decennial census and located within a class A county, by and  
16 with the advice and consent of the boards of finance charged  
17 with the supervision and control of the funds, has the power  
18 to invest all sinking funds or money remaining unexpended from  
19 the proceeds of any issue of bonds or other negotiable  
20 securities of the county or municipality that is entrusted to  
21 his care and custody and all money not immediately necessary  
22 for the public uses of the county or municipality not invested  
23 or deposited in banks, savings and loan associations or credit  
24 unions in:

25 (1) shares of a diversified investment

underscored material = new  
[bracketed material] = delete

1 company registered pursuant to the federal Investment Company  
2 Act of 1940 that invests in fixed income securities or debt  
3 instruments that are listed in a nationally recognized, broad-  
4 market, fixed-income-securities market index; provided that  
5 the investment company or manager has total assets under  
6 management of at least one hundred million dollars  
7 (\$100,000,000) and provided that the board of finance of the  
8 county or municipality may allow reasonable administrative and  
9 investment expenses to be paid directly from the income or  
10 assets of these investments;

11 (2) individual, common or collective trust  
12 funds of banks or trust companies that invest in fixed-income  
13 securities or debt instruments that are listed in a nationally  
14 recognized, broad-market, fixed-income-securities market  
15 index; provided that the investment company or manager has  
16 total assets under management of at least one hundred million  
17 dollars (\$100,000,000) and provided that the board of finance  
18 of the county or municipality may allow reasonable  
19 administrative and investment expenses to be paid directly  
20 from the income or assets of these investments; or

21 (3) shares of pooled investment funds managed  
22 by the state investment officer, as provided in Subsection G  
23 of Section 6-8-7 NMSA 1978; provided that the board of finance  
24 of the county or municipality may allow reasonable  
25 administrative and investment expenses to be paid directly

. 140692. 1

underscored material = new  
[bracketed material] = delete

1 from the income or assets of these investments.

2 H. A local public body, with the advice and  
3 consent of the body charged with the supervision and control  
4 of the local public body's respective funds, has the power to  
5 invest all sinking funds or money remaining unexpended from  
6 the proceeds of any issue of bonds or other negotiable  
7 securities of the investor that is entrusted to the local  
8 public body's care and custody and all money not immediately  
9 necessary for the public uses of the investor and not  
10 otherwise invested or deposited [~~in banks, savings and loan~~  
11 ~~associations or credit unions~~] pursuant to other law in  
12 contracts with banks, savings and loan associations or credit  
13 unions for the present purchase and resale at a specified time  
14 in the future of specific securities at specified prices at a  
15 price differential representing the interest income to be  
16 earned by the investor. The contract shall be fully secured  
17 by obligations of the United States or other securities backed  
18 by the United States having a market value of at least one  
19 hundred two percent of the contract. The collateral required  
20 for investment in the contracts provided for in this  
21 subsection shall be shown on the books of the financial  
22 institution as being the property of the investor and the  
23 designation shall be contemporaneous with the investment. As  
24 used in this subsection, "local public body" includes all  
25 political subdivisions of the state and agencies,

. 140692. 1

underscored material = new  
[bracketed material] = delete

1 instrumentalities and institutions thereof; provided that home  
2 rule municipalities that prior to July 1, 1994 had enacted  
3 ordinances authorizing the investment of repurchase agreements  
4 may continue investment in repurchase agreements pursuant to  
5 those ordinances.

6 I. The state treasurer, with the advice and  
7 consent of the state board of finance, has the power to invest  
8 money held in demand deposits and not immediately needed for  
9 the operation of state government and money held in the short-  
10 term investment fund, except as provided in Section 6-10-10.1  
11 NMSA 1978. The investments shall be made only in securities  
12 that are issued by the United States government or by its  
13 departments or agencies and are either direct obligations of  
14 the United States or are backed by the full faith and credit  
15 of the United States government or agencies sponsored by the  
16 United States government.

17 J. The state treasurer may also invest in  
18 contracts for the present purchase and resale at a specified  
19 time in the future, not to exceed one year or, in the case of  
20 bond proceeds, not to exceed three years, of specific  
21 securities at specified prices at a price differential  
22 representing the interest income to be earned by the state.  
23 No such contract shall be invested in unless the contract is  
24 fully secured by obligations of the United States or other  
25 securities backed by the United States having a market value

. 140692. 1

underscored material = new  
[bracketed material] = delete

1 of at least one hundred two percent of the amount of the  
2 contract.

3 K. The state treasurer may also invest in  
4 contracts for the temporary exchange of state-owned securities  
5 for the use of broker-dealers, banks or other recognized  
6 institutional investors in securities, for periods not to  
7 exceed one year for a specified fee rate. No such contract  
8 shall be invested in unless the contract is fully secured by  
9 exchange of an irrevocable letter of credit running to the  
10 state, cash or equivalent collateral of at least one hundred  
11 two percent of the market value of the securities plus accrued  
12 interest temporarily exchanged.

13 L. The collateral required for either of the forms  
14 of investment in Subsection J or K of this section shall be  
15 delivered to the state fiscal agent or its designee  
16 contemporaneously with the transfer of funds or delivery of  
17 the securities at the earliest time industry practice permits,  
18 but in all cases, settlement shall be on a same-day basis.

19 M Neither of the contracts in Subsection J or K  
20 of this section shall be invested in unless the contracting  
21 bank, brokerage firm or recognized institutional investor has  
22 a net worth in excess of five hundred million dollars  
23 (\$500,000,000).

24 N. The state treasurer, with the advice and  
25 consent of the state board of finance, may also invest in any



underscored material = new  
[bracketed material] = delete

1 of the following investments in an amount not to exceed forty  
2 percent of any fund that the state treasurer invests:

3 (1) commercial paper rated "prime" quality by  
4 a national rating service, issued by corporations organized  
5 and operating within the United States;

6 (2) ~~medium~~-term notes and corporate notes  
7 with a maturity not exceeding five years that are rated A or  
8 its equivalent or better by a nationally recognized rating  
9 service and that are issued by a corporation organized and  
10 operating in the United States; or

11 (3) any asset-backed obligation with a  
12 maturity not exceeding five years that is rated AAA or its  
13 equivalent by a nationally recognized rating service.

14 0. The state treasurer, with the advice and  
15 consent of the state board of finance, may also invest in:

16 (1) shares of a diversified investment  
17 company registered pursuant to the federal Investment Company  
18 Act of 1940 that invests in United States fixed income  
19 securities or debt instruments authorized pursuant to  
20 Subsections I, J and N of this section, provided that the  
21 investment company has total assets under management of at  
22 least one hundred million dollars (\$100,000,000); or

23 (2) individual, ~~common~~ or collective trust  
24 funds of banks or trust companies that invest in United States  
25 fixed income securities or debt instruments authorized

underscored material = new  
[bracketed material] = delete

1 pursuant to Subsections I, J and N of this section, provided  
2 that the investment manager has assets under management of at  
3 least one hundred million dollars (\$100,000,000).

4 P. No public funds to be invested in negotiable  
5 securities or loans to financial institutions fully secured by  
6 negotiable securities at current market value shall be paid  
7 out unless there is a contemporaneous transfer of the  
8 securities at the earliest time industry practice permits, but  
9 in all cases, settlement shall be on a same-day basis either  
10 by physical delivery or, in the case of uncertificated  
11 securities, by appropriate book entry on the books of the  
12 issuer, to the purchaser or to a reputable third-party  
13 safekeeping financial institution acting as agent or trustee  
14 for the purchaser, which agent or trustee shall furnish timely  
15 confirmation to the purchaser. "

16 Section 2. Section 6-10-10.1 NMSA 1978 (being Laws 1988,  
17 Chapter 61, Section 2, as amended) is amended to read:

18 "6-10-10.1. SHORT-TERM INVESTMENT FUND CREATED--  
19 DISTRIBUTION OF EARNINGS--REPORT OF INVESTMENTS. --

20 A. There is created in the state treasury the  
21 "short-term investment fund". The fund shall consist of all  
22 deposits from governmental entities and Indian tribes or  
23 pueblos that are placed in the custody of the state treasurer  
24 for short-term investment purposes pursuant to this section.  
25 The state treasurer shall maintain a separate account for each

underscored material = new  
[bracketed material] = delete

1 governmental entity and Indian tribe or pueblo having deposits  
2 in the fund.

3 B. ~~[If any local public body is unable to receive~~  
4 ~~payment on public money at the rate of interest as set forth~~  
5 ~~in Section 6-10-36 NMSA 1978 from financial institutions~~  
6 ~~within the geographic boundaries of the governmental unit,~~  
7 ~~then]~~ A local public body finance official having money of  
8 ~~[that]~~ a local public body in his custody not required for  
9 current expenditure may, with the consent of the appropriate  
10 local board of finance, if any, remit some or all of such  
11 money to the state treasurer for deposit for the purpose of  
12 short-term investment as allowed by this section.

13 ~~[C.— Before any local funds are invested or~~  
14 ~~reinvested for the purpose of short-term investment pursuant~~  
15 ~~to this section, the local public body finance official shall~~  
16 ~~notify and make such funds available to banks, savings and~~  
17 ~~loan associations and credit unions located within the~~  
18 ~~geographical boundaries of their respective governmental unit,~~  
19 ~~subject to the limitation on credit union accounts. To be~~  
20 ~~eligible for such funds, the financial institution shall pay~~  
21 ~~to the local public body the rate established by the state~~  
22 ~~treasurer pursuant to a policy adopted by the state board of~~  
23 ~~finance for such short-term investments.~~

24 ~~D.]~~ C. The local public body finance official  
25 shall specify the length of time each deposit shall be in the

underscored material = new  
[bracketed material] = delete

1 short-term investment fund, but in any event the deposit shall  
2 not be made for more than one hundred eighty-one days. The  
3 state treasurer through the use of the state fiscal agent  
4 shall separately track each such deposit and shall make such  
5 information available to the public upon written request.

6 ~~[E.]~~ D. The state treasurer shall invest the  
7 short-term investment fund as provided for state funds under  
8 Section 6-10-10 NMSA 1978 in investments with a maturity at  
9 the time of purchase that does not exceed three hundred  
10 ninety-seven days. The state treasurer may elect to have the  
11 short-term investment fund consolidated for investment  
12 purposes with the state funds under the control of the state  
13 treasurer; provided that accurate and detailed accounting  
14 records are maintained for the account of each participating  
15 entity and Indian tribe or pueblo and that a proportionate  
16 amount of interest earned is credited to each of the separate  
17 government accounts. The fund shall be invested to achieve  
18 its objective, which is to realize the maximum return  
19 consistent with safe and prudent management.

20 ~~[F.]~~ E. At the end of each month, all net  
21 investment income or losses from investment of the short-term  
22 investment fund shall be distributed by the state treasurer to  
23 the contributing entities and Indian tribes or pueblos in  
24 amounts directly proportionate to the respective amounts  
25 deposited in the fund and the length of time the amounts in

underscored material = new  
[bracketed material] = delete

1 the fund were invested. The state treasurer shall charge  
2 participating entities, Indian tribes and pueblos reasonable  
3 audit, administrative and investment expenses to be paid  
4 directly from their net investment income for the investment  
5 and administrative services provided pursuant to this section.

6 ~~[G-]~~ F. As used in this section, "local public  
7 body" means any political subdivision of the state, including  
8 school districts and any post-secondary educational  
9 institution.

10 ~~[H-]~~ G. In addition to the deposit of funds of  
11 local public bodies, the state treasurer may also accept for  
12 deposit, deposit and account for, in the same manner as funds  
13 of local public bodies, funds of the following governmental  
14 entities if the governing authority of the entity approves by  
15 resolution the deposit of the funds for the short-term  
16 investment:

17 (1) the agricultural commodity commission  
18 established under the Agricultural Commodity Commission Act;

19 (2) the Albuquerque metropolitan arroyo flood  
20 control authority established under the Arroyo Flood Control  
21 Act;

22 (3) the business improvement district  
23 management committee established under the Business  
24 Improvement District Act;

25 (4) the New Mexico community development

underscored material = new  
[bracketed material] = delete

1 council established under the New Mexico Community Assistance  
2 Act;

3 (5) the governing authority of only special  
4 districts authorized under Chapter 73 NMSA 1978;

5 (6) the board of trustees established under  
6 the Economic Advancement District Act;

7 (7) the board of directors of a corporation  
8 or foundation established under the Educational Assistance  
9 Act;

10 (8) a board of directors established under  
11 the Flood Control District Act;

12 (9) the New Mexico hospital equipment loan  
13 council established under the Hospital Equipment Loan Act;

14 (10) the authority established under the  
15 Industrial and Agricultural Finance Authority Act;

16 (11) the authority established under the Las  
17 Cruces Arroyo Flood Control Act;

18 (12) the authority established under the  
19 Mortgage Finance Authority Act;

20 (13) the authority established under the  
21 Municipal Mortgage Finance Act;

22 (14) the authority established under the  
23 Public School Insurance Authority Act;

24 (15) the authority established under the  
25 Southern Sandoval County Arroyo Flood Control Act;

. 140692. 1

underscored material = new  
[bracketed material] = delete

1 (16) a board of trustees established under  
2 the Special Hospital District Act; and

3 (17) the authority established under the  
4 New Mexico Finance Authority Act.

5 [~~I.~~] H. In addition to the deposit of funds of  
6 local public bodies, the state treasurer may also accept for  
7 deposit and deposit and account for, in the same manner as  
8 funds of local public bodies, funds of any Indian tribe or  
9 pueblo in the state if authorized to do so under a joint  
10 powers agreement executed by the state treasurer and the  
11 governing authority of the Indian tribe or pueblo under the  
12 provisions of the Joint Powers Agreements Act. "

13 Section 3. Section 6-10-24 NMSA 1978 (being Laws 1939,  
14 Chapter 21, Section 1, as amended) is amended to read:

15 "6-10-24. DEPOSIT OF PUBLIC FUNDS IN FEDERALLY INSURED  
16 BANKS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS--  
17 CONDITIONS. --

18 A. The state treasurer, the [~~several~~] county and  
19 municipal treasurers, the treasurers of any public or  
20 educational institution in this state and the treasurers of  
21 all irrigation districts and conservancy districts may deposit  
22 public funds in any bank [~~of the state of~~] in New Mexico  
23 insured by the federal deposit insurance corporation up to the  
24 amount of the insurance or in any savings and loan association  
25 whose deposits are insured by the federal [~~savings and loan~~

underscored material = new  
[bracketed material] = delete

1 ~~insurance corporation]~~ savings association insurance fund up  
2 to the amount of the insurance or in any credit union whose  
3 deposits are insured by the national credit union  
4 administration up to the amount of the insurance, without  
5 requiring the bank, savings and loan association or credit  
6 union to qualify as a public depository by giving security as  
7 required by the laws of New Mexico relating to public money;  
8 provided, however, that a deposit made in any credit union  
9 shall not exceed that amount insured by an agency of the  
10 United States.

11 B. Except for deposits and investments allowed by  
12 other law, the ~~[several]~~ county and municipal treasurers and  
13 the treasurers of all irrigation districts and conservancy  
14 districts shall not make any deposits outside their respective  
15 political subdivisions.

16 C. All other boards of control handling public  
17 funds in any manner whatever may deposit the public funds in  
18 any banks in New Mexico insured by the federal deposit  
19 insurance corporation up to the amount of the insurance or in  
20 any savings and loan association whose deposits are insured by  
21 the federal savings and loan insurance corporation up to the  
22 amount of the insurance or in any credit union whose deposits  
23 are insured by the national credit union administration up to  
24 the amount of such insurance, without requiring the bank,  
25 savings and loan association or credit union to qualify as a



underscored material = new  
[bracketed material] = delete

1 public depository by giving security as required by the laws  
2 of New Mexico relating to public money; provided, however,  
3 that a deposit made in any credit union shall not exceed that  
4 amount insured by an agency of the United States. "

5 Section 4. Section 6-10-31 NMSA 1978 (being Laws 1929,  
6 Chapter 92, Section 1, as amended) is amended to read:

7 "6-10-31. INTEREST ON TIME DEPOSITS. -- Any board of  
8 finance may, whenever in its opinion such a course is  
9 advisable and the public money under its control, or any part  
10 thereof, will not be needed immediately for public purposes,  
11 place such funds on time deposit with a bank, savings and loan  
12 association or credit union whose deposits are insured by an  
13 agency of the United States, taking the certificate of deposit  
14 or other evidence of indebtedness of the bank, savings and  
15 loan association or credit union receiving the deposit;  
16 provided, however, that all such deposits shall be secured as  
17 provided by law. Except for deposits and investments allowed  
18 by other law, no county or municipal board of finance shall  
19 make any deposits outside of its county. "

20 Section 5. Section 6-10-36 NMSA 1978 (being Laws 1977,  
21 Chapter 136, Section 1, as amended) is amended to read:

22 "6-10-36. PUBLIC MONEY DEPOSITS OF CERTAIN GOVERNMENTAL  
23 UNITS-- DISTRIBUTION-- INTEREST. --

24 A. All public money, except that in the custody of  
25 the state treasurer, institutions of higher education,

underscored material = new  
[bracketed material] = delete

1 technical and vocational institutes, incorporated  
2 municipalities and counties which have adopted home rule  
3 charters as authorized by the constitution of New Mexico and  
4 local school boards which have been designated as boards of  
5 finance, shall be deposited in qualified depositories in  
6 accordance with the terms of this section or invested as  
7 otherwise provided by law.

8 B. Deposits of funds of a governmental unit may be  
9 made in noninterest-bearing checking accounts in one or more  
10 banks or savings and loan associations designated as checking  
11 depositories located within the geographical boundaries of the  
12 governmental unit. In addition, deposits of funds may be in  
13 noninterest-bearing accounts in one or more credit unions  
14 designated as checking depositories located within the  
15 geographical boundaries of the governmental unit to the extent  
16 the deposits are insured by an agency of the United States.  
17 If there is no checking depository within the geographical  
18 boundaries of the governmental unit, one or more banks,  
19 savings and loan associations or credit unions within the  
20 county in which the principal office of the governmental unit  
21 is located may be so designated [~~provided any~~] but credit  
22 union deposits [~~are~~] must be insured by an agency of the  
23 United States.

24 C. Except for deposits and investments made  
25 pursuant to other law, public money placed in interest-bearing

underscored material = new  
[bracketed material] = delete

1 deposits in banks and savings and loan associations shall be  
2 equitably distributed among all banks and savings and loan  
3 associations ~~having~~ that have their main or manned branch  
4 offices within the geographical boundaries of the governmental  
5 unit ~~which~~ and that have qualified as public depositories by  
6 reason of insurance of the account by an agency of the United  
7 States or by depositing collateral security or by giving bond  
8 as provided by law in the proportion that each bank's or  
9 savings and loan association's net worth bears to the total  
10 net worth of all banks and savings and loan associations  
11 having their main office or manned branch office within the  
12 geographical boundaries of the governmental unit. The net  
13 worth of the main office of a savings and loan association and  
14 its manned branch offices within the geographical boundaries  
15 of a governmental unit is the total net worth of the  
16 association multiplied by the percentage that deposits of the  
17 main office and the manned branch offices located within the  
18 geographical boundaries of the governmental unit are of the  
19 total deposits of the association. The net worth of each  
20 manned branch office or aggregate of manned branch offices of  
21 a savings and loan association located outside the  
22 geographical boundaries of the governmental unit in which the  
23 main office is located is the total net worth of the  
24 association multiplied by the percentage that deposits of the  
25 branch or the aggregate of branches located outside the

underscored material = new  
[bracketed material] = delete

1 geographical boundaries of the governmental unit in which the  
2 main office is located are of the total deposits of the  
3 association. The director of the financial institutions  
4 division of the regulation and licensing department shall  
5 promulgate a formula for determining the net worth of banks'  
6 main offices and branches for the purposes of distribution of  
7 public money as provided for by this section. "Net worth"  
8 means the assets less liabilities as reported by those banks  
9 and savings and loan associations on their most recent  
10 semiannual reports to the state or federal supervisory  
11 authority having jurisdiction.

12 D. Public money may be placed at the discretion of  
13 the designated board of finance or treasurer in interest-  
14 bearing deposits in credit unions having their main or manned  
15 branch offices within the geographical boundaries of the  
16 governmental unit to the extent [~~such~~] the deposits are  
17 insured by an agency of the United States.

18 E. The rate of interest for all public money  
19 deposited in interest-bearing accounts in banks, savings and  
20 loan associations and credit unions shall be set by the state  
21 board of finance, but in no case shall the rate of interest be  
22 less than one hundred percent of the asked price on United  
23 States treasury bills of the same maturity on the day of  
24 deposit. Any bank or savings and loan association that fails  
25 to pay the minimum rate of interest at the time of deposit

underscored material = new  
[bracketed material] = delete

1 provided for herein for any respective deposit forfeits its  
2 right to an equitable share of that deposit under this  
3 section.

4 If the deposit is part or all of the proceeds of a bond  
5 issue and the interest rate prescribed in this subsection  
6 materially exceeds the rate of interest of the bonds, the  
7 interest rate prescribed by this subsection shall be reduced  
8 on that deposit to an amount not materially exceeding the  
9 interest rate of the bonds if the bond issue would lose its  
10 tax exempt status pursuant to the provisions of the Internal  
11 Revenue Code of 1986, as amended.

12 F. Public money in excess of that for which banks,  
13 savings and loan associations and credit unions within the  
14 geographical boundaries of the governmental unit have  
15 qualified ~~may~~ be deposited in qualified depositories in other  
16 areas within the state under the same requirements for payment  
17 of interest as if the money were deposited within the  
18 geographical boundaries of the governmental unit or ~~may~~ be  
19 invested as provided by law.

20 G. The department of finance and administration  
21 ~~may monitor~~ the deposits of public money by governmental  
22 units to [~~assure~~] ensure full compliance with the provisions  
23 of this section. "