

HOUSE BILL No. 2914

By Committee on Federal and State Affairs

2-25

9 AN ACT concerning investment of certain public moneys; amending
10 K.S.A. 12-1675 and repealing the existing section.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 12-1675 is hereby amended to read as follows: 12-
14 1675. (a) The governing body of any county, city, township, school district,
15 area vocational-technical school, community college, firemen's relief as-
16 sociation, community mental health center, community facility for the
17 mentally retarded or any other governmental entity, unit or subdivision
18 in the state of Kansas having authority to receive, hold and expend public
19 moneys or funds may invest any moneys which are not immediately re-
20 quired for the purposes for which the moneys were collected or received,
21 and the investment of which is not subject to or regulated by any other
22 statute.

23 (b) Such moneys shall be invested only:

24 (1) In temporary notes or no-fund warrants issued by such investing
25 governmental unit;

26 (2) in time deposit, open accounts, certificates of deposit or time cer-
27 tificates of deposit with maturities of not more than two years, *except that*
28 *moneys collected or received for specific purposes may be invested for*
29 *such longer period as required for such purposes:* (A) In banks, savings
30 and loan associations and savings banks, which have main or branch of-
31 fices located in such investing governmental unit; or (B) if no main or
32 branch office of a bank, savings and loan association or savings bank is
33 located in such investing governmental unit, then in banks, savings and
34 loan associations and savings banks, which have main or branch offices in
35 the county or counties in which all or part of such investing governmental
36 unit is located;

37 (3) in repurchase agreements with: (A) Banks, savings and loan as-
38 sociations and savings banks, which have main or branch offices located
39 in such investing governmental unit, for direct obligations of, or obliga-
40 tions that are insured as to principal and interest by, the United States
41 government or any agency thereof; or (B) (i) if no main or branch office
42 of a bank, savings and loan association or savings bank, is located in such
43 investing governmental unit; or (ii) if no such bank, savings and loan

1 association or savings bank having a main or branch office located in such
2 investing governmental unit is willing to enter into such an agreement
3 with the investing governmental unit at an interest rate equal to or greater
4 than the investment rate, as defined in subsection (g) of K.S.A. 12-1675a,
5 *and amendments thereto*, then such repurchase agreements may be en-
6 tered into with banks, savings and loan associations or savings banks which
7 have main or branch offices in the county or counties in which all or part
8 of such investing governmental unit is located; or (C) if no bank, savings
9 and loan association or savings bank, having a main or branch office in
10 such county or counties is willing to enter into such an agreement with
11 the investing governmental unit at an interest rate equal to or greater
12 than the investment rate, as defined in subsection (g) of K.S.A. 12-1675a,
13 *and amendments thereto*, then such repurchase agreements may be en-
14 tered into with banks, savings and loan associations or savings banks;

15 (4) in United States treasury bills or notes with maturities as the gov-
16 erning body shall determine, but not exceeding two years, *except that*
17 *moneys collected or received for specific purposes may be invested for*
18 *such longer period as required for such purposes*. Such investment trans-
19 actions shall only be conducted with banks, savings and loan associations
20 and savings banks; the federal reserve bank of Kansas City, Missouri; or
21 with primary government securities dealers which report to the market
22 report division of the federal reserve bank of New York, or any broker-
23 dealer engaged in the business of selling government securities which is
24 registered in compliance with the requirements of section 15 or 15C of
25 the securities exchange act of 1934 and registered pursuant to K.S.A. 17-
26 1254, and amendments thereto;

27 (5) in the municipal investment pool fund established in K.S.A. 12-
28 1677a, and amendments thereto;

29 (6) in the investments authorized and in accordance with the condi-
30 tions prescribed in K.S.A. 12-1677b, and amendments thereto; or

31 (7) in multiple municipal client investment pools managed by the
32 trust departments of banks which have main or branch offices located in
33 the county or counties where such investing governmental unit is located
34 or with trust companies incorporated under the laws of this state which
35 have contracted to provide trust services under the provisions of K.S.A.
36 9-2107, and amendments thereto, with banks which have main or branch
37 offices located in the county or counties in which such investing govern-
38 mental unit is located. Public moneys invested under this paragraph shall
39 be secured in the same manner as provided for under K.S.A. 9-1402, and
40 amendments thereto. Pooled investments of public moneys made by trust
41 departments under this paragraph shall be subject to the same terms,
42 conditions and limitations as are applicable to the municipal investment
43 pool established by K.S.A. 12-1677a, and amendments thereto.

1 (c) The investments authorized in paragraphs (4), (5), (6) or (7) of
2 subsection (b) shall be utilized only if the banks, savings and loan asso-
3 ciations and savings banks eligible for investments authorized in para-
4 graph (2) of subsection (b), cannot or will not make the investments au-
5 thorized in paragraph (2) of subsection (b) available to the investing
6 governmental unit at interest rates equal to or greater than the investment
7 rate, as defined in subsection (g) of K.S.A. 12-1675a, *and amendments*
8 *thereto*.

9 (d) In selecting a depository pursuant to paragraph (2) of subsection
10 (b), if a bank, savings and loan association or savings bank eligible for an
11 investment deposit thereunder has an office located in the investing gov-
12 ernmental unit and such financial institution will make such deposits avail-
13 able to the investing governmental unit at interest rates equal to or greater
14 than the investment rate, as defined in subsection (g) of K.S.A. 12-1675a,
15 *and amendments thereto*, and such financial institution otherwise qualifies
16 for such deposit, the investing governmental unit shall select one or more
17 of such eligible financial institutions for deposit of funds pursuant to this
18 section. If no such financial institution qualifies for such deposits, the
19 investing governmental unit shall select for such deposits one or more
20 eligible banks, savings and loan associations or savings banks which have
21 offices in the county or counties in which all or a part of such investing
22 governmental unit is located which will make such deposits available to
23 the investing governmental unit at interest rates equal to or greater than
24 the investment rate, as defined in subsection (g) of K.S.A. 12-1675a, *and*
25 *amendments thereto*, and which otherwise qualify for such deposits.

26 (e) (1) All security purchases and repurchase agreements shall occur
27 on a delivery versus payment basis.

28 (2) All securities, including those acquired by repurchase agreements,
29 shall be perfected in the name of the investing governmental unit and
30 shall be delivered to the purchaser or a third-party custodian which may
31 be the state treasurer.

32 Sec. 2. K.S.A. 12-1675 is hereby repealed.

33 Sec. 3. This act shall take effect and be in force from and after its
34 publication in the Kansas register.