

Investment of Public Moneys—Federal Agency Securities; HB 2312

HB 2312 amends a statute governing the investment of public moneys by local units of government to add federal agency securities, excluding mortgage-backed securities, to the list of authorized investment options.

Under continuing law, local units of governments are permitted to invest idle funds, when eligible financial institutions cannot or will not accept the funds at a rate equal to or greater than the investment rate, in any of the following investment options: U.S. Treasury bills or notes with maturities that do not exceed two years; the Municipal Investment Pool Fund; direct investments authorized for cities, counties, and school districts; multiple municipal client investment pools managed by trust departments of banks; and municipal bonds or other obligations issued by municipalities. The bill amends the provision authorizing investment in U.S. Treasury bills or notes to specify federal agency securities, excepting mortgage-backed securities, with maturities that do not exceed two years in this list of permissible investment options.