Investment Statutes

SECTION 11-9-660. Investment of State Funds.

A. The State Treasurer has full power to invest and reinvest all funds of the State in any of the following:

1. Obligations of the United States, its agencies and instrumentalities;

2. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank and the Asian Development Bank;

3. Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two (2) nationally recognized rating services;

4. Certificates of deposit, if the certificates are secured collaterally by securities of the types described in items (1) and (3) of this section and held by a third party as an escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;

5. Repurchase agreements, if collateralized by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

6. Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services.

B. The State Treasurer may contract to lend securities invested pursuant to this section.

C. The State Treasurer shall not invest in obligations issued by any country or corporation principally located in any country which the United States Department of State determines commits major human rights violation based on the Country Reports on Human Rights Practices by the Bureau of Democracy, Human Rights and Labor of the U.S. Department of State.

SECTION 11-13-60. Collateral instead of indemnity bond of depository.

A bank or savings and loan association, upon the deposit of state funds by the State Treasurer in excess of insurance coverage by the Federal Deposit Insurance Corporation, shall furnish an indemnity bond in a responsible surety company authorized to do business in this State in an amount that will protect the State against loss in the event of insolvency or liquidation of the institution or for any other cause. A bank or savings and loan association, in lieu of the indemnity bond, may pledge as collateral for the deposits, obligations of the United States, obligations fully guaranteed both as to principal and interest by the United States, obligations of the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation, or general obligations of this State or any political subdivision of it. The State Treasurer shall exercise prudence in accepting the securities listed as collateral. The surety or collateral must be filed with the State Treasurer at time of deposit.