

JAN 19 2007

A BILL FOR AN ACT

RELATING TO SHORT TERM INVESTMENT OF COUNTY MONEYS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 46-50, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§46-50 Short term investment of county moneys.** The
4 director of finance of each county may, with the approval of the
5 legislative body, invest county moneys which are in excess of
6 the amounts necessary for the meeting of immediate requirements
7 when in the judgment of the legislative body the action will not
8 impede or hamper the necessary financial operations of the
9 county in:

10 (1) Bonds or interest-bearing notes or obligations:

11 (A) Of the county;

12 (B) Of the State;

13 (C) Of the United States; or

14 (D) Of agencies of the United States;

15 for which the full faith and credit of the United

16 States are pledged for the payment of principal and

17 interest;

18 (2) Federal land bank bonds;



- 1 (3) Joint stock farm loan bonds;
- 2 (4) Federal Home Loan Bank notes and bonds;
- 3 (5) Federal Home Loan Mortgage Corporation bonds;
- 4 (6) Federal National Mortgage Association notes and bonds;
- 5 (7) Securities of a mutual fund whose portfolio is limited
- 6 to bonds or securities issued or guaranteed by the
- 7 United States or an agency thereof;
- 8 (8) Repurchase agreements fully collateralized by any such
- 9 bonds or securities;
- 10 (9) Bank savings accounts;
- 11 (10) Time certificates of deposit;
- 12 (11) Certificates of deposit open account;
- 13 (12) Bonds of any improvement district of any county of the
- 14 State;
- 15 (13) Bank, savings and loan association, and financial
- 16 services loan company repurchase agreements;
- 17 (14) Student loan resource securities including:
- 18 (A) Student loan auction rate securities;
- 19 (B) Student loan asset-backed notes;
- 20 (C) Student loan program revenue notes and bonds; and



1 (D) Securities issued pursuant to Rule 144A of the
2 Securities Act of 1933, including any private
3 placement issues;
4 issued with either bond insurance or
5 overcollateralization guaranteed by the United States
6 Department of Education; provided all insurers
7 maintain a triple-A rating by Standard & Poor's,
8 Moody's, Duff & Phelps, Fitch, or any other major
9 national securities rating agency;
10 (15) Commercial paper with an A1/P1 or equivalent rating by
11 any national securities rating service; and
12 (16) Bankers' acceptances with an A1/P1 or equivalent
13 rating by any national securities rating service;
14 provided the investments are due to mature not more than five
15 years from the date of investment. The income derived therefrom
16 shall be deposited in the fund or funds that the legislative
17 body shall direct, provided that if any money invested under
18 this section belongs to any waterworks fund, then any income
19 derived therefrom shall be paid into and credited to the fund."
20 SECTION 2. New statutory material is underscored.



Report Title:

Short Term Investment; County Moneys

Description:

Expands short term investment of county moneys to include commercial paper and bankers' acceptances.

