

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

528S0224

SENATE BILL NO. 68

Introduced by: Senators Gray, Holien, Lederman, and Tieszen and Representatives Turbiville and Perry

1 FOR AN ACT ENTITLED, An Act to authorize investment of certain public funds in bonds
2 issued by political subdivisions or agencies of the state.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 4-5 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 In addition to the investments permitted by § 4-5-6, any public funds which will not be
7 needed for current operating expenses may be invested in interest bearing bonds of any political
8 subdivision or agency of the state, whether the interest earned on the bonds are taxable or
9 tax-exempt under federal law. The bonds shall be registered in the name of the political
10 subdivision or agency or held under a custodial agreement at a bank. The bonds shall be rated
11 at the time of purchase within the three highest general classifications established by a rating
12 service of nationally recognized expertise in rating bonds of states and their political
13 subdivisions.

14 Section 2. That § 13-16-18 be amended to read as follows:

15 13-16-18. All accumulations in all school district funds shall be deposited in lawful



1 depositories in checking accounts, savings accounts, or time deposits, or invested, except as
2 hereinafter limited, in bonds, registered warrants, or promissory notes of the school district
3 making ~~such the~~ investment, bonds authorized by section 1 of this Act, or securities issued and
4 guaranteed by the United States government. The interest accruing on ~~such the~~ investment or
5 deposit shall be credited to the respective fund or the general fund.

6 Moneys in any bond redemption fund may be invested only in ~~such of the above listed~~ types
7 of securities listed in this section as will become due and payable on or before the date when the
8 bonds for the payment of which ~~such the~~ bond redemption fund was created become due and
9 payable, except bonds of the United States redeemable at par.

10 In carrying out the provisions of this section, all transactions shall be by resolutions of the
11 board, which resolutions shall be regularly filed and recorded with the business manager as a
12 public record.