

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1999

SESSION LAW 1999-74  
SENATE BILL 417

AN ACT TO AUTHORIZE THE USE OF LETTERS OF CREDIT FROM A  
FEDERAL HOME LOAN BANK AS COLLATERAL FOR DEPOSITS OF  
LOCAL GOVERNMENTS AND PUBLIC AUTHORITIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 159-31(b) reads as rewritten:

"(b) The amount of funds on deposit in an official depository or deposited at interest pursuant to G.S. 159-30(b) shall be secured by deposit insurance, surety bonds, letters of credit issued by a Federal Home Loan Bank, or investment securities of such nature, in a sufficient amount to protect the local government or public authority on account of deposit of funds made therein, and in such manner, as may be prescribed by rule or regulation of the Local Government Commission. When deposits are secured in accordance with this subsection, no public officer or employee may be held liable for any losses sustained by a local government or public authority because of the default or insolvency of the depository. No security is required for the protection of funds remitted to and received by a bank, savings and loan association, or trust company acting as fiscal agent for the payment of principal and interest on bonds or notes, when the funds are remitted no more than 60 days prior to the maturity date."

Section 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 12th day of May, 1999.

s/ Dennis A. Wicker  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ James B. Hunt, Jr.  
Governor

Approved 9:20 a.m. this 21st day of May, 1999