

- 1 2. The selected bank or savings and loan association
2 arranges for the deposit of funds in certificates of deposit
3 for the account of the State in one or more federally
4 insured banks or savings and loan associations wherever
5 located, provided that no funds shall be deposited in a
6 bank or savings and loan association that at the time
7 holds other deposits from the State.
- 8 3. The full amount of principal and any accrued interest of
9 each certificate of deposit are covered by federal deposit
10 insurance.
- 11 4. The selected bank or savings and loan association acts as
12 custodian for the State with respect to the certificates of
13 deposit issued for the State's account.
- 14 5. At the same time that the State funds are deposited and
15 the certificates of deposit are issued, the selected bank or
16 savings and loan association receives an amount of
17 deposits from customers of other federally insured
18 financial institutions wherever located equal to or greater
19 than the amount of the funds invested by the State
20 through the selected bank or savings and loan
21 association."

22 **SECTION 2.** G.S. 159-30 is amended by adding the following new
23 subsection to read:

24 "(b1) In addition to deposits authorized by subsection (b) of this section, the
25 finance officer may deposit any portion of idle funds in accordance with all of the
26 following conditions:

- 27 (1) The funds are initially deposited through a bank or savings and loan
28 association that is an official depository and that is selected by the
29 finance officer.
- 30 (2) The selected bank or savings and loan association arranges for the
31 deposit of funds in certificates of deposit for the account of the local
32 government or public authority in one or more federally insured banks
33 or savings and loan associations wherever located, provided that no
34 funds shall be deposited in a bank or savings and loan association that
35 at the time holds other deposits from the local government or public
36 authority.
- 37 (3) The full amount of principal and any accrued interest of each
38 certificate of deposit are covered by federal deposit insurance.
- 39 (4) The selected bank or savings and loan association acts as custodian for
40 the local government or public authority with respect to the certificates
41 of deposit issued for the local government's or public authority's
42 account.
- 43 (5) At the same time that the local government or public authority funds
44 are deposited and the certificates of deposit are issued, the selected

1 bank or savings and loan association receives an amount of deposits
2 from customers of other federally insured financial institutions
3 wherever located equal to or greater than the amount of the funds
4 invested by the local government or public authority through the
5 selected bank or savings and loan association."

6 **SECTION 3.** G.S. 115D-58.6(b) reads as rewritten:

7 "(b) Moneys may be deposited at interest in any bank, savings and loan
8 association or trust company in this State in the form of certificates of deposit or such
9 other forms of time deposits as may be approved for county governments. In addition,
10 moneys may be deposited in the form of certificates of deposit as provided for a local
11 government or public authority in G.S. 159-30(b1). Investment deposits shall be secured
12 as provided in G.S. 159-31(b)."

13 **SECTION 4.** This act becomes effective October 1, 2005.