

## Arkansas Code

### Title 19: Public Finance

#### Chapter 8: Depositories for Public Funds

##### § 19-8-111. Additional Authority for Investment of Public Funds.

(a) Notwithstanding any law to the contrary, including §§ 19-8-103 and 19-8-105, the state or local government and any trusts established under the Local Government Joint Investment Trust Act, § 19-8-301 et seq., may invest public funds through an eligible bank under § 19-8-105 if:

(1) The bank arranges for the deposit of all or a portion of the funds into one (1) or more banks or savings and loan associations located inside the United States for the account of the state or local government or trust;

(2) Each deposit is insured by the Federal Deposit Insurance Corporation for one hundred percent (100%) of the principal and accrued interest of the deposit;

(3) The bank acts as custodian of the deposits made for the account of the state or local government or trust and, as custodian, is charged with the care of the deposits and their segregation in appropriate records reflecting the total principal amount of the deposits for each custodial account; and

(4) On the date the funds are deposited according to subdivision (a)(1) of this section, the bank receives an amount of deposits from customers of other financial institutions located inside the United States that is equal to or greater than the amount of the funds invested by the state or local government or trust.<sup>1</sup>

(b) For any investment of public funds under this section, the provisions of §§ 19-8-106 and 19-8-107 apply only to the eligible bank selected under subsection (a) of this section.

(c) Additional security shall not be required for investments of public funds under this section.

(d) As used in this section, "local government" means any city, county, town, or other political subdivision of the State of Arkansas, including, but not limited to, any:

(1) School district or community college district;

(2) Improvement or other taxing or assessing district;

(3) Department, instrumentality, or agency of any city, county, or other political subdivision, including, but not limited to, any local fire and police pension or relief funds; and

(4) Local government association as defined in § 19-8-303.

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<sup>1</sup> Highlight added editorially; participating banks should take note that the rule requires the bank to take reciprocal deposits in order to qualify under these provisions.