

REFERENCE TITLE: eligible depositories; public monies

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1293

Introduced by
Senator Gorman

AN ACT

AMENDING SECTION 35-312, ARIZONA REVISED STATUTES; RELATING TO STATE
MANAGEMENT OF PUBLIC MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-312, Arizona Revised Statutes, is amended to
3 read:

4 35-312. Eligible depositories; collateral

5 A. Any eligible depository that receives an investment or any deposit
6 of treasury monies in excess of the amount insured by an instrumentality of
7 the United States shall collateralize those deposits with any of the
8 following:

9 1. Securities listed in section 35-313, subsection A, paragraphs 1 and
10 3.

11 2. State treasurer's warrant notes.

12 3. The safekeeping receipt of a federal reserve bank or any bank
13 located in a reserve city, or any bank authorized to do business in this
14 state, whose combined capital, surplus and outstanding capital notes and
15 debentures on the date of the safekeeping receipt are one hundred million
16 dollars or more, evidencing the deposit therein of any securities or
17 instruments described in this section. A safekeeping receipt shall not
18 qualify as security, if issued by a bank to secure its own public deposits,
19 unless issued directly through its trust department. The safekeeping receipt
20 shall show upon its face that it is issued for the account of the state
21 treasurer and shall be delivered to the state treasurer.

22 B. The securities, warrants or safekeeping receipt for those items
23 shall be accepted at market value equal to one hundred ~~two~~ per cent of the
24 deposit liability to the state treasurer, and, if at any time their market
25 value becomes less than one hundred ~~two~~ per cent of the deposit liability to
26 the state treasurer, additional items required to guarantee deposits shall be
27 deposited immediately with the state treasurer by the eligible depository.
28 When items pledged as collateral mature or are called for redemption, the
29 cash received for the item shall be held in place of the items until the
30 eligible depository has obtained a written release or provided substitute
31 securities, instruments or warrants.

32 C. The deposit of securities, warrants or a safekeeping receipt must
33 be such that the eligible depository will promptly pay to the state treasurer
34 monies in its custody, upon lawful demand, and will, when required by law,
35 pay the monies to the state treasurer.

36 D. The securities, warrants or safekeeping receipt of an eligible
37 depository shall be deposited with the state treasurer, and the state
38 treasurer is the custodian of those items. The state treasurer may then
39 deposit with the eligible depository monies then in his possession in
40 accordance with this article.

41 E. Eligible depositories shall report to the state treasurer monthly
42 and upon demand the par and market value of any pledged collateral and the
43 total deposits of the state treasurer.