

ACT 24

H.B. NO. 421

A Bill for an Act Relating to Short Term Investment of County Moneys.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 46-50, Hawaii Revised Statutes, is amended to read as follows:

**“§46-50 Short term investment of county moneys.** The director of finance of each county may, with the approval of the legislative body, invest county moneys ~~[which]~~ that are in excess of the amounts necessary for the meeting of immediate requirements when in the judgment of the legislative body the action will not impede or hamper the necessary financial operations of the county in:

- (1) Bonds or interest-bearing notes or obligations:
  - (A) Of the county;
  - (B) Of the State;
  - (C) Of the United States; or
  - (D) Of agencies of the United States[;] for which the full faith and credit of the United States are pledged for the payment of principal and interest;
- (2) Federal land bank bonds;
- (3) Joint stock farm loan bonds;
- (4) Federal Home Loan Bank notes and bonds;
- (5) Federal Home Loan Mortgage Corporation bonds;
- (6) Federal National Mortgage Association notes and bonds;
- (7) Securities of a mutual fund whose portfolio is limited to bonds or securities issued or guaranteed by the United States or an agency thereof;
- (8) Repurchase agreements fully collateralized by any such bonds or securities;
- (9) Bank savings accounts;
- (10) Time certificates of deposit;
- (11) Certificates of deposit open account;
- (12) Bonds of any improvement district of any county of the State;
- (13) Bank, savings and loan association, and financial services loan company repurchase agreements;
- (14) Student loan resource securities including:
  - (A) Student loan auction rate securities;

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- (B) Student loan asset-backed notes;
- (C) Student loan program revenue notes and bonds; and
- (D) Securities issued pursuant to Rule 144A of the Securities Act of 1933, including any private placement issues; issued with either bond insurance or overcollateralization guaranteed by the United States Department of Education; provided all insurers maintain a triple-A rating by Standard & Poor's, Moody's, Duff & Phelps, Fitch, or any other major national securities rating agency;
- (15) Commercial paper with an A1/P1 or equivalent rating by any national securities rating service; and
- (16) Bankers' acceptances with an A1/P1 or equivalent rating by any national securities rating service;

provided the investments are due to mature not more than five years from the date of investment. The income derived therefrom shall be deposited in the fund or funds that the legislative body shall direct[.]; provided that if any money invested under this section belongs to any waterworks fund, then any income derived therefrom shall be paid into and credited to the fund.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 18, 2007.)