

HOUSE RESEARCH

Bill Summary

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Overview

The state Executive Council (the five constitutional officers) is required to designate financial institutions as depositories to receive state funds. State depositories are required to file a corporate security bond, or alternative collateral, with the Commissioner of Management and Budget to secure state funds. This bill modifies the surety bond requirements for these depositories. Under the bill, security bonds or alternative collateral would be required only to the extent that state deposits exceed deposit insurance coverage.

- 1 Deposits exceeding deposit insurance coverage.** Provides that the requirement for a corporate security bond for state depositories applies only to the extent that funds on deposit at the close of a banking day exceed applicable deposit insurance coverage.
- 2 Maximum deposit.** Amends the subdivision governing maximum deposits to reflect the concept that bonds are required only to the extent that state deposits exceed deposit insurance.