

STATE OF NEW YORK

11119

IN ASSEMBLY

June 6, 2018

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Weinstein)
-- read once and referred to the Committee on Ways and Means

AN ACT to amend the general municipal law, in relation to the amount of dollars that may be invested in the obligations of any corporation, bank, trust company or agency

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Clauses (ii), (iii), (iv) and (v) of subparagraph 2 of
2 paragraph a of subdivision 3 of section 11 of the general municipal law,
3 clauses (ii), (iii) and (iv) as amended by section 1 of part W of chap-
4 ter 406 of the laws of 1999, and clause (v) as added by chapter 545 of
5 the laws of 2005, are amended to read as follows:

6 (ii) obligations of any corporation organized under the laws of any
7 state in the United States maturing within two hundred seventy days,
8 provided that such obligations receive the highest rating of two inde-
9 pendent rating services designated by the state comptroller and that the
10 issuer of such obligations has maintained such ratings on similar obli-
11 gations during the preceding six months, provided, however, that the
12 issuer of such obligations need not have received such rating during the
13 prior six month period if such issuer has received the highest rating of
14 two independent rating services designated by the state comptroller and
15 is the successor or wholly owned subsidiary of an issuer that has main-
16 tained such ratings on similar obligations during the preceding six
17 month period or if the issuer is the product of a merger of two or more
18 issuers, one of which has maintained such ratings on similar obligations
19 during the preceding six month period, provided, however, that no more
20 than [~~two hundred fifty~~] **five hundred** million dollars may be invested in
21 such obligations of any one corporation; or

22 (iii) bankers' acceptances maturing within two hundred seventy days
23 which are eligible for purchase in the open market by federal reserve
24 banks and which have been accepted by a bank or trust company which is
25 organized under the laws of the United States or of any state thereof
26 and which is a member of the federal reserve system and whose short-term
27 obligations meet the criteria outlined in clause (ii) of this subpara-

EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 graph. Provided, however, that no more than [~~two hundred fifty~~] five
2 hundred million dollars may be invested in such bankers' acceptances of
3 any one bank or trust company; or

4 (iv) obligations of, or instruments issued by or fully guaranteed as
5 to principal and interest by, any agency or instrumentality of the
6 United States acting pursuant to a grant of authority from the congress
7 of the United States, including but not limited to, any federal home
8 loan bank or banks, the Tennessee valley authority, the federal national
9 mortgage association, the federal home loan mortgage corporation and the
10 United States postal service, provided, however, that no more than [~~two~~
11 ~~hundred fifty~~] five hundred million dollars may be invested in such
12 obligations of any one agency.

13 (v) no-load money market mutual funds registered under the Securities
14 Act of 1933, as amended, and operated in accordance with Rule 2a-7 of
15 the Investment Company Act of 1940, as amended, provided that such funds
16 are limited to investments in obligations issued or guaranteed by the
17 United States of America or in obligations of agencies or instrumentalities
18 of the United States of America where the payment of principal and
19 interest are guaranteed by the United States of America (including
20 contracts for the sale and repurchase of any such obligations), and are
21 rated in the highest rating category by at least one nationally recognized
22 statistical rating organization, provided, however, that no more
23 than [~~two hundred fifty~~] five hundred million dollars may be invested in
24 such funds.

25 § 2. This act shall take effect immediately, provided, however, that
26 the amendments to subparagraph (2) of paragraph a of subdivision 3 of
27 section 11 of the general municipal law made by section one of this act,
28 shall not affect the expiration of such subdivision and shall expire and
29 be deemed repealed therewith.