

# HOUSE . . . . . No. 2861

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## The Commonwealth of Massachusetts

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PRESENTED BY:

*David M. Nangle*

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act reforming certain state laws regarding public deposits.

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PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>David M. Nangle</i>	<i>17th Middlesex</i>	
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>	<i>1/17/2013</i>

# HOUSE . . . . . No. 2861

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By Mr. Nangle of Lowell, a petition (accompanied by bill, House, No. 2861) of David M. Nangle and Thomas A. Golden, Jr. for legislation to further regulate deposits of certain public funds. State Administration and Regulatory Oversight.

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Thirteen  
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An Act reforming certain state laws regarding public deposits.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1:- Section 34 of Chapter 29 the General Laws as appearing in the 2010  
2 Official Edition and as most recently amended by section 112 of Chapter 165 of the Acts of  
3 2012, is hereby amended by inserting at the end of the first sentence the following:-

4           provided that, a portion of such monies may be deposited as provided subsection (d).

5           SECTION 2:- Section 34 of said Chapter 29 is hereby further amended by inserting after  
6 paragraph (c) the following paragraph:-

7           (d) A portion of the public monies referred to in subsection (a) may be deposited in  
8 accordance with the following conditions:

9           (1) the funds are initially invested through a banking institution as defined in Chapter  
10 167A doing business in the commonwealth that is insured by the Federal Deposit Insurance  
11 Corporation and is selected by the treasurer;

12           (2) the selected banking company arranges for the redeposit of the funds in deposit  
13 accounts in one or more banks or savings and loan associations wherever located; and

14           (3) the full amount or principal and any accrued interest of each such deposit account is  
15 insured by the Federal Deposit Insurance Corporation.

16           SECTION 3:- Chapter 35 of the General Laws, as appearing in the 2010 Official Edition  
17 is hereby amended by striking section 22 and inserting in place thereof the following section:-

18 Except as otherwise provided, county treasurers, clerks of the courts, clerks of the district  
19 courts, sheriffs and superintendents of jails and houses of correction, probation officers, registers  
20 of probate and insolvency and register of deeds, having more money in their hands than is  
21 required for immediate use, shall deposit it, in their official names, in national banks, trust  
22 companies, savings banks, co-operative banks, federal savings banks or banking companies,  
23 lawfully doing business in the Commonwealth and qualified to receive demand deposits under  
24 the provisions of section 6 A of chapter 172 A, at the best practicable interest rates. County  
25 treasurers may also deposit in time deposits in such national banks, trust companies, savings  
26 banks, co-operative banks, federal savings banks or banking companies, and invest in United  
27 State treasury bills. Interest thereon shall be paid to the county, except that interest accruing to  
28 deposits by registers of probate and clerks of courts shall be paid to the Commonwealth;  
29 provided, that interest accruing on the deposit as aforesaid of any money paid to any official  
30 mentions in this section which is so paid under order of a court or which is otherwise subject to  
31 the direction of a court shall, if the court so directs, be paid to the parties entitled to the principal  
32 fund of such deposit.

33 SECTION 4:- Section 4 of Chapter 40G of the General Laws is hereby amended by  
34 striking out the second paragraph and inserting in place thereof the following paragraph:-  
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36 Unless otherwise specified, all moneys of the MTDC from whatever source derived shall  
37 be paid to the treasurer of the MTDC. Said moneys shall be deposited in the first instance by the  
38 treasurer in one or more national banks, trust companies, savings banks, cooperative banks,  
39 federal savings banks or banking companies in compliance with section 34 of chapter 29. Funds  
40 in said accounts shall be paid out on the warrant or other order of the treasurer of the MTDC or  
41 of such other person or persons as the board may authorize to execute such warrants or orders.

42 SECTION 5:-Section 55 of Chapter 44 of the General Laws, as appearing in the 2010  
43 Official Edition is hereby amended by inserting after the words “certificates of deposit, in trust  
44 companies, national banks, savings banks, banking companies or cooperative banks” the  
45 following words:- “or in accordance with the provisions of subsection (b) of this chapter,”

46 SECTION 6:-Section 55B of Chapter 44 is hereby further amended by adding “(a)” at the  
47 beginning thereof, and by inserting at the end of paragraph (a) a new subsection (b) as follows:

48 “(b) Moneys of any city, town, district or regional school district invested in  
49 compliance with section 55 B(a), may be invested in accordance with the following conditions:

50 (1) the moneys are initially invested through a banking company doing business in the  
51 commonwealth selected by the city, town, district or regional school district;

(2) the selected banking company arranges for the redeposit of the moneys in deposit accounts in one or more banks or savings and loan associations wherever located; and

(3) the full amount of principal and any accrued interest of each such deposit account is insured by the Federal Deposit Insurance Corporation.

The provisions of section 62 shall not apply to this subsection.”