
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: **SB 2695**
DATE: 3/18/02
CC: FILE

SB 2695

SB 2695 amends current law to allow school boards to invest surplus funds in the same manner as provided for the investment of 16th Section principal funds pursuant to SECTION 29-3-113.

SECTION 29-3-113 provides for boards to keep the principal fund invested in any direct obligation issued by or guaranteed in full as to principal and interest by the USA, in certificates of deposit issued by a qualified depository of the State, in interest bearing deposits, or in any other type of investment in which any other agency, instrumentality or subdivision of the State may invest.

SB 2695 is effective July 1, 2002.

I have not heard of or received any opposition to this bill. Frankly, given the budget situation, I don't foresee a lot of districts even being in the position to utilize this investment option in the next few years because I don't think there will be any surplus funds.

I recommend that you sign SB 2695.