

HOUSE No. 2635

By Mr. Morrissey of Boston, petition of Robert Q. Crane for legislation to authorize the Treasurer and Receiver-General to invest certain funds of the Commonwealth. Ways and Means (Joint).

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Six.

AN ACT AUTHORIZING THE STATE TREASURER TO INVEST COMMONWEALTH FUNDS.

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 38 of chapter 29 of the General Laws is hereby amended
2 by adding after subdivision (h), added by chapter 356 of the
3 acts of 1934, the following subdivisions: —

4 (i) Promissory notes of an industrial, commercial, finance,
5 banking, railroad, or public utility corporation conducting busi-
6 ness in this state when such notes mature not later than one
7 year subsequent to their respective dates of issue, provided,
8 however, that, at the time of any such investment, (i) such
9 corporation must have capital stock, premium thereon and sur-
10 plus of at least twenty-five million dollars and (ii) securities of
11 such corporation are eligible for investment by the trustees of a
12 savings bank as provided by law, or (iii) securities of such cor-
13 poration are eligible for investment by life insurance companies
14 authorized to do business in this state, or (iv) all outstanding
15 debt obligations of such corporation which have any rating from
16 two or more standard rating services are rated within the three
17 highest classifications established by at least two such rating
18 services, or if none of the outstanding debt obligations of such
19 corporation have any rating from two such rating services, that
20 such outstanding debt obligations are rated at the time of in-
21 vestment within the three highest classifications established by at

22 least two such rating services, or (v) the notes of such corporation
23 at the time of investment are rated prime by the National Credit
24 Office, and the commonwealth's investment in any of the afore-
25 mentioned shall not exceed twenty per cent of any one company's
26 assets at any one time.

27 (j) Bankers acceptance and bills of exchange eligible for pur-
28 chase by federal reserve banks and which have been accepted by
29 a bank, a trust company, a private bankers or an investment
30 company, or by a banking corporation which is organized under
31 the laws of the United States or of any state thereof and which
32 is a member of the federal reserve system.

33 (k) In re-purchase agreements secured by United States Treas-
34 ury obligations or United States Treasury agency obligations
35 bearing a maturity date not later than one year subsequent to
36 their respective dates of issue.

37 (1) In (interest bearing) time deposits in banks domiciled in
38 this commonwealth and such time deposits not to be more than
39 one year subsequent to their respective dates of issue, that the
40 bank be a member of the Federal Reserve System and Federal
41 Deposit Insurance Corporation and whose capital and surplus
42 shall be at least twenty-five million dollars.