

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

SENATE BILL 480

By: Senator K. Hammer  
By: Representative Wing

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE INVESTMENT OF  
STATE FUNDS; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING THE  
INVESTMENT OF STATE FUNDS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 19-3-518(b)(1)(B)(vii)-(xiv), concerning  
the investment of state funds in the State Treasury in securities and bank  
certificates of deposit, are amended to read as follows:

(vii) ~~Obligations issued by the State Board of  
Education under authority of the Arkansas Constitution or applicable statutes  
that are not general obligations of a municipality, county, or other  
political subdivision of the state;~~

(viii) ~~Warrants of a political subdivision or  
municipality of the State of Arkansas having maturities not exceeding one (1)  
year;~~

(ix) ~~Prerefunded municipal bonds, if the principal  
and interest of the municipal bonds are fully secured by the principal and  
interest of a direct obligation of the United States Government;~~

(x) ~~The sale of federal funds with a maturity of not  
more than one (1) business day;~~

(xi) Demand, savings, or time deposits or accounts  
of a depository institution chartered by the United States, a state of the  
United States, or the District of Columbia if funds invested in the demand,



savings, or time deposits or accounts are fully insured by a federal deposit insurance agency;

~~(xii)~~(ix) Repurchase agreements that are fully collateralized by securities stated in subdivisions (b)(1)(B)(ii)-(v) of this section if the repurchase agreement provides for taking delivery of the collateral directly or through an authorized custodian;

~~(xiii)~~(x) A securities or other interest in an open-end type investment company or investment trust registered under the Investment Company Act of 1940 and that is defined as a "money market fund" under 17 C.F.R. § 270.2a-7 if:

(a) The portfolio of the investment company or investment trust is limited principally to United States Government obligations and to repurchase agreements fully collateralized by United States Government obligations; and

(b) The investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian; or

~~(xiv)~~(xi) As approved by the guidelines established by the State Treasury investment policy approved by the State Board of Finance, a corporate obligation with an investment grade rating ~~of at least BBB, A2, P2, or an equivalent rating as indicated~~ by at least ~~two (2)~~ one (1) nationally recognized statistical rating organizations.

SECTION 2. Arkansas Code § 19-3-518(b)(3)(B), concerning the investment of state funds in the State Treasury in securities and bank certificates of deposit, is amended to read as follows:

(B) All ~~purchases and~~ sales of securities by the Treasurer of State shall be made using a competitive procedure that:

(i) Is approved by the State Board of Finance; and

(ii) Has the goals of:

(a) Obtaining the optimal price and value for the securities; and

(b) Not showing preference toward any securities broker.

SECTION 3. Arkansas Code § 19-3-518(d)(5), concerning the investment

1 of funds deposited into the State Treasury by state agencies, boards, and  
2 commissions that were previously held as cash funds in a bank depository or  
3 investment depository, is amended to read as follows:

4 (5) On the second business day that the State Treasury is open  
5 after the twenty-fifth day of the month, the Treasurer of State shall  
6 transfer or credit to the participants of the fund interest earned on ~~all~~  
7 State Treasury funds invested as authorized under this section during the  
8 preceding month less the proportionate share of any assessments for the  
9 expenses of administration.

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12 **APPROVED: 4/17/25**  
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