

- Policies regarding the misuse of material nonpublic information.
- Policies regarding conflicts of interest, including prohibited conflicts.
- Prohibit acts practices.
- Disclosure requirements.
- Any policies, practices, and internal controls required by the national entity.
- Standards of training, experience, and competence for credit analyst.

HB 69 HCS expands the list of eligible investments to include:

- Individual equity securities managed by a professional investment advisor who is regulated by a federal regulatory agency. These equities shall be included within the Standard and Poor’s 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation.
- Funds invested in individual high-quality corporate bonds that are managed by a professional investment manager, issued, assumed, or guaranteed by a solvent institution, have a maturity of no more than ten years, and are rated in the three highest rating categories by at least two competent credit rating agencies.

HB 69 HCS requires that when local governments invest in certificates of deposits, uncollateralized certificate of deposits, or other interest-bearing accounts, that the bank or savings and loan institution holding that investment, have a physical presence in Kentucky.

HB 69 HCS limits the amount of money invested in shares of mutual funds and exchange traded funds; individual equity securities; or individual high-quality corporate bonds at any one time by a local government to no more than forty percent (40%) of the total money invested.

HB 69 HCS puts a five percent limit on the money local governments may invest in any one issuer unless the issuer is the United States government, an instrumentality thereof, a certificate of deposit issued by any bank or savings and loan institution insured by the Federal Deposit Insurance Corporation, or is guaranteed by the United States government.

HB 69 HCS has no direct fiscal impact on local governments. It is intended to promote sound investment strategy and policy.

This proposal promotes diversification within the entire investment portfolio of a local government. Any impact is subject to the continued investment decisions of the local government.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Changes to HB 69 as introduced by HB 69 HCS does not change the original fiscal impact determination. There is no direct fiscal impact on local governments.

Data Source(s): LRC Staff

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