

GENERAL MUNICIPAL LAW

Deposits of public money; security

For purposes of this section:

- “Local government” shall mean any municipal corporation, school district, board of cooperative educational services, district corporation, special improvement district governed by a separate board of commissioners, industrial development agency or authority, or a public library
- “Public funds” shall mean funds of a local government
- “Public deposits” shall mean deposits of public funds in a bank or trust company which are available for all uses generally permitted by the bank or trust company to the depositing local government for actually and finally collected funds under the bank’s or trust company’s account agreement or policies
- “Bank” shall mean a bank as defined by the banking law or a national banking association located and authorized to do business in New York.
- “Trust company” shall mean a trust company as defined by the banking law and located and authorized to do business in New York
- “Eligible securities” shall mean any of the following:
 - Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation
 - Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank
 - Obligations partially insured or guaranteed by any agency of the United States of America, at the proportion of the market value of the obligation that represents the amount of the insurance or guaranty
 - Obligations issued or fully insured or guaranteed by this state, obligations issued by a municipal corporation, school district or district corporation of this state or obligations of any public benefit corporation which under a specific state statute may be accepted as security for deposit of public moneys
 - Obligations issued by states (other than this state) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization
 - Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization
 - Obligations of counties, cities, and other governmental entities of another state having the power to levy taxes that are backed by the full faith and

credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization

- Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization
 - Any mortgage-related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by federal bank regulatory agencies
 - Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged
 - Zero-coupon obligations of the United States government marketed as "treasury strips"
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- "Eligible surety bond" shall mean a bond executed by an insurance company authorized to do business in this State, the claims-paying ability of which is rated in the highest rating category by a least two nationally recognized statistical rating organizations
 - "Eligible letter of credit" shall mean an irrevocable letter of credit issued in favor of the local government for a term not to exceed ninety days by a bank (other than the bank with which the money is being deposited or invested) whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of the three highest rating categories (based on the credit bank or holding company) by at least one nationally recognized statistical rating organization or by a bank (other than the bank with which the money is being deposited or invested) that is in compliance with applicable federal minimum risk-based capital requirements.