



# SENATE BILL 199: Funds Deposited with Clerk of Court

2015-2016 General Assembly

<b>Committee:</b>	House Judiciary I, if favorable, Finance	<b>Date:</b>	June 9, 2015
<b>Introduced by:</b>	Sen. Randleman	<b>Prepared by:</b>	R. Erika Churchill
<b>Analysis of:</b>	PCS to First Edition S199-CSST-65		Committee Counsel

**SUMMARY:** *The PCS for Senate Bill 199 would increase the amount of funds in a single account on deposit with the Clerk of Superior Court above which the excess must be invested pursuant to statutory requirements.*

**CURRENT LAW:** By virtue of the office, the Clerk of Superior Court is required to receive, administer, invest and disburse certain sums of money. The Clerk is to deposit any funds received by virtue of the office, except funds invested pursuant to G.S. 7A-112, in an interest-bearing checking account or accounts in a bank, savings and loan, or trust company licensed to do business in North Carolina, at the maximum feasible interest rate available taking into consideration prevailing interest rates and the checking account services provided to the Clerk's office by the bank, savings and loan, or trust company. The funds deposited in such checking accounts shall be guaranteed to the same extent and in the same manner as funds invested pursuant to G.S. 7A-112.

G.S. 7A-112, "Investment of funds in clerk's hands," authorizes the Clerk to invest funds in certain specified securities. The specified securities are:

- Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- Obligations of the State of North Carolina.
- Obligations of North Carolina cities or counties approved by the Local Government Commission.
- Shares, CDs, or savings accounts of savings and loan associations organized under the laws of this State, or of any federal savings and loan association having its principal office in this State, under certain conditions.

G.S. 7A-112(b) requires the Clerk to invest funds in excess of \$2,000 in one of the certain specified securities if it is reasonably expected that the money will remain on deposit with the Clerk for more than six months from the date of receipt. Such funds must be so invested within 60 days of receipt. G.S. 7A-112(b) further specifies that the first \$2,000 of these accounts and money in a single account totaling less than \$2,000 must be invested and administered in accordance with regulations promulgated by the Administrative Officer of the Courts. The State Auditor is authorized to inspect the records of the Clerk to insure compliance the investing. The State Auditor is to report noncompliance to the Administrative Officer of the Courts.

Any clerk violating the provisions of G.S. 7A-112 is guilty of a Class 1 misdemeanor.

**BILL ANALYSIS:** The PCS would increase the trigger of required investing in the specific securities from \$2,000 to \$5,000, and make technical changes.

**EFFECTIVE DATE:** July 1, 2015.

*Jan Paul substantially contributed to this summary.*

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