



SENATE BILL 199: Funds Deposited with Clerk of Court

2015-2016 General Assembly

Committee: House Finance
Introduced by: Sen. Randleman
Analysis of: Second Edition

Date: July 30, 2015
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SUMMARY: *Senate Bill 199 would increase from \$2,000 to \$5,000 the amount of money in a single account held by a Clerk of Superior Court that must be invested in a security authorized in G.S. 7A-112.*

CURRENT LAW: G.S. 7A-112(b) requires the Clerk to invest funds in excess of \$2,000 in a security in a statutory list if the money will remain on deposit for more than six months. The first \$2,000 in a single account and accounts with less than \$2,000 must be invested under regulations promulgated by the Administrative Officer of the Courts.

G.S. 7A-112(a) authorizes the Clerk to invest funds in the following securities:

- 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.

The State Auditor is authorized to inspect the records of the Clerk to insure compliance. 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: Senate Bill 199 would increase the amount that triggers the requirement to invest in a security authorized by G.S. 7A-112 from \$2,000 to \$5,000, and make technical changes.

EFFECTIVE DATE: Senate Bill 199 would become effective July 1, 2015.

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