

**9-1407. Exemption of security for insured portion of public deposits; reciprocal deposit programs.** (a) That portion of any deposit of public moneys or funds which is insured by the federal deposit insurance corporation, or its successor, need not be secured as provided in this act.

(b) Public moneys or funds deposited by a municipal corporation or quasi-municipal corporation through a selected bank, savings and loan association or savings bank which are part of a reciprocal deposit program in which the bank, savings and loan association or savings bank:

(1) Receives reciprocal deposits from other participating institutions located in the United States in an amount equal to the amount of funds deposited by the municipal corporation or quasi-municipal corporation; and

(2) for which the total cumulative amount of each deposit does not exceed the maximum deposit insurance amount for one depositor at one financial institution as determined by the federal deposit insurance corporation.

Such deposits shall not be treated as securities and need not be secured as provided in this act.

**History:** L. 1947, ch. 102, § 69; L. 1982, ch. 52, § 5; L. 1997, ch. 180, § 8; L. 2009, ch. 49, § 1; July 1.