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SENATE AMENDMENT 1, TO 1995 SENATE BILL 279

October 3, 1995 - Offered by Senator ADELMAN.

1	At the	locations	indicated,	amend	the bi	ll as	follows:

- 2 **1.** Page 1, line 2: after "investments" insert "and granting rule-making authority".
 - **2.** Page 1, line 3: after "is" insert "renumbered 36.29 (1) (b) and".
 - **3.** Page 1, line 4: after "(1)" insert "(b)".
 - **4.** Page 1, line 8: delete "subsection" and substitute "subsection paragraph".
 - 5. Page 2, line 12: before "This" insert: "The board may not purchase or acquire any derivative except in accordance with rules promulgated by the board. Rules promulgated under this paragraph may not permit the purchase or acquisition of derivatives unless the purchase or acquisition is made for the purpose of reducing the risk of price changes or of interest rate or currency exchange rate fluctuations with respect to investments held or to be held by the board.".
 - **6.** Page 2, line 13: delete "subsection" and substitute "subsection paragraph".
 - **7.** Page 2, line 14: after that line insert:
 - "Section 2. 36.29 (1) (a) of the statutes is created to read:

36.29 (1) (a) In this subsection, "derivative" means any financial contract or
other instrument that derives its value from the value or performance of any security,
currency exchange rate or interest rate or of any index or group of any securities,
currency exchange rates or interest rates, but does not include any of the following:

- 1. Any security that is traded on a national securities exchange or on an automated interdealer quotation system sponsored by a securities association registered under 15 USC 780-3, et seq.
- 2. Any forward contract which has a maturity at the time of issuance not exceeding 270 days.
- 3. Any contract of sale of a commodity for future delivery, or any option on such a contract, traded or executed on a designated contract market and subject to regulation under 7 USC 1, et seq.
- 4. Any security of an open-end management investment company or investment trust, if the investment company or investment trust is registered under 15 USC 80a-1 to 80a-64.
 - 5. Any deposit held by a financial institution.
- 6. Any financial contract or instrument that the board determines, by rule, is not a derivative.".

19 (END)