

(a) Every guardian of a Veterans Administration beneficiary shall invest the surplus funds of the estate of the beneficiary derived from Veterans Administration benefits paid to the guardian or [his] THE GUARDIAN'S predecessor for the beneficiary in securities or property authorized under the laws of this State but only upon prior order of the court.

(b) The funds may be invested, without prior court authorization, in [direct]:

(1) DIRECT unconditional interest-bearing obligations of this State or of the United States[, in banks];

(2) BANKS and savings and loan associations whose deposits are federally insured [and in obligations];

(3) OBLIGATIONS the interest and principal of which are unconditionally guaranteed by the United States; OR

(4) SECURITIES OF, OR OTHER INTERESTS IN, ANY NO-LOAD OPEN-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST REGISTERED UNDER THE PROVISIONS OF THE FEDERAL INVESTMENT COMPANY ACT OF 1940, 15 U.S.C. § 80A-1, ET SEQ, IF:

(I) THE PORTFOLIO OF THE NO-LOAD OPEN-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST IS LIMITED TO OBLIGATIONS OF THE UNITED STATES GOVERNMENT AND TO REPURCHASE AGREEMENTS FULLY COLLATERALIZED BY UNITED STATES GOVERNMENT OBLIGATIONS; AND

(II) THE NO-LOAD OPEN-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST TAKES DELIVERY OF THAT COLLATERAL, EITHER DIRECTLY OR THROUGH AN AUTHORIZED CUSTODIAN; AND

(III) THE NO-LOAD OPEN-END MANAGEMENT TYPE INVESTMENT COMPANY OR INVESTMENT TRUST DOES NOT IMPOSE A CONTINGENT DEFERRED SALES CHARGE OR DISTRIBUTION CHARGE.

(c) A signed duplicate or certified copy of the petition for authority to invest shall be furnished the proper office of the Veterans Administration, and notice of hearing upon it shall be given the office.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.

Approved April 30, 1991.

CHAPTER 107

(Senate Bill 258)

AN ACT concerning

Treatment and Learning Centers, Inc. Loan of 1989