

## CHAPTER 2

## DEPOSITS OF PUBLIC FUNDS

AN ACT to amend, revise, and codify sections one hundred thirty-nine (139), one hundred forty (140), ten hundred ninety-a twenty (1090-a20), ten hundred ninety-b two (1090-b2), forty-three hundred nineteen (4319), fifty-five hundred forty-eight (5548), fifty-five hundred forty-nine (5549), fifty-six hundred fifty-one (5651), fifty-six hundred fifty-three (5653), seventy-four hundred four (7404), and seventy-four hundred seven (7407), code, 1927, relating to deposits by governmental bodies and officers of public funds and to interest thereon, and to so amend sections ten hundred ninety-a 6 (1090-a6), ten hundred ninety-a seven (1090-a7), and fifty-five hundred forty-seven (5547), code, 1927, relating to the state sinking fund for public deposits and to the duties of the township clerk, as to coordinate and harmonize said sections with this act.

*Be it enacted by the General Assembly of the State of Iowa:*

That sections one hundred thirty-nine (139), one hundred forty (140), ten hundred ninety-a twenty (1090-a20), ten hundred ninety-b two (1090-b2), forty-three hundred nineteen (4319), fifty-five hundred forty-eight (5548), fifty-five hundred forty-nine (5549), fifty-six hundred fifty-one (5651), fifty-six hundred fifty-three (5653), seventy-four hundred four (7404), and seventy-four hundred seven (7407), code, 1927, are amended, revised, and codified to read as follows:

1 SECTION 1. **Deposits in general.** The treasurer of state, and of  
2 each county, city, town, and school corporation, and each township  
3 clerk and each county recorder, auditor, sheriff, and clerk of the dis-  
4 trict court, and each secretary of a school board shall deposit all  
5 public funds in their hands in such banks as are first approved by the  
6 executive council, board of supervisors, city or town council, board  
7 of school directors, or township trustees, respectively. The term  
8 "bank" shall embrace any corporation, firm, or individual engaged in  
9 a general banking business.

1 SEC. 2. **Approval—requirements.** The approval of a bank as a  
2 depository shall be by written resolution or order which shall be en-  
3 tered of record in the minutes of the approving board, and which  
4 shall distinctly name each bank approved, and specify the maximum  
5 amount which may be kept on deposit in each such bank.

1 SEC. 3. **Increase conditionally prohibited.** The maximum amount  
2 so permitted to be deposited in a named bank shall not be increased  
3 except with the approval of the treasurer of state.

1 SEC. 4. **Location of depositories.** Deposits by the treasurer of  
2 state shall be in banks located in this state; by a county officer, in  
3 banks located in his county or in an adjoining county within this  
4 state; by a city or town treasurer, in banks located in the city or  
5 town, but in the event there is no bank in such city or town then in  
6 any other bank within the borders of the county in which the city  
7 or town is located; by a school treasurer or by a school secretary,  
8 in banks located within the county or counties in which the corpora-  
9 tion is located, or within five (5) miles of the border of said county  
10 or counties; by a township clerk, in banks conveniently located in the  
11 county. Provided, however, that deposits may be made in banks  
12 outside of Iowa for the purpose of paying principal and interest on

13 bonded indebtedness of any municipality when such deposit is made  
 14 not more than ten days before the date such principal or interest  
 15 becomes due.

1 **SEC. 5. Refusal of deposits—procedure.** If none of the duly ap-  
 2 proved banks will accept said deposits under the conditions herein  
 3 prescribed or authorized, said funds may be deposited in any ap-  
 4 proved bank or banks conveniently located within the state.

1 **SEC. 6. Interest on deposits.** Said deposits shall draw interest at  
 2 the rate of not less than two (2) per cent per annum on ninety (90)  
 3 per cent of the collected daily balances, payable by the bank at the  
 4 end of each month, provided that interest at the rate of 1% per an-  
 5 num on ninety percent of the daily balance shall be required on such  
 6 funds deposited by any treasurer of a school, city or town corpora-  
 7 tion, by a county treasurer, or by a township clerk for the months  
 8 of April and October.

1 **SEC. 7. Interest credited.** Said interest, except when legally di-  
 2 verted to the state sinking fund for public deposits, shall be credited  
 3 to the general fund of the governmental body making the deposit,  
 4 except that interest on township funds shall be credited to such town-  
 5 ship fund or funds as the township trustees may determine.

1 **SEC. 8. Liability of treasurer.** No treasurer or other county offi-  
 2 cer or township clerk shall be liable for loss of public funds by reason  
 3 of the insolvency of the depository bank when said funds have been  
 4 deposited as herein provided.

1 **SEC. 9.** Section fifty-five hundred forty-seven (5547), code, 1927,  
 2 is amended to read as follows:

3 "5547. **Custody of funds.** Each township clerk shall receive, col-  
 4 lect, and disburse, under the orders of the township trustees, all funds  
 5 belonging to his township, including the cemetery fund, and those  
 6 which are now or may hereafter be by law created or authorized. No  
 7 claim shall be paid until it has been duly audited by the trustees."

1 **SEC. 10.** Section ten hundred ninety-a six (1090-a6), code, 1927,  
 2 is amended, revised, and codified to read as follows:

3 "1090-a6. **Interest diverted.** All interest hereafter collected under  
 4 sections one (1) to eight (8), inclusive, of this act, and any other  
 5 interest hereafter collected from depositories of public funds, as pro-  
 6 vided by statute, is hereby diverted from the general fund or town-  
 7 ship fund, as the case may be, and shall be paid into the state treasury  
 8 and kept in the fund created by this chapter, or so much thereof as  
 9 shall be ordered so paid by the treasurer of state."

1 **SEC. 11.** Section ten hundred ninety-a seven (1090-a7), code,  
 2 1927, is amended by striking from line two (2) the words "and one-  
 3 half per cent per annum" and by inserting in lieu of said stricken  
 4 words the following, to wit:

5 "per cent per annum on ninety per cent of the collected daily bal-  
 6 ances".

Senate File No. 146. Approved May 14, 1931.