

CHAPTER 221

INVESTMENT OF PUBLIC FUNDS

H. F. 334

AN ACT relating to deposit and investment of public funds.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred fifty-two point ten (452.10),
2 Code 1971, as amended by section one (1) of House File eighty-six
3 (86) of the Sixty-fourth General Assembly, First Session, is amended
4 as follows:

5 **452.10 Custody of public funds—investment or deposit.** The
6 treasurer of state and the treasurer of each political subdivision shall
7 at all times keep all funds coming into their possession as public
8 money, in a vault or safe, to be provided for that purpose, or in some
9 bank legally designated as a depository for such funds. However, the
10 treasurer of state and the treasurer of each political subdivision shall
11 invest, unless otherwise provided, any of the public funds not cur-
12 rently needed for operating expenses in notes, certificates, bonds, or
13 other evidences of indebtedness which are obligations of or guaran-
14 teed by the United States of America or any of its agencies; or make
15 time deposits of such funds in banks as provided in chapter 453 and
16 receive time certificates of deposit therefor; *or in savings accounts in*
17 *banks. The treasurer of state may invest any of the funds in his cus-*
18 *tody in any of the investments authorized for the Iowa public em-*
19 *ployees' retirement system in section 97B.7, subsection 2, paragraph*
20 *b except that investment in common stocks shall not be permitted.*

1 SEC. 2. Section four hundred fifty-three point five (453.5), Code
2 1971, as amended by section two (2) of House File eighty-six (86)
3 of the Sixty-fourth General Assembly, First Session, is amended as
4 follows:

5 **453.5 Refusal of deposits—procedure.** If none of the duly ap-
6 proved banks will accept said deposits under the conditions herein
7 prescribed or authorized, said funds may be deposited in any approved
8 bank or banks conveniently located within the state.

9 If a governmental unit makes in writing to all qualified, approved
10 depositories a bona fide proffer to deposit public funds either in a
11 savings account, or in a time certificate of deposit, [for some period
12 extending from ninety days to one year with the privilege of renewal
13 if mutually desired,] and such proffer is not then accepted, then and
14 only then may such governmental unit invest such funds so declined
15 in [interest bearing notes, certificates or bonds of the United States,]
16 *bonds or other evidences of indebtedness issued, assumed, or guaran-*
17 *teed by the United States of America or by any agency or instrumen-*
18 *tality thereof, but these provisions shall not affect the investment of*
19 *funds as provided in sections 453.9 and 453.10.*

20 Public funds which cannot be deposited for periods of at least
21 ninety days may be invested in notes, certificates, bonds, or other
22 obligations of the United States or any of its agencies, as provided in
23 section four hundred fifty-two point ten (452.10) of the Code.

24 *In addition to the investments herein authorized, the treasurer of*
25 *state may invest in any of the investments authorized for the Iowa*

26 *public employees' retirement system in section 97B.7, subsection 2,*
27 *paragraph b except that investment in common stocks shall not be*
28 *permitted.*

1 SEC. 3. Section four hundred fifty-three point nine (453.9), Code
2 1971, is amended as follows:

3 **453.9 Investment of sinking funds.** The governing council or
4 board who by law are authorized to direct the depositing of funds
5 shall be authorized to direct the treasurer to invest any fund not an
6 active fund needed for current use and which is being accumu-
7 lated as a sinking fund for a definite purpose, the interest [of] on
8 which is used for the same purpose, *in savings accounts in banks, in*
9 *the certificates or warrants provided by section 454.19, or make time*
10 *deposits of such funds as provided in this chapter and receive time*
11 *certificates of deposit therefor, [or in United States government*
12 *bonds,] or in bonds or other evidences of indebtedness issued, as-*
13 *sumed, or guaranteed by the United States of America, or by any*
14 *agency or instrumentality thereof, or in local certificates or warrants*
15 *issued by any municipality or school district within the county, or in*
16 *municipal or school district bonds which constitute a general liability,*
17 *and the treasurer when so directed shall so invest such fund.*

18 *The treasurer of state may invest in any of the investments author-*
19 *ized for the Iowa public employees' retirement system in section 97B.7,*
20 *subsection 2, paragraph b except that investment in common stocks*
21 *shall not be permitted.*

1 SEC. 4. Section four hundred fifty-three point ten (453.10), Code
2 1971, is amended as follows:

3 **453.10 Investment of funds created by election.** The governing
4 council or board, who by [the] law have control of any fund created
5 by direct vote of the people, may invest any portion thereof not cur-
6 rently needed, in [United States government] bonds *or other evi-*
7 *dences of indebtedness issued, assumed, or guaranteed by the United*
8 *States of America, or by any agency or instrumentality thereof, or*
9 *make time deposits of such funds [as provided in this chapter] and*
10 *receive time certificates of deposit therefor, or in savings accounts.*
11 *The treasurer of state may invest in any of the investments author-*
12 *ized for the Iowa public employees' retirement system in section 97B.7,*
13 *subsection 2, paragraph b except that investment in common stocks*
14 *shall not be permitted.* Interest or earnings on such funds shall be
15 credited as provided in subsection 2 of section 453.7.

1 SEC. 5. Section four hundred fifty-four point five (454.5), Code
2 1971, is amended by striking the section and inserting in lieu thereof
3 the following:

4 **454.5 Investment of funds.** All above a necessary working balance
5 shall be invested by the treasurer of state in bonds or other evidences
6 of indebtedness issued, assumed, or guaranteed by the United States
7 of America or by any agency or instrumentality thereof, or in any of
8 the investments authorized for the Iowa public employees' retirement
9 system in section ninety-seven B point seven (97B.7), subsection two
10 (2), paragraph b except that investment in common stocks shall not
11 be permitted.

1 SEC. 6. Section three hundred two point twenty (302.20), Code
2 1971, is amended by striking the section and inserting in lieu thereof
3 the following:

4 **302.20 Investment.** The permanent school fund which is, at any
5 time, in the custody of the treasurer of state, shall be invested as
6 follows:

7 1. In bonds or other evidences of indebtedness issued, assumed, or
8 guaranteed by the United States of America, or by any agency or
9 instrumentality thereof.

10 2. In bonds, or other evidences of indebtedness of the state of Iowa,
11 or of any school district, county, township, city, town or other political
12 subdivision of the state of Iowa which are issued pursuant to law.

13 3. In savings accounts or in time deposits in Iowa banks approved
14 as depositories by the executive council.

15 4. In any investments authorized for the Iowa public employees'
16 retirement system in section ninety-seven B point seven (97B.7), sub-
17 section two (2), paragraph b of the Code except that investment in
18 common stocks shall not be permitted.

1 SEC. 7. Section thirty-five point two (35.2), Code 1971, is amended
2 by striking the section and inserting in lieu thereof the following:

3 **35.2 Investment of bonus and disability fund.** The treasurer of
4 state shall invest such portions of the additional bonus and dis-
5 ability fund created by section eight (8), chapter three hundred
6 thirty-two (332), Acts of the Thirty-ninth General Assembly, not
7 needed for current payments awarded by the bonus board.

1 SEC. 8. Section thirty-five point three (35.3), Code 1971, is
2 amended by striking the section and inserting in lieu thereof the
3 following:

4 **35.3 Choice of investments.** The treasurer of state shall invest
5 in bonds or other evidences of indebtedness issued, assumed, or guar-
6 anteed by the United States of America, by any agency or instrumen-
7 tality thereof, or by the state of Iowa, or any investment authorized
8 for the Iowa public employees' retirement system in section ninety-
9 seven B point seven (97B.7), subsection two (2), paragraph b of the
10 Code except that investment in common stocks shall not be permitted.

1 SEC. 9. Section ninety-seven A point seven (97A.7), subsection
2 two (2), Code 1971, is amended by striking the subsection and insert-
3 ing in lieu thereof the following:

4 2. The several funds created by this chapter may be invested in:
5 a. Bonds or other evidences of indebtedness issued, assumed, or
6 guaranteed by the United States of America, or by any agency or in-
7 strumentality thereof.

8 b. In savings accounts or time deposits in Iowa banks approved as
9 depositories by the executive council.

10 c. In any investments authorized for the Iowa public employees'
11 retirement system in section ninety-seven B point seven (97B.7), sub-
12 section two (2), paragraph b of the Code.

1 SEC. 10. Section ninety-seven A point seven (97A.7), subsection
2 one (1), Code 1971, is amended by adding the following new para-
3 graph:

4 "The board of trustees may authorize the treasurer of state to exer-
5 cise any of the duties of this section. When so authorized the treasurer

6 of state shall report any transactions to the board of trustees at its
7 next monthly meeting."

1 SEC. 11. Section six hundred five A point eleven (605A.11), Code
2 1971, is amended as follows:

3 **605A.11 Investment of fund.** So much of the judicial retirement
4 fund as may not be necessary to be kept on hand for the making of
5 disbursements under this chapter shall be invested by the [state]
6 treasurer of state in [securities of the United States government]
7 *bonds or other evidences of indebtedness issued, assumed, or guaran-*
8 *teed by the United States of America, or by any agency or instrumen-*
9 *tality thereof or in any investments authorized for the Iowa public*
10 *employees' retirement system in section 97B.7, subsection 2, para-*
11 *graph b*, and the earnings therefrom shall be credited to said fund.

Approved April 15, 1971.

Italics indicate new material added to existing statutes; brackets indicate deletions from existing statutes.
However, see Editor's note, page iii.

CHAPTER 222

FUNDS FROM SCHOOL BONDS

S. F. 442

AN ACT relating to the investment of public funds from the sale of school bonds.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Chapter four hundred fifty-three (453), Code 1971, is
2 amended by adding the following new section:

3 **"Investment of funds by school corporations.**

4 The board of directors of a school corporation may invest any por-
5 tion of the proceeds of bonds issued and not currently needed in United
6 States government bonds or make time deposits as provided in this
7 chapter.

8 Earnings and interest from investments authorized by this section
9 shall be used either to retire the bonded indebtedness or to be credited
10 to the schoolhouse fund for the purpose of financing the construction
11 or equipping of the school building for which the bonds were sold."

1 SEC. 2. This Act shall apply to the use and crediting of earnings
2 and investments of the proceeds from bonds issued prior to the effec-
3 tive date of this Act.

Approved May 27, 1971.

CHAPTER 223

DRAINAGE AND LEVEE DISTRICTS

S. F. 205

AN ACT relating to assessments levied by drainage and levee districts and to interest rates.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section four hundred fifty-five point fifty-seven
2 (455.57), Code 1971, is amended as follows: