

CHAPTER 148  
DEPOSIT OF PUBLIC FUNDS  
S. F. 292

AN ACT relating to the deposit of public funds by officers of political subdivisions of the state.

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

Section 1. Section 453.1, Code 1981, is amended to read as follows:

453.1 DEPOSITS IN GENERAL. All funds held in the hands of the following officers or institutions shall be deposited in banks ~~as-are~~ first approved by the appropriate governing body as indicated: For the treasurer of state, by the executive council; for the county treasurer, recorder, auditor, sheriff, ~~township-clerk,~~ clerk of the district court, and judicial magistrate, by the board of supervisors; for the city treasurer, by the city council; for the county public hospital or merged area hospital, by the board of hospital trustees; for a memorial hospital, by the memorial hospital commission; for a school corporation, by the board of school directors, ~~provided, however that.~~ However, the treasurer of state and the treasurer of each political subdivision shall invest all funds not needed for current operating expenses in time certificates of deposit in banks listed as approved depositories pursuant to this chapter or in investments permitted by section 452.10. The list of public depositories and the amounts severally deposited ~~therein in~~ in the depositories shall be a matter of public record. The term "bank" means a bank or a private bank, as defined in section 524.103.

Sec. 2. Sections 453.13 and 454.6, Code 1981, are repealed.

Approved May 4, 1981

CHAPTER 149  
INTEREST RATE ON PUBLIC FUNDS  
S. F. 13

AN ACT relating to the maximum rate of interest on investments of public funds in banks.

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

Section 1. Section 453.5, Code 1981, is amended to read as follows:

453.5 REFUSAL OF DEPOSITS--PROCEDURE. If ~~none-of~~ the duly approved banks will not accept ~~said the~~ deposits under the conditions ~~herein~~ prescribed or

authorized in this chapter, said the funds may be deposited, on the same or better terms as were offered to the depositories, in any approved bank or banks conveniently located within the state.

If a governmental unit makes in writing to all qualified, approved depositories a bona fide proffer to deposit public funds either in a savings account, or in a time certificate of deposit, and ~~such~~ the proffer is not then accepted, then and only then may ~~such~~ the governmental unit invest ~~such~~ the funds so declined, on the same or better terms as were offered to the depositories, in bonds or other evidences of indebtedness issued, assumed, or guaranteed by the United States of America or by any agency or instrumentality thereof, but these provisions shall not affect the investment of funds as provided in sections 453.9 and 453.10. However, public funds that will not be deposited or invested for a term of at least fifteen days may be invested, without prior offer to an approved depository, in notes, certificates, bonds, or other direct obligations of the United States or any of its agencies.

~~Public funds which cannot be deposited for periods of at least ninety days may be invested in notes, certificates, bonds, or other obligations of the United States or any of its agencies, as provided in section 452.10.~~ In addition to the investments herein authorized, the treasurer of state may invest in any of the investments authorized for the Iowa public employees' retirement system in section 97B.7, subsection 2, paragraph "b" except that investment in common stocks shall not be permitted. This section does not affect the investment of funds as provided in sections 453.9 and 453.10.

Sec. 2. Section 453.6, Code 1981, is amended to read as follows:

453.6 INTEREST RATE. ~~Henceforth--publie~~ Public deposits shall be deposited with reasonable promptness ~~and shall except for time certificates of deposit be evidenced by passbook entry by the depository--legally designated as depository for such funds~~ in a depository legally designated as depository for the funds. A committee composed of the superintendent of banking, the commissioner of insurance, and the treasurer of state shall meet on or about the first of each month and by majority action shall establish ~~the~~ a minimum rate to be earned on state funds placed in time deposits during the period until the next meeting of the committee. State funds invested ~~by the treasurer of state~~ in bank time certificates of deposit shall draw interest at not less than the rate ~~so~~ determined, effective on the date of investment.

Public funds invested in bank time certificates of deposit by a public body or officer other than the treasurer of state shall draw interest at rates to be determined by the public body or officer and the bank, ~~which rates shall not be greater than the rate set under this section for state funds nor more than one percent of interest below that rate~~ which rates shall not be less than the minimum rate set under this section for state funds.

Approved May 8, 1981