

CHAPTER 1090**SECURITY FOR DEPOSIT OF PUBLIC FUNDS***H.F. 2323*

AN ACT relating to the pledge of United States government obligations or their functional equivalents as security for the deposit of public funds.

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

Section 1. Section 453.16, subsection 1, paragraph b, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Direct obligations of, or obligations that are insured or fully guaranteed as to principal and interest by, the United States of America, which may be used to secure the deposit of public funds under subparagraph (1), include investments in an investment company or investment trust registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States government obligations described in subparagraph (1) and to repurchase agreements fully collateralized by the United States government obligations described in subparagraph (1), if the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

Sec. 2. Section 453.22, subsection 3, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Direct obligations of, or obligations that are insured or fully guaranteed as to principal and interest by, the United States of America, which may be used to secure public deposits under paragraph "a", include investments in an investment company or investment trust registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States government obligations described in paragraph "a" and to repurchase agreements fully collateralized by the United States government obligations described in paragraph "a", if the investment company or investment trust takes delivery of the collateral either directly or through an authorized custodian.

Approved April 26, 1988

CHAPTER 1091**PAROLE AND WORK RELEASE***H.F. 2369*

AN ACT relating to the duties and authority of the board of parole.

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

Section 1. Section 246.909, Code 1987, is amended to read as follows:

246.909 WORK RELEASE VIOLATORS — REIMBURSEMENT TO THE DEPARTMENT OF CORRECTIONS FOR TRANSPORTATION COSTS.

A The department of corrections shall arrange for the return of a work release client who escapes or participates in an act of absconding from the facility to which the client is assigned to the client shall reimburse the department of corrections for the cost of transportation incurred because of the escape or act of absconding. The amount of reimbursement shall be the actual cost incurred by the department and shall be credited to the support account from which the