

February 27, 1959.  
Passed on File.

**House File 602**  
By SWISHER (O'Connor).

Passed House, Date..... Passed Senate, Date.....  
Vote: Ayes..... Nays..... Vote: Ayes..... Nays.....  
Approved.....

## A BILL FOR

An Act relating to the administration of the Iowa public employees' retirement fund.

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

- 1 Section 1. Section ninety-seven B point seven (97B.7),
- 2 Code 1958, is hereby amended by adding to subsection two (2)
- 3 the following paragraph to be identified and called paragraph
- 4 d:
- 5 d. Deposit retirement fund money in such legally approved
- 6 banks as may be designated by the commission.

### EXPLANATION OF HOUSE FILE 602

There has been a controversy over the question as to who has the authority under the Iowa public employees' retirement system law to name the banks in which the public retirement system fund should be deposited. The Attorney General has rendered an opinion to the effect that the treasurer has sole authority in this regard, feeling that the money in the fund might be placed in a bank not legally approved and the treasurer thus become personally liable. The foregoing amendment provides for a deposit only in legally approved banks. This approval would be under the provisions of chapter 453, Code of 1958. There could be no personal liability (section 453.8, Code 1958) where the money is deposited in a legally approved bank.

The Iowa Employment Security Commission buys several million dollars worth of securities each year which requires the services of a bank. It also requires the usual banking services in the operation of its account. The commission should be able to obtain the least expensive service instead of being forced to use one bank which now requires a minimum deposit of one million dollars without interest for such service. Legal experts differ as to what the Iowa public employees' retirement system law provides in regard to this authority. This amendment will clarify the matter.

