

FILED MAR 4 1994

SENATE FILE 2273
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 2163)

(P. 1012) (P. 1368)
 Passed Senate, Date 4-5-94 Passed House, Date 4-11-94
 Vote: Ayes 48 Nays 0 Vote: Ayes 99 Nays 0
 Approved May 2, 1994

A BILL FOR

1 An Act relating to the investment authority of state banks.
 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

S.F. 2273

1 Section 1. Section 524.901, subsection 3, paragraphs i and
2 j, Code 1993, are amended to read as follows:

3 i. Shares or units of investment companies or investment
4 trusts registered under the federal Investment Company Act of
5 1940, 15 U.S.C. § 80a, the portfolio of which is limited to
6 the United States obligations or Iowa general obligations
7 described in subsection 1 or repurchase agreements fully
8 collateralized by obligations described in subsection 1 if
9 delivery of the collateral is taken either directly or through
10 an authorized custodian, ~~up to a maximum of twenty percent of~~
11 ~~capital and surplus of the state bank in any one company or~~
12 trust.

13 j. Shares or units of investment companies or investment
14 trusts registered under the federal Investment Company Act of
15 1940, 15 U.S.C. § 80a, whose portfolios contain investments
16 which are subject to limitations pursuant to this section,
17 provided that a state bank's investment in such shares does
18 not exceed the limitation set forth in this section for the
19 underlying instrument.

20 EXPLANATION

21 This bill amends provisions relating to the investment
22 authority of state banks. Section 524.901, subsection 3,
23 paragraph "i", is amended by striking the 20 percent of
24 capital and surplus limitation which a state bank may
25 currently invest in shares or units of an investment company
26 or investment trust registered under the federal Investment
27 Company Act of 1940, which invests solely in United States
28 obligations, Iowa general obligations, or fully collateralized
29 repurchase agreements. Paragraph "j" of the subsection is
30 amended to provide that an investment made in an investment
31 company subject to the restrictions of section 524.901 must
32 also be registered under the federal Investment Company Act of
33 1940, and provides that such investments may be made in
34 investment trusts as well.

35

SENATE FILE 2273

S-5256

1 Amend Senate File 2273 as follows:

2 1. Page 1, line 1, by striking the words
3 "paragraphs i and" and inserting the following:
4 "paragraph".

5 2. Page 1, line 2, by striking the word "are" and
6 inserting the following: "is".

7 3. Page 1, by striking lines 3 through 12.

8 4. Page 1, by inserting after line 19 the
9 following:

10 "Sec. ____ . Section 524.901, subsection 3, Code
11 1993, is amended by adding the following new
12 paragraph:

13 NEW PARAGRAPH. n. Shares or units of investment
14 companies or investment trusts registered under the
15 federal Investment Company Act of 1940, 15 U.S.C. §
16 80a, the portfolio of which is limited to the United
17 States obligations described in subsection 1 or
18 repurchase agreements fully collateralized by United
19 States obligations described in subsection 1 if
20 delivery of the collateral is taken either directly or
21 through an authorized custodian and the dollar-
22 weighted average maturity of the portfolio is not more
23 than five years."

24 5. By renumbering as necessary.

By PATRICK DELUHERY

S-5256 FILED MARCH 17, 1994

Adopted
4-5-94
(p. 1012)

*Substituted for
HF 2371 4-11-94
(P.1367)*

SENATE FILE **2273**
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 2163)

(AS AMENDED AND PASSED BY THE SENATE APRIL 5, 1994)

_____ - New Language by the Senate
* - Language Stricken by the Senate

Passed Senate, Date 4/5/94 (P.1019) Passed House, Date 4-11-94 P.1368
Vote: Ayes 48 Nays 0 Vote: Ayes 99 Nays 0
Approved May 2, 1994

A BILL FOR

1 An Act relating to the investment authority of state banks.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20

S.F. 2273

1 Section 1. Section 524.901, subsection 3, paragraph j,
2 Code 1993, is amended to read as follows:

* 3 j. Shares or units of investment companies or investment
4 trusts registered under the federal Investment Company Act of
5 1940, 15 U.S.C. § 80a, whose portfolios contain investments
6 which are subject to limitations pursuant to this section,
7 provided that a state bank's investment in such shares does
8 not exceed the limitation set forth in this section for the
9 underlying instrument.

10 Sec. 2. Section 524.901, subsection 3, Code 1993, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. n. Shares or units of investment companies
13 or investment trusts registered under the federal Investment
14 Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which
15 is limited to the United States obligations described in
16 subsection 1 or repurchase agreements fully collateralized by
17 United States obligations described in subsection 1 if
18 delivery of the collateral is taken either directly or through
19 an authorized custodian and the dollar-weighted average
20 maturity of the portfolio is not more than five years.

21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Deluhery, Chair
Palmer
Lind

SSB 2163
Commerce
New

SENATE FILE 2273
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON DELUHERY)

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

A BILL FOR

1 An Act relating to the investment authority of state banks.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

1 Section 1. Section 524.901, subsection 3, paragraphs i and
2 j, Code 1993, are amended to read as follows:

3 i. Shares or units of investment companies or investment
4 trusts registered under the federal Investment Company Act of
5 1940, 15 U.S.C. § 80a, the portfolio of which is limited to
6 the United States obligations or Iowa general obligations
7 described in subsection 1 or repurchase agreements fully
8 collateralized by obligations described in subsection 1 if
9 delivery of the collateral is taken either directly or through
10 an authorized custodian, ~~up to a maximum of twenty percent of~~
11 ~~capital and surplus of the state bank in any one company or~~
12 trust.

13 j. Shares or units of investment companies or investment
14 trusts registered under the federal Investment Company Act of
15 1940, 15 U.S.C. § 80a, whose portfolios contain investments
16 which are subject to limitations pursuant to this section,
17 provided that a state bank's investment in such shares does
18 not exceed the limitation set forth in this section for the
19 underlying instrument.

20 EXPLANATION

21 This bill amends provisions relating to the investment
22 authority of state banks. Section 524.901, subsection 3,
23 paragraph "i", is amended by striking the 20 percent of
24 capital and surplus limitation which a state bank may
25 currently invest in shares or units of an investment company
26 or investment trust registered under the federal Investment
27 Company Act of 1940, which invests solely in United States
28 obligations, Iowa general obligations, or fully collateralized
29 repurchase agreements. Paragraph "j" of the subsection is
30 amended to provide that an investment made in an investment
31 company subject to the restrictions of section 524.901 must
32 also be registered under the federal Investment Company Act of
33 1940, and provides that such investments may be made in
34 investment trusts as well.

35

an authorized custodian and the dollar-weighted average maturity of the portfolio is not more than five years.

SENATE FILE 2273

AN ACT

RELATING TO THE INVESTMENT AUTHORITY OF STATE BANKS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 524.901, subsection 3, paragraph j, Code 1993, is amended to read as follows:

j. Shares or units of investment companies or investment trusts registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, whose portfolios contain investments which are subject to limitations pursuant to this section, provided that a state bank's investment in such shares does not exceed the limitation set forth in this section for the underlying instrument.

Sec. 2. Section 524.901, subsection 3, Code 1993, is amended by adding the following new paragraph:

NEW PARAGRAPH. n. Shares or units of investment companies or investment trusts registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a, the portfolio of which is limited to the United States obligations described in subsection 1 or repurchase agreements fully collateralized by United States obligations described in subsection 1 if delivery of the collateral is taken either directly or through

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2273, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 2, 1994

TERRY E. BRANSTAD
Governor