

12B.10C Regulation of public funds custodial agreements.

1. The treasurer of state, in consultation with the attorney general, shall adopt rules under [chapter 17A](#) requiring the inclusion in public funds custodial agreements of any provisions necessary to prevent loss of public funds.

2. As used in [this section](#), “*public funds custodial agreement*” means any contractual arrangement pursuant to which one or more persons, including but not limited to investment advisors, investment companies, trustees, agents and custodians, are authorized to act as a custodian of or to designate another person to act as a custodian of public funds or any security or document of ownership or title evidencing public funds investments other than custodial agreements between an open-end management investment company registered with the federal securities and exchange commission under the federal Investment Company Act of 1940, 15 U.S.C. §80a and a custodian bank.

3. As used in [this section](#) “*public funds*” means public funds as defined in [section 12C.1](#). However, [this section](#) does not apply to public funds that are invested under the provisions of a resolution or indenture for the issuance of bonds, notes, certificates, warrants, or other evidences of indebtedness. To the extent that a provision of [this section](#) conflicts with federal law, it shall be construed to avoid the conflict.

4. The following entities are not subject to [this section](#):

- a. The public safety peace officers’ retirement system governed by [chapter 97A](#).
- b. The Iowa public employees’ retirement system governed by [chapter 97B](#).
- c. Investments by the Iowa finance authority governed by [chapter 16](#).
- d. A pension and annuity retirement system governed by [chapter 294](#).
- e. The statewide fire and police retirement system governed by [chapter 411](#).
- f. The judicial retirement system governed by [chapter 602, article 9](#).
- g. The deferred compensation plan established by the executive council pursuant to [section 509A.12](#).
- h. The tobacco settlement authority governed by [chapter 12E](#).
- i. Municipal utility retirement systems governed under [chapter 412](#).
- j. The state board of regents governed by [chapter 262](#).

[92 Acts, ch 1156, §19; 96 Acts, ch 1187, §78; 97 Acts, ch 185, §4; 2000 Acts, ch 1208, §23, 25; 2001 Acts, ch 102, §3; 2005 Acts, ch 179, §147; 2008 Acts, ch 1032, §201](#)