

Senate File 2119

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1 3 AN ACT
1 4 RELATING TO OBLIGATIONS SECURED BY COLLATERAL REQUIRED TO BE
1 5 PLEDGED BY BANKS TO THE TREASURER OF STATE IN ORDER TO
1 6 SECURE THE DEPOSIT OF PUBLIC MONEYS, AND PROVIDING AN
1 7 EFFECTIVE DATE.
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1 9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 11 Section 1. Section 12C.22, subsection 1, paragraph b, Code
1 12 2003, is amended by striking the paragraph.
1 13 Sec. 2. Section 12C.22, subsection 1, paragraph c, Code
1 14 2003, is amended to read as follows:
1 15 c. In the event an assessment is paid by a bank to the
1 16 treasurer of state pursuant to section 12C.23A, ~~or in the~~
~~1 17 event that collateral pledged by the bank is liquidated~~
~~1 18 pursuant to section 12C.23A, subsection 3, paragraph "e", and~~
~~1 19 the proceeds are used to pay the assessment, the bank is~~
1 20 subrogated to the claim of a public funds depositor to the
1 21 extent the claim is paid from funds paid by the bank ~~or~~
~~1 22 proceeds of collateral pledged by the bank are used to pay the~~
~~1 23 assessment.~~
1 24 Sec. 3. Section 12C.22, subsection 5, paragraph d, Code
1 25 2003, is amended to read as follows:
1 26 d. Establish procedures for adding collateral, releasing
~~1 27 collateral, and substituting different collateral for~~
1 28 collateral pledged under this section.
1 29 Sec. 4. Section 12C.23A, subsection 3, paragraph e, Code
1 30 Supplement 2003, is amended to read as follows:
1 31 e. If a bank fails to pay its assessment when due, the
1 32 treasurer of state shall ~~satisfy the assessment by liquidating~~
~~1 33 collateral pledged by the bank upon such notice as is required~~
~~1 34 by chapter 554. If the collateral pledged by the bank is~~
~~1 35 inadequate to pay the assessment, the treasurer of state shall~~
2 1 make additional assessments as may be necessary against other
2 2 banks that hold uninsured public funds to satisfy any unpaid
2 3 assessment. Any additional assessments shall be determined,
2 4 collected, and satisfied in the same manner as the first
2 5 assessment except that in calculating the amount of each such
2 6 additional assessment, the amount of uninsured public funds
2 7 held by the bank that fails to pay the assessment shall not be
2 8 counted.
2 9 Sec. 5. Section 12C.23A, subsection 3, paragraph f, Code
2 10 Supplement 2003, is amended by striking the paragraph.
2 11 Sec. 6. Section 12C.23A, subsection 3, paragraph g, Code
2 12 Supplement 2003, is amended to read as follows:
2 13 g. If a bank fails to pay its assessment when due ~~and the~~
~~2 14 proceeds from liquidation of the collateral pledged by the~~
~~2 15 bank are not sufficient to pay the assessment against the~~
~~2 16 bank,~~ the treasurer of state shall notify the superintendent
2 17 or the comptroller of the currency, as applicable, of the
2 18 failure to pay the assessment. If the bank that has failed to
2 19 pay the assessment is a nationally chartered financial
2 20 institution, the superintendent shall immediately notify the
2 21 bank's primary federal regulator. If the assessment is not
2 22 paid within thirty days after the bank received the notice of
2 23 assessment, the treasurer of state shall initiate a lawsuit to
2 24 collect the amount of the assessment. If a bank is found to
2 25 have failed to pay the assessment as required by this
2 26 subsection and is ordered to pay the assessment, the court
2 27 shall also order that the bank pay court costs and reasonable
2 28 attorney fees based on the amount of time the attorney
2 29 general's office spent preparing and bringing the action, and
2 30 reasonable expenses incurred by the treasurer of state.
2 31 Sec. 7. EFFECTIVE DATE. This Act, being deemed of
2 32 immediate importance, takes effect upon enactment.
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JEFFREY M. LAMBERTI
President of the Senate

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CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2119, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2004

THOMAS J. VILSACK
Governor