



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

April 16, 2004

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2119, an Act relating to obligations secured by collateral required to be pledged by banks to the Treasurer of State in order to secure the deposit of public moneys, and providing an effective date.

Senate File 2173, an Act concerning private sector employee drug testing relating to authorized testing substances, confirmed positive test results, and testing procedures, and providing an effective date.

Senate File 2272, an Act relating to detaining or the placement of criminal defendants who are mentally incompetent or dangerous.

The above Senate Files are hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Vilsack", written over a horizontal line.

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





SENATE FILE 2119

AN ACT

RELATING TO OBLIGATIONS SECURED BY COLLATERAL REQUIRED TO BE PLEDGED BY BANKS TO THE TREASURER OF STATE IN ORDER TO SECURE THE DEPOSIT OF PUBLIC MONEYS, AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Section 12C.22, subsection 1, paragraph b, Code 2003, is amended by striking the paragraph.

Sec. 2. Section 12C.22, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. In the event an assessment is paid by a bank to the treasurer of state pursuant to section 12C.23A, ~~or in the event that collateral pledged by the bank is liquidated pursuant to section 12C.23A, subsection 3, paragraph "e", and the proceeds are used to pay the assessment,~~ the bank is subrogated to the claim of a public funds depositor to the extent the claim is paid from funds paid by the bank ~~or proceeds of collateral pledged by the bank are used to pay the assessment.~~

Sec. 3. Section 12C.22, subsection 5, paragraph d, Code 2003, is amended to read as follows:

d. Establish procedures for adding collateral, releasing collateral, and substituting different collateral for collateral pledged under this section.

Sec. 4. Section 12C.23A, subsection 3, paragraph e, Code Supplement 2003, is amended to read as follows:

e. If a bank fails to pay its assessment when due, the treasurer of state shall ~~satisfy the assessment by liquidating collateral pledged by the bank upon such notice as is required by chapter 554. If the collateral pledged by the bank is inadequate to pay the assessment, the treasurer of state shall~~ make additional assessments as may be necessary against other banks that hold uninsured public funds to satisfy any unpaid assessment. Any additional assessments shall be determined, collected, and satisfied in the same manner as the first assessment except that in calculating the amount of each such additional assessment, the amount of uninsured public funds held by the bank that fails to pay the assessment shall not be counted.

Sec. 5. Section 12C.23A, subsection 3, paragraph f, Code Supplement 2003, is amended by striking the paragraph.

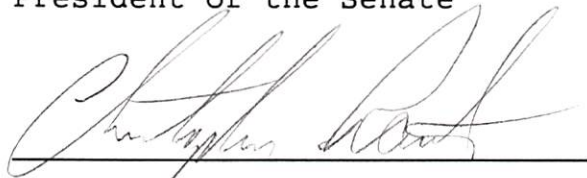
Sec. 6. Section 12C.23A, subsection 3, paragraph g, Code Supplement 2003, is amended to read as follows:

g. If a bank fails to pay its assessment when due ~~and the proceeds from liquidation of the collateral pledged by the bank are not sufficient to pay the assessment against the bank,~~ the treasurer of state shall notify the superintendent or the comptroller of the currency, as applicable, of the failure to pay the assessment. If the bank that has failed to pay the assessment is a nationally chartered financial institution, the superintendent shall immediately notify the bank's primary federal regulator. If the assessment is not paid within thirty days after the bank received the notice of assessment, the treasurer of state shall initiate a lawsuit to collect the amount of the assessment. If a bank is found to have failed to pay the assessment as required by this subsection and is ordered to pay the assessment, the court shall also order that the bank pay court costs and reasonable attorney fees based on the amount of time the attorney general's office spent preparing and bringing the action, and reasonable expenses incurred by the treasurer of state.

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.



JEFFREY M. LAMBERTI
President of the Senate



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 April 16, 2004



THOMAS J. VILSACK
Governor