

April 28, 1967
Place On Calendar
Commerce 5-23, Pass 5-25

By COMMITTEE ON COMMERCE

Passed House, Date 5-22-67 Passed Senate, Date 6-2-67
Vote: Ayes 103 Nays 0 Vote: Ayes 38 Nays 0
Approved June 22, 1967

A BILL FOR

An Act relating to the investment of funds not needed for current expenses of the state and its political subdivisions.

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

1 Section 1. Section four hundred fifty-two point ten
2 (452.10), Code 1966, is hereby amended as follows:

3 1. By striking from lines one (1) and two (2) the words
4 "each county treasurer" and inserting in lieu thereof the
5 words "the treasurer of each political subdivision".

6 2. By inserting in line seven (7) after the word "state"
7 the words "and the treasurer of each political subdivision".

8 3. By striking all of such section after the word
9 "therefor." in line fourteen (14).

1 Sec. 2. Section four hundred fifty-three point one
2 (453.1), Code 1966, is hereby amended by striking lines eleven
3 (11) through twenty-two (22) and inserting in lieu thereof the
4 following:

5 "or township trustees, respectively; provided, however,
6 that the treasurer of state and the treasurer of each
7 political subdivision shall invest all funds not needed for
8 current operating expenses in time certificates of deposit
9 in banks listed as approved depositories pursuant to this
10 chapter or in investments permitted by section four hundred
11 fifty-two point ten (452.10) of the Code. The list of public
12 depositories and the".

1 Sec. 3. Section four hundred fifty-three point five
2 (453.5), Code 1966, is hereby amended as follows:

3 1. By striking from lines seven (7), eight (8) and nine (9)
4 the words "secures resolutions duly adopted by the board of
5 directors of two or more lawful depository banks to which" and
6 inserting in lieu thereof the words "makes in writing to all
7 qualified, approved depositories".

8 2. By striking from lines fourteen (14), fifteen (15) and
9 sixteen (16) the words "which resolutions are dated within ten
10 days of the proffer and decline such public deposit" and
11 inserting in lieu thereof the words "such proffer is not then
12 accepted".

1 Sec. 4. Section four hundred fifty-three point six (453.6),
2 Code 1966, is hereby amended by striking all of such section
3 after the word "funds." in line six (6) and inserting in lieu
4 thereof the following:

5 "A committee composed of the superintendent of banking, the
6 commissioner of insurance, and the treasurer of state shall meet
7 on or about the first of each month and by majority action
8 shall establish the rate to be earned on state funds placed in
9 time deposits during the period until the next meeting of the
10 committee. State funds invested by the treasurer of state in
11 bank time certificates of deposit shall draw interest at the
12 rate so determined, effective on the date of investment.

13 "Public funds invested in bank time certificates of deposit
14 by a public body or officer other than the treasurer of state
15 shall draw interest at rates to be determined by the public
16 body or officer and the bank, which rates shall not be greater
17 than the rate set under this section for state funds nor more
18 than one (1) percent of interest below that rate."

1 Sec. 5. Section four hundred fifty-four point two (454.2),
2 Code 1966, is hereby amended by inserting in line five (5)
3 after the word "deposited" the words "in demand or time
4 deposits".

EXPLANATION

Sections 1, 2 and 4 of this bill would clarify the responsibility of the treasurer of state and the treasurers of political subdivisions of the state. The rates on investments and the manner of investing are refined and the protection given to public fund deposits is clarified.

Section three removes the requirement that the board of directors of two local banks must by resolution refuse to accept public funds as investments before a governmental unit may invest such funds in federal securities. The section does not eliminate the requirement that such funds must first be offered to local banks before they may be invested in such securities.

Section five permits securing local time deposits under the state sinking fund. Many political subdivisions of the state are now investing temporarily unemployed funds in time deposits at local banks. Securing of these deposits through the state sinking fund would be desirable. Banks are now required to pledge securities as collateral for the time certificate of deposit.

1 Amend House File 697 by adding the following new section:
2 Sec. 6. This Act, being deemed of immediate importance,
3 shall take effect and be in force from and after its publication,
4 in the Maxwell Tribune, a newspaper published in Maxwell, Iowa,
5 and in The Ocheyedan Press, a newspaper published in Ocheyedan,
6 Iowa.

Filed - *Adopted 5-22*
April 28, 1967

VAN DRIE of Story.
KING of Monroe-Lucas.

1 Amend House File 697 by adding thereto the following new
2 section:
3 Chapter four hundred fifty three (453), Code 1966, is
4 hereby amended by adding thereto the following new section:
5 "The treasurer of each political subdivision, except for
6 township treasurers, shall submit an investment report to the
7 auditor of state on forms provided within fifteen (15) days
8 following the close of each calendar quarter. The report
9 shall contain the following information, all of which shall
10 relate to the previous calendar quarter: total demand deposits
11 placed in depositories; total funds invested; description and
12 disposition of investments; dates of investment; rates of interest
13 earned or returns on the investments; and such other information
14 as the auditor of state may reasonably require pertaining to
15 public funds

Filed - *Withdrawn 5-22*
May 2, 1967

KOCH of Woodbury.

1 Amend House File 697 as follows:
2 Strike from Section four (4), line sixteen (16), the
3 words "which rates shall not be greater", and all of lines
4 seventeen (17) and eighteen (18) and insert in lieu thereof
5 after the word bank, in line sixteen (16) the words, "which
6 rates shall not be more than one percent (1%) of interest
7 above the rate set under this section for state funds nor
8 more than one percent (1%) of interest below that rate".

Filed - *Last 5-22*
May 3, 1967

McINTYRE of Linn.
DODERER of Johnson.

1 Amend House File 697 by adding the following new
2 Section:
3 "The treasurer of each political subdivision except town-
4 ships, shall submit an investment report to the auditor of
5 state on forms provided within fifteen (15) days following
6 the close of each fiscal year of the political subdivision.
7 The report shall be comprised of the following information,
8 all of which shall relate to the previous calendar year:
9 total demand deposits placed in depositories; total funds
10 invested; description and disposition of investments; dates
11 of investment; rates of interest earned or return on the in-
12 vestments; and such other information as the auditor of state
13 may reasonably require pertaining to public funds."

Filed - *Adopted 5-22-67*
May 19, 1967

KOCH of Woodbury.
MALONEY of Polk.
GANNON of Jasper.
REED of Linn.
MOWRY of Marshall.

- 1 Amend House File 679, Sec. 2., line seven (7), by
- 2 striking the word "shall" and inserting in lieu
- 3 thereof the word "may".

Filed - *Last 5-22-67*
May 18, 1967

SCHROEDER of Pottawattamie.

- 1 Amend House File 697 by adding thereto the following
- 2 section:
- 3 "Section one hundred seventy-six A point eight (176A.8),
- 4 subsection sixteen (16), Code 1966, is hereby amended by
- 5 inserting in line twelve (12) after the word 'county.' the
- 6 following:
- 7 "The treasurer of the extension council with the approval
- 8 of the council may invest agricultural extension education
- 9 funds retained by the council and not needed for current ex-
- 10 penses in the manner authorized for treasurers of political
- 11 subdivisions under section four hundred fifty-three point
- 12 one (453.1) of the Code."

Filed - *adopted 5-22*
May 22, 1967

DARRINGTON of Harrison.

- 1 Amend House File 697, Section 2, line five (5) by
- 2 striking the words "or township trustees,".

Filed and adopted
May 22, 1967

SCHROEDER of Pottawattamie.

- 1 Amend House File 697, Section 4, by striking from line
- 2 eighteen (18) the words "one percent" and inserting in lieu
thereof
- 3 the words "one-half percent".

Filed and lost
May 22, 1967

GANNON of Jasper.