

March 18, 1969
Cities and Towns, *Pages 2-24*

HOUSE FILE 581

By VAN DRIE, KLUEVER, ALT
and NOLTING
(Walsh)

Passed House, Date *3-30-70* Passed Senate, Date *4-8-70*

Vote: Ayes *92* Nays *0* Vote: Ayes *57* Nays *0*

Approved

A BILL FOR

- 1 An Act relating to municipal utility retirement systems.
- 2 *Be It Enacted by the General Assembly of the State of Iowa:*
- 3 Section 1. Section four hundred twelve point one (412.1),
- 4 Code 1966, is hereby amended as follows:
- 5 1. By striking from line two (2) the word "city".
- 6 2. By striking from lines seven (7) and eight (8) thereof
- 7 the words "in cities having a population of five thousand or
- 8 more".
- 9 Sec. 2. Section four hundred twelve point two (412.2),
- 10 subsection three (3), Code 1966, is hereby amended by strik-
- 11 ing from line four (4) the word "city".
- 12 Sec. 3. Section four hundred twelve point three (412.3),
- 13 Code 1966, is hereby amended by striking from line one (1)
- 14 the word "city".
- 15 Sec. 4. Section four hundred twelve point four (412.4),
- 16 Code 1966, is hereby amended as follows:
- 17 1. By striking from line one (1) the word "city".
- 18 2. By striking all of line nine (9) after the word
- 19 "state," and all of lines ten (10) through fourteen (14),
- 20 inclusive, and inserting in lieu thereof the following:
- 21 "or any bank located in Iowa having trust powers for the
- 22 investment of funds contributed to an annuity or pension
- 23 system, for the payment of the pensions or annuities provided
- 24 in any such pension or annuity retirement system, and may pay
- 25 the premiums or make the contribution of such contract out of

- 1 the fund provided in section four hundred twelve point two
- 2 (412.2) of the Code. Funds contributed to a bank pursuant
- 3 to such a contract shall be invested in the manner prescribed
- 4 in section six hundred thirty-three point one hundred twenty-
- 5 three (633.123) of the Code, and may be commingled with and
- 6 invested as a part of a common or master fund managed for
- 7 the benefit of more than one public utility."

EXPLANATION OF HOUSE FILE 581

There is now no good reason why a pension fund is not feasible for small numbers of employees of our smaller utilities in cities and towns with a population of less than five thousand inhabitants. These can be placed with either an insurance company or a bank and can be effectively managed in combination with the funds of other utilities.

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- 1 Amend House File 581 by striking all after the en-
 - 2 acting clause and inserting in lieu thereof the following:
 - 3 Section 1. Section four hundred twelve point four
 - 4 (412.4), Code 1966, is hereby amended as follows:
 - 5 By striking all of line nine (9) after the word "state,"
 - 6 and all of lines ten (10) through fourteen (14), in-
 - 7 clusive, and inserting in lieu thereof the following:
 - 8 "or any bank located in Iowa having trust powers for the
 - 9 investment of funds contributed to an annuity or pension
 - 10 system, for the payment of the pensions or annuities
 - 11 provided in such pension or annuity retirement system,
 - 12 and may pay the premiums or make the contribution of
 - 13 such contract out of the fund provided in section four
 - 14 hundred twelve point two (412.2) of the Code. Funds con-
 - 15 tributed to a bank pursuant to such a contract shall be
 - 16 invested in the manner prescribed in section six hundred
 - 17 thirty-three point one hundred twenty-three (633.123) of
 - 18 the Code, and may be commingled with and invested as a
 - 19 part of a common or master fund managed for the benefit
 - 20 of more than one public utility."

EXPLANATION OF HOUSE FILE 581

This will allow pension funds to be placed with either an insurance company or a bank and can be effectively managed in combination with the funds of other utilities.

Filed - *adopted 3/30*
 February 27, 1970
 In: Cities and towns

VAN DRIE of Story