

MAR 19 1973

HOUSE FILE 400

STATE GOVERNMENT

By DRAKE, STANLEY and McCORMICK

House File 400
Junker, Chairman
Harper
Nielsen

*Pass 3/28
Sen. State Govt. 4/2, Pass 6/12*

House File 400
Nolin, Chairman
Winkelman
Nystrom

Passed House, Date 3-30-73 (695) Passed Senate, Date 6-24-73 (2125)
Vote: Ayes 77 Nays 0 Vote: Ayes 44 Nays 0
Approved 7-6-73

A BILL FOR

1 An Act relating to the investment of funds of retirement
2 systems for policemen and firemen.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 Section 1. Section four hundred eleven point seven (411.7),
5 subsection two (2), Code 1973, is amended to read as follows:
6 2. The city treasurer may invest at the direction of the
7 respective boards of trustees such portion of the several
8 funds created by this chapter as in the judgment of the
9 respective boards are not needed for current payment of
10 benefits under this chapter in interest-bearing securities
11 issued by the United States, or interest-bearing bonds
12 issued by the state of Iowa, or make deposits of such funds
13 in banks as provided in chapter four hundred fifty-three
14 (453) of the Code, or in bonds issued by counties, school
15 districts, or general obligation or limited levy bonds is-
16 sued by municipal corporations in this state as authorized
17 for investment by insurance companies under section 511.8
18 and subject to all limitations contained in said section.
19 In the event of loss on the redemption or sale of securities,
20 where invested as prescribed by law, neither the treasurer
21 nor the trustees shall be personally liable, but such loss
22 shall be charged against the retirement funds. The city
23 treasurer may sell any securities in such funds and reinvest
24 the proceeds in accordance with the direction of the
25 respective boards of trustees when such action may be deemed

1 advisable by the trustees for the protection of said funds
2 or the preservation of the value of the investment.

3 EXPLANATION

4 This bill supplies the authority for the city treasurer
5 when so directed, to invest retirement funds for policemen
6 and firemen in bank deposits in the same way as the state
7 treasurer and other public treasurers may make such invest-
8 ments. This authority was apparently inadvertently omitted
9 from section 411.7. Time certificate of deposits in banks
10 are often the most desirable and convenient short term
11 investments. They are, of course, protected by the state
12 sinking fund as well as the Federal Deposit Insurance
13 Corporation.

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