

House File 406
State Government
Hansen, chair
Griffice
West

Dr. Pan 4/25 (1059)

MENT

In State Fund 5/17 Dr Pan 5/13

HOUSE FILE 406

By CONNORS

Passed House, Date 5-16-77 (*p. 2255*) Passed Senate, Date 5-19-77 (*p. 1719*)

Vote: Ayes 95 Nays 0 Vote: Ayes 47 Nays 0

Approved 7/9/77

A BILL FOR

1 An Act relating to the investment of police and fire
2 retirement system funds.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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406

HOUSE FILE 406

H-3739

1 Amend House File 406 as follows:
2 1. Page 1, line 3, by striking the word
3 "SUPRLUS" and inserting in lieu thereof the
4 word "SURPLUS".

H-3739 FILED *Adopted 5/16* BY CONNORS of Polk
APRIL 25, 1977 (*p. 2255*)

1 Section 1. Section four hundred ten point three (410.3),
2 Code 1977, is amended to read as follows:

3 410.3 INVESTMENT OF SUPRLUS. The boards shall have power
4 to invest any surplus left in such funds, respectively, at
5 the end of the fiscal year, but no part of the funds realized
6 from any tax levy shall be used for any purpose other than
7 the payment of pensions. Investments shall be ~~limited to~~
8 in interest-bearing bonds of, notes, certificates, or other
9 evidences of indebtedness which are obligations of or
10 guaranteed by the United States, or in interest-bearing bonds
11 of the state of Iowa, of any county, township, or municipal
12 corporation of the state of Iowa. All such securities shall
13 be deposited with the treasurer of the boards of trustees
14 for safekeeping.

15 Sec. 2. Section four hundred eleven point seven (411.7),
16 subsection two (2), Code 1977, is amended to read as follows:

17 2. The city treasurer may invest at the direction of the
18 respective boards of trustees such portion of the several
19 funds created by this chapter as in the judgment of the
20 respective boards are not needed for current payment of
21 benefits under this chapter in interest-bearing securities,
22 notes, certificates, bonds, or other evidences of indebtedness
23 issued by the United States, or interest-bearing bonds issued
24 by the state of Iowa, or make deposits of such funds in banks
25 as provided in chapter 453, or in bonds issued by counties,
26 school districts, or general obligation or limited levy bonds
27 issued by municipal corporations in this state as authorized
28 for investment by insurance companies under section 511.8
29 and subject to all limitations contained in said section.
30 In the event of loss on the redemption or sale of securities,
31 where invested as prescribed by law, neither the treasurer
32 nor the trustees shall be personally liable, but such loss
33 shall be charged against the retirement funds. The city
34 treasurer may sell any securities in such funds and reinvest
35 the proceeds in accordance with the direction of the respective

1 boards of trustees when such action may be deemed advisable
2 by the trustees for the protection of said funds or the
3 preservation of the value of the investment.

4 Sec. 3. This Act is effective January 1, 1978.

5 EXPLANATION

6 This bill provides that the board of trustees, or the city
7 treasurer in behalf of the board, may invest funds of the
8 firemen and policemen retirement system in notes, bonds,
9 securities, certificates or other forms of indebtedness of
10 the United States.

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LSB 1307H
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HOUSE FILE 406

AN ACT

RELATING TO THE INVESTMENT OF POLICE AND FIRE RETIREMENT SYSTEM FUNDS.

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

Section 1. Section four hundred ten point three (410.3), Code 1977, is amended to read as follows:

410.3 INVESTMENT OF SURPLUS. The boards shall have power to invest any surplus left in such funds, respectively, at the end of the fiscal year, but no part of the funds realized from any tax levy shall be used for any purpose other than the payment of pensions. Investments shall be ~~limited to~~ in interest-bearing bonds of, notes, certificates, or other evidences of indebtedness which are obligations of or guaranteed by the United States, or in interest-bearing bonds of the state of Iowa, of any county, township, or municipal corporation of the state of Iowa. All such securities shall be deposited with the treasurer of the boards of trustees for safekeeping.

Sec. 2. Section four hundred eleven point seven (411.7), subsection two (2), Code 1977, is amended to read as follows:

2. The city treasurer may invest at the direction of the respective boards of trustees such portion of the several funds created by this chapter as in the judgment of the respective boards are not needed for current payment of benefits under this chapter in interest-bearing securities, notes, certificates, bonds, or other evidences of indebtedness issued by the United States, or interest-bearing bonds issued by the state of Iowa, or make deposits of such funds in banks as provided in chapter 453, or in bonds issued by counties, school districts, or general obligation or limited levy bonds issued by municipal corporations in this state as authorized for investment by insurance companies under section 511.8 and subject to all limitations contained in said section.

In the event of loss on the redemption or sale of securities, where invested as prescribed by law, neither the treasurer nor the trustees shall be personally liable, but such loss shall be charged against the retirement funds. The city treasurer may sell any securities in such funds and reinvest the proceeds in accordance with the direction of the respective boards of trustees when such action may be deemed advisable by the trustees for the protection of said funds or the preservation of the value of the investment.

Sec. 3. This Act is effective January 1, 1978.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 406, Sixty-seventh General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved July 9, 1977

ROBERT D. RAY
Governor