H- 3/28/00 Wmp + means
H- 4/10/00 Do Pass

FILED MAR 2 '00

SENATE FILE 2419

BY COMMITTEE ON WAYS & MEANS

(SUCCESSOR TO SF 2186)

Passed Senate, Date 3-27-00 (p. 869) Passed House, Date 4-17-00 (p. 1564)

Vote: Ayes 47 Nays 1 Vote: Ayes 98 Nays 0

Approved March 3, 2000

A BILL FOR

1 An Act providing for limitations on investments by city
2 hospitals.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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S.F. 2419 H.F. _____

1 Section 1. Section 12B.10, subsection 6, Code 1999, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. i. Investments made by city hospitals as
4 provided in section 392.6. However, investments by city
5 hospitals are limited to the following:
6 (1) The same types of investments as the treasurer of
7 state and other state agencies may make under this section.
8 (2) Investment in common stocks.
9 EXPLANATION
10 This bill amends Code section 12B.10, which provides
11 requirements for the investment of public funds, including
12 investment standards which provide for the safety of
13 principal, maintaining levels of liquidity, and obtaining a
14 reasonable return on investments, in accordance with written
15 policies. The Code section currently provides that the
16 treasurer of state and the treasurer of each political
17 subdivision must keep moneys coming into their possession as
18 public moneys in a secure place, including a depository, such
19 as a financial institution. The Code section provides that
20 the treasurer of state and the treasurer of each political
21 subdivision may invest public funds not currently needed in
22 investments authorized by the section.
23 These investments include obligations of the United States
24 government, certificates of deposit, prime bankers'
25 acceptances that mature within 270 days, commercial paper or
26 short-term corporate debt, certain repurchase agreements,
27 investments authorized for the Iowa public employees'
28 retirement system, and open-end management investment
29 companies registered with the federal securities and exchange
30 commission. The Code section prohibits the investment in
31 futures and option contracts.
32 Code section 12B.10 also provides that a number of
33 investments are not subject to these requirements and
34 standards, including but not limited to investments by the
35 public safety peace officers' retirement system, investments

1 by the Iowa public employees' retirement system, investments
2 by the Iowa finance authority, and investments by the state
3 board of regents.
4 The bill adds to this class of exempt investments,
5 investments made by city hospitals. The bill provides that
6 investments by city hospitals are limited to the same types of
7 investments made by the treasurer of state and other state
8 agencies or investments in common stock.
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SENATE FILE 2419

AN ACT
PROVIDING FOR LIMITATIONS ON INVESTMENTS BY CITY HOSPITALS.

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

Section 1. Section 12B.10, subsection 6, Code 1999, is amended by adding the following new paragraph:

NEW PARAGRAPH. i. Investments made by city hospitals as provided in section 392.6. However, investments by city hospitals are limited to the following:

(1) The same types of investments as the treasurer of state and other state agencies may make under this section.

(2) Investment in common stocks.

MARY E. KRAMER
President of the Senate

BRENT SIEGRIST
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2419, Seventy-eighth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved March 3, 2000

THOMAS J. VILSACK
Governor

SF 2419