

Senate File 246 - Introduced

SENATE FILE 246
BY EVANS

A BILL FOR

- 1 An Act relating to interest on state moneys invested in
- 2 depository time certificates of deposit.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 12C.6, subsection 2, paragraph b, Code
2 2025, is amended to read as follows:

3 b. State funds invested in depository time certificates
4 of deposit shall draw interest at not less than the rate
5 established, effective on the date of investment. The interest
6 rate shall not be less than one-half of the effective federal
7 funds rate, as published by the federal reserve bank of New York.

8 EXPLANATION

9 The inclusion of this explanation does not constitute agreement with
10 the explanation's substance by the members of the general assembly.

11 Under current law, state moneys invested in a depository time
12 certificate of deposit (CD) must earn interest at no less than
13 the rate established by the treasurer of state for state moneys
14 placed in a time deposit. This bill requires that such a CD
15 interest rate be at least one-half of the effective federal funds
16 rate, as published by the federal reserve bank of New York. By
17 operation of law, this applies to investments in CDs by a public
18 body or officer other than the treasurer of state (Code section
19 12C.6(3)).