

Senate File 2286 - Reprinted

SENATE FILE 2286
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 3075)

(As Amended and Passed by the Senate April 8, 2026)

A BILL FOR

1 An Act relating to the investment of public funds, and making
2 penalties applicable.

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

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1 Section 1. Section 12B.10, subsection 5, paragraph a,
2 subparagraph (7), subparagraph division (a), unnumbered paragraph
3 1, Code 2026, is amended to read as follows:

4 A joint investment trust organized pursuant to chapter 28E
5 that is in compliance with section 12B.10D, provided that the
6 joint investment trust shall be one of the following:

7 Sec. 2. Section 12B.10, subsection 7, unnumbered paragraph 1,
8 Code 2026, is amended to read as follows:

9 Notwithstanding sections 12C.2, 12C.4, and 12C.6, and any
10 other provision of law relating to the deposits of public funds,
11 if public funds are deposited in a depository, as defined in
12 section 12C.1, any uninsured portion of the public funds invested
13 through the depository may be invested in insured deposits or
14 certificates of deposit arranged by the depository that are
15 placed in or issued by one or more federally insured banks,
16 credit unions, or savings associations regardless of location for
17 the account of the public funds depositor if all of the following
18 requirements are satisfied:

19 Sec. 3. NEW SECTION. **12B.10D Regulation of joint investment**
20 **trusts.**

21 1. a. Beginning April 30, 2027, a political subdivision of
22 the state may invest up to twenty-five percent of the aggregate
23 amount of its public funds in a joint investment trust authorized
24 under section 12B.10, subsection 5, paragraph "a", subparagraph
25 (7). The twenty-five percent limit must be calculated based on
26 the average of all of the political subdivision's public funds
27 over the previous two fiscal years.

28 b. A political subdivision that exceeds the twenty-five
29 percent limit solely as a result of fluctuations in fund
30 balances, earnings, or valuation is not in violation of this
31 subsection if the political subdivision acts in good faith to
32 restore compliance within 30 days.

33 2. A joint investment trust shall not directly or indirectly
34 pay an individual, association, or entity not providing direct
35 investment management, administrative, custodial, or other bona

1 fide operational services to the trust.

2 3. Before depositing or investing public funds with a joint
3 investment trust organized under chapter 28E, the governing
4 body of the political subdivision shall execute a written
5 acknowledgment stating all of the following:

6 a. That the participant understands and affirms that funds
7 invested in the joint investment trust may not be deposits
8 insured by the federal deposit insurance corporation, national
9 credit union administration, or any other government insurance
10 program comparable to those offered by a local financial
11 institution.

12 b. That the participant understands and affirms that such
13 funds are not collateralized or guaranteed by the state, a
14 political subdivision, or any other entity.

15 c. That the participant acknowledges that the safety of such
16 funds depends on the investment performance and management of the
17 joint investment trust and is subject to loss of principal.

18 Sec. 4. Section 12C.17, subsection 1, paragraph c, Code 2026,
19 is amended to read as follows:

20 c. The securities shall be deposited with the federal reserve
21 bank, the federal home loan bank of Des Moines, Iowa, a
22 ~~corporate central credit union organized under section 533.213 a~~
23 securities broker-dealer registered as a member of the financial
24 industry regulatory authority, or a corporate credit union whose
25 activities are subject to regulation by the national credit
26 union administration pursuant to a bailment agreement or a pledge
27 custody agreement.

28 Sec. 5. Section 12C.17, subsection 4, Code 2026, is amended
29 to read as follows:

30 4. Upon written request from the appropriate public officer
31 but not less than monthly, the federal reserve bank, the federal
32 home loan bank of Des Moines, Iowa, a ~~corporate central credit~~
33 ~~union organized under section 533.213 a securities broker-dealer~~
34 registered as a member of the financial industry regulatory
35 authority, or a corporate credit union whose activities are

1 subject to regulation by the national credit union administration
2 shall report a description, the par value, and the market value
3 of any pledged collateral by a credit union.

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