

**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:

1 Section 1. Section 12B.10, subsection 5, paragraph a,  
2 subparagraph (7), subparagraph division (a), unnumbered  
3 paragraph 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  
8 1, 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  
11 funds, if public funds are deposited in a depository, as  
12 defined in **section 12C.1**, any uninsured portion of the public  
13 funds invested through the depository may be invested in  
14 insured deposits or certificates of deposit arranged by  
15 the depository that are placed in or issued by one or more  
16 federally insured banks, credit unions, or savings associations  
17 regardless of location for the account of the public funds  
18 depositor if all of the following 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  
22 of the state may invest up to twenty-five percent of the  
23 aggregate amount of its public funds in a joint investment  
24 trust authorized under section 12B.10, subsection 5, paragraph  
25 "a", subparagraph (7). The twenty-five percent limit must  
26 be calculated based on the average of all of the political  
27 subdivision's public funds 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  
17 the joint investment trust and is subject to loss of principal.

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

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

S.F. 2286

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