SENATE FILE 2286
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 3075)

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

_____ and [= New Language by the Senate

* = Language Stricken by the Senate

A BILL FOR

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

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

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

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

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

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

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

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

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

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

fide operational services to the trust.

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

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

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

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

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

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

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

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

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