

CHAPTER 39  
INTEREST ON PUBLIC DEPOSITS

S. F. 299

AN ACT relating to the duties of the statutory committee with respect to establishing the interest rates on public deposits and obligations.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 74A.6, subsections 1, 2, 3, 4, and 5, Code 1981, are amended to read as follows:

1. The ~~rulemaking~~ authority contained in this section shall be exercised by a committee composed of the treasurer of state, the superintendent of banking and the ~~commissioner-of-insurance~~ auditor of state or a designee.

2. The committee shall ~~adopt-rules-pursuant-to-chapter--17A--establishing~~ establish the ~~annual~~ maximum interest rate to be applicable to obligations referred to in section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate. The committee shall establish the ~~annual~~ maximum interest rate to be applicable to obligations referred to in section 74A.4.

3. The committee shall ~~adopt-rules-pursuant-to-chapter-17A-establishing~~ establish recommended interest rates, or formulae for determining recommended interest rates, to be applicable to obligations referred to in sections 74A.3 and 74A.7.

4. The committee ~~shall-establish-and~~ from time to time ~~modify~~ shall establish one or more of the interest rates referred to in subsections 2 and 3 as may be necessary in the opinion of the committee to permit the orderly financing of governmental activities, and to minimize interest costs to governmental bodies while permitting a fair return to persons whose funds are used to finance governmental activities. The committee shall consider relevant indices of actual interest rates in the economy when establishing rates under this section, including but not necessarily limited to maximum lawful interest rates payable by depository financial institutions on customer deposits, interest rates payable on obligations issued by the United States government, and interest rates payable on obligations issued by governmental bodies other than those of this state.

5. An interest rate established by the committee under this section shall be in effect commencing on the ~~date--specified--in--the--rule--and--until~~ superseded-by-a-subsequent-rule eighth calendar day following the day the rate is established and until a new rate is established and takes effect. The committee shall give advisory notice of an interest rate established under this section. This notice may be given by publication in one or more newspapers, by publication in the Iowa administrative bulletin, by ordinary mail to persons directly affected by any other method determined by the committee, or by a combination of these. Actions of the committee under this section are exempt from chapter 17A.

Sec. 2. Section 453.6, unnumbered paragraph 1, Code 1981, is amended to read as follows:

~~Henceforth--public~~ Public deposits shall be deposited with reasonable promptness and shall except for time certificates of deposit be evidenced by passbook entry by the depository legally designated as depository for such funds. A committee composed of the superintendent of banking, the ~~commissioner--of--insurance~~ auditor of state or a designee, and the treasurer of state shall meet on or about the first of each month or at other times as the committee may prescribe and by majority action shall establish the rate to be earned on state funds placed in time deposits ~~during-the--period--until the--next-meeting-of-the-committee~~. State funds invested by the treasurer of state in bank time certificates of deposit shall draw interest at the rate so ~~determined~~ established, effective on the date of investment. An interest rate established by the committee under this section shall be in effect commencing on the eighth calendar day following the day the rate is established and until a different rate is established and takes effect. The committee shall give advisory notice of an interest rate established under this section. This notice may be given by publication in one or more newspapers, by publication in the Iowa administrative bulletin, by ordinary mail to persons directly affected, by any other method determined by the committee, or by a combination of these. Actions of the committee under this section are exempt from chapter 17A.

Approved May 5, 1981

---

CHAPTER 40  
PUBLIC REVENUE BONDS

S. F. 551

AN ACT relating to the sale of public revenue bonds and making it effective upon publication.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Chapter 75, Code 1981, is amended by adding the following new section:

NEW SECTION. Any other provisions of this chapter or any other law to the contrary notwithstanding, if the principal amount of an issue of public revenue bonds is fifteen million dollars or greater, the official or governing body in charge of the bond sale may, if the official or governing body deems it advisable and in the best interests of the public, sell the bonds at private sale without the necessity of public advertisement or the taking of competitive bids and at a price above, at, or below par, plus accrued interest, as the official or governing body deems advisable and in the best interests of the public.