

HOUSE BILL No. 1255

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-13-9-5.4.

Synopsis: Local government investments. Provides the state treasurer the authority to establish a program that permits political subdivisions to invest public deposits in a high yield savings account at an approved public depository and permits the public depository receiving the deposit to redeposit the money in other federally insured financial institutions located in the United States.

Effective: July 1, 2014.

Price, Burton

January 14, 2014, read first time and referred to Committee on Financial Institutions.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1255



A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-13-9-5.4 IS ADDED TO THE INDIANA CODE
2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2014]: **Sec. 5.4. (a)The treasurer of state shall establish a public
4 deposits program that permits a political subdivision to invest in a
5 high yield savings account that may be redeposited under this
6 section by the public depository receiving the public deposit. This
7 program is in addition to the authority to invest in certificates of
8 deposit under sections 5 and 5.3 of this chapter and in transaction
9 accounts under section 4 of this chapter.**
10 **(b) Notwithstanding any other law, the board of county
11 commissioners of each county, and the fiscal body of each political
12 subdivision other than a county, may by ordinance or resolution
13 authorize the investing officer of each, respectively, to invest public
14 money under the program established by the treasurer of state in
15 accordance with the following conditions:**
16 **(1) The account must be a high yield savings account at one**



1 (1) or more financial institutions:

2 (A) designated as an approved depository under IC 5-13-8;
3 and

4 (B) approved for the program by the state treasurer.

5 (2) The public depository receiving a public deposit, on or
6 after the date the public deposits are received, may arrange
7 for the redeposit of the public deposit into deposit accounts at
8 one (1) or more financial institutions. Notwithstanding
9 IC 5-13-4-9, a financial institution is not required to have a
10 branch or physical presence in Indiana to receive redeposits
11 under the program but must have a branch or physical
12 presence in the United States.

13 (3) The full amount of the public deposits redeposited by the
14 public depository into deposit accounts in financial
15 institutions, plus any accrued interest, must always be fully
16 insured by the federal deposit insurance corporation.

17 (4) On the same date the public deposits are redeposited by
18 the public depository, the public depository may, in its sole
19 discretion, choose whether to receive deposits, in any amount,
20 from other financial institutions, including a financial
21 institution that does not have a branch or physical presence in
22 Indiana but has a branch or physical presence in the United
23 States.

24 (5) The public depository receiving a public deposit must act
25 as a custodian of the public deposits deposited or redeposited
26 under this section.

27 (6) The county or political subdivision must have standard
28 demand account access to its public deposits, which may not
29 be less often than weekly.

30 (7) The county or political subdivision must receive monthly
31 account reports that include the amount deposited and held at
32 each financial institution for which the public depository acts
33 as a custodian under this section.

34 (c) Any expenses of the program under this section must be
35 borne by the participating account owners or the approved
36 depository, as determined by the treasurer of state.

37 (d) Public funds invested in accordance with the program are
38 not subject to any security or pledging requirements that may
39 otherwise apply to public deposits.

