

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 182

BY STATE AFFAIRS COMMITTEE

AN ACT

1
2 RELATING TO DUTIES OF THE STATE TREASURER; AMENDING SECTION 67-1210, IDAHO
3 CODE, TO PROVIDE THAT EACH FUND INVESTED BY THE OFFICE OF THE STATE
4 TREASURER SHALL BE CHARGED AN INVESTMENT ADMINISTRATION FEE AND TO MAKE
5 TECHNICAL CORRECTIONS.

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Section 67-1210, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 67-1210. INVESTMENT OF IDLE MONEYS. It shall be the duty of the state
10 treasurer to invest idle moneys in the state treasury in any of the follow-
11 ing:

12 (a) Bonds, treasury bills, interest-bearing notes, or other obliga-
13 tions of the United States, or those for which the faith and credit of the
14 United States are pledged for the payment of principal and interest.

15 (b) General obligation or revenue bonds of this state, or those for
16 which the faith and credit of this state are pledged for the payment of prin-
17 cipal and interest.

18 (c) General obligation or revenue bonds of any county, city, metropoli-
19 tan water district, municipal utility district, school district or other
20 taxing district of this state.

21 (d) Notes, bonds, debentures, or other similar obligations issued by
22 the farm credit system or institutions forming a part thereof under the farm
23 credit act of 1971, U.S.C., tit. 12, sections 2001-2259, and all acts of con-
24 gress amendatory thereof or supplementary thereto; in bonds or debentures of
25 the federal home loan bank board established under the federal home loan bank
26 act, U.S.C., tit. 12, sections 1421-1449; in bonds, debentures and other
27 obligations of the federal national mortgage association established under
28 the national housing act, U.S.C., tit. 12, sections 1701-1750g, as amended,
29 and in the bonds of any federal home loan bank established under said act and
30 in other obligations issued or guaranteed by agencies or instrumentalities
31 of the government of the state of Idaho or of the United States, including the
32 United States small business administration guaranteed portion of any loan
33 approved by an Idaho banking corporation and by the state treasurer.

34 (e) Bonds, notes or other similar obligations issued by public corpo-
35 rations of the state of Idaho including, but not limited to, the Idaho state
36 building authority, the Idaho housing and finance association and the Idaho
37 water resource board.

38 (f) Repurchase agreements covered by any legal investment for the state
39 of Idaho.

40 (g) Tax anticipation notes and registered warrants of the state of
41 Idaho.

1 (h) Tax anticipation bonds or notes and income and revenue anticipation
2 bonds or notes of taxing districts of the state of Idaho.

3 (i) Time deposit accounts and savings accounts in state depositories
4 including, but not limited to, accounts on which interest or dividends are
5 paid and upon which negotiable orders of withdrawal may be drawn, and similar
6 transaction accounts.

7 (j) Time deposit accounts and savings accounts of state or federal sav-
8 ings and loan associations located within the geographical boundaries of the
9 state in amounts not to exceed the insurance provided by the federal deposit
10 insurance corporation including, but not limited to, accounts on which in-
11 terest or dividends are paid and upon which negotiable orders of withdrawal
12 may be drawn, and similar transaction accounts.

13 (k) Revenue bonds of institutions of higher education of the state of
14 Idaho.

15 (l) Share, savings and deposit accounts of state and federal credit
16 unions located within the geographical boundaries of the state in amounts
17 not to exceed the insurance provided by the national credit union share
18 insurance fund and/or any other authorized deposit guaranty corporation,
19 including, but not limited to, accounts on which interest or dividends are
20 paid and upon which negotiable orders of withdrawal may be drawn, and similar
21 transaction accounts.

22 (m) Money market funds whose portfolios consist of any allowed invest-
23 ment as specified in this section. The securities held in money market port-
24 folios must be dollar-denominated, meaning that all principal and interest
25 payments on such a security are payable to security holders in United States
26 dollars.

27 The term "idle moneys" means the balance of cash and other evidences of
28 indebtedness which are accepted by banks as cash in the ordinary course of
29 business, in demand deposit accounts, after taking into consideration all
30 deposits and withdrawals, on a daily basis.

31 The interest received on all such investments, unless otherwise specif-
32 ically required by law, shall be paid into the general account of the state of
33 Idaho. Provided, unless otherwise specifically provided by statute, any in-
34 terest earned on funds received by the state pursuant to a federal law, reg-
35 ulation, or federal-state agreement which governs disposition of interest
36 earned upon such funds shall be accounted for separately to give effect to
37 the federal law, regulation, or federal-state agreement.

38 If the interest is to be credited to a separate account, the state trea-
39 surer shall charge the account an investment administration fee. The amount
40 of the fee shall be determined annually by the state treasurer and submit-
41 ted to the board of examiners for approval as stipulated in section 67-3524,
42 Idaho Code. The fee shall be expressed as an annual percentage of the aver-
43 age daily balance of the account, including separate investments, if any, of
44 that account. The fee shall be charged monthly in an amount approximately
45 ~~one-twelfth~~ one twelfth (1/12) of the fee which would be payable on an annual
46 basis. The amount of the investment administration fee shall constitute an
47 appropriation from the account for which the investment administration ser-
48 vices are rendered.

49 The state treasurer shall charge an investment administration fee
50 to each such state fund or account, including the general account, which

1 ~~receives investment income from investments administered~~ is invested by
2 the office of state treasurer. The investment administration fee shall be
3 determined annually by the state treasurer and submitted to the board of
4 examiners for approval, as stipulated in section 67-3524, Idaho Code. The
5 fee shall be expressed as an annual percentage of the average daily balance
6 of the fund or account, including separate investments, if any, of that fund
7 or account. The fee shall be charged monthly in an amount approximately
8 ~~one-twelfth~~ one twelfth (1/12) of the fee which would be payable on an annual
9 basis. The amount of the investment administration fee shall constitute an
10 appropriation from the fund or account for which the investment administra-
11 tion services are rendered.

12 The term "to invest" means to use the idle moneys in the state treasury
13 to buy, sell, including selling before maturity at either a gain or a loss,
14 retain, or exchange any of the investments described in this section, con-
15 sidering the probable safety of the capital, the probable income to be de-
16 rived, and the liquidity of the assets.