

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 464

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO DUTIES OF THE STATE TREASURER; AMENDING SECTION 67-1201, IDAHO
2 CODE, TO REMOVE REFERENCE TO PUBLIC ENDOWMENTS; AMENDING SECTION
3 67-1202, IDAHO CODE, TO PROVIDE FOR INVESTMENT OF ENDOWMENTS UNDER THE
4 AUTHORITY OF THE ENDOWMENT FUND INVESTMENT BOARD OR THE STATE BOARD OF
5 LAND COMMISSIONERS AND TO PROVIDE FOR EXERCISE OF THE TREASURER'S DUTY
6 AS CUSTODIAN OF THE PUBLIC SCHOOL PERMANENT ENDOWMENT FUND; AMENDING
7 SECTION 67-1210, IDAHO CODE, TO REMOVE REFERENCE TO PUBLIC ENDOWMENT
8 FUNDS AND TO CORRECT TERMINOLOGY; AMENDING CHAPTER 12, TITLE 67, IDAHO
9 CODE, BY THE ADDITION OF A NEW SECTION 67-1227, IDAHO CODE, TO GRANT
10 AUTHORITY TO INVEST FUNDS EXCLUDED FROM THE TREASURER'S DUTIES UNDER A
11 CERTAIN CODE SECTION; AMENDING CHAPTER 12, TITLE 67, IDAHO CODE, BY THE
12 ADDITION OF A NEW SECTION 67-1228, IDAHO CODE, TO ESTABLISH A FUND FOR
13 COSTS PAID BY AGENCIES FOR INVESTMENT BY THE TREASURER; AND DECLARING AN
14 EMERGENCY.
15

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

17 SECTION 1. That Section 67-1201, Idaho Code, be, and the same is hereby
18 amended to read as follows:

19 67-1201. DUTIES OF TREASURER. It is the duty of the treasurer:

20 1. To receive and keep all moneys belonging to the state not required
21 to be received and kept by some other person, and if deemed necessary by the
22 treasurer, to name additional or multiple custodians for the same.

23 2. To file and keep, for not less than two (2) years, the certificates of
24 the state controller delivered to him when moneys are paid into the treasury.
25 After two (2) years, such records may be disposed of as provided in sections
26 9-328 through 9-330, Idaho Code, unless a specific written request for fur-
27 ther retention has been made to the treasurer.

28 3. To deliver to each person paying money into the treasury a receipt
29 showing the amount, the sources from which the money accrued, and the funds
30 into which it is paid, which receipts must be numbered in order, beginning
31 with number one (1) at the commencement of each fiscal year.

32 4. To pay warrants drawn by the state controller out of the accounting
33 entity upon which they are drawn.

34 5. To invest idle moneys in the state treasury, ~~other than moneys in~~
35 ~~public endowment funds,~~ in permitted investments, and to pay the interest
36 received on all such investments, unless otherwise specifically required by
37 law, into the general account in the state operating fund.

38 6. To keep, for so long as the treasurer deems necessary, a record of all
39 moneys received and disbursed.

40 7. To keep, for so long as the treasurer deems necessary, separate
41 records of the different funds.

1 8. To report to the state controller daily, the amount disbursed for re-
2 demption of bonds and in payment of warrants; which report must show the date
3 and number of such bonds and warrants, the fund out of which they were paid,
4 and to report to the state controller monthly, the balance of cash on hand in
5 the treasury to the credit of each fund.

6 9. At the request of either house of the legislature, or any committee
7 thereof, to give information in writing as to the condition of the treasury,
8 or upon any subject relating to the duties of his office.

9 10. To report to the governor at the time prescribed in this code, the
10 exact balance in the treasury to the credit of the state, with a summary of
11 the receipts and payments of the treasury during the preceding fiscal year.

12 11. To authenticate with his official seal all writings and papers is-
13 sued from his office.

14 12. To discharge such other duties as may be imposed upon him by law.

15 SECTION 2. That Section 67-1202, Idaho Code, be, and the same is hereby
16 amended to read as follows:

17 67-1202. FUNDS OF STATE BOARD OF LAND COMMISSIONERS. (1) It is the
18 duty of the treasurer in relation to funds within the control of the state
19 board of land commissioners to receive from and receipt to the board for
20 money and evidences of indebtedness, subject, however, to final payment,
21 which are accepted by banks as cash in the ordinary course of business, and to
22 pay out of such funds orders drawn thereon by the board, but every order must
23 specify the particular fund upon which it is drawn.

24 (2) The treasurer is authorized to invest endowment funds as directed
25 by the endowment fund investment board, or as directed by the state board of
26 land commissioners if not otherwise provided for by law. The costs of in-
27 vesting funds pursuant to this section shall be paid from the funds invested
28 or the earnings on such funds. Any earnings on endowment funds shall be de-
29 posited and distributed in accordance with section 57-723A, Idaho Code.

30 (3) It is the duty of the treasurer to serve as the custodian of the
31 public school endowment fund. The treasurer may request any records of the
32 state board of land commissioners related to such fund and any financial
33 records of a bank or trust company keeping custody of the assets of the public
34 school permanent endowment fund pursuant to section 57-721, Idaho Code.

35 SECTION 3. That Section 67-1210, Idaho Code, be, and the same is hereby
36 amended to read as follows:

37 67-1210. INVESTMENT OF IDLE MONEYS. It shall be the duty of the state
38 treasurer to invest idle moneys in the state treasury, ~~other than moneys in~~
39 ~~public endowment funds,~~ in any of the following:

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

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

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

4 (d) Notes, bonds, debentures, or other similar obligations issued by
5 the farm credit system or institutions forming a part thereof under the farm
6 credit act of 1971, U.S.C., tit. 12, sections 2001-2259, and all acts of con-
7 gress amendatory thereof or supplementary thereto; in bonds or debentures of
8 the federal home loan bank board established under the federal home loan bank
9 act, U.S.C., tit. 12, sections 1421-1449; in bonds, debentures and other
10 obligations of the federal national mortgage association established under
11 the national housing act, U.S.C., tit. 12, sections 1701-1750g, as amended,
12 and in the bonds of any federal home loan bank established under said act and
13 in other obligations issued or guaranteed by agencies or instrumentalities
14 of the government of the state of Idaho or of the United States, including the
15 United States small business administration guaranteed portion of any loan
16 approved by an Idaho banking corporation and by the state treasurer.

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

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

23 (g) Tax anticipation notes and registered warrants of the state of
24 Idaho.

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

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

31 (j) Time deposit accounts and savings accounts of state or federal sav-
32 ings and loan associations located within the geographical boundaries of the
33 state in amounts not to exceed the insurance provided by the federal ~~savings~~
34 ~~and loan deposit~~ insurance corporation including, but not limited to, ac-
35 counts on which interest or dividends are paid and upon which negotiable or-
36 ders of withdrawal may be drawn, and similar transaction accounts.

37 (k) Revenue bonds of institutions of higher education of the state of
38 Idaho.

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

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

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

5 The interest received on all such investments, unless otherwise specif-
6 ically required by law, shall be paid into the general account of the state of
7 Idaho. Provided, unless otherwise specifically provided by statute, any in-
8 terest earned on funds received by the state pursuant to a federal law, reg-
9 ulation, or federal-state agreement which governs disposition of interest
10 earned upon such funds shall be accounted for separately to give effect to
11 the federal law, regulation, or federal-state agreement.

12 If the interest is to be credited to a separate account, the state trea-
13 surer shall charge the account an investment administration fee. The amount
14 of the fee shall be determined annually by the state treasurer and submit-
15 ted to the board of examiners for approval as stipulated in section 67-3524,
16 Idaho Code. The fee shall be expressed as an annual percentage of the aver-
17 age daily balance of the account, including separate investments, if any, of
18 that account. The fee shall be charged monthly in an amount approximately
19 one-twelfth (1/12) of the fee which would be payable on an annual basis. The
20 amount of the investment administration fee shall constitute an appropriati-
21 on from the account for which the investment administration services are
22 rendered.

23 The state treasurer shall charge an investment administration fee to
24 each such state fund or account, including the general account, which re-
25 ceives investment income from investments administered by the office of
26 state treasurer. The investment administration fee shall be determined
27 annually by the state treasurer and submitted to the board of examiners for
28 approval, as stipulated in section 67-3524, Idaho Code. The fee shall be
29 expressed as an annual percentage of the average daily balance of the fund
30 or account, including separate investments, if any, of that fund or account.
31 The fee shall be charged monthly in an amount approximately one-twelfth
32 (1/12) of the fee which would be payable on an annual basis. The amount of
33 the investment administration fee shall constitute an appropriation from
34 the fund or account for which the investment administration services are
35 rendered.

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

41 SECTION 4. That Chapter 12, Title 67, Idaho Code, be, and the same is
42 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
43 igned as Section 67-1227, Idaho Code, and to read as follows:

44 67-1227. INVESTMENT AT REQUEST OF STATE AGENCY. At the request of an
45 agency, the state treasurer is hereby authorized to accept for investment
46 the funds of an Idaho agency or funds held in trust by an Idaho agency that
47 are not idle moneys subject to investment under section 67-1210, Idaho Code.
48 The state treasurer may invest the funds submitted for investment under this
49 section in any investment the treasurer is authorized by law to acquire us-

1 ing the idle moneys of the state of Idaho. The state treasurer may pool funds
2 submitted for investment under this section with funds invested by the state
3 treasurer under any program authorized by this chapter. The treasurer may
4 require the agency certify its authority to submit the funds for investment
5 by the state treasurer and its authority to invest the funds in the invest-
6 ments authorized by this section. The costs of investing funds pursuant to
7 this section shall be paid from the funds invested or the earnings on such
8 funds or from a fund designated in advance by the agency.

9 SECTION 5. That Chapter 12, Title 67, Idaho Code, be, and the same is
10 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
11 ignated as Section 67-1228, Idaho Code, and to read as follows:

12 67-1228. TREASURER'S ADMINISTRATIVE FUND. (1) There is hereby cre-
13 ated in the state treasury the treasurer's administrative fund to which
14 shall be credited:

15 (a) Fees and charges collected pursuant to law to cover costs asso-
16 ciated with services or administration provided by the treasurer and
17 not paid by the general fund including, but not limited to, moneys paid
18 to the treasurer pursuant to sections 33-5409, 67-1202, 67-1227 and
19 67-8729, Idaho Code; and

20 (b) All other moneys as may be provided by law.

21 (2) Moneys in the fund shall be continuously appropriated to the trea-
22 surer and any moneys remaining in the fund at the end of each fiscal year
23 shall not be appropriated to any other fund.

24 (3) Moneys in the fund shall only be used to pay costs associated with
25 the services or administration provided by the treasurer pursuant to law and
26 not paid by the general fund.

27 SECTION 6. An emergency existing therefor, which emergency is hereby
28 declared to exist, this act shall be in full force and effect on and after its
29 passage and approval.