

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 7

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE STATE TREASURER; AMENDING SECTION 67-1210, IDAHO CODE, TO
2 PROVIDE THAT IDLE MONEYS MAY BE INVESTED IN PHYSICAL GOLD AND SILVER IN
3 CERTAIN INSTANCES AND TO MAKE TECHNICAL CORRECTIONS.
4

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

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

8 67-1210. INVESTMENT OF IDLE MONEYS. It shall be the duty of the state
9 treasurer to invest idle moneys in the state treasury in any of the follow-
10 ing:

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

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

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

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

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

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

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

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

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

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

11 (k) Revenue bonds of institutions of higher education of the state of
12 Idaho.

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

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

25 (n) Physical gold and silver, owned directly. Gold and silver held
26 under this subsection shall be maintained securely in a depository for pre-
27 cious metals constructed, at minimum, to Underwriters Laboratories (UL)
28 class two standards and located within the geographical boundaries of the
29 state. If no depository meeting the requirements of this subsection exists
30 in this state, the state treasurer shall select a qualifying depository in a
31 contiguous state. The state treasurer shall ensure that the gold and silver
32 held in a qualifying depository under this subsection is insured, indepen-
33 dently audited, and physically segregated from other assets.

34 The term "idle moneys" means the balance of cash, and other evidences
35 of indebtedness that are accepted by banks as cash in the ordinary course of
36 business, in demand deposit accounts, after taking into consideration all
37 deposits and withdrawals, on a daily basis.

38 The interest received on all such investments, unless otherwise specif-
39 ically required by law, shall be paid into the general ~~account~~ fund of
40 the state of Idaho. Provided, unless otherwise specifically provided by
41 statute, any interest earned on funds received by the state pursuant to a
42 federal law, regulation, or federal-state agreement that governs disposi-
43 tion of interest earned upon such funds shall be accounted for separately to
44 give effect to the federal law, regulation, or federal-state agreement.

45 If the interest is to be credited to a separate account, the state treas-
46 urer shall charge the account an investment administration fee. The amount
47 of the fee shall be determined annually by the state treasurer and submit-
48 ted to the board of examiners for approval. The fee shall be expressed as
49 an annual percentage of the average daily balance of the account, includ-
50 ing separate investments, if any, of that account. The fee shall be charged

1 monthly in an amount approximately one-twelfth (1/12) of the fee that would
2 be payable on an annual basis. The amount of the investment administration
3 fee shall constitute an appropriation from the account for which the invest-
4 ment administration services are rendered.

5 The state treasurer shall charge an investment administration fee to
6 each such state fund or account, including the general ~~account~~ fund, ~~which~~
7 that is invested by the office of state treasurer. The investment ad-
8 ministration fee shall be determined annually by the state treasurer and
9 submitted to the board of examiners for approval. The fee shall be expressed
10 as an annual percentage of the average daily balance of the fund or account,
11 including separate investments, if any, of that fund or account. The fee
12 shall be charged monthly in an amount approximately one-twelfth (1/12) of
13 the fee that would be payable on an annual basis. The amount of the invest-
14 ment administration fee shall constitute an appropriation from the fund or
15 account for which the investment administration services are rendered.

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