

IN THE SENATE

SENATE BILL NO. 1314

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE STATE TREASURER; AMENDING SECTION 67-1210, IDAHO CODE, TO PROVIDE THAT IDLE MONEYS MAY BE INVESTED IN PHYSICAL GOLD AND SILVER IN CERTAIN INSTANCES AND TO PROVIDE FOR STORAGE OF PHYSICAL GOLD AND SILVER; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

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

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

67-1210. INVESTMENT OF IDLE MONEYS. (1) It shall be the duty of the state treasurer to invest idle moneys in the state treasury in any of the following:

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

(b) General obligation or revenue bonds of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(c) General obligation or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district, or other taxing district of this state.

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

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

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

(g) Tax anticipation notes and registered warrants of the state of 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
5 are paid and upon which negotiable orders of withdrawal may be drawn,
6 and similar 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
9 of the state in amounts not to exceed the insurance provided by the fed-
10 eral deposit insurance corporation including, but not limited to, ac-
11 counts on which interest or dividends are paid and upon which negotiable
12 orders of withdrawal 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
17 amounts not to exceed the insurance provided by the national credit
18 union share insurance fund and/or any other authorized deposit guaranty
19 corporation, including, but not limited to, accounts on which interest
20 or dividends are paid and upon which negotiable orders of withdrawal may
21 be drawn, and similar 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
24 portfolios must be dollar-denominated, meaning that all principal and
25 interest payments on such a security are payable to security holders in
26 United States dollars.

27 (n) (i) Physical gold and silver. Except as provided in subpara-
28 graph (ii) of this paragraph, physical gold and silver, owned
29 directly and held under this subsection, shall be maintained se-
30 curely in a depository for precious metals constructed, at a min-
31 imum, to currently accepted industry standards for secure storage
32 and located within the geographical boundaries of the state. If
33 no depository meeting the requirements of this subsection exists
34 in this state, the state treasurer shall select a qualifying de-
35 pository in a contiguous state. The state treasurer shall ensure
36 that the gold and silver held in a qualifying depository under this
37 subsection is insured, independently audited, and physically seg-
38 regated from other assets.

39 (ii) Physical gold and silver, owned directly and held under this
40 subsection, may be stored by a bank chartered under the Idaho bank
41 act or a credit union organized under the Idaho credit union act
42 when such facility is located within the geographical boundaries
43 of this state and the gold and silver is stored in a class 1 vault.

44 (2) The term "idle moneys" means the balance of cash and other evidences
45 of indebtedness that are accepted by banks as cash in the ordinary course of
46 business, in demand deposit accounts, after taking into consideration all
47 deposits and withdrawals, on a daily basis.

48 (3) The interest received on all such investments, unless other-
49 wise specifically required by law, shall be paid into the general fund of
50 the state of Idaho. Provided, unless otherwise specifically provided by

1 statute, any interest earned on moneys received by the state pursuant to a
2 federal law, regulation, or federal-state agreement that governs disposi-
3 tion of interest earned upon such moneys shall be accounted for separately to
4 give effect to the federal law, regulation, or federal-state agreement.

5 (4) If the interest is to be credited to a separate fund, the state trea-
6 surer shall charge the fund an investment administration fee. The amount of
7 the fee shall be determined annually by the state treasurer and submitted to
8 the board of examiners for approval. The fee shall be expressed as an an-
9 nual percentage of the average daily balance of the fund, including separate
10 investments, if any, of that fund. The fee shall be charged monthly in an
11 amount approximately one twelfth (1/12) of the fee that would be payable on
12 an annual basis. The amount of the investment administration fee shall con-
13 stitute an appropriation from the fund for which the investment administra-
14 tion services are rendered.

15 (5) The state treasurer shall charge an investment administration fee
16 to each such state fund, including the general fund, that is invested by the
17 office of state treasurer. The investment administration fee shall be de-
18 termined annually by the state treasurer and submitted to the board of exam-
19 iners for approval. The fee shall be expressed as an annual percentage of the
20 average daily balance of the fund, including separate investments, if any,
21 of that fund. The fee shall be charged monthly in an amount approximately
22 one twelfth (1/12) of the fee that would be payable on an annual basis. The
23 amount of the investment administration fee shall constitute an appropri-
24 ation from the fund for which the investment administration services are ren-
25 dered.

26 (6) The term "to invest" means to use the idle moneys in the state trea-
27 sury to buy, sell, including selling before maturity at either a gain or a
28 loss, retain, or exchange any of the investments described in this section,
29 considering the probable safety of the capital, the probable income to be de-
30 rived, and the liquidity of the assets.

31 SECTION 2. An emergency existing therefor, which emergency is hereby
32 declared to exist, this act shall be in full force and effect on and after
33 July 1, 2024.