

IN THE SENATE

SENATE BILL NO. 1314, As Amended

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, TO PROVIDE FOR STORAGE OF PHYSICAL GOLD AND SILVER, AND TO PROVIDE FOR A MAXIMUM ALLOWED INVESTMENT; 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.

1 (g) Tax anticipation notes and registered warrants of the state of
2 Idaho.

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

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

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

15 (k) Revenue bonds of institutions of higher education of the state of
16 Idaho.

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

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

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

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

46 (iii) The maximum allowed investment in physical gold and silver
47 shall not exceed seven and one-half percent (7.5%) of the idle mon-
48 eys invested pursuant to this section.

49 (2) The term "idle moneys" means the balance of cash and other evidences
50 of indebtedness that are accepted by banks as cash in the ordinary course of

1 business, in demand deposit accounts, after taking into consideration all
2 deposits and withdrawals, on a daily basis.

3 (3) The interest received on all such investments, unless other-
4 wise specifically required by law, shall be paid into the general fund of
5 the state of Idaho. Provided, unless otherwise specifically provided by
6 statute, any interest earned on moneys received by the state pursuant to a
7 federal law, regulation, or federal-state agreement that governs disposi-
8 tion of interest earned upon such moneys shall be accounted for separately to
9 give effect to the federal law, regulation, or federal-state agreement.

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

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

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

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