

HOUSE BILL No. 1161

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-13-9-11.

Synopsis: Local government investment pool. Provides that a body corporate and politic established as an instrumentality of: (1) the state; or (2) a unit of local government; may pay funds into the local government investment pool for investment by the treasurer of state. Makes conforming amendments.

Effective: July 1, 2014.

Price, Burton

January 13, 2014, read first time and referred to Committee on Ways and Means.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1161



A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-13-9-11, AS ADDED BY P.L.117-2007,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2014]: Sec. 11. (a) As used in this section, "investment pool"
- 4 means the local government investment pool established by subsection
- 5 ~~(b)~~: (d).
- 6 (b) As used in this section, "officer" refers to either of the
- 7 following:
- 8 (1) An officer designated in section 1 of this chapter.
- 9 (2) The fiscal officer of a body corporate and politic that is
- 10 established as an instrumentality of:
- 11 (A) the state; or
- 12 (B) a unit of local government.
- 13 (c) As used in this section, "participating entity" refers to:
- 14 (1) a unit of local government; or
- 15 (2) a body corporate and politic that is established as an
- 16 instrumentality of:



1 **(A) the state; or**
 2 **(B) a unit of local government;**
 3 **that pays funds into the investment pool.**

4 ~~(b)~~ **(d)** The local government investment pool is established within
 5 the office and custody of the treasurer of state.

6 ~~(c)~~ **(e)** An officer ~~designated in section 1 of this chapter~~ may pay
 7 any funds held by the officer into the investment pool for the purpose
 8 of deposit, investment, and reinvestment of the funds by the treasurer
 9 of state on behalf of the **unit of government paying participating**
 10 **entity on whose behalf the officer pays** the funds into the investment
 11 pool.

12 ~~(d)~~ **(f)** The treasurer of state may pay state funds into the investment
 13 pool for the purpose of deposit, investment, and reinvestment of the
 14 state funds.

15 ~~(e)~~ **(g)** The treasurer of state shall invest the funds in the investment
 16 pool in the same manner, in the same type of instruments, and subject
 17 to the same limitations provided for the deposit and investment of state
 18 funds by the treasurer of state under IC 5-13-10.5.

19 ~~(f)~~ **(h)** The treasurer of state:

20 (1) shall administer the investment pool; and

21 (2) may contract with accountants, attorneys, regulated
 22 investment advisors, money managers, and other finance and
 23 investment professionals to make investments and provide for the
 24 public accounting and legal compliance necessary to ensure and
 25 maintain the safety, liquidity, and yield of the investment pool.

26 ~~(g)~~ **(i)** The treasurer of state shall establish and make public the
 27 policies that the treasurer of state will follow to ensure the efficient
 28 administration of and accounting for the investment pool. The policies
 29 must provide the following:

30 (1) There is not a minimum time for which funds paid into the
 31 investment pool must be retained by the investment pool.

32 (2) The administrative expenses of the investment pool shall be
 33 accounted for by the treasurer of state and shall be paid from the
 34 earnings of the investment pool.

35 (3) The earnings of the investment pool in excess of the
 36 administrative expenses of the investment pool shall be credited
 37 to the state and each **unit of government participating in the**
 38 **investment pool participating entity** in a manner that equitably
 39 reflects the different amounts and terms of the state's investment
 40 and each ~~unit's~~ **participating entity's** investment in the
 41 investment pool.

42 (4) There is not a limit on the number of accounts that the state or



1 a unit of government participating in the investment pool
 2 **participating entity** may establish within the investment pool.
 3 (5) The state and each ~~unit of government participating in the~~
 4 ~~investment pool~~ **participating entity** shall receive electronic or
 5 paper reports, including:
 6 (A) a daily transaction confirmation, reflecting any activity in
 7 the state's or ~~unit's~~ **participating entity's** account; and
 8 (B) a monthly report showing:
 9 (i) the state's or ~~unit's~~ **participating entity's** investment
 10 activity in the investment pool; and
 11 (ii) the performance and composition of the investment pool.
 12 (6) The investment pool shall be audited at least annually by an
 13 independent auditing firm, with an electronic or a paper copy of
 14 the audit provided to the state and each ~~unit of government~~
 15 ~~participating in the pool.~~ **participating entity**.
 16 (7) No less than fifty percent (50%) of funds available for
 17 investment shall be deposited in banks qualified to hold deposits
 18 of participating ~~local government~~ entities.
 19 ~~(h)~~ (j) A ~~unit of government participating in the investment pool~~
 20 **participating entity** may elect to have any funds due from the state
 21 wired directly to the custodian bank of the investment pool for credit
 22 to the ~~unit's~~ **participating entity's** investment pool account by
 23 submitting in writing a request to the auditor of state to wire the funds
 24 as directed. An election made by a ~~unit of government~~ **participating**
 25 **entity** under this subsection may be revoked at any time by the ~~unit~~
 26 **participating entity** by submitting in writing a request to the auditor
 27 of state to cease wiring the funds as previously directed by the ~~unit~~.
 28 **participating entity**.

