

HOUSE BILL NO. HB0030

Deposits and depositories.

Sponsored by: Joint Corporations, Elections & Political
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to deposits and depositories; amending
2 board of deposits procedures; amending the procedure for
3 designating state fund depositories; providing for
4 continuing designation; requiring the disclosure of
5 disciplinary actions as specified; providing for the
6 revocation of depository designations; providing for the
7 promulgation of rules; providing definitions; amending
8 provisions related to securing the deposit of state funds;
9 amending requirements related to joint custody agreements
10 which secure deposits; and providing for an effective date.

11

12 *Be It Enacted by the Legislature of the State of Wyoming:*

13

1 **Section 1.** W.S. 9-4-801 through 9-4-803,
2 9-4-804(b) (ii), 9-4-806, 9-4-810, 9-4-811, 9-4-825,
3 9-4-827(b) and 9-4-828 are amended to read:

4

5 **9-4-801. Board of deposits; creation; composition;**
6 **records; meetings; general duties.**

7

8 The state loan and investment board is established as and
9 shall perform the duties of the board of deposits. The
10 governor is the chairman of the board and the state
11 treasurer is the secretary of the board for the purpose of
12 performing the duties of the board of deposits. The records
13 of the board of deposits kept by the secretary, or a duly
14 certified copy thereof, are prima facie evidence of any
15 action of the board. The board of deposits shall meet
16 quarterly ~~in March, June, September and December of~~ each
17 year, or at any other time, upon the call of the chairman.
18 ~~At the June meeting,~~ The board shall designate banks within
19 this state eligible as state depositories for the purpose
20 of receiving on deposit funds of this state.

21

22 **9-4-802. Board of deposits; application; designation**
23 **of depositories; revocation of designation.**

1

2 A bank applying to be a state depository shall, ~~on or~~
3 ~~before the first Monday in June of each year,~~ file a
4 written application with the secretary of the board of
5 deposits. The application shall be accompanied by a sworn
6 statement of the financial condition of the bank at the
7 time the application is made and a certified resolution
8 providing proper authority of the depository. The secretary
9 of the board of deposits shall review all applications,
10 prepare a recommendation regarding each, and submit ~~the~~
11 ~~applications~~ a list of all applicants and his
12 recommendations to the board. The secretary of the board
13 shall prepare a list of all financial institutions of the
14 state which are approved by the board to be depositories.
15 The chairman and the secretary of the board shall certify
16 the list to the bank collateral officer who is designated
17 by the state treasurer. Once the bank collateral officer
18 is designated, the state treasurer shall provide a written
19 order to the bank declaring it a state depository until its
20 authority is revoked by the board. Each year, designated
21 state depositories shall submit a current statement of
22 condition, a certified copy of a resolution indicating its
23 authority to act as a state depository has not been revoked

1 and any other information the secretary of the board deems
2 necessary. If, at any time state funds are on deposit with
3 a state depository, a state depository is subject to any
4 public enforcement action by any federal or state
5 regulatory entity, the state depository shall notify the
6 secretary of the board of the regulatory action if the
7 action is not confidential. The board may revoke a bank's
8 designation as a state depository at any time except that
9 no time deposit, open account shall be withdrawn from a
10 state depository prior to the date of maturity without
11 providing forty-five (45) days prior written notice, absent
12 a default by the state depository.

13

14 **9-4-803. Deposit of state money in approved**
15 **depositories; authority of treasurer; rulemaking.**

16

17 (a) The state treasurer may deposit any portion of
18 the public monies in his possession in national banks
19 within this state or in any state banks incorporated under
20 the laws of and doing business in this state, as have been
21 approved under W.S. 9-4-801 through 9-4-818 by the board of
22 deposits. As used in W.S. 9-4-801 through 9-4-818, "bank"
23 includes federal and state savings and loan associations.

1 Federal and state savings and loan associations may be
2 designated as depositories for state funds in the same
3 manner as state and national banks.

4

5 (b) The state treasurer may promulgate necessary
6 rules and regulations for the implementation of the
7 approved state depository and time deposit, open account
8 programs.

9

10 **9-4-804. Deposit of state money in approved**
11 **depositories; required security; contents and form of**
12 **surety bond; definitions.**

13

14 (b) Surety bonds shall:

15

16 (ii) Contain the further obligation to settle
17 with and pay to the state treasurer, for the use of the
18 state, interest upon daily balance on the deposits, at the
19 agreed upon rate, which shall not be less than the minimum
20 rate fixed by the board of deposits, payable quarterly on
21 the first business day of January, April, July and October
22 in each year, or when the account is closed. As used in
23 W.S. 9-4-801 through 9-4-815, "business day" means any day

1 other than a Saturday, Sunday, a bank holiday in the state
2 or other day that is considered a holiday for the employees
3 of the state.

4
5 **9-4-806. Deposit of state money in approved**
6 **depositories; bank resolution.**

7
8 (a) Every bank designated as a depository for funds
9 of the state of Wyoming or any political subdivision
10 thereof, ~~within thirty (30) days following the designation~~
11 ~~by the state board of deposits or proper governing board,~~
12 shall furnish to the treasurer of the state of Wyoming, or
13 treasurer of the appropriate political subdivision, a
14 certified copy of the resolution adopted by its board of
15 directors which shall be in:

16
17 (i) A form acceptable to the state treasurer or
18 treasurer of the appropriate political subdivision; or

19
20 (ii) Substantially the following form:

21
22 "WHEREAS, it is necessary for (name of designated
23 depository) to properly secure the political division or

1 subdivision for all monies deposited in the bank by the
2 Treasurer of the political division or subdivision,
3 hereinafter called the Treasurer; and
4

5 WHEREAS, no deposit will be made in the bank by the
6 Treasurer unless the deposit is properly secured, and the
7 giving of proper security is one of the considerations for
8 receiving the deposits; and
9

10 WHEREAS, the Treasurer may, when furnished proper
11 security, carry a maximum credit balance with the bank of
12 Dollars; and
13

14 WHEREAS, the Treasurer is willing to receive
15 securities designated by laws of Wyoming as legal
16 collateral security as security for the deposit;
17

18 NOW, THEREFORE, BE IT RESOLVED by the Board of
19 Directors of the depository bank that any two of the
20 following named persons, officers of the bank, are
21 authorized and empowered to pledge to the Treasurer of the
22 state or political subdivision securities of this bank
23 which are legal for collateral security for deposit of

1 public funds, and which the Treasurer is willing to accept
 2 as collateral security, and in amounts and at the time the
 3 Treasurer and bank officers agree upon:

4

5 (Bank Officer's Name) (Title)

6

7 " " " "

8

9 " " " "

10

11 BE IT FURTHER RESOLVED that this authority given to
 12 the officers of the bank named herein to furnish collateral
 13 security to the Treasurer shall be continuing and shall be
 14 binding upon the bank until the authority given to the bank
 15 officers named herein is revoked or superseded by another
 16 resolution of this Board of Directors, verified copy of
 17 which shall be delivered by a representative of the bank to
 18 the Treasurer or mailed to the Treasurer by registered
 19 mail. The right given the officers named herein to pledge
 20 security as collateral also includes the right to give
 21 additional collateral security and to withdraw such
 22 collateral as the Treasurer is willing to surrender and the
 23 right to substitute one piece or lot of collateral for

1 another, provided the Treasurer is willing to make such
2 exchange or substitution.

3

4 BE IT FURTHER RESOLVED that the bank officers named
5 herein are fully authorized and empowered to execute in the
6 name of the bank such collateral pledge agreement in favor
7 of the Treasurer as the Treasurer requires, and any
8 collateral pledge agreement executed or any act done by the
9 bank officers named herein under the authority of this
10 Resolution shall be as binding and effective upon this bank
11 as though authorized by specific Resolution of the Board of
12 Directors of this Bank.

13

14 (b) The certified copy required by subsection (a) of
15 this section shall be provided at the time of the bank's
16 application or within thirty (30) days following the
17 designation by the state board of deposits or proper
18 governing board, as directed by the state treasurer or
19 treasurer of the appropriate political subdivision.

20

21 **9-4-810. "Time deposit, open account"; rate of**
22 **interest on public funds.**

23

1 Quarterly ~~in March, June, September and December of~~ each
2 year, taking into consideration all information before it,
3 the board of deposits shall fix the minimum rate of
4 interest to be paid on time deposit, open account. Time
5 deposits shall be at the minimum rate of interest as fixed
6 by the board or at such higher rate as agreed to by the
7 depository bank. The minimum rate shall go into effect on
8 the first day of April, July, October and January following
9 as the case may be, and the rate shall not be changed for
10 three (3) months.

11

12 **9-4-811. "Time deposit, open account"; payment of**
13 **interest; accounts of monies.**

14

15 Interest paid by banks on public funds on time deposit,
16 open account shall be paid to the state treasurer quarterly
17 ~~in~~ on the first business day of January, April, July and
18 October as required by the state treasurer. The state
19 treasurer shall require, and every depository shall keep
20 accurate accounts of all monies deposited with it, showing
21 the amounts deposited and when deposited.

22

1 **9-4-825. Joint custody agreement for securing local**
2 **deposits; banks authorized to receive collateral.**

3
4 Any properly designated depository of the public funds of
5 the state or any political subdivision thereof, and any
6 treasurer of any proper governing board may agree, as an
7 alternate method of securing the deposit of public funds,
8 to place the collateral security in any financial
9 institution, as defined in W.S. 13-1-101(a)(ix), and other
10 than the depository bank, chartered ~~by the state of~~
11 ~~Wyoming,~~ as a state bank or in any national bank, ~~other~~
12 than the depository bank, ~~authorized to do business in the~~
13 ~~state of Wyoming, or~~ in any federal reserve bank or branch
14 thereof, ~~or~~ in any bank which is a member of the federal
15 reserve system or in any government-sponsored enterprise.
16 The financial institution receiving the collateral security
17 shall be known as the custodian.

18
19 **9-4-827. Joint custody agreement for securing local**
20 **deposits; form for receipts.**

21
22 (b) Joint custody trust receipts issued by other
23 banks shall be :

1

2

(i) In a form acceptable to the state treasurer
or treasurer of the appropriate political subdivision; or

4

5

(ii) In substantially the following form:

6

7

JOINT CUSTODY RECEIPT

8

9

(Name, address of issuer of the Joint Custody Receipt)

10

hereinafter called the custodian, has received to be held

11

in safekeeping subject to the joint order of

12

13

(Name of Treasurer and official title) hereinafter

14

called the Treasurer and

15

16

(Name of depository bank) hereinafter called the

17

Depository Bank the following described securities:

18

19

Following and Subsequent

20

21

| | | |
|-------------|-----------------|-----------|
| Description | coupon attached | Par Value |
|-------------|-----------------|-----------|

22

23

| | | |
|-----|-----|------|
| Mo. | Day | Year |
|-----|-----|------|

1

2 Total par value (in writing and figures \$)

3

4 **9-4-828. Joint custody agreement for securing local**
5 **deposits; execution and contents of agreement.**

6

7 (a) The joint custody ~~receipt~~agreement shall be
8 executed by the custodian, the depository bank and the
9 treasurer of the proper governing board and ~~the receipt~~
10 shall:

11

12 (i) Contain the following provisions:

13

14 ~~(i)~~(A) The custodian will detach as they
15 mature and enter for collection the coupons from the
16 securities and the proceeds when collected will be credited
17 to the account of the depository bank unless otherwise
18 ordered by the treasurer;

19

20 ~~(ii)~~(B) The custodian will enter matured
21 principal for collection and hold the proceeds when
22 collected subject to the joint order of the treasurer and
23 depository bank;

1

2

~~(iii)~~ (C) It is understood by the treasurer and depository bank that the custodian assumes no responsibility for the nonpayment of interest or principal nor for the validity, genuineness or enforceability of any of the securities deposited in safekeeping hereunder nor makes any representation or warranties expressed or implied, as to the value or worth thereof, nor for the giving of notice of maturity, calls for redemption or the exercise of any rights, priorities, privileges of exchange or conversion or for the timely presentation of maturing principal or interest of any securities deposited under this agreement;

14

15

~~(iv)~~ (D) The custodian assumes no responsibility with respect to the safekeeping and condition of deposited property beyond the care and custody it gives its own securities held on its own premises. Any and all forms of protective insurance are to be furnished by the treasurer and depository bank at their option and expense. The custodian is not required to furnish any form of protective insurance; and

23

1 ~~(v)~~(E) The custodian shall deliver the
2 securities to the treasurer upon the sole order of the
3 treasurer when supported by a verified certificate of the
4 state banking commissioner certifying under seal that the
5 depository bank has failed or refused to pay all or a
6 portion of the deposit due the treasurer by the depository
7 bank and that under the terms of the pledge agreement
8 executed by the depository bank the treasurer is entitled
9 to delivery of the securities described in this receipt or
10 the proceeds thereof. Otherwise the securities shall be
11 delivered only upon the written joint order and
12 instructions of the treasurer and depository bank;~~;~~ or

13

14 (ii) Be in a form and contain provisions as
15 required by the state treasurer or the treasurer of the
16 proper governing board.

17

18 **Section 2.** This act is effective July 1, 2015.

19

20

(END)