

ORIGINAL HOUSE
BILL NO. HB0030

ENROLLED ACT NO. 29, HOUSE OF REPRESENTATIVES

SIXTY-THIRD LEGISLATURE OF THE STATE OF WYOMING
2015 GENERAL SESSION

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

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

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

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

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

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

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A bank applying to be a state depository shall, ~~on or before the first Monday in June of each year,~~ file a written application with the secretary of the board of deposits. The application shall be accompanied by a sworn statement of the financial condition of the bank at the time the application is made and a certified resolution providing proper authority of the depository. The secretary of the board of deposits shall review all applications, prepare a recommendation regarding each, and submit ~~the applications~~ a list of all applicants and his recommendations to the board. The secretary of the board shall prepare a list of all financial institutions of the state which are approved by the board to be depositories. The chairman and the secretary of the board shall certify the list to the bank collateral officer who is designated by the state treasurer. Once the bank collateral officer is designated, the state treasurer shall provide a written order to the bank declaring it a state depository until its authority is revoked by the board. Each year, designated state depositories shall submit a current statement of condition, a certified copy of a resolution indicating its authority to act as a state depository has not been revoked and any other information the secretary of the board deems necessary. If, at any time state funds are on deposit with a state depository, a state depository is subject to any public enforcement action by any federal or state regulatory entity, the state depository shall notify the secretary of the board of the regulatory action if the action is not confidential. The board may revoke a bank's designation as a state depository at any time except that no time deposit, open account shall be withdrawn from a state depository prior to the date of maturity without providing forty-five (45) days prior written notice, absent a default by the state depository.

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

(a) The state treasurer may deposit any portion of the public monies in his possession in national banks within this state or in any state banks incorporated under the laws of and doing business in this state, as have been approved under W.S. 9-4-801 through 9-4-818 by the board of deposits. As used in W.S. 9-4-801 through 9-4-818, "bank" includes federal and state savings and loan associations. Federal and state savings and loan associations may be designated as depositories for state funds in the same manner as state and national banks.

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

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

(b) Surety bonds shall:

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

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

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

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

(ii) Substantially the following form:

"WHEREAS, it is necessary for (name of designated depository) to properly secure the political division or subdivision for all monies deposited in the bank by the Treasurer of the political division or subdivision, hereinafter called the Treasurer; and

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

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

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

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NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the depository bank that any two of the following named persons, officers of the bank, are authorized and empowered to pledge to the Treasurer of the state or political subdivision securities of this bank which are legal for collateral security for deposit of public funds, and which the Treasurer is willing to accept as collateral security, and in amounts and at the time the Treasurer and bank officers agree upon:

(Bank Officer's Name) (Title)

" " " "

" " " "

BE IT FURTHER RESOLVED that this authority given to the officers of the bank named herein to furnish collateral security to the Treasurer shall be continuing and shall be binding upon the bank until the authority given to the bank officers named herein is revoked or superseded by another resolution of this Board of Directors, verified copy of which shall be delivered by a representative of the bank to the Treasurer or mailed to the Treasurer by registered mail. The right given the officers named herein to pledge security as collateral also includes the right to give additional collateral security and to withdraw such collateral as the Treasurer is willing to surrender and the right to substitute one piece or lot of collateral for another, provided the Treasurer is willing to make such exchange or substitution.

BE IT FURTHER RESOLVED that the bank officers named herein are fully authorized and empowered to execute in the name of the bank such collateral pledge agreement in favor of the Treasurer as the Treasurer requires, and any collateral pledge agreement executed or any act done by the

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bank officers named herein under the authority of this Resolution shall be as binding and effective upon this bank as though authorized by specific Resolution of the Board of Directors of this Bank.

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

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

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

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

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

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

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

9-4-827. Joint custody agreement for securing local deposits; form for receipts.

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

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

(ii) In substantially the following form:

JOINT CUSTODY RECEIPT

(Name, address of issuer of the Joint Custody Receipt) hereinafter called the custodian, has received to be held in safekeeping subject to the joint order of

(Name of Treasurer and official title) hereinafter called the Treasurer and

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(Name of depository bank) hereinafter called the
Depository Bank the following described securities:

Following and Subsequent

Description	coupon attached	Par Value
Mo.	Day	Year

Total par value (in writing and figures \$)

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

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

(i) Contain the following provisions:

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

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

~~(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

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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;

~~(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

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

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

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

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk