

SENATE BILL No. 341

DIGEST OF INTRODUCED BILL

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

Synopsis: Local government investment pool. Establishes the local government investment pool (investment pool) within the office of the treasurer of state. Allows local units of government to pay money into the investment pool for the purpose of deposit, investment, and reinvestment of the money by the treasurer of state on behalf of the units. Requires the treasurer of state to invest the funds in the investment pool in the same manner, in the same type of instruments, and subject to the same limitations provided for the deposit and investment of state funds. Authorizes the treasurer of state to contract with accountants, legal counsel, regulated investment advisors, money managers, and other finance and investment professionals to make investments and provide for the public accounting and legal compliance necessary to ensure and maintain the safety, liquidity, and yield of the investment pool. Requires the treasurer of state to establish and make public the policies that the treasurer of state will follow in the administration of and accounting for the investment pool. Requires the policies to provide the following: (1) There is not a minimum time for which funds must be retained by the investment pool. (2) The administrative expenses of the investment pool shall be paid from the earnings of the investment pool. (3) The earnings of the investment pool in excess of administrative expenses shall be credited to the state and each unit of government participating in the investment pool in a manner that equitably reflects the different amounts and terms of the state's investment and each unit's investment. (4) There is not a limit on the number of accounts that the state or a unit of government

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Effective: July 1, 2007.

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January 11, 2007, read first time and referred to Committee on Local Government and Elections.



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participating in the investment pool may establish within the investment pool. (5) The state and each unit of government participating in the investment pool shall receive certain daily and monthly reports. (6) The investment pool shall be audited annually by an independent auditing firm.

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Introduced

First Regular Session 115th General Assembly (2007)

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 2006 Regular Session of the General Assembly.

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SENATE BILL No. 341

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 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 11. (a) As used in this section, "investment pool"**
4 **means the local government investment pool established by**
5 **subsection (b).**

6 (b) **The local government investment pool is established within**
7 **the office and custody of the treasurer of state.**

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

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



1 (e) The treasurer of state shall invest the funds in the investment
2 pool in the same manner, in the same type of instruments, and
3 subject to the same limitations provided for the deposit and
4 investment of state funds by the treasurer of state under
5 IC 5-13-10.5.

6 (f) The treasurer of state:
7 (1) shall administer the investment pool; and
8 (2) may contract with accountants, attorneys, regulated
9 investment advisors, money managers, and other finance and
10 investment professionals to make investments and provide for
11 the public accounting and legal compliance necessary to
12 ensure and maintain the safety, liquidity, and yield of the
13 investment pool.

14 (g) The treasurer of state shall establish and make public the
15 policies that the treasurer of state will follow to ensure the efficient
16 administration of and accounting for the investment pool. The
17 policies must provide the following:

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

20 (2) The administrative expenses of the investment pool shall
21 be accounted for by the treasurer of state and shall be paid
22 from the earnings of the investment pool.

23 (3) The earnings of the investment pool in excess of the
24 administrative expenses of the investment pool shall be
25 credited to the state and each unit of government
26 participating in the investment pool in a manner that
27 equitably reflects the different amounts and terms of the
28 state's investment and each unit's investment in the
29 investment pool.

30 (4) There is not a limit on the number of accounts that the
31 state or a unit of government participating in the investment
32 pool may establish within the investment pool.

33 (5) The state and each unit of government participating in the
34 investment pool shall receive electronic or paper reports,
35 including:

36 (A) a daily transaction confirmation, reflecting any activity
37 in the state's or unit's account; and

38 (B) a monthly report showing:

39 (i) the state's or unit's investment activity in the
40 investment pool; and

41 (ii) the performance and composition of the investment
42 pool.

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1 **(6) The investment pool shall be audited at least annually by**
2 **an independent auditing firm, with an electronic or a paper**
3 **copy of the audit provided to the state and each unit of**
4 **government participating in the pool.**
5 **(h) A unit of government participating in the investment pool**
6 **may elect to have any funds due from the state wired directly to the**
7 **custodian bank of the investment pool for credit to the unit's**
8 **investment pool account by submitting in writing a request to the**
9 **auditor of state to wire the funds as directed. An election made by**
10 **a unit of government under this subsection may be revoked at any**
11 **time by the unit by submitting in writing a request to the auditor**
12 **of state to cease wiring the funds as previously directed by the unit.**

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