



March 27, 2015

ENGROSSED HOUSE BILL No. 1281

DIGEST OF HB 1281 (Updated March 24, 2015 1:16 pm - DI 120)

Citations Affected: IC 5-13; IC 36-1.

Synopsis: Local government investments. Provides that a political subdivision (other than a township) is not required to deposit funds on the next business day following receipt of the funds if the funds on hand do not exceed \$500. (Under current law, a political subdivision (other than a township) must deposit funds not later than the next business day following the receipt of the funds regardless of the amount.) Increases the current threshold amount for the legislative branch to be required to deposit funds on the next business day from \$100 to \$500. Provides that if the proceeds from the sale of a capital asset owned by a political subdivision exceed \$50,000,000, the fiscal body of the political subdivision may do the following: (1) Require
(Continued next page)

Effective: July 1, 2015.

**Soliday, Aylesworth, Olthoff,
DeLaney**

(SENATE SPONSORS — CHARBONNEAU, YODER, TALLIAN)

January 13, 2015, read first time and referred to Committee on Government and Regulatory Reform.

February 5, 2015, amended, reported — Do Pass.

February 9, 2015, read second time, amended, ordered engrossed.

February 10, 2015, engrossed. Read third time, passed. Yeas 98, nays 0.

SENATE ACTION

February 24, 2015, read first time and referred to Committee on Tax & Fiscal Policy.

March 26, 2015, amended, reported favorably — Do Pass.

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some or all of the proceeds to be deposited into a separate fund. (2) Authorize the proceeds to be invested in the same manner as money in the next generation trust fund may be invested, and if so invested, all money that is in a deposit account and not in some other form of investment must be deposited in one or more designated depositories of the political subdivision in the same manner as other public funds of the political subdivision are deposited. Specifies that an expenditure or transfer of any money that is part of the principal of the fund may be made only if the expenditure or transfer is approved by each member of the fiscal body of the political subdivision and by each member of the executive of the political subdivision. Provides that in the case of a county that receives or will receive at least \$50,000,000 from the sale of a capital asset, the county legislative body and the county fiscal body may, by adopting substantially similar ordinances, establish a charitable nonprofit foundation to hold some or all of the proceeds of the sale of the capital asset in trust for the benefit of the county. Requires the political subdivision and the foundation to enter into an agreement with a registered investment advisor regarding investment of the proceeds and the agreement must be a fee-for-service agreement. Specifies that the board of trustees of the foundation consists of the members of the county legislative body and the members of the county fiscal body. Provides the following if a foundation is established: (1) Money must be invested in accordance with the terms of an investment policy statement developed by the board of trustees with the investment advisor. (2) The investment policy statement must require diversification, risk management, and other fiduciary requirements common to the management of charitable foundations, including that the funds of the foundation must be invested according to the prudent investor rule. The investment policy statement may not allow the foundation to invest in any investments in which the political subdivision that established the foundation is not permitted to invest under the Constitution of the State of Indiana. (3) Money held by the foundation may be invested in any legal, marketable securities, and is not subject to any other investment limitations in the law (other than the limitations contained in the statute authorizing such an investment and the restrictions contained in the investment policy statement). (4) The total amount of the funds invested by the foundation in equity securities may not exceed 55% of the total portfolio value. (5) The foundation must be audited annually by an independent third party auditor. (6) The board of trustees must meet at least quarterly to receive a quarterly compliance and performance update from the investment advisor. (7) Three nonvoting advisors who are officers of different county designated depositories shall be appointed by those depositories to attend the quarterly meetings and assist the board of trustees in reviewing the compliance and performance report and the annual audit. Provides that an expenditure or transfer of any money that is part of the principal of the donation may be made only upon unanimous approval of the board of trustees. Provides that to the extent that investment income earned on the principal amount of the donation during a calendar year exceeds 5% of the amount of the principal at the beginning of the calendar year, that excess investment income shall be added to and be considered a part of the principal amount of the donation.



March 27, 2015

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1281

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

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

1 SECTION 1. IC 5-13-6-1, AS AMENDED BY P.L.151-2012,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 1. (a) All public funds paid into the treasury of the
4 state or the treasuries of the respective political subdivisions shall be
5 deposited not later than the business day following the receipt of funds
6 on business days of the depository in one (1) or more depositories in
7 the name of the state or political subdivision by the officer having
8 control of the funds.
9 (b) Except as provided in subsections (d), (f), and (g), all public
10 funds collected by state officers, other than the treasurer of state, shall
11 be deposited with the treasurer of state, or an approved depository
12 selected by the treasurer of state not later than the business day
13 following the receipt of the funds. The treasurer of state shall deposit
14 daily on business days of the depository all public funds deposited with

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1 the treasurer of state. Deposits do not relieve any state officer from the
2 duty of maintaining a cashbook under IC 5-13-5-1.

3 (c) Except as provided in ~~subsection~~ **subsections (d) and (g)**, all
4 local officers, except township trustees, who collect public funds of
5 their respective political subdivisions, shall deposit funds not later than
6 the business day following the receipt of funds on business days of the
7 depository in the depository or depositories selected by the several
8 local boards of finance that have jurisdiction of the funds. The public
9 funds collected by township trustees shall be deposited in the
10 designated depository on or before the first and fifteenth day of each
11 month. Public funds deposited under this subsection shall be deposited
12 in the same form in which they were received.

13 (d) **Except as provided in subsection (g)**, a city (other than a
14 consolidated city) or a town shall deposit funds not later than the next
15 business day following the receipt of the funds in depositories:

16 (1) selected by the city or town as provided in an ordinance
17 adopted by the city or the town; and

18 (2) approved as depositories of state funds.

19 (e) All local investment officers shall reconcile at least monthly the
20 balance of public funds, as disclosed by the records of the local
21 officers, with the balance statements provided by the respective
22 depositories.

23 (f) An office of:

24 (1) the department of natural resources; or

25 (2) the department of state revenue;

26 that is detached from the main office of the department is not required
27 to deposit funds on the business day following receipt if the funds on
28 hand do not exceed five hundred dollars (\$500). However, the office
29 must deposit the funds on hand not later than the business day
30 following the day that the funds exceed five hundred dollars (\$500).

31 (g) ~~An office of the legislative branch of state government is~~ **The**
32 **following are** not required to deposit funds on the business day
33 following receipt if the funds on hand do not exceed ~~one hundred~~
34 ~~dollars (\$100)~~ **five hundred dollars (\$500):**

35 **(1) An office of the legislative branch of state government.**

36 **(2) A local officer of a political subdivision required to deposit**
37 **funds under subsection (c) other than a township trustee.**

38 **(3) A city or a town required to deposit funds under**
39 **subsection (d).**

40 However, ~~the office must deposit~~ the funds on hand **must be deposited**
41 not later than the business day following the day that the funds exceed
42 ~~one hundred dollars (\$100)~~ **five hundred dollars (\$500).**



1 SECTION 2. IC 5-13-9.3 IS ADDED TO THE INDIANA CODE
 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2015]:

4 **Chapter 9.3. Investment of Proceeds Received From the Sale of**
 5 **Certain Capital Assets**

6 **Sec. 1. As used in this chapter, "capital asset" means a building,**
 7 **a fixture, a structure, an improvement, or land.**

8 **Sec. 2. As used in this chapter, "fund" means a fund established**
 9 **under section 4 of this chapter.**

10 **Sec. 3. (a) Subject to the requirements of this chapter, the fiscal**
 11 **body of a political subdivision may adopt an ordinance (in the case**
 12 **of a county or municipality) or a resolution (in the case of any**
 13 **other political subdivision) to authorize the investment of proceeds**
 14 **from the sale of a capital asset owned by the political subdivision.**
 15 **A fiscal body may adopt an ordinance under this subsection before,**
 16 **after, or at the time of the sale of the capital asset.**

17 **(b) Proceeds from the sale of a capital asset owned by a political**
 18 **subdivision may be invested as provided in this chapter only if:**

19 **(1) the total amount received (either before July 1, 2015, or**
 20 **after June 30, 2015) or that will be received from the sale of**
 21 **the capital asset exceeds fifty million dollars (\$50,000,000);**
 22 **and**

23 **(2) the fiscal body of the political subdivision has adopted an**
 24 **ordinance or a resolution, as described in subsection (a), that**
 25 **applies to the investment of proceeds from the sale of that**
 26 **particular capital asset.**

27 **Sec. 4. (a) If the fiscal body of a political subdivision adopts an**
 28 **ordinance or a resolution under section 3 of this chapter for a**
 29 **particular capital asset, the fiscal officer of the political subdivision**
 30 **shall establish a separate fund into which some or all of the**
 31 **proceeds from the sale of the capital asset shall be deposited. All**
 32 **interest and other income earned on investments of money in the**
 33 **fund shall be deposited in the fund. The ordinance or resolution**
 34 **under section 3 of this chapter must require that the investing**
 35 **officer of the political subdivision shall contract with a registered**
 36 **investment advisor concerning the investment of the proceeds in**
 37 **the fund with the expanded investment authority granted to the**
 38 **political subdivision under this section.**

39 **(b) Notwithstanding IC 5-13 or any other law, the investing**
 40 **officer of the political subdivision may invest money in the fund in**
 41 **the same manner as money in the next generation trust fund may**
 42 **be invested under IC 8-14-15-8(b). A political subdivision shall**



1 enter into an agreement with a registered investment advisor to
 2 provide advice regarding investment of money in the fund. The
 3 political subdivision shall, with the advice of the registered
 4 investment advisor, enter into agreements with investment
 5 managers for the investment of the funds. These agreements:

- 6 (1) must be a fee-for-service agreement; and
- 7 (2) may not provide that the compensation of the investment
 8 management professionals or investment advisors is
 9 determined in whole or in part by the amount or percentage
 10 of the investment income earned on money in the fund.

11 (c) Money in the fund may not be expended or transferred from
 12 the fund, except as provided in this chapter.

13 **Sec. 5. The following apply to money deposited in the fund:**

- 14 (1) The principal of the fund consists of:
 - 15 (A) the amount deposited in the fund as the proceeds from
 16 the sale of the capital asset; plus
 - 17 (B) any investment income that is:
 - 18 (i) earned on money in the fund; and
 - 19 (ii) added to the principal of the fund as provided in
 20 subdivision (2).
 - 21 (2) To the extent that investment income earned on money in
 22 the fund during a calendar year exceeds five percent (5%) of
 23 the amount of the principal at the beginning of the calendar
 24 year, that excess investment income shall, for purposes of this
 25 chapter, be added to and be considered a part of the principal
 26 of the fund.
 - 27 (3) Money may be expended from the fund only upon
 28 appropriation by the fiscal body of the political subdivision.
 29 Money may be transferred from the fund to another fund of
 30 the political subdivision only if the fiscal body of the political
 31 subdivision authorizes the transfer by ordinance (in the case
 32 of a county or municipality) or by resolution (in the case of
 33 any other political subdivision). However, an expenditure or
 34 transfer of any money that is part of the principal of the fund
 35 may be made only if the expenditure or transfer is approved:
 - 36 (A) by each member of the fiscal body of the political
 37 subdivision; and
 - 38 (B) by each member of the executive of the political
 39 subdivision.
 - 40 (4) All money in the fund that is in a deposit account and not
 41 in some other form of investment shall be deposited in one (1)
 42 or more designated depositories of the political subdivision in



1 the same manner as other public funds of the political
 2 subdivision are deposited under IC 5-13-9.

3 **Sec. 6.** The department of local government finance may not
 4 reduce a political subdivision's property tax levy under
 5 IC 6-1.1-18.5 or any other law on account of money deposited in a
 6 fund established under this chapter.

7 SECTION 3. IC 36-1-14-3 IS ADDED TO THE INDIANA CODE
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2015]: **Sec. 3. (a)** This section applies to a county in which the
 10 total amount received by the county (either before July 1, 2015, or
 11 after June 30, 2015) or that will be received by the county from the
 12 sale of a capital asset exceeds fifty million dollars (\$50,000,000).

13 **(b)** As used in this section, "foundation" means a charitable
 14 nonprofit foundation established under subsection (c).

15 **(c)** The county legislative body and the county fiscal body may,
 16 by adopting substantially similar ordinances, establish a charitable
 17 nonprofit foundation to hold some or all of the proceeds of the sale
 18 of the capital asset in trust for the benefit of the county. A county
 19 legislative body and a county fiscal body may adopt ordinances
 20 under this subsection before, after, or at the time of the sale of the
 21 capital asset. The members of the county legislative body and the
 22 members of the county fiscal body shall serve as the board of
 23 trustees of a foundation established under this section. A member's
 24 term on the board of trustees expires when the member's term on
 25 the county legislative body or the county fiscal body expires.

26 **(d)** The board of trustees of a foundation established under this
 27 section shall contract with investment managers, investment
 28 advisors, investment counsel, trust companies, banks, or other
 29 finance professionals to assist the board in its investment program.
 30 Money held by the foundation must be invested in accordance with
 31 the terms of an investment policy statement developed by the
 32 board of trustees with an investment advisor that:

33 **(1)** is approved by the board of trustees; and
 34 **(2)** complies with the diversification, risk management, and
 35 other fiduciary requirements common to the management of
 36 charitable foundations, including that the funds of the
 37 foundation must be invested according to the prudent investor
 38 rule. However, the investment policy statement may not allow
 39 the foundation to invest in any investments in which the
 40 political subdivision that established the foundation is not
 41 permitted to invest under the Constitution of the State of
 42 Indiana. The investment policy statement must include the



- 1 **limitation on the investment in equities specified in subsection**
 2 **(f).**
 3 **(e) Money held by the foundation:**
 4 **(1) may be invested in any legal, marketable securities; and**
 5 **(2) is not subject to any other investment limitations in the**
 6 **law, other than the limitations under this section and the**
 7 **limitations in the investment policy statement.**
 8 **(f) The total amount of the funds invested by a foundation in**
 9 **equity securities under this section may not exceed fifty-five**
 10 **percent (55%) of the total value of the portfolio of funds invested**
 11 **by the foundation under this section. However:**
 12 **(1) an investment that complies with this subsection when the**
 13 **investment is made remains legal even if a subsequent change**
 14 **in the value of the investment or a change in the value of the**
 15 **total portfolio of funds invested by the foundation causes the**
 16 **percentage of investments in equity securities to exceed the**
 17 **fifty-five percent (55%) limit on equity securities; and**
 18 **(2) if the total amount of the funds invested by a foundation in**
 19 **equity securities exceeds the fifty-five percent (55%) limit on**
 20 **equity securities because of a change described in subdivision**
 21 **(1), the investments by the foundation must be rebalanced to**
 22 **comply with the fifty-five percent (55%) limit on equity**
 23 **investments not later than one hundred twenty (120) days**
 24 **after the equity investments first exceed that limit.**
 25 **(g) The following apply if a foundation is established under this**
 26 **section:**
 27 **(1) The county legislative body shall determine the amount of**
 28 **the proceeds from the sale of the capital asset that shall be**
 29 **transferred by the county fiscal officer to the foundation.**
 30 **(2) The principal amount of the donation to the foundation**
 31 **consists of the following:**
 32 **(A) The amount transferred to the foundation under**
 33 **subdivision (1).**
 34 **(B) Any donations, gifts, or other money received from any**
 35 **private source.**
 36 **(C) Any investment income that is:**
 37 **(i) earned on the principal of the donation; and**
 38 **(ii) added to the principal of the donation as provided in**
 39 **subdivision (3).**
 40 **(3) To the extent that investment income earned on the**
 41 **principal amount of the donation during a calendar year**
 42 **exceeds five percent (5%) of the amount of the principal at the**



1 **beginning of the calendar year, that excess investment income**
2 **shall, for purposes of this section, be added to and be**
3 **considered a part of the principal amount of the donation.**
4 **(4) An expenditure or transfer of any money that is part of the**
5 **principal amount of the donation may be made only upon**
6 **unanimous approval of the board of trustees.**
7 **(5) The foundation must be audited annually by an**
8 **independent third party auditor.**
9 **(6) The board of trustees must meet at least quarterly to**
10 **receive a quarterly compliance and performance update from**
11 **the investment advisor. Three (3) nonvoting advisors who are**
12 **officers of different county designated depositories shall**
13 **attend the quarterly meetings in an advisory capacity to assist**
14 **the board of trustees:**
15 **(A) in reviewing the compliance and performance report**
16 **from the investment advisor; and**
17 **(B) in reviewing the annual audit required by subdivision**
18 **(5).**
19 **The three (3) nonvoting advisors may not vote on any action**
20 **of the board of trustees. The board of trustees shall by**
21 **majority vote select the three (3) depositories from which the**
22 **three (3) nonvoting advisors will be chosen. Each of the three**
23 **(3) depositories selected under this subdivision shall select an**
24 **officer of the depository to serve as one (1) of the three (3)**
25 **nonvoting advisors. Each nonvoting advisor shall serve a term**
26 **of three (3) years, and the nonvoting advisor shall continue to**
27 **serve until a successor is selected. However, to provide for**
28 **staggered terms, the board of trustees shall provide that the**
29 **initial term of one (1) nonvoting advisor is one (1) year, the**
30 **initial term of one (1) nonvoting advisor is two (2) years, and**
31 **the initial term of one (1) nonvoting advisor is three (3) years.**
32 **For purposes of avoiding a conflict of interest, a financial**
33 **institution for which a nonvoting advisor is an officer (and**
34 **any affiliate of such a financial institution) may not receive a**
35 **commission or other compensation for investments made by**
36 **the foundation under this section.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1281, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete AM1281 #1 adopted by the Committee on Government and Regulatory Reform on January 27, 2015.

Page 2, line 7, delete "twenty-five" and insert "**fifty**".

Page 2, line 8, delete "(\$25,000,000);" and insert "**(\$50,000,000);**".

Page 2, line 19, after "fund." insert "**The ordinance or resolution under section 3 of this chapter must require that the investing officer of the political subdivision shall contract with a registered investment advisor concerning the investment of the proceeds in the fund with the expanded investment authority granted to the political subdivision under this section.**".

Page 2, line 23, delete "However, if a" and insert "**A**".

Page 2, line 24, delete "enters" and insert "**shall enter**".

Page 2, line 24, delete "investment management".

Page 2, line 25, delete "professionals or" and insert "**a registered**".

Page 2, line 25, delete "advisors" and insert "**advisor to provide advice**".

Page 2, line 26, after "fund" delete ", the agreement:" and insert "**The political subdivision shall, with the advice of the registered investment advisor, enter into agreements with investment managers for the investment of the funds. These agreements:**".

Page 3, between lines 18 and 19, begin a new line block indented and insert:

"(4) All money in the fund that is in a deposit account and not in some other form of investment shall be deposited in one (1) or more designated depositories of the political subdivision in the same manner as other public funds of the political subdivision are deposited under IC 5-13-9."

Page 3, line 28, delete "twenty-five" and insert "**fifty**".

Page 3, line 29, delete "(\$25,000,000)." and insert "**(\$50,000,000).**".

Page 3, line 31, delete "community".

Page 3, line 34, delete "community".

Page 4, line 3, delete "may" and insert "**shall**".

Page 4, line 3, after "managers," insert "**investment advisors,**".

Page 4, line 7, after "policy" insert "**statement developed by the board of trustees with an investment advisor**".

Page 4, line 9, delete "restrictions and requirements set forth" and



insert "diversification, risk management, and other fiduciary requirements common to the management of charitable foundations, including that the funds of the foundation must be invested according to the prudent investor rule. However, the investment policy statement may not allow the foundation to invest in any investments in which the political subdivision that established the foundation is not permitted to invest under the Constitution of the State of Indiana. The investment policy statement must include the limitation on the investment in equities specified in subsection (f)."

Page 4, delete lines 10 through 42, begin a new paragraph and insert:

"(e) Money held by the foundation:

- (1) may be invested in any legal, marketable securities; and**
- (2) is not subject to any other investment limitations in the law, other than the limitations under this section and the limitations in the investment policy statement.**

(f) The total amount of the funds invested by a foundation in equity securities under this section may not exceed fifty-five percent (55%) of the total value of the portfolio of funds invested by the foundation under this section. However:

- (1) an investment that complies with this subsection when the investment is made remains legal even if a subsequent change in the value of the investment or a change in the value of the total portfolio of funds invested by the foundation causes the percentage of investments in equity securities to exceed the fifty-five percent (55%) limit on equity securities; and**
- (2) if the total amount of the funds invested by a foundation in equity securities exceeds the fifty-five percent (55%) limit on equity securities because of a change described in subdivision (1), the investments by the foundation must be rebalanced to comply with the fifty-five percent (55%) limit on equity investments not later than one hundred twenty (120) days after the equity investments first exceed that limit."**

Page 5, delete lines 1 through 30.

Page 6, after line 12, begin a new line block indented and insert:

"(5) The foundation must be audited annually by an independent third party auditor.

(6) The board of trustees must meet at least quarterly to receive a quarterly compliance and performance update from the investment advisor. Three (3) nonvoting advisors who are officers of different county designated depositories shall



attend the quarterly meetings in an advisory capacity to assist the board of trustees:

(A) in reviewing the compliance and performance report from the investment advisor; and

(B) in reviewing the annual audit required by subdivision (5).

The three (3) nonvoting advisors may not vote on any action of the board of trustees. The board of trustees shall by majority vote select the three (3) depositories from which the three (3) nonvoting advisors will be chosen. Each of the three (3) depositories selected under this subdivision shall select an officer of the depository to serve as one (1) of the three (3) nonvoting advisors. Each nonvoting advisor shall serve a term of three (3) years, and the nonvoting advisor shall continue to serve until a successor is selected. However, to provide for staggered terms, the board of trustees shall provide that the initial term of one (1) nonvoting advisor is one (1) year, the initial term of one (1) nonvoting advisor is two (2) years, and the initial term of one (1) nonvoting advisor is three (3) years. For purposes of avoiding a conflict of interest, a financial institution for which a nonvoting advisor is an officer (and any affiliate of such a financial institution) may not receive a commission or other compensation for investments made by the foundation under this section."

and when so amended that said bill do pass.

(Reference is to HB 1281 as introduced.)

LUCAS

Committee Vote: yeas 9, nays 2.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1281 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-13-6-1, AS AMENDED BY P.L.151-2012, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) All public funds paid into the treasury of the state or the treasuries of the respective political subdivisions shall be

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deposited not later than the business day following the receipt of funds on business days of the depository in one (1) or more depositories in the name of the state or political subdivision by the officer having control of the funds.

(b) Except as provided in subsections (d), (f), and (g), all public funds collected by state officers, other than the treasurer of state, shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds. The treasurer of state shall deposit daily on business days of the depository all public funds deposited with the treasurer of state. Deposits do not relieve any state officer from the duty of maintaining a cashbook under IC 5-13-5-1.

(c) Except as provided in ~~subsection~~ **subsections (d) and (g)**, all local officers, except township trustees, who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. Public funds deposited under this subsection shall be deposited in the same form in which they were received.

(d) **Except as provided in subsection (g)**, a city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories:

- (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and
- (2) approved as depositories of state funds.

(e) All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

(f) An office of:

- (1) the department of natural resources; or
- (2) the department of state revenue;

that is detached from the main office of the department is not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500). However, the office must deposit the funds on hand not later than the business day following the day that the funds exceed five hundred dollars (\$500).

(g) ~~An office of the legislative branch of state government is~~ **The following are** not required to deposit funds on the business day



following receipt if the funds on hand do not exceed ~~one hundred dollars (\$100)~~ **five hundred dollars (\$500)**:

- (1) An office of the legislative branch of state government.**
- (2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee.**
- (3) A city or a town required to deposit funds under subsection (d).**

However, ~~the office must deposit~~ the funds on hand **must be deposited** not later than the business day following the day that the funds exceed ~~one hundred dollars (\$100)~~ **five hundred dollars (\$500)**."

Renumber all SECTIONS consecutively.

(Reference is to HB 1281 as printed February 6, 2015.)

OBER

COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1281, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, line 13, delete "mean" and insert "**means**".

and when so amended that said bill do pass.

(Reference is to HB 1281 as reprinted February 10, 2015.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 2.

