

A BILL FOR

An Act relating to depositing funds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

New section. 12.1A

1. The treasurer shall not name any institution that has engaged in fraud as depository for funds, as a custodian for funds, as a recipient of a banking services contract, or as a provider of securities or bonds.
2. Fraud includes violations of federal or state law.
3. Engaging in fraud is established when the institution pays or is held liable for any fines, penalties, or settlement of federal or state government probes of the institution's practices related to fraud.
4. The treasurer shall terminate the relationship once a contractual obligation has ended.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

The state treasurer is responsible for determining financial institutions to hold the state's money, institutions to borrow from, and institutions that provide banking services. This bill establishes any institution that has engaged in fraud is not eligible to provide these services to the state of Iowa.