

HOUSE RESEARCH

Bill Summary

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Overview

This bill would permit four types of local government units to deposit funds in their official depository bank, under an arrangement permitting the depository bank to redeposit the funds into accounts at other banks that would serve as subcustodians of the funds. The four types of local governments are school districts, towns, counties, and cities (statutory cities and cities of the fourth class).

- 1 Official depository.** Permits the treasurer of a school district to deposit money into its official depository under an arrangement, authorized by the treasurer, in which the official depository redeposits the funds into accounts at other banks and savings and loan associations and serves as custodian for the school district in regard to those redeposited accounts. Requires that the "subcustodian" financial institution into which the funds are redeposited have at least five years of general custodial experience. Requires that the redeposited funds plus accrued interest be covered by FDIC insurance.
- 2 Depository; terms; liability; interest.** Permits a town treasurer to deposit town money into the town's official depository under the same conditions specified in section 1 for school districts.
- 3 Funds; where deposited or invested.** Permits a county treasurer to deposit county money into the county's official depository under the same conditions specified in section 1 for school districts.
- 4 Money, how deposited; checks, how drawn.** Permits the treasurer of a statutory city or a city of the fourth class to deposit city money under the same conditions specified in section 1 for school districts.