



February 24, 2012

**ENGROSSED  
SENATE BILL No. 109**

DIGEST OF SB 109 (Updated February 22, 2012 3:06 pm - DI 101)

**Citations Affected:** IC 5-13.

**Synopsis:** Deposit of public funds by local units. Expands the existing authority of counties and other political subdivisions to invest, through a selected local depository institution, in certificates of deposit issued by federally insured banks or savings and loan associations (wherever located) to include the authority to invest in interest bearing deposit accounts of federally insured banks or savings and loan associations (wherever located) through the same procedure and under the same conditions. Specifies that for purposes of this statute, the term "deposit account" includes only: (1) accounts subject to withdrawal by negotiable orders of withdrawal; (2) passbook savings accounts; (3) certificates of deposit; and (4) money market deposit accounts.

**Effective:** July 1, 2012.

**Holdman, Walker, Skinner**

(HOUSE SPONSORS — HEATON, BURTON)

January 4, 2012, read first time and referred to Committee on Tax and Fiscal Policy.  
January 19, 2012, amended, reported favorably — Do Pass.  
January 23, 2012, read second time, ordered engrossed.  
January 24, 2012, engrossed. Read third time, passed. Yeas 50, nays 0. Pursuant to Senate Rule 35(c), technical correction. Re-engrossed.

HOUSE ACTION

January 31, 2012, read first time and referred to Committee on Ways and Means.  
February 9, 2012, reassigned to Committee on Financial Institutions.  
February 23, 2012, reported — Do Pass.

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ES 109—LS 6416/DI 101+



February 24, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 109

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 5-13-4-7 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 2012]: Sec. 7. **Except as provided in**  
3 **IC 5-13-9-5.3**, "deposit accounts" means any of the following:  
4 (1) Any account subject to withdrawal by negotiable orders of  
5 withdrawal, unlimited as to amount or number, and without  
6 penalty, including NOW accounts.  
7 (2) Passbook savings accounts.  
8 (3) Certificates of deposit.  
9 (4) Money market deposit accounts.  
10 (5) Any interest bearing account that is authorized to be set up  
11 and offered by a financial institution in the course of its respective  
12 business.  
13 SECTION 2. IC 5-13-9-5.3, AS ADDED BY P.L.115-2010,  
14 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2012]: Sec. 5.3. (a) **For purposes of this section, "deposit**  
16 **account" does not include a deposit account described in**  
17 **IC 5-13-4-7(5).**

ES 109—LS 6416/DI 101+



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1           **(b)** In addition to the authority to invest in certificates of deposit  
 2 under section 5 of this chapter **and in transaction accounts under**  
 3 **section 4 of this chapter**, and notwithstanding any other law, the board  
 4 of county commissioners of each county, and the fiscal body of each  
 5 political subdivision other than a county, may by ordinance or  
 6 resolution authorize the investing officer of each, respectively, to invest  
 7 public funds in ~~certificates of deposit~~ **interest bearing deposit**  
 8 **accounts** in accordance with the following conditions:

9           (1) The funds are initially invested through a depository that is  
 10 selected by the investing officer.

11           (2) The selected depository arranges for the deposit of the funds  
 12 in ~~certificates of deposit~~ **interest bearing deposit accounts** in  
 13 one (1) or more federally insured banks or savings and loan  
 14 associations, wherever located, for the account of the county or  
 15 political subdivision.

16           (3) The full amount of the principal and any accrued interest of  
 17 each ~~certificate of deposit~~ are covered by insurance of any federal  
 18 deposit insurance agency.

19           (4) The selected depository acts as a custodian for the county or  
 20 political subdivision with respect to the ~~certificates of deposit~~  
 21 ~~issued for its account.~~ **deposits.**

22           (5) ~~At~~ **On** the same ~~time~~ **date** that the county's or political  
 23 subdivision's funds are deposited, ~~and the certificates of deposit~~  
 24 ~~are issued~~, the selected depository receives an amount of deposits  
 25 covered by insurance of any federal deposit insurance agency  
 26 from customers of other institutions, wherever located, at least  
 27 equal to the amount of the funds invested by the county or  
 28 political subdivision through the selected depository.

29           ~~(b)~~ **(c)** Public funds invested in accordance with subsection ~~(a)~~ **(b)**  
 30 are not subject to any security or pledging requirements that may  
 31 otherwise be applicable to the deposit or investment of public funds.

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## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 109, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-13-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 7. **Except as provided as provided in IC 5-13-9-5.3**, "deposit accounts" means any of the following:

- (1) Any account subject to withdrawal by negotiable orders of withdrawal, unlimited as to amount or number, and without penalty, including NOW accounts.
- (2) Passbook savings accounts.
- (3) Certificates of deposit.
- (4) Money market deposit accounts.
- (5) Any interest bearing account that is authorized to be set up and offered by a financial institution in the course of its respective business."

Page 1, line 3, after "(a)" insert "**For purposes of this section, "deposit account" does not include a deposit account described in IC 5-13-4-7(5).**

**(b)".**

Page 1, line 10, delete "deposits" and insert "**deposit accounts**".

Page 1, line 14, delete "deposits" and insert "**deposit accounts**".

Page 2, line 14, strike "(b)" and insert "**(c)**".

Page 2, line 14, strike "(a)" and insert "**(b)**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 109 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 7, Nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure reports that pursuant to Senate Rule 35(c), the following technical corrections are to be made to Engrossed Senate Bill 109.

Page 1, line 2, after "Except" delete "as provided".

(Reference is to ESB 109 as printed January 20, 2012.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred Senate Bill 109, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BURTON, Chair

Committee Vote: yeas 8, nays 0.

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