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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC FINANCE - ESTABLISHING LOCAL GOVERNMENT
INVESTMENT POOLS

Introduced By: Representatives Mattiello, Tomasso, Brien, Marcello, and Hearn

Date Introduced: March 03, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 35 of the General Laws entitled "PUBLIC FINANCE" is hereby
2 amended by adding thereto the following chapter:

3 CHAPTER 35-10.2

4 RHODE ISLAND LOCAL GOVERNMENT INVESTMENT POOL

5 **35-10.2-1. Short title.** -- This chapter shall be known and may be cited as the "Rhode
6 Island Local Government Investment Pool Act".

7 **35-10.2-2. Purpose.** -- The purpose of this chapter is to enable eligible governmental
8 entities to participate with the state in providing maximum opportunities for the investment of
9 public funds consistent with safety and protection of such funds.

10 **35-10.2-3. Definitions.** -- As used in this chapter, the following terms, unless the context
11 requires a different interpretation, have the following meanings:

12 (1) "Commission" means the state investment commission;

13 (2) "Participation Unit" means the equal proportionate share into which the beneficial
14 interest in the trust is divided and includes a fraction of a unit as well as whole units.

15 **35-10.2-4. Establishing investment pools.** -- Notwithstanding and general or special law
16 or regulation to the contrary, the general treasurer may establish, subject to the approval of the
17 commission, one or more investment pool trust funds containing certain monies in accordance
18 with section 37-10.2-5.

1 **35-10.2-5. Monies included in investment pools.** -- Each investment pool trust fund
2 may contain any or a combination of any of the following:

- 3 (1) Monies of the several funds of the state according to section 35-10-2;
- 4 (2) The proceeds of all bond issues not immediately required; or
- 5 (3) The funds under the custody of agencies, authorities, commissions, boards,
6 municipalities, political subdivisions and other public units of the state.

7 **35-10.2-6. Trustee of the funds.** -- The general treasurer shall serve as trustee for each
8 established investment pool trust fund in accordance with this chapter.

9 **35-10.2-7. Investment of funds.** -- The general treasurer shall invest each investment
10 pool trust fund in instruments prescribed, and in amounts approved, by the commission in
11 accordance with section 35-10-6.

12 **35-10.2-8. Participation units.** -- The general treasurer is authorized to sell to all
13 agencies, authorities, commissions, boards, municipalities, political subdivisions, and other public
14 units of the state, participation units in any such combined investment trust fund. Such
15 participation units are made legal investments for all the funds under the custody of such
16 agencies, authorities, commissions, boards, municipalities, political subdivisions, and other public
17 units of the state.

18 **35-10.2-9. Reporting.** -- (a) The general treasurer shall keep a separate account of each
19 participant having funds in the investment pool. Each separate account shall record the individual
20 amounts deposited in the investment pool, the date of withdrawals, and the earnings credited or
21 paid. The general treasurer shall report monthly the status of the respective account to each
22 participant having funds in the pool during the previous month.

23 (b) At the end of each fiscal year, the general treasurer shall submit to the governor and
24 the state auditor a summary of the activity of the investment pool. The summary shall indicate the
25 quantity of funds deposited; the earnings of the pool; the investments purchased, sold, or
26 exchanged; the administrative expenses of the investment pool; and such other information as the
27 state treasurer deems relevant.

28 **35-10.2-10. Rules and regulations.** -- The general treasurer, subject to the approval of
29 the commission, shall by rule prescribe the time periods for investments in the investment pool
30 and the procedure for withdrawal of funds from the investment pool. The state treasurer shall
31 promulgate such other rules as are deemed necessary for the efficient operation of the investment
32 pool.

33 **35-10.2-11. Effective date.** -- This chapter shall take effect immediately upon passage.

34 **35-10.2-12. Severability.** -- The holding of any section or sections or parts thereof to be

1 void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other section
2 or part thereof.

3 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO PUBLIC FINANCE - ESTABLISHING LOCAL GOVERNMENT
INVESTMENT POOLS

1 This act would create the Rhode Island local government investment pool which would
2 allow eligible governmental agencies to participate with the state in providing maximum
3 opportunities for the investment of public funds.

4 This act would take effect upon passage.

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