AN ACT
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:

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

CHAPTER 35-10.2
RHODE ISLAND LOCAL GOVERNMENT INVESTMENT POOL

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

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

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

1. "Commission" means the state investment commission;
2. "Participation Unit" means the equal proportionate share into which the beneficial interest in the trust is divided and includes a fraction of a unit as well as whole units.

35-10.2-4. Establishing investment pools. -- Notwithstanding and general or special law or regulation to the contrary, the general treasurer may establish, subject to the approval of the commission, one or more investment pool trust funds containing certain monies in accordance with section 37-10.2-5.
35-10.2-5. Monies included in investment pools. -- Each investment pool trust fund may contain any or a combination of any of the following:

(1) Monies of the several funds of the state according to section 35-10-2;

(2) The proceeds of all bond issues not immediately required; or

(3) The funds under the custody of agencies, authorities, commissions, boards, municipalities, political subdivisions and other public units of the state.

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

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

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

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

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

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

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

35-10.2-12. Severability. -- The holding of any section or sections or parts thereof to be
void, ineffective, or unconstitutional for any cause shall not be deemed to affect any other section or part thereof.

SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC FINANCE - ESTABLISHING LOCAL GOVERNMENT INVESTMENT POOLS

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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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