

Indiana Code

§ 5-13-4-7 Except 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.

§ 5-13-9-5.3 Authorization to invest in interest bearing deposit accounts; conditions; exemption from security or pledging requirements

(a) For purposes of this section, "deposit account" does not include a deposit account described in IC 5-13-4-7(5).

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

- (1) The funds are initially invested through a depository that is selected by the investing officer.
- (2) The selected depository arranges for the deposit of the funds in interest bearing deposit accounts in one (1) or more federally insured banks or savings and loan associations, wherever located, for the account of the county or political subdivision.
- (3) The full amount of the principal and any accrued interest of each deposit are covered by insurance of any federal deposit insurance agency.
- (4) The selected depository acts as a custodian for the county or political subdivision with respect to the deposits.
- (5) On the same date that the county's or political subdivision's funds are deposited, the selected depository receives an amount of deposits covered by insurance of any federal deposit insurance agency from customers of other institutions, wherever located, at least equal to the amount of the funds invested by the county or political subdivision through the selected depository.¹

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

¹ Highlight added editorially; participating banks should take note that the rule requires the bank to take reciprocal deposits in order to qualify under these provisions.

§ 36-1-2-13 - "Political subdivision"

"Political subdivision" means municipal corporation or special taxing district.

§ 36-1-2-10 - "Municipal corporation"

"Municipal corporation" means unit, school corporation, library district, local housing authority, fire protection district, public transportation corporation, local building authority, local hospital authority or corporation, local airport authority, special service district, or other separate local governmental entity that may sue and be sued. The term does not include special taxing district.

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