

51-7-18.1 Qualified depositories list -- Reports -- Treatment of confidential information -- Powers -- Staff -- Limits on powers.

- (1)
 - (a) The council shall provide a list of qualified depositories to each public treasurer at least semiannually.
 - (b) The list shall include:
 - (i) the name of each qualified depository; and
 - (ii) the maximum amount of public funds that each qualified depository is eligible to hold.
- (2) In determining the maximum amount of public deposits for a qualified depository, the council may not designate a maximum amount for any qualified depository that is more than twice that depository's capital as defined by council rule.
- (3)
 - (a) The council may require each qualified depository to submit monthly reports to the commissioner of Financial Institutions disclosing the amount of public funds held by the depository at the close of business on a day designated by the council.
 - (b) The council may also require the qualified depository to include in the report:
 - (i) information about the character and condition of the qualified depository's assets;
 - (ii) information about the qualified depository's deposits and other liabilities;
 - (iii) information about the qualified depository's capital; and
 - (iv) any other information that the council considers necessary in order for it to fulfill its responsibilities under this chapter.
 - (c) The council shall require that any reports submitted be verified by the oath or affirmation of the president or vice-president of the qualified depository.
 - (d) Any officer of a qualified depository who knowingly makes or causes to be made any false statement or report to the council or any false entry in the books or accounts of the qualified depository is guilty of a class A misdemeanor.
- (4)
 - (a) Notwithstanding Section 7-1-802, the commissioner may disclose necessary information about the condition of any qualified depository to the council to assist it in evaluating the eligibility of any qualified depository to receive and hold public funds.
 - (b) If the secretary of the council or any member of the council discloses confidential information obtained from the commissioner under this subsection, he is guilty of a class A misdemeanor.
 - (c) If any member of the council discloses confidential information obtained from the commissioner under this subsection, the governor shall remove him from his position.
- (5) Upon the vote of at least three of the council members, the commissioner shall require any qualified depository to:
 - (a) surrender deposits of public funds that exceed the amount that the qualified depository may legally hold under authority of this chapter and council rule; or
 - (b) pledge collateral security for those excess deposits.
- (6)
 - (a) If the commissioner orders the qualified depository to pledge collateral security for the excess deposits, the collateral security pledged shall have a market value determined upon the last day of the month of:
 - (i) 110% of the amount of the excess deposits, if the collateral consists of obligations of or fully guaranteed by the United States or its agencies as to principal and interest, a segregated earmarked deposit account, or notes, drafts, bills of exchange, or bankers' acceptances that are eligible for rediscount or purchase by a federal reserve bank;

- (ii) 120% of the amount of the excess deposits, if the collateral consists of obligations of the state of Utah or any of its political subdivisions; and
 - (iii) 130% of the amount of the excess deposits, if the collateral consists of obligations of other readily marketable bonds, notes, or debentures.
- (b) The qualified depository shall deposit any collateral pledged to secure excess deposits with the state treasurer.
- (c) The state treasurer may not release the collateral until he has received written confirmation from the commissioner that the qualified depository:
- (i) has relinquished the excess deposits; or
 - (ii) is in compliance with this chapter and council rules.
- (7) Any qualified depository that fails to comply with a written order issued by the commissioner under authority of this section within 15 days of receipt of the order is ineligible to receive or renew any deposits or investments of public funds until it receives written authorization to do so from the council.
- (8) In addition to the requirements set forth by rule, in order to be certified as a qualified depository as defined in Section 51-7-3, a depository institution shall pay to the commissioner an annual certification fee of \$250 due April 1 of each year.

Amended by Chapter 229, 1990 General Session