

LOCAL GOVERNMENT INVESTMENT POOL
(Tennessee Code Annotated Title 9 Chapter 4 Part 7)

Part 7
Local Government Investment Pool

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9-4-701. Purpose and findings.

The purpose of this part is to enable public entities in Tennessee to participate together in providing maximum opportunities for the investment of idle public funds. The general assembly finds and declares that the public interest is satisfied by providing maximum investment of idle funds, thereby reducing the need for imposing additional taxes.

9-4-702. Creation.

A local government investment pool is hereby created consisting of the aggregate of all funds from local governments that are placed in the custody of the state treasurer or the agents of the state treasurer for investment and reinvestment.

9-4-703. Advisory committee.

The members of the state funding board created by [9-9-101](#) shall serve in an advisory capacity to the state treasurer in all matters pertaining to the local government investment pool.

9-4-704. Consolidation with state funds Interest Charges Accounts Reports.

(a) Funds in the local government investment pool established by this part shall be consolidated with state funds held in the pooled investment fund created under [9-4-603](#); provided, that accurate and detailed accounting records are maintained for the funds for each

participating local government. Each participating local government shall be deemed a participant in the pooled investment fund created under 9-4-603.

(b) The state treasurer shall deduct from each participant's pro rata earnings from the fund a reasonable charge for administering the fund which shall be deposited and expended through the revolving account established in 9-4-603(g).

(c) A separate account designated by name and number for each participant in the fund shall be kept to record individual transactions and totals of all investments belonging to each participant.

(d) A monthly report showing the changes in investments made during the preceding month shall be furnished to each participant having a beneficial interest in the investment pool.

9-4-705. State assistance.

The state treasurer is authorized to assist local governments in investing funds that are temporarily in excess of operating needs by:

(1) Explaining investment opportunities to such local governments through publication and other appropriate means;

(2) Acquainting such local governments with the state's practice and experience in investing short-term funds; and

(3) Providing technical assistance in investment of idle funds to local governments that request such assistance.

9-4-706. Safekeeping and servicing of securities.

(a) The state treasurer is authorized to open such accounts as are permitted by the federal reserve for the safekeeping and other servicing of securities of local governments, and to enter into agreements with local governments to provide for such services as may be permitted by the federal reserve.

(b) The state treasurer is further authorized to deduct reasonable charges for the services provided pursuant to this section from the participating local government's account in the local government investment pool established pursuant to this part.

9-4-707. Electronic transfer of funds and reports Waiver.

Commencing on July 1, 2011, each local government participating in the local government investment pool shall electronically transfer to the local government investment pool any funds for which the local government desires to be invested or reinvested pursuant to this part. Such local governments shall also electronically file any report or other document with which such electronically transferred payment is associated or on which credit for the payment electronically

transferred is taken. In extenuating circumstances, the state treasurer has discretionary authority to waive the requirements of this section with respect to any local government. To obtain a waiver, the local government shall demonstrate in writing to the treasurer that such circumstances exist.