

427.01 DEPOSIT OF PUBLIC FUNDS.

The council of any statutory city or of any city of the fourth class shall designate as a depository of city funds such national, state, or private banks as it may deem proper. Except as to deposits insured by the federal deposit insurance corporation or protected by collateral or a corporate surety bond furnished under section 118A.03, each shall give bond to the municipality in at least double the amount authorized to be deposited therein, to be approved by the council, conditioned to repay all sums deposited therein upon proper demand therefor or at such time, not exceeding one year, as fixed by the terms of the deposit, and for the performance of such other duties as the council may require. The council shall require the city treasurer to deposit all or any part of the public funds in hand in such banks and to withdraw the same when so directed. All the terms and conditions of deposit shall be set forth in the resolution designating the several depositories, which resolution shall be filed with the clerk or recorder. The treasurer shall not be liable on the treasurer's bond for any money so deposited by direction of the council and lost through the failure, bankruptcy, or other default of the bank. All interest accruing upon these deposits shall belong to the city.

History: *RL s 774; 1957 c 367 s 5; 1957 c 518 s 1; 1973 c 123 art 5 s 7; 1986 c 444; 1996 c 399 art 2 s 12*