COMMON SENSE INSTITUTE

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KEEPING LOCAL TAX DOLLARS LOCAL:

THE $5.6 BILLION OPPORTUNITY COST OF IOWA'S PUBLIC POOLED INVESTMENT TRUSTS

AUTHORS: THOMAS YOUNG & BEN MURREY

ABOUT THE AUTHORS

Thomas Young is a Senior Economist with CSI. He brings a wealth of eclectic experience at the touch points of economics, including economic forecasting, econometrics, public finance, and survey research. He received his Ph.D. in Industrial Organization, Econometrics, and Finance from the University of Utah.

Ben Murrey is Iowa Director of Policy and Research with the Common Sense Institute where he leads the research efforts of CSI Iowa to provide insightful, accurate and actionable information about the impact of public policy on Iowa families, businesses and communities. Prior to joining CSI, Ben spent over a decade in political and public policy roles at the state and federal levels. After earning his degree at Hillsdale College, he joined Ted Cruz on the campaign trail, first as a grassroots field director overseeing 45 rural east Texas counties and later as assistant director of operations. He went on to serve seven years as a legislative staffer for Sen. Ted Cruz in Texas and Washington, D.C. Most recently, he served as fiscal policy center director at Independence Institute, a free market think tank in Colorado. In addition to publishing regular research reports for CSI, Ben has been published in state and national outlets including the *Wall Street Journal*, *Real Clear Policy*, the *Corridor Business Journal*, the *Colorado Springs Gazette*, and more. His work has contributed to public policy change at the state and federal levels that advanced sound tax policy and free enterprise.

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Iowa's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Iowans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Iowans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Iowans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

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INTRODUCTION

How local governments invest taxpayer dollars held in reserves can boost their local economies—or it can cost their economies millions.

When local governments collect revenues, they do not generally expend them immediately. In the time between collecting and expending revenue, governments generally hold funds in reserves by depositing them into one or more financial institutions or trusts to generate returns. In Iowa, these local government funds held in reserve commonly end up in pooled investment trusts, the Iowa Schools Joint Investment Trust (ISJIT) and the Iowa Public Agency Investment Trust (IPAIT). Together, these two trusts managed nearly $2.5 billion in local government funds across Iowa in fiscal year (FY) 2025. According to financial disclosures, when Iowa's local governments deposit public dollars with IPAIT, the trust deploys about 90% of it into investments outside Iowa's economy. In FY 2025 none of the funds school districts invested with ISJIT stayed in Iowa-based financial institutions. Only 4.8% of the total—just under $120 million—remained invested in Iowa-based institutions.[1] Indeed, the trusts invest nearly six times more with foreign banks than with Iowa institutions.[2]

In the time between collecting and expending revenue, governments generally hold funds in reserves by depositing them into one or more financial institutions or trusts to generate returns.

This report evaluates the economic impacts of deposit decisions by Iowa's local governments, comparing the status quo with alternatives that keep local governments' funds local. It examines both the direct fiscal implications for taxpayers and the broader impact on community economic development.

KEY FINDINGS

- Iowa's local governments held **$2.5 billion in public funds with ISJIT and IPAIT, of which almost all (~$2.4 billion) was invested outside of Iowa in FY 2025.**
  - In FY 2025, ISJIT and IPAIT invested 95.2% of assets under management outside Iowa and only 4.8% with Iowa-based financial institutions.[3]
  - Invested reserves from Iowa's local governments generated nearly $110 million in investment income in FY 2025.
  - Fees paid to ISJIT and IPAIT in FY 2025 came to approximately $7.2 million. About $2 million, or 27% of the fees, were added costs for royalties and sponsorships.
- If the entire $2.5 billion in local government deposits currently with ISJIT and IPAIT were invested with Iowa-based financial institutions, Iowa's banks could have lent an additional $1.75 billion into the local economy.
  - On average, the yield offered by IA-based banks from 2015 through 2025 has been 1.0% higher than the net yield paid by ISJIT and IPAIT.
  - Traditional financial institutions like local banks do not charge local governments fees for royalties and sponsorships, saving taxpayers an additional $2 million.
- CSI's macroeconomic model simulations found a range of positive outcomes for Iowa's economy, depending on the assumed yield on deposits under each scenario. If the funds currently deposited with ISJIT and IPAIT were kept in local financial institutions:
  - From 2026 through 2030, Iowa could expect a cumulative increase of—
    - $3.3 to 3.5 billion in Personal Income.
    - $2.9 to $3.1 billion in Disposable Personal Income.
    - $5.3 to $5.6 billion in overall GDP.
  - For the year 2030, Iowa could expect a boost to jobs and population by—
    - 7,200 to 8,500 jobs.
    - 7,600 to 7,750 population.
  - Under the model's assumptions, CSI estimates local governments would generate between -3$ million and +$24 million in investment income in 2026, depending on the yield.

- IPAIT and ISJIT invest most of their deposits in U.S. agency and U.S. Treasury securities, money market funds outside Iowa, and out-of-state financial institutions. Often, the out-of-state financial institutions are used for repurchase agreements, which present more risks than treasuries and money market funds.
- Iowa is one of 11 states with locally run pooled public investment trusts. The two more common arrangements are for state-run public investment trusts (20 states) and no public pooled investments (19 states).
- CSI reviewed 26 states' laws governing where local governments must hold public funds. Across the 26 states reviewed, 14 states have a policy comparable to Iowa's that allows local governments to invest funds in out of state securities after initially depositing them with an in-state institution. The remaining 12 states reviewed prohibit out-of-state investments.

BACKGROUND

In 2025, local governments across Iowa held an average of $2,488,590,692 in investment deposits across two investment management trusts: The Iowa Public Agency Investment Trust (IPAIT) and the Iowa Schools Joint Investment Trust (ISJIT). Local governments generated $109,647,222 in investment income from these deposits and paid $7,194,800 in operating costs (fees and other expenses) to generate this income.

Of the approximately $2.5 billion held with these two entities, $1,118,305,140 was held with IPAIT as of June 2025, an increase of 9% from 2024's average net position of $1,024,618,714.[4] In 2025, Iowa's schools had an average net position of $1,370,285,552 with ISJIT, an increase of almost 11% from 2024's $1,236,867,200.[5]

From the funds held at IPAIT, participants received $49,758,715 in FY2025 investment income, a decrease of 5% from the prior year.[6] Total fund expenses were $3,256,543, up from $2,968,396 in 2024.[7]

From funds held at ISJIT, participants received net investment income of $59,888,507 in 2025 and $62,485,252 in 2024.[8] Total expenses for generating the net investment income totaled $3,938,257 in 2025 and $3,776,382 in 2024.[9]

The approximately $2.5 billion in local public funds invested with IPAIT and ISJIT generated about $110 million in investment income for local governments across the state. The implied yield on the invested funds for 2025 was approximately 4.4%.[10]

Looking back to fiscal year 2015, assets under management of IPAIT and ISJIT have grown from $724 million to $2.5 billion since FY 2015, or 243%.

TABLE 1.

IPAIT and ISJIT Net Position, Dividends, and Expenses for 2024 and 2025

Measure	2024	2025
Average Net Position, IPAIT	$1,024,618,714	$1,118,305,140
Average Net Position, ISJIT	$1,236,867,200	$1,370,285,552
Dividends to Unitholders, IPAIT	$52,186,858	$49,758,715
Dividends to Unitholders, ISJIT	$62,485,252	$59,888,507
Total Expenses, IPAIT	$2,968,396	$3,256,543
Total Expenses, ISJIT	$3,776,382	$3,938,257

Source: IPAIT, ISJIT

While combined assets under management grew consistently since 2017, the net yield on those assets fluctuated much more due to the ups and downs of the Federal Reserve's federal funds target rate. The lowest yields were earned in 2015, 2016, and 2021. The highest yields were earned in 2024 prior to the Federal Reserve beginning to lower interest rates again.

Public entities have options for where they can place their reserves. They may park their assets with ISJIT and IPAIT, but they can also keep deposits with local banks or other Iowa financial institutions. When deciding on the right institution for holding their reserves, local governments might reasonably ask, "What type of yield would public entities have earned on assets under management at each type of institution?"

Figure 3 provides a comparison. As shown, the net yield earned by depositors in Iowa-based banks has generally been higher and less volatile than those held with ISJIT or IPAIT. Using estimates provided by Iowa-based banks, the net

FIGURE 1.

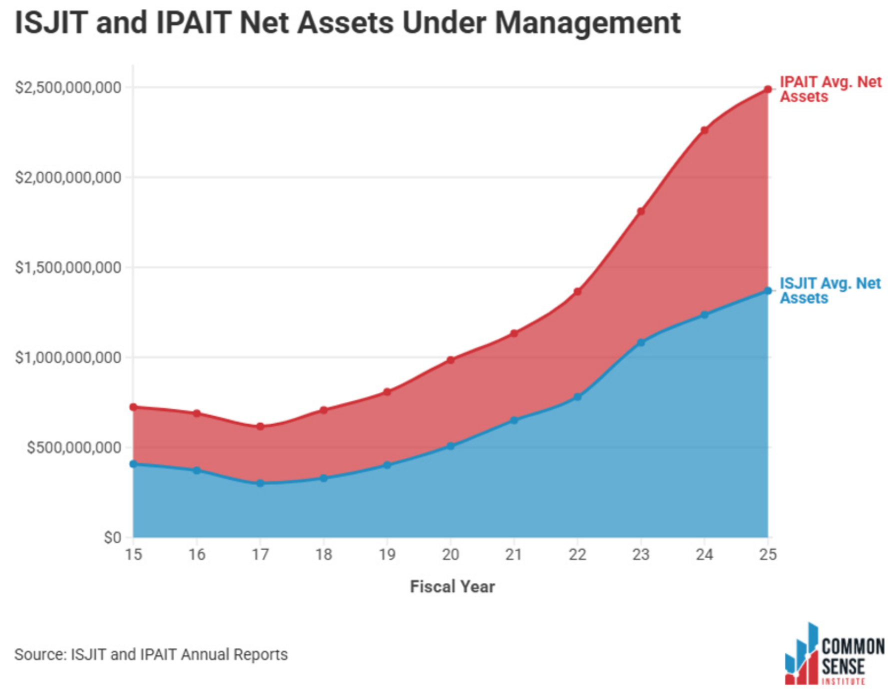
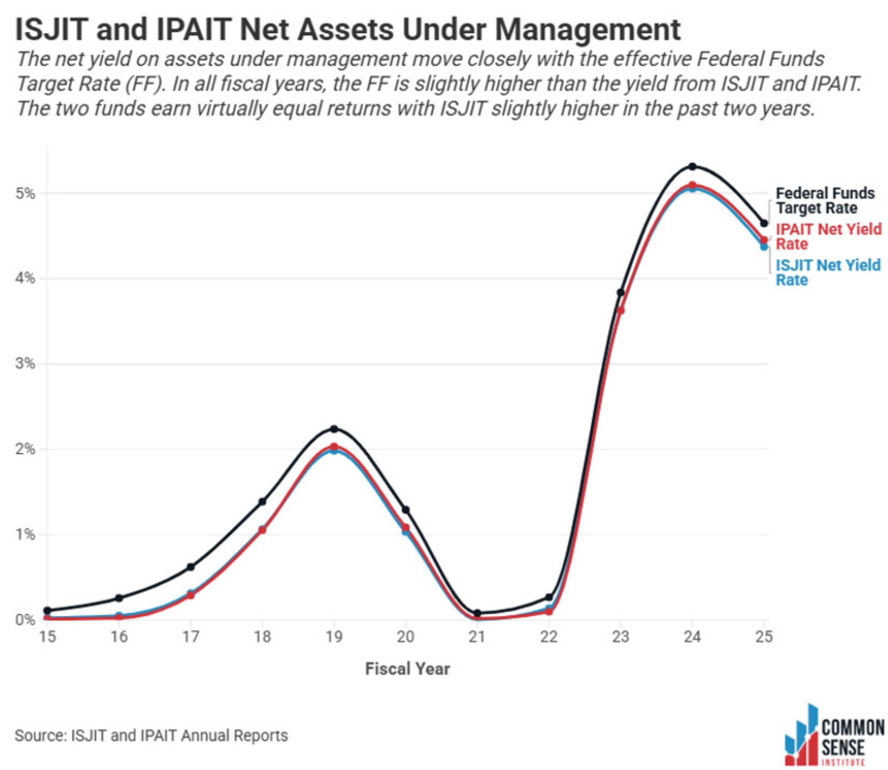
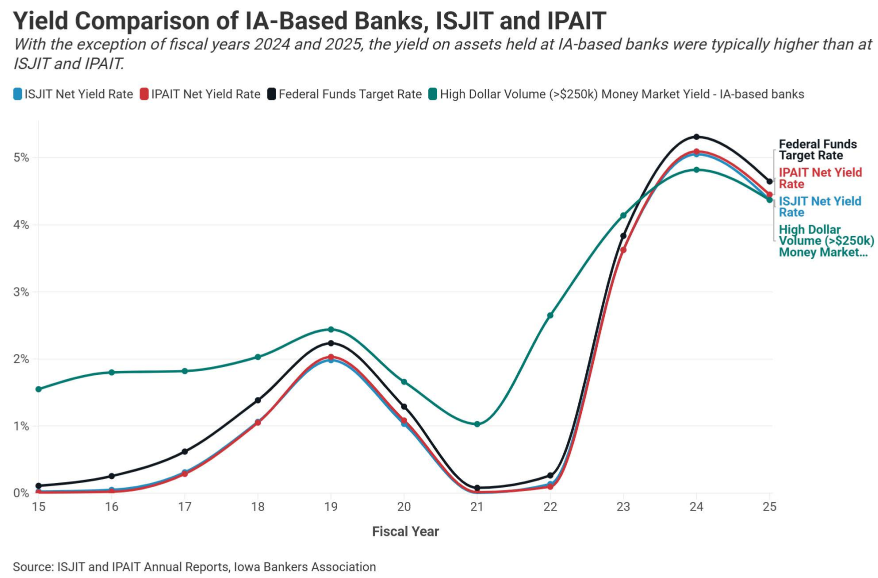


FIGURE 2.



yield on Iowa-based banks for large dollar volume entities (a category in which most public entities would fall) was higher with the exception of fiscal years 2024 and 2025. On average, the yield offered by IA-based banks from 2015 through 2025 has been 1.0% higher than the net yield paid by ISJIT and IPAIT.

FIGURE 3.



Why Choose ISJIT or IPAIT When IA-Based Banks Often Offer a Higher Yield?

For anecdotal confirmation of the data shown in Figure 3, CSI reviewed a sample of annual financial reports of local governments. Figure 4 illustrates the common finding from that sampling using a financial report from Mason City, Iowa. From page 2 of Mason City's report, the figure shows the interest rate offered by First Citizens compared to investments in IPAIT. Overall, the First Citizens certificate of deposit (CDs) generally had a marginally higher interest rate compared with investments in IPAIT, while accounts with a shorter maturity generally had a lower interest rate.

Notably, ISJIT and IPAIT have invested in Iowa-based bank notes in the past. For instance, IPAIT held these investments in Iowa-based financial institutions:

- In 2021 and 2022, $5,285,568 (2021) and $360 (2022) in Community State Bank.
- In 2022, $30,049,814 in Greenstate Credit Union.
- From 2021 through 2023, between $856 and $75,436,801 in Hills B&T.
- From 2022 through 2025, between $25,011,405 and $74,535,021 in Cedar Rapids B&TC Demand and Savings.

In its cursory review, CSI did not find any investments made by ISJIT in Iowa-based banks. One previous investment—$15,733,467 in a West Bank CD—was mentioned but could not be verified.

FIGURE 4.

Location of Funds			Interest Rate	
First Citizens - Operating Account	(1)	462,902.54	3.32%	31-May
First Citizens Payroll Account	(2)	33,966.07	3.32%	31-May
First Citizens Arena Account x6157		16,014.61		31-May
First Citizens Police CC Acct x6257		6,657.56		31-May
First Citizens Inspection Acct x3801		7,577.50		31-May
First Citizens Ambulance Acct x6024		309,858.31	3.31%	31-May
First Citizens Golf Account x8421		56,397.20		31-May
First Citizens Savings- Mus *2233				31-May
First Citizens Checking- Mus Cr *5203				31-May
Cash on Hand		7,450.00		
Investment in IPAIT		2,295,840.47	4.090%	31-May
First Citizens- CD 6/7/24 (548 days)		250,000.00	5.150%	
CLBT- CD 10/4/24 (369 days)		5,000,000.00	4.086%	
First Citizens- CD 11/7/24 (363 days)		2,000,000.00	4.310%	
First Citizens- CD 11/20/24 (730 days)		101,975.21	4.150%	
First Citizens- CD 11/23/24 (546 days)		100,000.00	4.200%	520
First Citizens- CD 11/28/24 (730 days)		100,000.00	4.150%	520
First Citizens- CD 12/4/24 (182 days)		2,000,000.00	4.550%	520
First Citizens- CD 1/8/25 (175 days)		2,000,000.00	4.330%	
First Citizens- CD 2/5/25 (182 days)		2,000,000.00	4.350%	
First Citizens- CD 3/5/25 (91 days)		5,000,000.00	4.380%	
First Citizens- CD 3/5/25 (182 days)		2,000,000.00	4.400%	
First Citizens- CD 3/5/25 (364 days)		2,000,000.00	4.350%	
First Citizens- CD 4/2/25 (189 days)		5,000,000.00	4.310%	
First Citizens- CD 4/2/25 (371 days)		2,000,000.00	4.200%	
First Citizens- CD 4/9/25 (84 days)		4,000,000.00	4.310%	
First Citizens- CD 5/9/25 (89 days)		4,000,000.00	4.350%	
First Citizens- CD 5/9/25 (180 days)		4,000,000.00	4.250%	
First Citizens- CD 5/12/25 (359 days)		2,000,000.00	4.150%	
First Citizens- CD 5/23/25 (365 days)		75,000.00	4.200%	
TOTAL CASH IN BANK		46,823,639.47		

Given the sparseness of investments in Iowa-based financial institutions by ISJIT and IPAIT—and the observation that Iowa-based banks offer competitive and often higher yields—why are not more unspent tax funds deposited with Iowa-based banks or other financial institutions directly? The answer may lie with past practice, established relationships, financial managers' preferences, and the ease of using a specific financial service provider.

Management Fees as Opposed to Performance Fees

ISJIT and IPAIT receive fee revenue for marketing, royalties, adviser services, custody, administrative expenses, and other expenses. In FY 2025, fees paid to ISJIT totaled approximately $3.9 million and fees paid to IPAIT reached $3.3 million (see Figure 5).

These fees generally accrue regardless of performance. For instance, IPAIT reported that its administration fees, investment advisory fees, marketing fees, royalty fees, custodian and cash management fees, and professional fees rose by 9.7% (+$340,631) even though its return, as measured by investment income, decline by 3.7% (-$2.4 million, approximately). Per ISJIT, the drop in generated investment income stemmed from Federal Reserve policy of lowering interest rates throughout the year.

While fees for bona fide services such as investment advising or account maintenance are standard in financial and trust management, **sponsorship and royalty fees are uncommon. In 2025, ISJIT and IPAIT paid private associations $1,096,124 and $840,954 respectively in such royalties.**

FIGURE 5.

IPAIT and ISJIT Fees, FY 2025

Fee/Expense	ISJIT	IPAIT	Total
Investment advisory fees	$822,098	$684,199	$1,506,297
Administrative fees	$890,607	$893,454	$1,784,061
Marketing fees	$959,115	$672,763	$1,631,878
Royalty/Sponsorship fees	$1,096,124	$840,954	$1,937,078
Custody fees	$33,297	$52,023	$85,320
Administrative expenses		$113,150	$113,150
Professional fees	$43,731		$43,731
Other expenses	$93,285		$93,285
Total	$3,938,257	$3,256,543	$7,194,800

Source: IPAIT, ISJIT

WHICH STATES HAVE ENTITIES SIMILAR TO IPAIT AND ISJIT?

Iowa is somewhat unique in its structure of having a group of local governments create an investment trust. Among U.S. states, 20 allow for public pooled investments administered by the state, 11 (including Iowa) allow for public pooled investments administered by local governments, and 19 states have no public management of investments (see Figure 6).

In addition to Iowa, the following states have pooled public investments at the local government level: Arkansas, California, Colorado, Kansas, Kentucky, Louisiana, New Jersey, New Mexico, Oklahoma, and Oregon (see Figure 7).

FIGURE 6.

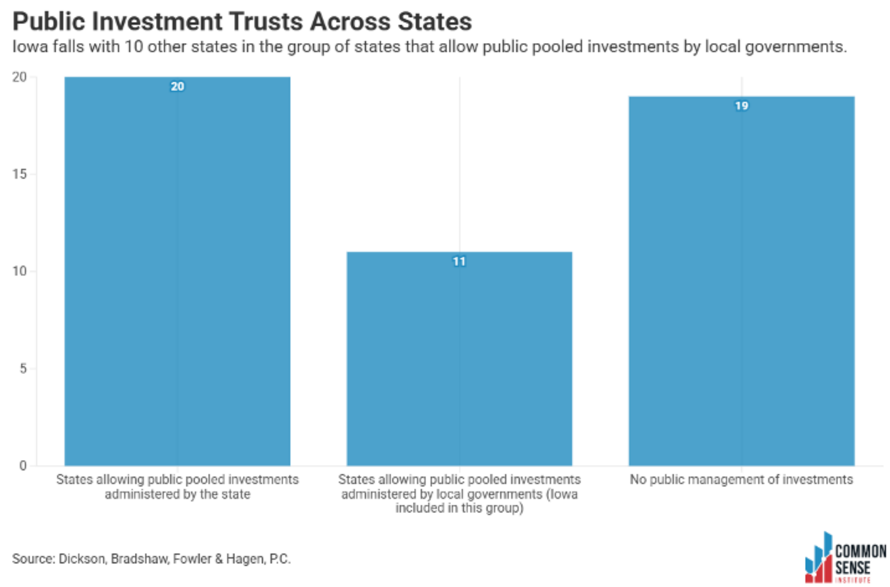
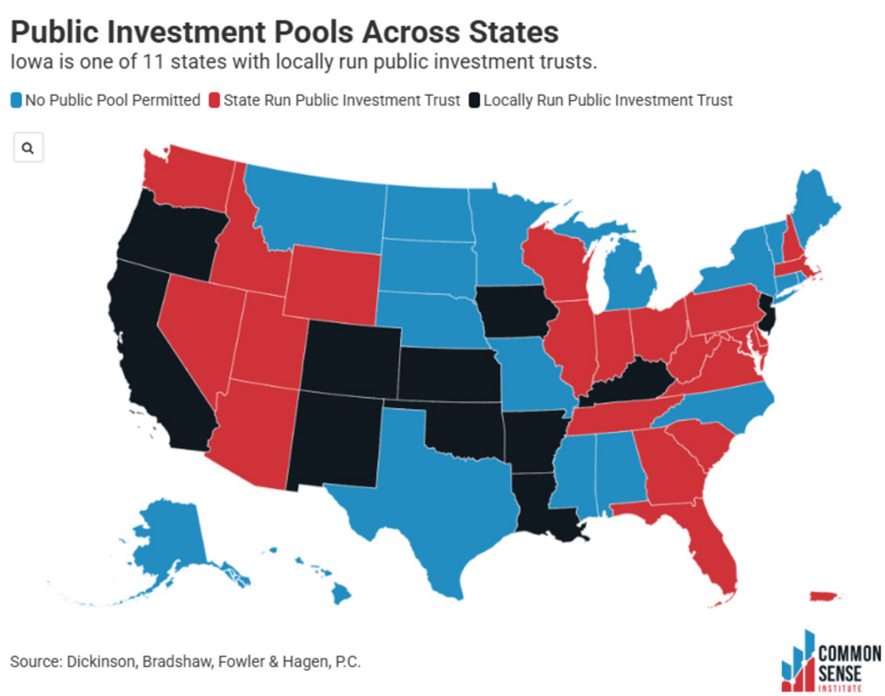


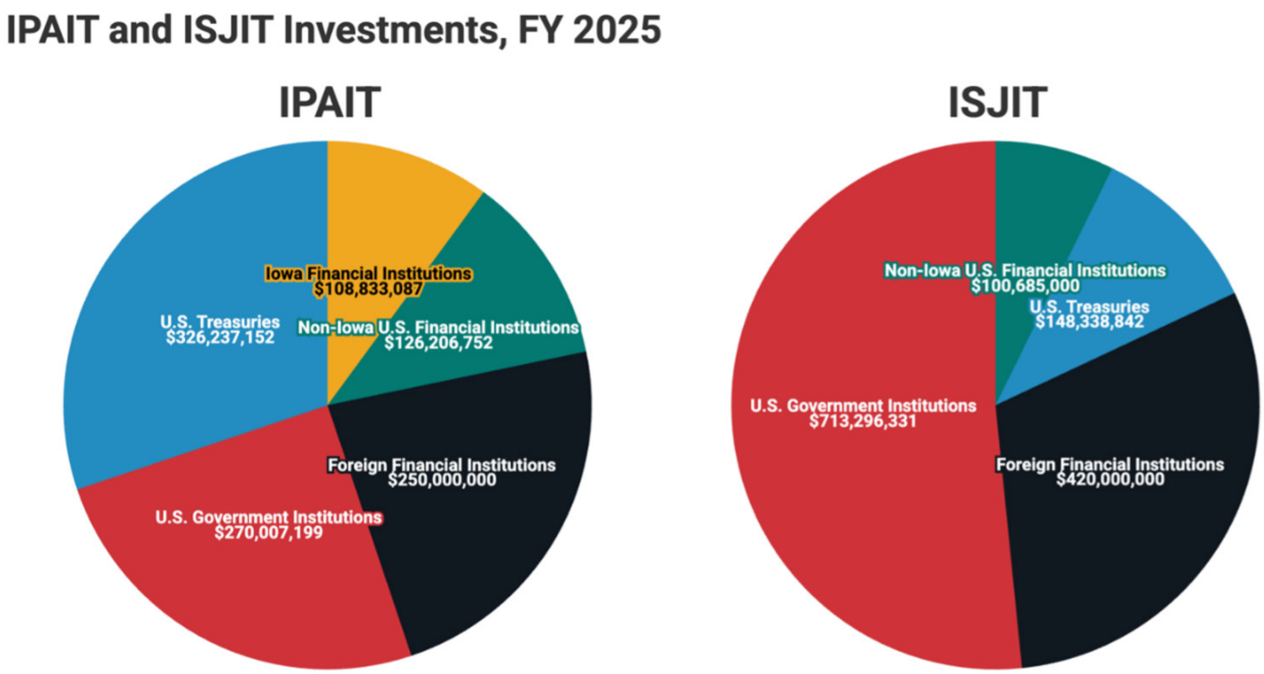
FIGURE 7.



ECONOMIC IMPACT OF LOCAL FUNDS DEPOSITS

As background on what is currently happening, Figure 8 shows the IPAIT and ISJIT asset allocations in fiscal year 2025. Overall, ISJIT has $0 in Iowa-based financial institutions while IPAIT has $109 million, or approximately 5%. This background begs the question: What if Iowa's public entities placed a larger portion or all their unspent tax funds in Iowa-based financial institutions?

FIGURE 8.



Modeling the Economic Impact in Iowa-Based Community Banks

When deposits are placed in local banks, those institutions can expand their lending base by some fraction of the deposits. The exact amount of lending depends on national and local economic conditions, risk, regulatory requirements, and the nature of potential projects. The most recent loan-to-deposit ratio (LTR) for Iowa was 83.2%.[11] Using this 83% LTR as the guide, CSI's analysis assumes the infusion of cash into Iowa-based banks would be lent out for mortgages, business expansions, and local infrastructure funding.

Within statutory risk tolerance thresholds, financial managers are generally required to be prudent fiduciaries. Those duties compel them to search for ways to maximize the institutions' return on their deposits, which are taxpayer dollars. This decision-making framework may lead local government fiduciaries to invest public funds with ISJIT or IPAIT where those dollars then get invested mostly outside of the state. Public entities may earn a higher return using this strategy, although again, that outcome historically has not generally been the reality for Iowa's government investments. Often, the out-of-state financial institutions are used for repurchase agreements, which present more risks than treasuries and money market funds. Alternatively, public entities could place the money directly with their local banks. As with ISJIT or IPAIT, this strategy could boost or lessen the local government's financial return, depending on yields.

Given the uncertainty in expected yields between the two options, CSI modeled two scenarios to provide a range of impact should the $2.5 billion in ISJIT/IPAIT deposits be reallocated to institutions that keep the local public dollars within Iowa's economy.

ASSUMPTIONS OF THE MODEL

Under both scenarios, CSI modeled the economic impact using Regional Economic Modeling Incorporated's Tax-PI+ model (REMI). REMI is a dynamic modeling system that provides direct, indirect, and induced estimates should a deposit shift happen. Direct effects include bank earnings, loan availability, and yield changes. Indirect effects capture any flow of money through business expansions, new hiring, and potential productivity improvements. Induced effects capture the potential for higher household spending as wages rise. Additionally, in one scenario the direct impact includes the potential loss in revenue to public entities by accepting lower overall yields on their unspent funds by shifting away from ISJIT/IPAIT, while the other scenario assumes higher yields for local governments by shifting away from ISJIT/IPAIT.

The two scenarios modeled in REMI analysis were:

- A full shift towards local banks where local banks offer a lower yield of 0.15%, which is the average yield difference between high yield offerings of local banks and the net yield of ISJIT/IPAIT over the past two years; and
- A full shift towards local banks, where local banks offer a higher yield of 1.0%, which is the average yield differential over the past 12 years.

The following table summarizes the key direct assumptions:

FIGURE 9.

Scenario 1: Full Shift Towards Local Banks and 1% Higher Yield	Scenario 2: Full Shift Towards Local Banks and a 0.15% Lower Yield
Presuming a higher yield on assets of 100 basis points, notional government spending increases by $24.9 million per annum. The 100 basis point (1%) yield differential is the assumed average yield differential between Iowa-based banks and out-of-state financial investments of ISJIT/IPAIT over the past two years.	Presuming a lower yield on assets of 15 basis points, notional government spending drops by $3.7 million per annum. The 15 basis point average yield differential between Iowa-based banks and out-of-state financial investments of ISJIT/IPAIT over the past two years.
By shifting deposits to local institutions, the cost of capital may change. In this case, because the yield differential is positive (e.g., 1% higher rate offering from local banks), banks would prefer to get cheaper capital from other financial institutions. As such, the model employed no change in the cost of capital.	By shifting deposits to local institutions, the cost of capital may drop by the new infusion of local money and the yield differential on that infusion. The model employed
In addition to the change in the cost of capital above, the amount of loanable funds increases. Assuming a constant LDR of 83.2%, the increase in deposits totals $2.07 billion. Using call reports, CSI estimates that approximately 85% of the deposits turn into loans for Iowa-based companies/individuals. This outcome resulted in $1.759 billion in investment/loans in Iowa. This figure was used as an input into REMI.	In addition to the change in the cost of capital above, the amount of loanable funds increases. Assuming a constant LDR of 83.2%, the increase in deposits sums to $2.07 billion. Using call reports, CSI estimates that approximately 85% of the deposits turn into loans for Iowa-based companies/individuals. This outcome resulted in $1.759 billion in investment/loans in Iowa. This figure was used as an input into REMI.

The economic impact for the two scenarios is presented in the following figures.

Scenario 1 Results

Overall, for Scenario 1, the **cumulative** annual results from 2026 through 2030 include:

- An increase in Personal Income of $3.5 billion.
- A rise in Disposable Personal Income of $3.1 billion.
- An increase in GDP of $5.6 billion.

The **annual** figures for employment and population by 2030 include:

- An increase in employment of 8,534.
- A rise in population of 7,749.

FIGURE 10.

Scenario 1: Overall Economic Impact of Shifting Deposits to Local Banks

Number of individuals or billions of cumulative $

Year	Total Employment (annual)	Population (annual)	Gross Domestic Product (GDP) (cumulative, billions $)	Output (cumulative, billions $)	Personal Income (cumulative, billions $)	Disposable Personal Income (cumulative, billions $)
2026	7,955	2,845	$1	$1.7	$0.6	$0.5
2027	8,463	5,048	$2.1	$3.7	$1.2	$1.1
2028	8,462	6,680	$3.3	$5.8	$2	$1.7
2029	8,155	7,797	$4.4	$7.8	$2.7	$2.4
2030	7,749	8,534	$5.6	$9.9	$3.5	$3.1

Source: REMI, CSI Modeling

Scenario 2 Results

Overall, for Scenario 2, the **cumulative** annual results from 2026 through 2030 include:

- An increase in Personal Income of $3.3 billion.
- A rise in Disposable Personal Income of $2.9 billion.
- An increase in GDP of $5.3 billion.

The **annual** figures for employment and population by 2030 include:

- An increase in employment of 7,163.
- A rise in population of 7,594.

FIGURE 11.

Scenario 2: Overall Economic Impact of Shifting Deposits to Local Banks

Number of individuals or billions of cumulative $

Year	Total Employment (annual)	Population (annual)	Gross Domestic Product (GDP) (cumulative, billions $)	Output (cumulative, billions $)	Personal Income (cumulative, billions $)	Disposable Personal Income (cumulative, billions $)
2026	7,504	2,568	$0.9	$1.6	$0.5	$0.5
2027	7,960	4,552	$2	$3.5	$1.2	$1
2028	7,921	6,004	$3.1	$5.5	$1.8	$1.6
2029	7,588	6,976	$4.2	$7.4	$2.6	$2.3
2030	7,163	7,594	$5.3	$9.3	$3.3	$2.9

Source: REMI, CSI Modeling

POLICY IN OTHER STATES

Iowa leaves the option open for local governments to invest in securities across the world within risk safeguards. Policies across other states generally fall into one or both of two buckets:

1. Appendix A lists the states that require government entities to deposit government money into local banks and financial institutions. Apart from conditional requirements in Connecticut and somewhat vague requirements in Kansas, every state requires government money to be initially deposited with a state-based bank or financial institution.
2. Appendix B offers a rough classification of policies related to security requirements across different states. Of the 26 states CSI reviewed, 14 allow for the purchase of securities outside of the state and 12 do not.

BOTTOM LINE

Currently, few of the local taxpayer dollars deposited with ISJIT and IPAIT remain in Iowa's economy. Only about 5% of those dollars stay in Iowa's economy while being held in deposits there. Economic modeling by CSI demonstrates how keeping local government deposits in Iowa banks can stimulate local lending, lower borrowing costs, and generate broader economic benefits for Iowa's local economy. The data suggest in most years local government will also receive a higher yield on their deposits with local Iowa banks than with ISJIT and IPAIT. While local governments could see lower yields on deposits some years, the benefit to the local economy of keeping the dollars local would nonetheless outweigh the downside of the marginal difference in yield even in these years, based on CSI's economic modeling.

APPENDIX A

The following is an accounting of statutory requirements for handling of unspent government money.

State Policy Regarding Depositing of Government Money

State	Requires Deposit in In-State Bank?	Prohibits Out-of-State Banks?	Summary of Statute/Regulation	Source (Statute or Official Guidance)
Alabama	Yes	Yes	Alabama's Security for Alabama Funds Enhancement (SAFE) Act limits public deposits to FDIC-insured banks. Local governments may only deposit public funds in qualified public depositories (banks meeting SAFE requirements, usually Alabama-chartered or with Alabama branches). Credit unions are not permitted under current law. Out-of-state banks without an Alabama presence are not eligible depositories.	Ala. Code § 41-14A-1 et seq.; Alabama SAFE program guidelines
Alaska	Yes	Yes	Alaska law requires local public funds to be deposited in banks or financial institutions authorized to do business in Alaska (typically those with a state presence). Public monies must be in state-approved depositories; out-of-state banks without Alaska authorization are not allowed. (Credit unions may accept public deposits if they are state-chartered or federally insured and located in Alaska, per any applicable state rules.)	Alaska Stat. §§ 37.10.070–37.10.075 (state funds deposit rules); Alaska local finance guidelines (Commerce Dept.)
Arizona	Yes	Yes	Under Arizona's public deposit laws, local governments may deposit funds only in "eligible depositories," defined as banks or savings institutions with their principal place of business or a branch in Arizona. Out-of-state banks with no Arizona branch cannot hold public deposits. Arizona law allows credit unions as eligible depositories if NCUA-insured, but they must likewise be authorized in-state.	Ariz. Rev. Stat. § 35-321(5) (eligible depository defined); § 35-1204 (public funds must be in eligible depository)
Arkansas	Yes	Yes	Arkansas statutes require public funds to be deposited in banking institutions in the State of Arkansas. Local entities designate official depositories that are Arkansas-based banks (including those with branches in-state). Out-of-state banks are not authorized for local public deposits. (Arkansas allows only banks and savings associations; credit unions are not listed as public depositories in state law.)	Ark. Code Ann. § 19-8-105 and § 19-8-203 (requiring in-state depositories and collateral); Ark. Code § 6-20-222 (school funds in in-state banks)
California	Yes	Yes	California Government Code requires local agencies to deposit funds in national or state banks, savings banks, or federal associations that are authorized to accept deposits in California. In practice, this means banks with California charters or branches. Banks must meet California's collateralization requirements. Credit unions: California law (as amended) allows deposit of local funds in credit unions if they are federally insured and chartered in California (per recent legislation), subject to certain limits. Out-of-state institutions without a California presence are not permitted for local deposits.	Cal. Gov. Code §§ 53630–53638 (eligible financial institutions for deposits); Cal. Gov. Code § 53648 (collateral).

Colorado	Yes	Yes	Colorado's Public Deposit Protection Act (PDPA) restricts local governments to depositing in "eligible public depositories" – banks (and as of 2019, also credit unions) that are approved by the Colorado Banking Board and physically located or doing business in Colorado. These institutions must pledge collateral and be Colorado-chartered or have Colorado branches. Out-of-state banks without a Colorado branch are not allowed for public deposits. (Credit unions may hold public funds only if designated under PDPA.)	Colo. Rev. Stat. § 11-10.5-101 et seq. (PDPA); Colo. Rev. Stat. § 24-75-603 (eligibility of depositories)
Connecticut	Conditional	Conditional	Connecticut law (CGS §7-402) permits municipal deposits either in a qualified public depository (QPD) or, alternatively, in an out-of-state bank up to the FDIC-insured limit. QPDs include banks and credit unions with a Connecticut presence (including out-of-state banks with CT branches) that segregate collateral for public funds. Large public deposits must be in QPDs; an out-of-state bank without a CT branch may only be used for deposits not exceeding FDIC insurance. Thus, in-state institutions are generally required for substantial funds, and use of out-of-state banks is limited to insured amounts.	Conn. Gen. Stat. § 7-402 (municipal deposits); § 36a-333 (collateral requirements).
Delaware	Yes	Yes	Delaware requires local governments to deposit public moneys in banks or trust companies chartered in Delaware or with branches in Delaware. State law and regulations (Title 29) mandate that depositories be qualified in-state institutions (subject to state oversight and collateral rules). Out-of-state banks without Delaware authorization are prohibited. (Credit unions generally have not been authorized as depositories for government funds in Delaware.)	Del. Code Ann. tit. 30, § 5136 and tit. 29, § 2716 (state and local deposit requirements limiting to in-state banks).
Florida	Yes	Yes	Florida's Public Deposits Act (Chapter 280, F.S.) requires local governments to deposit funds only in Florida "qualified public depositories" (QPDs). A QPD must have a Florida charter or a Florida branch office authorized to receive deposits, be FDIC-insured, and meet Florida's collateral requirements. Out-of-state banks with no Florida branch are not eligible depositories. Florida's law allows credit unions and savings associations to become QPDs (since 2019) if they meet the same in-state and collateral criteria.	Fla. Stat. § 280.02(26) (definition of QPD – requires FL location); Fla. Stat. § 280.03 (public deposits in QPDs).
Georgia	Yes	Yes	Georgia law mandates that local public funds be deposited in Georgia-designated depositories. Banks must qualify under Georgia's collateralization program (Georgia Code Title 45, Chap. 8) and typically must be chartered in or have branches in Georgia. Use of out-of-state banks is not permitted unless the bank is an approved Georgia public depository. (Credit unions are not listed as eligible depositories for most Georgia local governments under current law.)	O.C.G.A. § 45-8-12 (designation of depositories; banks in this state); Georgia Secure Deposit Program rules (Treasury).
Hawaii	Yes	Yes	Hawai‘ i statutes require that state and local public funds be deposited in banks or savings institutions located in Hawai‘ i. Public officials must use depositories that are authorized to do business in the state (HRS §§38-2, 38-3). Out-of-state financial institutions are not allowed for direct public deposits. (Credit unions: Hawai‘ i law permits certain government entities to deposit in credit unions if they are state-chartered and insured, but generally banks in-state are used for most public funds.)	Haw. Rev. Stat. § 38-2 (designation of depositories in-state); § 38-3 (security for deposits).
Idaho	Yes	Yes	Idaho requires public deposits to be in "designated depositories" qualified under Idaho law. Only financial institutions with a presence in Idaho (typically Idaho-chartered banks or banks with Idaho branches) can be designated by the State Treasurer. Out-of-state banks without Idaho offices are prohibited from holding local public funds. (Idaho does not currently authorize credit unions to accept general public deposits for local governments; only banks and savings associations in-state are used.)	Idaho Code § 57-128 (public deposits in designated financial institutions); § 57-110 and § 57-114 (must be Idaho depositories and collateralized).
Illinois	Yes	Yes	Illinois's Public Funds Deposit Act specifies that public funds may be deposited only in a "savings and loan association, savings bank, or State or national bank in this State." Thus, the depository must be located in Illinois. Out-of-state banks (with no Illinois location) are not authorized. Local treasurers must also ensure adequate collateral for any amounts above FDIC insurance. (Illinois recently allowed credit unions to accept some public deposits in limited cases, but generally depositories are banks/S&Ls in Illinois.)	30 ILCS 225/1 (must deposit in banks or S&Ls "in this State"); 30 ILCS 235/2 (permitted investments).

Indiana	Yes	Yes	Indiana law requires local governments to use in-state banks, preferably those within the local unit's jurisdiction. All political subdivision funds must be deposited in designated depositories located within the entity's boundaries if available. If no local bank exists or is willing, the subdivision may designate another bank elsewhere in Indiana. Out-of-state banks are not permitted. Indiana's Board of Depositories qualifies in-state institutions and provides additional protection for public deposits. (Credit unions are generally not authorized depositories for Indiana political subdivisions.)	Ind. Code § 5-13-8-9(a)–(c) (must deposit in depositories in territorial limits; if none, then elsewhere in state).
Iowa	Yes	Yes	Iowa statutes require local public funds to be deposited in "approved depositories" within Iowa. The governing body must designate Iowa-chartered banks or national banks with Iowa branches as depositories (Iowa Code §12C.2). Banks must pledge collateral per the Iowa Public Funds Collateral Act. Out-of-state banks without an Iowa location are not allowed for direct deposit of public funds. (Iowa does not include credit unions in the definition of approved depositories for most public entities, so generally only banks in-state are used.)	Iowa Code Chapter 12C (Public Deposits in Banks – requiring Iowa depositories); Iowa Code § 12B.10 (limitations on deposits).
Kansas	Yes	Must have a presence in the county	Statue does not explicity say "must deposit only in banks chartered in Kansas" or "must deposit only in banks with headquarters in Kansas", but it does require that the designated depositories have a "main or branch office" within the county where the municipal corporation is located.	K.S.A. 9-1402(a) (public moneys may be deposited in any bank, savings bank or S&L; must secure the deposits); K.S.A. 12-1675 (investment of public funds).
Kentucky	Yes	Yes	Kentucky requires local public funds to be deposited in banks, trust companies, or savings institutions chartered in Kentucky or with a qualifying Kentucky presence. All depositories must be insured and pledge collateral per the Kentucky revised statutes. Out-of-state banks are not eligible unless they are authorized to do banking business in Kentucky (e.g. via branches). Kentucky law (KRS 66.480, 41.240) effectively limits depositories to those in-state. (Credit unions are not listed as public depositories in Kentucky statutes.)	Ky. Rev. Stat. § 41.240 (public funds depositories must be banks in Kentucky and secure deposits); § 66.480.
Louisiana	Yes	Yes	Louisiana's statutes (La. R.S. 39:1211 et seq.) require local governments to deposit funds in "fiscal agent" banks located in Louisiana. Parishes, municipalities, and school boards must select one or more local banks or trust companies domiciled or having branches in Louisiana as their depositories. Out-of-state banks are not permitted for such deposits. All depositories must provide security (per the Louisiana Public Funds Collateral Act). (Credit unions are generally not authorized for local public deposits in Louisiana.)	La. R.S. 39:1211–39:1242 (local depositing of public funds in state fiscal agent banks); La. R.S. 6:319 (collateral for public deposits).
Maine	Yes	Yes	Maine law mandates that county and municipal treasurers deposit public money in banking institutions organized under Maine law or national banks located in Maine. For example, a county treasurer "may deposit the money...in any banking institutions or trust companies or mutual savings banks organized under the laws of this State or in any national bank...located in the State". This means the depository must be in-state. Out-of-state banks are prohibited. (Maine does not currently authorize general public deposits in credit unions; only banks and savings institutions are mentioned.)	30-A M.R.S. § 171 (county funds in banks "in the State"); 30-A M.R.S. § 5706 (municipal funds).
Maryland	Yes	Yes	Maryland local governments must deposit funds in financial institutions incorporated in or having a branch in Maryland. State law (Md. Code, Local Gov. §17-101 et seq.) requires counties and municipalities to designate as depositories banks that are approved and located in Maryland. Out-of-state banks without Maryland branches are not allowed. All public depositories must pledge collateral under Maryland's requirements. (Credit unions are not typical depositories for Maryland local governments under current law.)	Md. Code, State Finance & Procurement §6–205 (state and local deposits in Maryland financial institutions); Md. Code, Local Government §17-101.
Massachusetts	Yes	Yes	Massachusetts General Laws (Ch. 44) direct municipal treasurers to deposit funds in banks or trust companies that are doing business in the Commonwealth. Authorized depositories include Massachusetts-chartered banks, co-operative banks, trust companies, and national banks with Massachusetts branches. As a rule, the bank must be located in-state. (One historical exception allows Boston to deposit certain funds in New York City banks, but generally out-of-state banks are prohibited for local deposits.) Massachusetts currently does not allow credit unions to hold municipal deposits (legislation to permit this is pending).	Mass. Gen. Laws ch. 44, §55 & §55A (local funds in MA banks; treasurer not liable if deposited in bank "doing business in the Commonwealth").

Michigan	Yes	Yes	Michigan's Uniform Depository Law requires local officials to deposit public monies in financial institutions eligible under Michigan law – generally banks, savings banks, or S&Ls with their principal office or a branch in Michigan. Out-of-state banks without Michigan branches are not authorized. All public deposits must be in institutions approved by the Michigan Department of Treasury and collateralized per state requirements. (Michigan has not authorized credit unions for most public unit deposits, so banks in-state are used.)	Mich. Comp. Laws § 129.12 (public funds deposited in financial institutions in Michigan, subject to collateral); MCL § 487.11202(r) (defines out-of-state bank, implying in-state requirement).
Minnesota	Yes	Yes	Minnesota statutes require that public funds be deposited in designated depositories in Minnesota (Minn. Stat. §118A.02). Cities, counties, etc., choose one or more Minnesota banks or credit unions as official depositories. Depositories must be FDIC or NCUA insured and, if not based in Minnesota, must have a Minnesota branch to qualify. Out-of-state banks with no Minnesota branches are prohibited for public deposits. (Minnesota does allow credit unions to be depositories if they are federally insured and in-state.)	Minn. Stat. § 118A.02 (designation of depositories; must be financial institutions doing business in MN); Minn. Stat. § 118A.03 (collateral requirements).
Mississippi	Yes	Yes	Mississippi law (Miss. Code §27-105-5 et seq.) restricts public deposits to qualified state depositories approved by the State Treasurer. These are banks chartered in Mississippi or national banks with branches in Mississippi that meet capital and collateral criteria. Local governments must deposit with such in-state banks. Out-of-state banks are not permitted. (Mississippi does not authorize credit unions for public deposits; only banks and savings institutions are used.)	Miss. Code Ann. § 27-105-5 (qualified depositories for public funds must be banks in Mississippi); § 27-105-6 (collateral pool for public deposits).
Missouri	Yes	Yes	Missouri law requires public funds to be held in "banking institutions in this state." Local governments designate depositaries that have a physical location or authorized presence in Missouri. Out-of-state banks are not allowed (unless they have Missouri branches, in which case they are considered in-state for deposit purposes). All public depositaries must provide collateral per Missouri's single or pooled collateral methods. (Credit unions are not included as public depositaries in Missouri statutes.)	Mo. Rev. Stat. § 110.020 (selection of depositaries "in this state"); Missouri Public Fund Investment Guide (banks must have a physical location in Missouri).
Montana	Yes	Yes	Montana's laws (Title 7, Ch. 6 MCA) require local treasurers to deposit funds in financial institutions located in Montana. Counties and cities must use Montana-chartered banks or federally chartered banks with Montana branches as depositories. Out-of-state banks without a Montana presence are prohibited. Depositories must satisfy Montana's security/collateralization requirements. (Montana law was updated to allow credit unions to accept some public deposits if federally insured and based in Montana, but traditionally banks in-state are used.)	Mont. Code Ann. § 7-6-201 & § 7-6-202 (public money to be deposited in state-authorized financial institutions); Mont. Code Ann. § 17-6-101 (security for deposits).
Nebraska	Yes	Yes	Nebraska's Public Funds Deposit Security Act provides that any bank, capital stock financial institution, or qualifying mutual financial institution may serve as a depository of public funds if it pledges required collateral. In practice, the institution must be chartered in Nebraska or have a Nebraska branch, as local governments generally designate Nebraska-based banks. While the statutes do not explicitly say "in this state," Nebraska's rules effectively limit depositories to those with a Nebraska presence (for oversight and collateral purposes). Out-of-state banks with no Nebraska operations are not used. (Nebraska does not list credit unions as public depositories in this Act.)	Neb. Rev. Stat. §§ 77-2387 to 77-2397 (Public Funds Deposit Security Act; banks must apply and be authorized depositories for public money); Neb. Rev. Stat. § 16-714 (city deposits in institutions in Nebraska).
Nevada	Yes	Yes	Nevada law (NRS 356.010 et seq.) requires public funds to be deposited in qualified banks, credit unions or savings institutions within Nevada. Local governments must use Nevada-based financial institutions or those with Nevada branches that have been qualified by the state. Out-of-state banks (with no Nevada branch) are prohibited from holding local public deposits. All such depositories must secure deposits per Nevada's collateral requirements. (Nevada does allow local governments to deposit in Nevada credit unions if they are insured and meet qualifications.)	Nev. Rev. Stat. § 356.010 (designation of local depositories in Nevada); NRS § 356.020–356.050 (security for public deposits).
New Hampshire	Yes	Yes	New Hampshire statutes (RSA 383:22, 41:29) require local treasurers to deposit funds in New Hampshire banks or credit unions or in banks otherwise approved by the NH Banking Department. Generally, this means using institutions chartered or with branches in New Hampshire. Out-of-state banks without NH authorization are not allowed. All public deposits must be collateralized according to state regulations. (NH permits federally insured credit unions as depositories if they are located in-state.)	N.H. Rev. Stat. Ann. § 41:29 (deposit of town funds in NH institutions); RSA § 383-B:3-301 (public deposit criteria for banks in NH).

New Jersey	Yes	Yes	New Jersey's Governmental Unit Deposit Protection Act (GUDPA) requires local governments (counties, towns, schools) to deposit funds only in "eligible public depositories." These are New Jersey-chartered or federally chartered banks, savings banks, S&Ls, or credit unions having at least one branch office in New Jersey and certified by the NJ Department of Banking. Thus, institutions must have a New Jersey presence. Out-of-state banks with no NJ branches are prohibited. All such depositories must participate in GUDPA's collateral pool to protect public funds.	N.J. Stat. Ann. § 17:9-41 et seq. (GUDPA – requires depository to have a branch in NJ); N.J.A.C. 3:— (Dept. of Banking regulations on GUDPA).
New Mexico	Yes	Yes	New Mexico law (NMSA §6-10-17, §6-10-36) provides that local treasurers shall deposit public funds in banks, savings and loan associations, or credit unions within the state that are designated as depositories. Banks must be FDIC insured and, if not headquartered in New Mexico, must have a branch in the state. Out-of-state banks without a New Mexico branch are not permitted. All deposits above insurance limits must be secured according to the New Mexico Public Money Act. (Credit unions in NM can accept public funds if they qualify and are federally insured.)	N.M. Stat. Ann. § 6-10-17 (deposit of public money in qualified depositories in NM); § 6-10-16 (requirements for banks and credit unions as depositories).
New York	Yes	Yes	New York's General Municipal Law §10 requires local governments to deposit monies only in "banks or trust companies" which are defined as those authorized to do business in New York. In practice this means state-chartered banks or national banks located in NY (having a New York branch). Out-of-state banks not authorized in NY are not allowed. Additionally, New York's Banking Law prohibits savings banks from accepting municipal deposits, and credit unions historically were not authorized for public deposits (recent legislative proposals aim to allow them). All deposits beyond FDIC insurance must be secured with eligible collateral.	N.Y. Gen. Municipal Law §10(1)(d) (only a "bank" or "trust company" located and authorized in NY can be a depository); NY OSC Op. 95-12 (interpreting "bank" excludes those not in NY).
North Carolina	Yes	Yes	North Carolina requires local units to deposit funds in official depositories which must be banks, trust companies, or savings institutions authorized to do business in North Carolina (NCGS §159-31). Typically these are banks with branches in NC. Out-of-state banks with no NC presence are not permitted for local deposits. All public deposits are secured under the NC Collateralization of Public Deposits Act. (Credit unions are not named in the statute for local deposits, so local governments use banks in-state.)	N.C. Gen. Stat. § 159-31(b) (local funds to be deposited in banks and trust companies in NC); N.C. Gen. Stat. § 147-79 (collateral for public deposits).
North Dakota	Yes	Yes	North Dakota law (NDCC 21-04-09, 21-04-14) provides that public funds must be deposited in financial institutions in North Dakota that have been designated by the governing body. Banks must be ND state or national banks with North Dakota offices. Out-of-state banks are not allowed. Notably, North Dakota also allows public deposits in the state-owned Bank of North Dakota. All deposits beyond insurance must be collateralized as required by law. (Credit unions are generally not listed as depositories for political subdivisions in ND.)	N.D. Cent. Code § 21-04-09 (local depositories must be in ND); N.D. Cent. Code § 21-04-10 (pledge of securities for public deposits).
Ohio	Yes	Yes	Ohio law requires public deposits to be made in "qualified public depositories" located in Ohio. A financial institution must be designated and have a place of business in Ohio to accept public monies (ORC §135.03). Out-of-state banks without Ohio branches are prohibited. All such depositories must pledge collateral per Ohio's Uniform Depository Act or participate in Ohio's pooled collateral program for public deposits. (Ohio does not authorize credit unions for most public deposits; only banks and savings banks in-state are used.)	Ohio Rev. Code § 135.03 (public moneys to be deposited in depositories located in this state); Ohio Rev. Code § 135.18 (collateral requirements).
Oklahoma	Yes	Yes	Oklahoma's Security for Local Public Deposits Act mandates that public funds be deposited in financial institutions authorized to do business in Oklahoma. Local entities may only use qualified public depositories that are Oklahoma banks (or branches) which have pledged collateral. "No public deposit shall be made except in a depository authorized to do business in the State of Oklahoma." Thus, out-of-state banks are not allowed. (Oklahoma does allow certain savings associations; credit unions are not typical public depositories.)	62 Okla. Stat. § 517.5 (local deposits only in qualified institutions in Oklahoma); City of OKC Investment Policy (deposits only in depositories "authorized to do business in Oklahoma").

Oregon	Yes	Yes	Oregon law requires public funds to be deposited in "qualified depositories" as approved by the Oregon Treasury. These are banks and credit unions that are authorized in Oregon and meet the collateral requirements of ORS Chapter 295. Out-of-state banks without Oregon operations are prohibited. The State Treasurer publishes a list of qualified depositories (all of which have Oregon charters or branches). (Both banks and credit unions in-state can qualify; many Oregon local governments use only banks.)	Or. Rev. Stat. § 295.001–295.008 (public funds must be in qualified depositories); Oregon State Treasurer – List of Qualified Depositories.
Pennsylvania	Yes	Yes	Pennsylvania statutes (53 Pa. C.S. §5401 et seq. and County Code §1706) require local governments to deposit funds in banks, banking institutions or trust companies located in the Commonwealth. Only Pennsylvania-approved depositories may be used, and they must secure deposits under Act 72 (Pennsylvania's collateral law). Out-of-state banks are not permitted. (Pennsylvania recently allowed credit unions to accept deposits of public funds in limited cases, but generally municipalities use banks and trust companies in PA.)	53 P.S. § 5401 (public funds to be deposited in banking institutions in the Commonwealth); 72 P.S. § 3836-1 (Act 72 collateral requirements).
Rhode Island	Yes	Yes	Rhode Island law (R.I. Gen. Laws §35-10.1) requires public deposits to be in qualified public depositories within Rhode Island. Financial institutions must be state-chartered or have a branch in Rhode Island and be certified by the Rhode Island Treasurer. Out-of-state banks with no RI presence are not allowed. All such depositories must pledge collateral or participate in Rhode Island's collateral pool for public funds. (Credit unions in RI can be depositories if they meet the qualifications and have NCUSIF insurance.)	R.I. Gen. Laws § 35-10.1-7 (qualification of depositories – institutions doing business in RI); R.I. Gen. Laws § 45-15-18 (municipal deposits).
South Carolina	Yes	Yes	South Carolina requires public funds to be deposited in banks insured by the FDIC that are authorized to do business in SC (S.C. Code §6-5-15). Local governments typically designate South Carolina banks or those with branches in the state. Out-of-state banks (with no SC authorization) are prohibited. All deposits above insurance limits must be secured as per the SC Treasurer's rules. (SC does not generally authorize credit unions for public deposits; banks in-state are used.)	R.I. Gen. Laws § 35-10.1-7 (qualification of depositories – institutions doing business in RI); R.I. Gen. Laws § 45-15-18 (municipal deposits).
South Dakota	Yes	Yes	South Dakota's Public Deposit Protection laws require local public funds to be in qualified public depositories which are banks chartered in South Dakota or national banks with SD branches. Out-of-state banks not operating in SD are not permitted. Depositories must segregate eligible collateral per SDCL 4-6A. (South Dakota recently expanded the definition of qualified public depository to include trust companies for certain deposits, but credit unions remain excluded for general public funds.)	S.D. Codified Laws § 4-6A-1(5) (qualified public depository defined); SDCL § 4-6A-3 (banks must pledge collateral for public deposits).
Tennessee	Yes	Yes	S.C. Code Ann. § 6-5-10, § 6-5-15 (deposit of public funds in banks in South Carolina; security requirements).	Tenn. Code Ann. § 5-8-201 (county funds in institutions in state); Tenn. Code Ann. § 9-4-105 (collateral for public deposits, banks in TN).
Texas	Yes	Yes	Texas law mandates that local governments deposit funds only with banks that have a main office or branch office in Texas. For example, Government Code §2257.024(a) states a public entity may contract only with a bank having its main or branch office in the state to secure public fund deposits. Thus, out-of-state banks without a Texas branch are prohibited. Additionally, Local Govt. Code Chapters 105, 116, 117 require cities, counties, and schools to use Texas depositories. (Texas does not permit credit unions to serve as depositories for most local entities – only banks with Texas presence.)	Tex. Gov't Code § 2257.024(a) (must use bank with main or branch in TX); Tex. Loc. Gov't Code §105.011 (city depository must be a Texas bank).
Utah	Yes	Yes	Utah's Money Management Act requires public treasurers to deposit funds in qualified depositories within Utah. Only Utah-regulated financial institutions or those federally insured with Utah branches, certified by the Utah Commissioner of Financial Institutions, can hold public deposits. Out-of-state banks with no Utah offices are not allowed. All public deposits must be protected through Utah's collateral pool program. (Utah allows certain qualified credit unions to accept public funds if they meet state criteria, but primarily deposits are in banks in-state.)	Utah Code Ann. § 51-7-3(27) (definition of qualified depository – Utah institutions); Utah Code Ann. § 51-7-18 (public treasurer must use qualified Utah depositories).

Vermont	Yes	Yes	Vermont statutes (24 V.S.A. §2432) direct municipal treasurers to deposit public funds in banks or financial institutions domiciled or with branches in Vermont. The State Treasurer also designates Vermont depositories for state funds. Out-of-state banks without Vermont presence are prohibited for local deposits. All public deposits beyond insured amounts must be secured per Vermont law. (Credit unions in Vermont can accept public deposits if they are VT-chartered or federal credit unions in-state, subject to permission.)	24 V.S.A. § 2432 (town treasurer deposits in Vermont financial institutions); 32 V.S.A. § 431 (state depositories must be in Vermont).
Virginia	Yes	Yes	Virginia's Security for Public Deposits Act (SPDA) requires that public deposits be maintained in "qualified public depositories," defined as any bank or savings institution under Virginia or federal law that has a principal office or branch in Virginia and is approved by the Treasury. Out-of-state banks with no VA branches are not permitted. Both banks and credit unions can be qualified depositories in VA (credit unions were added in recent years) as long as they have a Virginia presence and meet collateral requirements.	Va. Code Ann. § 2.2-4401 (qualified public depository must have a principal or branch office in Virginia); § 2.2-4403 (public officials to deposit only in such institutions).
Washington	Yes	Yes	Washington law restricts public deposits to "public depositaries" approved by the Public Deposit Protection Commission. A "financial institution" eligible to be a depositary is defined as a bank, trust company, savings bank, or credit union (state or federal) or a branch thereof, located in Washington State. Thus, the institution must have a physical presence in WA. Out-of-state banks without Washington branches are prohibited. All public depositaries must segregate collateral and participate in Washington's public deposit guaranty program.	Rev. Code Wash. § 39.58.010(8) (financial institution must be "located in this state" to be a public depositary); RCW § 39.58.020 (only approved public depositaries may hold public funds).
West Virginia	Yes	Yes	West Virginia requires public funds to be deposited in WV banking institutions. County and municipal treasurers must use depositories that are West Virginia-chartered banks or national banks with branches in WV (W. Va. Code §7-6-1, §8-13-22a). Out-of-state banks are not allowed for direct deposits of local funds. West Virginia operates a collateral pool program; all depositories must pledge securities for uninsured public deposits. (Credit unions are not authorized depositories for public units in WV; only banks in-state are used.)	Rev. Code Wash. § 39.58.010(8) (financial institution must be "located in this state" to be a public depositary); RCW § 39.58.020 (only approved public depositaries may hold public funds).
Wisconsin	Yes	Yes	Wisconsin law (Wis. Stat. §34.05) provides that public monies may be deposited only in financial institutions doing business in Wisconsin – this includes state or national banks, trust companies, and savings institutions located in Wisconsin. Out-of-state banks with no Wisconsin presence are prohibited. Wisconsin does allow local governments to deposit in state-chartered credit unions if field of membership allows, but those credit unions are by definition in-state. All public deposits are protected by Wisconsin's Public Deposit Guarantee Fund or required collateral.	Wis. Stat. § 34.05(1) (public deposits only in institutions in Wisconsin); Wis. Stat. § 34.095 (collateral for public deposits if needed).
Wyoming	Yes	Yes	W. Va. Code § 7-6-1 (county deposits in "banking institutions in this state"); W. Va. Code § 12-1-4 (state deposits only in banks in WV).	Wyo. Stat. § 9-4-817 (local deposits in approved depositories in Wyoming); Wyoming Senate Enrolled Act 28 (2025) (authorizing WY credit unions as public depositories).

APPENDIX B

State Policy Regarding Depositing of Government Money

State	Allowed?	Restrictions/Conditions	Source
Alabama	Conditional	Only allows investment in pre-refunded (defeased) bonds of any state or local unit, fully secured by escrow and rated AAA; ordinary out-of-state bonds are not permitted.	(AL Code §11-81-21, via Vestavia policy)
Alaska	Further research needed.	Not readily found.	–
Arizona	Yes (with conditions)	Permissible to invest in obligations of any other state or its subdivisions if they are revenue or improvement district bonds meeting certain criteria (sinking fund, no default, etc.).	(AZ Rev. Stat. §35-323(8)-(9))
Arkansas	No	Law limits investments to obligations of this state (Arkansas) and its subdivisions (and U.S. obligations). No authorization for other states' bonds.	(AR Code §19-1-501(3))
California	Yes	Explicitly authorizes registered treasury notes or bonds of any other U.S. state. No special conditions beyond meeting S&P/Aaa ratings.	(CA Gov't Code §53601(d))
Colorado	Yes	Allows investment in general or revenue obligations of any U.S. state or its subdivisions if they are rated at least AA-/Aa3 by two rating agencies.	(CO Rev. Stat. §24-75-601.1)
Connecticut	Yes	Permits "obligations of any state of the United States or any political subdivision thereof," but requires they be rated in the top two categories.	(CT Gen. Stat. §7-159d(c)(2)(C))
Delaware	Further research needed.	Not found in statutes/regulations.	–
Florida	Conditional	Permitted only those listed by law (U.S. Treasuries/Agencies, FL Local Gov't Surplus Funds Pool, intergovernmental pools, etc.). There is no explicit provision for investing in other states' securities; only "other investments authorized by law or ordinance".	(FL Stat. §218.415)
Georgia	Yes	Authorizes investment in obligations of "this state or of other states", subject to general rating requirements.	(GA Code §36-83-4(a)(1)(A))
Hawaii	Further research needed.	Further research needed.	–
Idaho	Further research needed.	Further research needed.	–

Illinois	Yes	Explicitly allows bonds/obligations of any other state or its political subdivisions (in addition to IL and U.S. securities).	(IL Stat. ch. 35, §5/1)
Indiana	Further research needed.	Further research needed.	–
Iowa	Yes	Permits investment in "public bonds or obligations of another state or a political subdivision of another state," but only if rated in the two highest categories at the time of purchase.	(IA Code §12C.16(b)(1)(c))
Kansas	No	Authorized investments include only in-state obligations (Kansas state or Kansas municipalities). No provision for other states.	(KS Stat. §12-1675(8))
Kentucky	Yes	Permits investment in "securities issued by a state or local government ... in the United States". This language includes other states' and subdivisions' obligations (investment-grade).	(KY Rev. Stat. §66.480(1)(i))
Louisiana	No	List of authorized investments only includes U.S. obligations and Louisiana depository instruments. No out-of-state securities are authorized.	(LA Rev. Stat. §33:2955)
Maine	Yes	May invest in bonds/direct obligations of "any state or any political subdivision of any state," provided they are rated in the top 3 categories.	(ME Rev. Stat. tit. 30-A, §5712(2))
Maryland	Further research needed.	Further research needed.	–
Massachusetts	Further research needed.	Further research needed.	–
Michigan	Further research needed.	Further research needed.	–
Minnesota	Further research needed.	Further research needed.	–
Mississippi	Further research needed.	Not found (statute found applies to banks, not local govts.).	–
Missouri	Further research needed.	Further research needed.	–
Montana	No	Local governments may only invest in U.S. Treasury and federal agency obligations. No authorization for other states.	–
Nebraska	Further research needed.	Further research needed.	–
Nevada	No	Statutes do not authorize investing in other states' securities. Authorized investments are limited to U.S. government obligations and Nevada/local securities. (No explicit provision for out-of-state entities.)	–
New Hampshire	Further research needed.	Further research needed.	–

New Jersey	No	Permitted investments are limited to U.S. obligations and NJ state/municipal short-term obligations. Out-of-state securities are not authorized.	(NJ Stat. §40A:5-15)
New Mexico	Further research needed.	Further research needed.	–
New York	Conditional	General Municipal Law allows large cities (>1M) and any county to invest in "general obligations of any state other than this state" if rated highest. Other municipalities may only use NY or U.S. obligations.	(NY GML §11(3)(a)(2)(i))
North Carolina	Further research needed.	Not found (statute unclear; presumably limited to NC obligations or general U.S. securities).	–
North Dakota	No	Authorized investments are U.S. Treasury and agency securities. No mention of other states.	(NDCC §21-06-07)
Ohio	Further research needed.	Further research needed.	–
Oklahoma	No	Allows U.S. and Oklahoma obligations, and CDs (in-state or fully FDIC-insured out-of-state). No provision for other states' bonds.	(OK Stat. tit. 62, §348.1(1))
Oregon	Yes (limited)	Local funds may invest in debt of California, Idaho, and Washington (or Oregon) states/subdivisions if rated AA- or better. Other states are not authorized.	(OR Rev. Stat. §294.035(3)(c))
Pennsylvania	Further research needed.	Further research needed.	–
Rhode Island	Further research needed.	Further research needed.	–
South Carolina	No	Authorized investments limited to U.S. and South Carolina obligations. No authorization for other states.	(SC Code §6-5-10)
South Dakota	Further research needed.	Not found (no general statute on local investments found; presumably state bond rules apply).	–
Tennessee	No	Municipalities may invest in U.S. obligations and limited federal instruments. There is no authority for other states' securities.	(TN Code §6-56-106(a))
Texas	No	Local Investment Code (Ch. 2256) authorizes U.S. and Texas/state-approved instruments only. Out-of-state investments are not generally allowed.	–
Utah	Further research needed.	Further research needed.	–
Vermont	Further research needed.	Further research needed.	–
Virginia	Yes (with conditions)	Permits investment in any U.S. state or local obligations if no default history; also strict criteria for bonds of other states' cities (>=25K pop, 20 years old, etc.).	(VA Code §2.2-4501)

Washington	Further research needed.	Further research needed.	–
West Virginia	No	Local funds can be invested only in U.S. obligations and West Virginia direct obligations. No other states' securities are listed.	(WV Code §8-13-22a)
Wisconsin	Further research needed.	Not found (authorized investments list does not explicitly include other states).	–
Wyoming	Further research needed.	Further research needed.	–

SOURCES

1. Iowa Schools Joint Investment Trust (ISJIT), 2025 *Annual Financial Report*, June 30, 2025, 11, https://www.isjit.org/resource-center/; Iowa Public Agency Investment Trust (IPAIT), *2025 Annual Comprehensive Financial Report*, June 30, 2025, 11, https://www.ipait.org/knowledge-center/.
2. ISJIT, 2025 *Annual Financial Report*, 16; IPAIT, 2025 Annual Comprehensive Financial Report, 22.
3. ISJIT, 2025 *Annual Financial Report*; IPAIT, 2025 Annual Comprehensive Financial Report.
4. IPAIT, 2025 *Annual Comprehensive Financial Report*, 11.
5. ISJIT, 2025 *Annual Financial Report*, 11.
6. IPAIT, 2025 *Annual Comprehensive Financial Report*, 12.
7. IPAIT, 2025 *Annual Comprehensive Financial Report*, 12.
8. ISJIT, 2025 *Annual Financial Report*, 11.
9. ISJIT, 2025 *Annual Financial Report*, 18.
10. This is inferred by taking the reported investment income and dividing by the average net position.
11. Iowa Bankers Association, "Iowa Banks Continue to Drive Iowa's Economy in Second Quarter," news release, August 26, 2025, https://www.iowabankers.com/iowa-banks-continue-to-drive-iowas-economy-in-second-quarter/; Federal Deposit Insurance Corporation, "SECTION 109 HOST STATE LOAN-TO-DEPOSIT RATIOS," 2, https://www.fdic.gov/media/20156. The 83.2% figure from the Iowa Bankers Association in the first reference is similar to prior reporting by the Federal Reserve and FDIC from the second reference..