

House Engrossed

local government investment pool; treasurer

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2344

AN ACT

AMENDING SECTION 35-326, ARIZONA REVISED STATUTES; RELATING TO THE LOCAL
GOVERNMENT INVESTMENT POOL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-326, Arizona Revised Statutes, is amended to
3 read:

4 35-326. Local government investment pool; prohibition;
5 definition

6 A. The state treasurer may maintain one or more pooled investment
7 funds for the collective investment of monies in this state. Securities
8 or other instruments in which the monies may be invested are those that
9 are provided for in article 2 of this chapter.

10 B. The state treasurer may deposit state monies in a pooled
11 investment fund and may also receive into a fund monies that are deposited
12 by any political subdivision or public entity in this state or public
13 trust that is legally authorized or required to deposit monies with the
14 state treasurer for investment. When a depositor provides monies to a
15 pooled investment fund, the state treasurer may require the depositor to
16 specify the date or dates on which it will require the monies. The assets
17 of a pooled investment fund shall be invested by the state treasurer for
18 such periods as will facilitate the return of the monies to the depositing
19 entities in accordance with the instructions received at the time of
20 deposit. Earnings shall be credited promptly after calculation.

21 C. The state treasurer shall compute on a monthly basis the rate of
22 earnings on the pooled investment fund for that month, and each depositor
23 shall be credited with an amount determined by applying the calculated
24 monthly rate to the principal amount of its deposit balance for the period
25 of the deposit. Interest shall be credited monthly.

26 D. The governing body of any political subdivision, public trust or
27 public entity, by adopting a resolution of continuing effect, may
28 authorize and request the state treasurer to invest monies for the
29 governing body pursuant to this section.

30 E. IF THE STATE TREASURER ESTABLISHES A LOCAL GOVERNMENT INVESTMENT
31 POOL PURSUANT TO THIS SECTION, THE STATE TREASURER SHALL MANAGE THE LOCAL
32 GOVERNMENT INVESTMENT POOL BY USING ONLY EMPLOYEES OF THE OFFICE OF THE
33 STATE TREASURER AND MAY CONFER WITH THE STATE BOARD OF INVESTMENT AS
34 NECESSARY. THE STATE TREASURER MAY ENTER INTO A CONTRACT WITH A THIRD
35 PARTY AS A CONTINGENCY IF THE STATE TREASURER IS UNABLE TO CONDUCT THE
36 STATE TREASURER'S FIDUCIARY DUTY.

37 ~~E.~~ F. For the purposes of this section, "political subdivision"
38 means any governmental entity operating under the authority of this state,
39 including a city, town, county, school district or community college
40 district or any other entity organized under state law.