

CONFERENCE COMMITTEE SUBSTITUTE

FOR

SENATE SUBSTITUTE

FOR

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FOR

HOUSE COMMITTEE SUBSTITUTE

FOR

HOUSE BILL NO. 1879

AN ACT

To repeal sections 30.270, 34.010, 34.165, 50.660, 50.783, 67.085, 95.530, 110.010, 110.080, 110.140, 137.225, 165.221, 165.231, 165.241, and 165.271, RSMo, and to enact in lieu thereof sixteen new sections relating to financial transactions involving public entities, with existing penalty provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI, AS FOLLOWS:

Section A. Sections 30.270, 34.010, 34.165, 50.660, 50.783, 67.085, 95.530, 110.010, 110.080, 110.140, 137.225, 165.221, 165.231, 165.241, and 165.271, RSMo, are repealed and sixteen new sections enacted in lieu thereof, to be known as sections 30.270, 34.010, 34.165, 50.660, 50.783, 67.085, 95.530, 110.010, 110.080, 110.140, 137.225, 165.221, 165.231, 165.241, 165.271, and 447.200, to read as follows:

30.270. 1. For the security of the moneys deposited by the state treasurer pursuant to the provisions of this chapter, the state treasurer shall, from time to time, submit a list of acceptable securities to be approved by the governor and state

1 auditor if satisfactory to them, and the state treasurer shall  
2 require of the selected and approved banks or financial  
3 institutions as security for the safekeeping and payment of  
4 deposits, securities from the list provided for in this section,  
5 which list shall include only securities of the following kind  
6 and character, unless it is determined by the state treasurer  
7 that the use of such securities as collateral may place state  
8 public funds at undue risk:

9 (1) Bonds or other obligations of the United States;

10 (2) Bonds or other obligations of the state of Missouri  
11 including revenue bonds issued by state agencies or by state  
12 authorities created by legislative enactment;

13 (3) Bonds or other obligations of any city in this state  
14 having a population of not less than two thousand;

15 (4) Bonds or other obligations of any county in this state;

16 (5) Approved registered bonds or other obligations of any  
17 school district, including certificates of participation and  
18 leasehold revenue bonds, situated in this state;

19 (6) Approved registered bonds or other obligations of any  
20 special road district in this state;

21 (7) State bonds or other obligations of any state;

22 (8) Notes, bonds, debentures or other similar obligations  
23 issued by the farm credit banks or agricultural credit banks or  
24 any other obligations issued pursuant to the provisions of an act  
25 of the Congress of the United States known as the Farm Credit Act  
26 of 1971, and acts amendatory thereto;

27 (9) Bonds of the federal home loan banks;

28 (10) Any bonds or other obligations guaranteed as to

1 payment of principal and interest by the government of the United  
2 States or any agency or instrumentality thereof;

3 (11) Bonds of any political subdivision established  
4 pursuant to the provisions of [~~Section 30,~~] article VI, sections  
5 30(a) and 30(b) of the Constitution of Missouri;

6 (12) Tax anticipation notes issued by any county of the  
7 first classification;

8 (13) A surety bond issued by an insurance company licensed  
9 pursuant to the laws of the state of Missouri whose claims-paying  
10 ability is rated in the highest category by at least one  
11 nationally recognized statistical rating agency. The face amount  
12 of such surety bond shall be at least equal to the portion of the  
13 deposit to be secured by the surety bond;

14 (14) An irrevocable standby letter of credit issued by a  
15 Federal Home Loan Bank;

16 (15) Out-of-state municipal bonds, including certificates  
17 of participation and leasehold revenue bonds, provided such bonds  
18 are rated in one of the four highest [~~category~~] rating categories  
19 by at least one nationally recognized statistical rating agency;

20 (16) (a) Mortgage securities that are individual loans  
21 that include negotiable promissory notes and the first lien deeds  
22 of trust securing payment of such notes on one to four family  
23 real estate, on commercial real estate, or on farm real estate  
24 located in Missouri or states adjacent to Missouri, provided such  
25 loans:

26 a. Are underwritten to conform to standards established by  
27 the state treasurer, which are substantially similar to standards  
28 established by the Federal Home Loan Bank of Des Moines, Iowa,

1 and any of its successors in interest that provide funding for  
2 financial institutions in Missouri;

3 b. Are offered by a financial institution in which a senior  
4 executive officer certifies under penalty of perjury that such  
5 loans are compliant with the requirements of the Federal Home  
6 Loan Bank of Des Moines, Iowa, when such loans are pledged by  
7 such bank;

8 c. Are offered by a financial institution that is well  
9 capitalized; and

10 d. Are not construction loans, are not more than ninety  
11 days delinquent, have not been classified as substandard,  
12 doubtful, or subject to loss, are one hundred percent owned by  
13 the financial institution, are otherwise unencumbered and are not  
14 being temporarily warehoused in the financial institution for  
15 sale to a third party. Any disqualified mortgage securities  
16 shall be removed as collateral within ninety days of  
17 disqualification or the state treasurer may disqualify such  
18 collateral as collateral for state funds;

19 (b) The state treasurer may promulgate regulations and  
20 provide such other forms or agreements to ensure the state  
21 maintains a first priority position on the deeds of trust and  
22 otherwise protect and preserve state funds. Any rule or portion  
23 of a rule, as that term is defined in section 536.010, that is  
24 created under the authority delegated in this section shall  
25 become effective only if it complies with and is subject to all  
26 of the provisions of chapter 536 and, if applicable, section  
27 536.028. This section and chapter 536 are nonseverable and if  
28 any of the powers vested with the general assembly pursuant to

1 chapter 536 to review, to delay the effective date, or to  
2 disapprove and annul a rule are subsequently held  
3 unconstitutional, then the grant of rulemaking authority and any  
4 rule proposed or adopted after August 28, 2005, shall be invalid  
5 and void;

6 (c) A status report on all such mortgage securities shall  
7 be provided to the state treasurer on a calendar monthly basis in  
8 the manner and format prescribed by the state treasurer by the  
9 financial institutions pledging such mortgage securities and also  
10 shall certify their compliance with subsection 2 of this section  
11 for such mortgage securities;

12 (d) In the alternative to paragraph (a) of this  
13 subdivision, a financial institution may provide a blanket lien  
14 on all loans secured by one to four family real estate, all loans  
15 secured by commercial real estate, all loans secured by farm real  
16 estate, or any combination of these categories, provided the  
17 financial institution secures such blanket liens with real estate  
18 located in Missouri and states adjacent to Missouri and otherwise  
19 complies with paragraphs (b) and (c) of this subdivision;

20 (e) The provisions of paragraphs (a) to (d) of this  
21 subdivision are not authorized for any Missouri political  
22 subdivision, notwithstanding the provisions of chapter 110 to the  
23 contrary;

24 (f) As used in this subdivision, the term "unencumbered"  
25 shall mean mortgage securities pledged for state funds as  
26 provided in subsection 1 of this section, and not subject to any  
27 other express claims by any third parties, including but not  
28 limited to a blanket lien on the bank assets by the Federal Home

1 Loan Bank, a depositary arrangement when securities are loaned  
2 and repurchased daily or otherwise, or the depositary has pledged  
3 its stock and assets for a loan to purchase another depositary or  
4 otherwise; and

5 (g) As used in this subdivision, the term "well  
6 capitalized" shall mean a banking institution that according to  
7 its most recent report of condition and income or thrift  
8 financial report, publicly available as applicable, qualifies as  
9 well capitalized under the uniform capital requirements  
10 established by the federal banking regulators or as determined by  
11 state banking regulators under substantially similar  
12 requirements;

13 (17) Brokered or negotiable certificates of deposit that  
14 are fully insured either by the Federal Deposit Insurance  
15 Corporation or the National Credit Union Share Insurance Fund;  
16 and

17 (18) Any investment that the state treasurer may invest in  
18 as provided in Article IV, Section 15 of the Missouri  
19 Constitution, and subject to the state treasurer's written  
20 investment policy in section 30.260, that is not otherwise  
21 provided for in this section, provided the banking institution or  
22 eligible lending institution as defined in subdivision (10) of  
23 section 30.750 is well capitalized, as defined in subdivision  
24 (16) of this subsection. The provisions of this subdivision are  
25 not authorized for political subdivisions, notwithstanding the  
26 provisions of chapter 110 to the contrary.

27 2. Securities deposited shall be in an amount valued at  
28 market equal at least to one hundred percent of the aggregate

1 amount on time deposit as well as on demand deposit with the  
2 particular financial institution less the amount, if any, which  
3 is insured either by the Federal Deposit Insurance Corporation or  
4 by the National Credit ~~[Unions]~~ Union Share Insurance Fund.  
5 Furthermore, for a well-capitalized banking institution,  
6 securities authorized in this section that are:

7 (1) Mortgage securities on loans secured on one to four  
8 family real estate appraised to reflect the market value at the  
9 time of the loan and deposited as collateral shall not exceed one  
10 hundred twenty-five percent of the aggregate amount of time  
11 deposits and demand deposits;

12 (2) Mortgage securities on loans secured on commercial real  
13 estate or on farm real estate appraised to reflect the market  
14 value at the time of the loan and deposited as collateral shall  
15 not exceed the collateral requirements of the Federal Home Loan  
16 Bank of Des Moines, Iowa;

17 (3) United States Treasury securities and United States  
18 Federal Agency debentures issued by Fannie Mae, Freddie Mac, the  
19 Federal Home Loan Bank, or the Federal Farm Credit Bank valued at  
20 market and deposited as collateral shall not exceed one hundred  
21 five percent of the aggregate amount of time deposits and demand  
22 deposits. All other securities, except as noted elsewhere in  
23 this section, valued at market and deposited as collateral shall  
24 not exceed one hundred fifteen percent of the aggregated amount  
25 of the time deposits and demand deposits; and

26 (4) Securities that are surety bonds and letters of credit  
27 authorized as collateral need only collateralize one hundred  
28 percent of the aggregate amount of time deposits and demand

1 deposits.

2 3. The securities or book entry receipts shall be delivered  
3 to the state treasurer and receipted for by the state treasurer  
4 and retained by the treasurer or by financial institutions that  
5 the governor, state auditor and treasurer agree upon. The state  
6 treasurer shall from time to time inspect the securities and book  
7 entry receipts and see that they are actually held by the state  
8 treasury or by the financial institutions selected as the state  
9 depositories. The governor and the state auditor may inspect or  
10 request an accounting of the securities or book entry receipts,  
11 and if in any case, or at any time, the securities are not  
12 satisfactory security for deposits made as provided by law, they  
13 may require additional security to be given that is satisfactory  
14 to them.

15 4. Any securities deposited pursuant to this section may  
16 from time to time be withdrawn and other securities described in  
17 the list provided for in subsection 1 of this section may be  
18 substituted in lieu of the withdrawn securities with the consent  
19 of the treasurer; but a sufficient amount of securities to secure  
20 the deposits shall always be held by the treasury or in the  
21 selected depositories.

22 5. If a financial institution of deposit fails to pay a  
23 deposit, or any part thereof, pursuant to the terms of its  
24 contract with the state treasurer, the state treasurer shall  
25 forthwith convert the securities into money and disburse the same  
26 according to law.

27 6. Any financial institution making deposits of bonds with  
28 the state treasurer pursuant to the provisions of this chapter



1 may cause the bonds to be endorsed or stamped as it deems proper,  
2 so as to show that they are deposited as collateral and are not  
3 transferable except upon the conditions of this chapter or upon  
4 the release by the state treasurer.

5 34.010. 1. The term "department" as used in this chapter  
6 shall be deemed to mean department, office, board, commission,  
7 bureau, institution, or any other agency of the state, except the  
8 legislative and judicial departments. The term "department"  
9 shall not include public institutions of higher education.

10 2. The term "lowest and best" in determining the lowest and  
11 best award, cost, and other factors are to be considered in the  
12 evaluation process. Factors may include, but are not limited to,  
13 value, performance, and quality of a product.

14 3. The term "Missouri product" refers to goods or  
15 commodities which are manufactured, mined, produced, or grown by  
16 companies in Missouri, or services provided by such companies.

17 4. The term "negotiation" as used in this chapter means the  
18 process of selecting a contractor by the competitive methods  
19 described in this chapter, whereby the commissioner of  
20 administration can establish any and all terms and conditions of  
21 a procurement contract by discussion with one or more prospective  
22 contractors.

23 5. The term "purchase" as used in this chapter shall  
24 include the rental or leasing of any equipment, articles or  
25 things.

26 6. The term "supplies" used in this chapter shall be deemed  
27 to mean supplies, materials, equipment, contractual services and  
28 any and all articles or things, except for utility services

1 regulated under chapter 393 or as in this chapter otherwise  
2 provided.

3 7. The term "value" includes but is not limited to price,  
4 performance, and quality. In assessing value, the state  
5 purchaser may consider the economic impact to the state of  
6 Missouri for Missouri products versus the economic impact of  
7 products generated from out of state. This economic impact may  
8 include the revenues returned to the state through tax revenue  
9 obligations.

10 34.165. 1. In making purchases for this state, its  
11 governmental agencies or political subdivisions, the commissioner  
12 of administration shall give a bidding preference consisting of  
13 at least a ~~ten-point~~ five-point bonus and no greater than a  
14 fifteen-point bonus on bids for products and services  
15 manufactured, produced or assembled in qualified nonprofit  
16 organizations for the blind established pursuant to the  
17 provisions of 41 U.S.C. Sections 46 to 48c, as amended and in  
18 sheltered workshops holding a certificate of approval from the  
19 department of elementary and secondary education pursuant to  
20 section 178.920 if, at a minimum, the participating nonprofit  
21 organization or workshop provides the greater of two percent or  
22 five thousand dollars of the total contract value of bids for  
23 purchase not exceeding ten million dollars. The bonus points  
24 shall be awarded on the basis of a sliding scale, as determined  
25 in rule by the commissioner of administration, based on revenue  
26 generation for and utilization of qualified nonprofit  
27 organizations for the blind or sheltered workshops, with the  
28 bonus points increasing as the revenue generation for and

1 utilization of such organizations and workshops increases.

2         2. An affidavit signed by the director or manager and the  
3 board president of a participating nonprofit organization shall  
4 be provided to the purchasing agency by the contractor at the  
5 completion of the contract or within thirty days of the first  
6 anniversary of the contract, whichever first occurs, verifying  
7 compliance.

8         3. The commissioner of administration shall make such rules  
9 and regulations regarding specifications, quality standards, time  
10 of delivery, performance, bidding preferences, and other relevant  
11 matters as shall be necessary to carry out the purpose of this  
12 section. No rule or portion of a rule promulgated pursuant to  
13 the authority of this section shall become effective unless it  
14 has been promulgated pursuant to the provisions of section  
15 536.024.

16         4. At the request of the commissioner of administration,  
17 the state auditor may examine all records, books and data of any  
18 qualified nonprofit organization for the blind to determine the  
19 costs of manufacturing products or rendering services and the  
20 manner and efficiency of production and administration of such  
21 nonprofit organization with relation to any product or services  
22 purchased by this state, its governmental agencies or political  
23 subdivisions and to furnish the results of such examination to  
24 the commissioner for appropriate action.

25         50.660. [~~1-~~] All contracts shall be executed in the name  
26 of the county, or in the name of a township in a county with a  
27 township form of government, by the head of the department or  
28 officer concerned, except contracts for the purchase of supplies,

1 materials, equipment or services other than personal made by the  
2 officer in charge of purchasing in any county or township having  
3 the officer. No contract or order imposing any financial  
4 obligation on the county or township is binding on the county or  
5 township unless it is in writing and unless there is a balance  
6 otherwise unencumbered to the credit of the appropriation to  
7 which it is to be charged and a cash balance otherwise  
8 unencumbered in the treasury to the credit of the fund from which  
9 payment is to be made, each sufficient to meet the obligation  
10 incurred and unless the contract or order bears the certification  
11 of the accounting officer so stating; except that in case of any  
12 contract for public works or buildings to be paid for from bond  
13 funds or from taxes levied for the purpose it is sufficient for  
14 the accounting officer to certify that the bonds or taxes have  
15 been authorized by vote of the people and that there is a  
16 sufficient unencumbered amount of the bonds yet to be sold or of  
17 the taxes levied and yet to be collected to meet the obligation  
18 in case there is not a sufficient unencumbered cash balance in  
19 the treasury. All contracts and purchases shall be let to the  
20 lowest and best bidder after due opportunity for competition,  
21 including advertising the proposed letting in a newspaper in the  
22 county or township with a circulation of at least five hundred  
23 copies per issue, if there is one, except that the advertising is  
24 not required in case of contracts or purchases involving an  
25 expenditure of less than six thousand dollars. It is not  
26 necessary to obtain bids on any purchase in the amount of [~~four~~  
27 six thousand [~~five hundred~~] dollars or less made from any one  
28 person, firm or corporation during any period of ninety days [~~or~~

1 ~~if the county is any county of the first classification with more~~  
2 ~~than one hundred fifty thousand but fewer than two hundred~~  
3 ~~thousand inhabitants or any county of the first classification~~  
4 ~~with more than two hundred sixty thousand but fewer than three~~  
5 ~~hundred thousand inhabitants, it is not necessary to obtain bids~~  
6 ~~on such purchases in the amount of six thousand dollars or less].~~

7 All bids for any contract or purchase may be rejected and new  
8 bids advertised for. Contracts which provide that the person  
9 contracting with the county or township shall, during the term of  
10 the contract, furnish to the county or township at the price  
11 therein specified the supplies, materials, equipment or services  
12 other than personal therein described, in the quantities  
13 required, and from time to time as ordered by the officer in  
14 charge of purchasing during the term of the contract, need not  
15 bear the certification of the accounting officer, as herein  
16 provided; but all orders for supplies, materials, equipment or  
17 services other than personal shall bear the certification. In  
18 case of such contract, no financial obligation accrues against  
19 the county or township until the supplies, materials, equipment  
20 or services other than personal are so ordered and the  
21 certificate furnished.

22 ~~[2. Notwithstanding the provisions of subsection 1 of this~~  
23 ~~section to the contrary, advertising shall not be required in any~~  
24 ~~county in the case of contracts or purchases involving an~~  
25 ~~expenditure of less than six thousand dollars.]~~

26 50.783. 1. The county commission may waive the requirement  
27 of competitive bids or proposals for supplies when the commission  
28 has determined in writing and entered into the commission minutes

1 that there is only a single feasible source for the supplies.  
2 Immediately upon discovering that other feasible sources exist,  
3 the commission shall rescind the waiver and proceed to procure  
4 the supplies through the competitive processes as described in  
5 this chapter. A single feasible source exists when:

6 (1) Supplies are proprietary and only available from the  
7 manufacturer or a single distributor; or

8 (2) Based on past procurement experience, it is determined  
9 that only one distributor services the region in which the  
10 supplies are needed; or

11 (3) Supplies are available at a discount from a single  
12 distributor for a limited period of time.

13 2. On any single feasible source purchase where the  
14 estimated expenditure is [~~three thousand dollars or~~] over six  
15 thousand dollars, the commission shall post notice of the  
16 proposed purchase [~~. Where the estimated expenditure is five~~  
17 ~~thousand dollars or over, The commission shall also~~] and  
18 advertise the commission's intent to make such purchase in at  
19 least one daily and one weekly newspaper of general circulation  
20 in such places as are most likely to reach prospective bidders or  
21 offerors and may provide such information through an electronic  
22 medium available to the general public at least ten days before  
23 the contract is to be let.

24 3. Notwithstanding subsection 2 of this section to the  
25 contrary, on any single feasible service purchase by any county  
26 of the first classification with more than one hundred fifty  
27 thousand but fewer than two hundred thousand inhabitants or any  
28 county of the first classification with more than two hundred

1 sixty thousand but fewer than three hundred thousand inhabitants  
2 where the estimated expenditure is over six thousand dollars [~~or~~  
3 ~~over~~], the commission shall post notice of the proposed purchase  
4 and advertise the commission's intent to make such purchase in at  
5 least one daily and one weekly newspaper of general circulation  
6 in such places as are most likely to reach prospective bidders or  
7 offerors and may provide such information through an electronic  
8 medium available to the general public at least ten days before  
9 the contract is to be let.

10 67.085. Notwithstanding any law to the contrary, any  
11 political subdivision of the state and any other public entity in  
12 Missouri may invest funds of the public entity not immediately  
13 needed for the purpose to which such funds or any of them may be  
14 applicable provided each public entity meets the requirements for  
15 separate deposit insurance of public funds permitted by federal  
16 deposit insurance and in accordance with the following  
17 conditions:

18 (1) The public funds are invested through a financial  
19 institution which has been selected as a depository of the funds  
20 in accordance with the applicable provisions of the statutes of  
21 Missouri relating to the selection of depositories and such  
22 financial institution enters into a written agreement with the  
23 public entity;

24 (2) The selected financial institution arranges for the  
25 deposit of the public funds in deposit accounts in one or more  
26 financial institutions wherever located in the United States, for  
27 the account of the public entity;

28 (3) Each such deposit account is insured by federal deposit

1 insurance for one hundred percent of the principal and accrued  
2 interest of the deposit; and

3 (4) The selected financial institution acts as custodian  
4 for the public entity with respect to such deposit accounts [~~and~~

5 ~~(5) On the same date that the public funds are deposited~~  
6 ~~under subdivision (2) of this section, the selected financial~~  
7 ~~institution receives an amount of deposits from customers of~~  
8 ~~other financial institutions equal to the amount of the public~~  
9 ~~funds initially invested by the public entity through the~~  
10 ~~selected financial institution].~~

11 95.530. In all cities not within a county, the mayor, the  
12 comptroller and the treasurer shall constitute the funds  
13 committee, and the treasurer, by virtue of his office, shall  
14 serve as chairman of such committee. The committee shall  
15 annually select a bank or banks, or trust company or trust  
16 companies, or credit union or credit unions, savings and loan or  
17 savings and loans, which has its principal place of business in  
18 Missouri referred to hereafter as "listed institutions", for the  
19 current deposit of the city's funds, which in their opinion will  
20 be most commensurate with the safety thereof. The treasurer, as  
21 chairman, shall supervise the business of the committee and  
22 maintain records of committee proceedings, and shall call annual  
23 meetings or any other meeting as often as the business of the  
24 city may require. The treasurer shall be a member of any  
25 financial planning or decision-making body or committee  
26 furthering the needs of the city's financial business, except the  
27 legislative and appropriating bodies. The treasurer, by virtue  
28 of his office, shall sit on any committee or group which deals



1 with the issuance of bonds of the city or any agency or  
2 instrumentality thereof. The treasurer shall serve as the chief  
3 investment and cash management officer of the city and, as such,  
4 act as the sole investment authority on any investments of public  
5 funds held by the city or any instrumentality thereof, including  
6 funds derived from proceeds from the issuance of bonds and funds  
7 from proceeds from lease/purchase agreements. Such investments  
8 shall be made in a manner consistent with investment policies  
9 approved by the funds commission, and with judgment and care,  
10 under circumstances then prevailing, which persons of prudence,  
11 discretion and intelligence exercise in the management of their  
12 own affairs, not for speculation, but for investment, considering  
13 the probable safety of capital and income to be derived. The  
14 treasurer shall ensure the safety of all funds held by the city  
15 or any instrumentalities thereof and, upon the approval of the  
16 funds commission and reasonable notice, may assume control of any  
17 accounts not managed in compliance with state law, serve as the  
18 custodian of any funds held in such accounts and take any other  
19 measures reasonably required to ensure the preservation of public  
20 funds and compliance with applicable law. The funds commission,  
21 also known as the "funds committee", shall approve all financial  
22 institutions for any banking services required by the city  
23 pursuant to investment policies and evaluation criteria set by  
24 the treasurer and approved by the funds commission. At least  
25 once per year, the treasurer and the city's external auditors  
26 shall report to the comptroller on the city's compliance with  
27 this section. Any state or municipally created agency, citywide  
28 elected officials or any instrumentality thereof working in

1 cooperation with the city in the collection, management,  
2 investment or disbursement of governmental funds, shall annually  
3 report a listing of all listed institution's accounts, including  
4 a list of all pledged collateral, to the fund committee. Any  
5 financial institution acting as a ~~[depository]~~ depository or  
6 custodian of public funds for any state or municipally created  
7 agency, citywide elected official or any instrumentality thereof  
8 working in the collection, management, investment or disbursement  
9 of governmental funds for a city located not within a county  
10 shall annually report to the funds committee. Such agencies,  
11 elected officials and instrumentalities shall, during the interim  
12 period, report any change or transfer or establishment of new  
13 accounts or changes in collateral to the fund committee within  
14 ten days of doing so. Financial institutions, when requested by  
15 the funds committee, shall verify such information. Before any  
16 deposit shall be made by the treasurer in any listed institution,  
17 the institution shall give a bond in an amount equal to the  
18 deposit, with good and sufficient sureties, to be approved by the  
19 unanimous vote of the members of the funds committee, for the  
20 safekeeping and prompt payment of such funds, or any part  
21 thereof, when demanded by the treasurer, and shall at all times  
22 keep the sureties on such bond satisfactory to the funds  
23 committee. In lieu of ~~[or in addition to]~~ such bond, listed  
24 institutions may, with the unanimous consent of the members of  
25 the funds committee, deposit with the treasurer of such city or  
26 with some other mutually satisfactory depository ~~[in such city,~~  
27 ~~in escrow, bonds or treasury certificates of the United States or~~  
28 ~~other interest-bearing obligations guaranteed as to both~~

1 ~~principal and interest by the United States or agency or~~  
2 ~~instrumentality thereof in accordance with the approved]~~  
3 collateral securities maintained and approved by the state  
4 treasurer, or bonds of the state of Missouri or of any city not  
5 within a county, authorized under section 30.270 and approved by  
6 the state treasurer with respect to deposit and management of  
7 state funds of a [~~par~~] value equal to the amount of such deposit,  
8 or any part of such deposit not protected by [~~such bond~~] federal  
9 deposit insurance. The securities so deposited shall, in case of  
10 default by any such listed institution, be taken possession of by  
11 the funds committee, and to the extent required to make good such  
12 default, be sold for the benefit of such city. Any securities so  
13 deposited may, with the unanimous consent of the members of the  
14 funds committee, be withdrawn, and others of equal value and  
15 amount substituted therefor. As the amount of such funds on  
16 deposit is reduced, listed institutions, when not in default,  
17 shall be permitted to withdraw the excess of collateral, except  
18 that there shall at no time be a less amount in par value of  
19 collateral than the amount at such time of deposits. The  
20 securities so deposited or any substitute therefor, shall, upon  
21 default, be exhausted before recourse shall be had against the  
22 securities upon any bond executed by listed institutions for the  
23 protection of such deposits. In lieu of or in addition to such  
24 deposit of city funds in listed institutions, the treasurer may  
25 invest funds belonging to such city and not immediately needed  
26 for the purpose to which such funds or any of them may be  
27 applicable, in accordance with Section 15, Article IV of the  
28 Missouri Constitution. In addition, the treasurer may enter into

1 repurchase agreements maturing and becoming payable within ninety  
2 days secured by United States Treasury obligations or obligations  
3 of the United States government agencies or instrumentalities of  
4 any maturity as provided by law.

5 110.010. 1. The public funds of every county, township,  
6 city, town, village, school district of every character, road  
7 district, sewer district, fire protection district, water supply  
8 district, drainage or levee district, state hospital, state  
9 schools for the mentally deficient, Missouri School for the Deaf,  
10 Missouri School for the Blind, Missouri Training School for Boys,  
11 training school for girls, Missouri Veterans' Home, Missouri  
12 State Chest Hospital, state university, Missouri state teachers'  
13 colleges, Lincoln University, or any other political subdivision  
14 or agency of the state, which are deposited in any banking  
15 institution acting as a legal depository of the funds under the  
16 statutes of Missouri requiring the letting and deposit of the  
17 same and the furnishing of security therefor, shall be secured by  
18 the deposit of securities of the character prescribed by section  
19 30.270 for the security of funds deposited by the state  
20 treasurer.

21 2. The securities shall, at the option of the depository  
22 banking institution, be delivered either to the fiscal officer or  
23 the governing body of the municipal corporation or other  
24 depositor of the funds, or by depositing the securities with  
25 another banking institution or safe depository as trustee  
26 satisfactory to both parties to the depository agreement. The  
27 trustee may be a bank owned or controlled by the same bank  
28 holding company as the depository banking institution.

1           3. The rights and duties of the several parties to the  
2           depository contract shall be the same as those of the state and  
3           the depository banking institution respectively under section  
4           30.270. If a depository banking institution deposits the bonds or  
5           securities with a trustee as above provided, and the municipal  
6           corporation or other depositor of funds gives notice in writing  
7           to the trustee that there has been a breach of the depository  
8           contract and makes demand in writing on the trustee for the  
9           securities, or any part thereof, then the trustee shall forthwith  
10          surrender to the municipal corporation or other depositor of  
11          funds a sufficient amount of the securities to fully protect the  
12          depositor from loss and the trustee shall thereby be discharged  
13          of all further responsibility in respect to the securities so  
14          surrendered.

15          4. Pursuant to an agreement with the banking institution  
16          serving as a depository for a public entity under this section,  
17          public funds held in the custody of the depository may be  
18          invested in the obligations described in article IV, section 15  
19          of the Missouri Constitution permitted for the state treasurer,  
20          including repurchase agreements, provided the investments are  
21          authorized in an investment policy adopted by the public entity,  
22          treasurer, or other finance officer authorized to act for the  
23          public entity.

24          110.080. 1. Any banking corporation, association or trust  
25          company in the city desiring to bid shall deliver to the  
26          secretary of the board on or before twelve o'clock noon on the  
27          day of the meeting at which the depository is to be selected a  
28          sealed bid stating the rate of interest that it offers to pay on

1 the funds and moneys of the institution for the term of up to  
2 four years next ensuing the date of the bid.

3 2. ~~Each bid shall be accompanied by a check in favor of~~  
4 ~~the institution on some solvent banking corporation, association,~~  
5 ~~or trust company in the city, duly certified, for not less than~~  
6 ~~one thousand dollars, as a guaranty of good faith on the part of~~  
7 ~~the bidder that if its bid is accepted by the board it will give~~  
8 ~~the security required by section 110.010.~~

9 ~~3.]~~ It is a misdemeanor for the secretary of the board to  
10 directly or indirectly disclose the amount of any bid before the  
11 selection of the depositary or depositaries.

12 110.140. 1. Any banking corporation or association in the  
13 county desiring to bid shall deliver to the clerk of the  
14 commission, on or before the first Monday of July at which the  
15 selection of depositaries is to be made, a sealed proposal,  
16 stating the rate of interest that the banking corporation, or  
17 association offers to pay on the funds of the county for the term  
18 of two or four years next ensuing the date of the bid, or, if the  
19 selection is made for a less term than two or four years, as  
20 provided in sections 110.180 and 110.190, then for the time  
21 between the date of the bid and the next regular time for the  
22 selection of depositaries as fixed by section 110.130.

23 2. ~~Each bid shall be accompanied by a certified check for~~  
24 ~~not less than two thousand five hundred dollars, as a guaranty of~~  
25 ~~good faith on the part of the bidder, that if his or her bid~~  
26 ~~should be the highest he or she will provide the security~~  
27 ~~required by section 110.010. Upon his or her failure to give the~~  
28 ~~security required by law, the amount of the certified check shall~~

1 ~~go to the county as liquidated damages, and the commission may~~  
2 ~~order the county clerk to readvertise for bids.~~

3 ~~—3.]~~ It shall be a misdemeanor, and punishable as such, for  
4 the clerk of the commission, or any deputy of the clerk, to  
5 directly or indirectly disclose the amount of any bid before the  
6 selection of depositaries.

7 137.225. 1. In all counties, except the city of St. Louis,  
8 the assessor shall be provided with two books, one to be called  
9 the "real estate book", and the other to be called the "personal  
10 assessment book".

11 2. The real estate book shall contain all lands subject to  
12 assessment. It shall be in tabular form, with suitable captions  
13 and separate columns. The first column shall contain the name of  
14 the owner, if known; if not, the name of the party who paid the  
15 last tax; if no tax has ever been paid, then the name of the  
16 original patentee, grantee or purchaser from the federal  
17 government, the state or county, as the case may be, opposite  
18 thereto; the second column shall contain the residence of the  
19 owner or, upon written consent of the owner filed with the  
20 assessor, an alternate address for the purpose of mailing ad  
21 valorem property tax statements to someone other than an owner,  
22 family trust, or mortgage holder receiving escrow payments; the  
23 third column shall contain an accurate description of the land by  
24 the smallest legal subdivisions, or by smaller parts, lots or  
25 parcels, when sections and the subdivisions thereof are  
26 subdivided into parts, lots or parcels; the fourth column shall  
27 contain the actual cash valuation. When any person shall be the  
28 owner or original purchaser of a section, quarter section or half

1 quarter section, block, half block or quarter block, the same  
2 shall be assessed as one tract. The assessor shall arrange,  
3 collect and list all lands owned by one person in the county,  
4 under his name and on the same page, if there be room to contain  
5 it, and if not on the next and following leaf, with proper  
6 indications of such continuance, whether they be lots and blocks  
7 in a city, or sections or parts of sections in the country, the  
8 lowest numbered range, township and section, block, lot or survey  
9 always being placed first in such list, and so on in numerical  
10 order until said list for each property owner is completed. The  
11 assessor shall consolidate all lands owned by one person in a  
12 square or block into one tract, lot or call, and for any  
13 violation of this section, in unnecessarily dividing the same  
14 into more tracts than one or more lots than one, the county  
15 commission shall deduct from his account for making the county  
16 assessment, ten cents for each lot or tract not so consolidated.  
17 At the close of each owner's list, the assessor shall place all  
18 the lands that appear to belong to the owner, which cannot be  
19 properly described by numerical order, as contemplated in this  
20 section, which shall be otherwise properly described, indicating  
21 the quantity and location thereof.

22 3. The personal assessment book shall contain a list of the  
23 names of all persons liable to assessment, alphabetically  
24 arranged with proper priority of vowels. The assessor shall set  
25 opposite their names the tangible personal property respectively  
26 owned by them. It shall be in tabular form, with suitable  
27 captions and proper columns; the first column shall contain the  
28 names of the persons assessed; the second column shall contain



1 the residence, if in the city, the ward, addition and block, or,  
2 if outside an incorporated city or town, the township in the  
3 county; the third column shall contain the occupation of the  
4 party assessed; the fourth column shall contain each kind of  
5 property assessed; the fifth column shall contain the assessed  
6 value thereof; the sixth column shall contain the amount  
7 chargeable to each person, and there may be such other columns as  
8 are useful and convenient in practice.

9 4. Nothing in this section shall be construed to prohibit  
10 separate real estate and personal assessment books in all  
11 incorporated cities where they are necessary.

12 165.221. For the purpose of letting the funds the board  
13 shall divide the funds into not less than two nor more than ten  
14 equal parts. Each bidder may bid for any number of the parts,  
15 but the bid for each part shall be separate. Any banking  
16 institution in the county or in an adjoining county desiring to  
17 bid shall deliver to the secretary of the board, on or before the  
18 date selected for the acceptance of bids, a sealed bid, stating  
19 the rate of interest, or method by which the interest will be  
20 determined, that the banking institution offers to pay on one  
21 part of the funds and moneys of the school district for the term  
22 of one to five years, as the case may be, next ensuing the date  
23 of the bid; or if the selection is made for a less term as  
24 provided in sections 165.201 to 165.291, then for the time  
25 between the date of the bid and the next regular time for the  
26 selection of depositaries, as fixed by section 165.211. ~~Each~~  
27 ~~bid shall be accompanied by a check in favor of the school~~  
28 ~~district, on some solvent banking institution in the county or an~~

1 ~~adjoining county, duly certified, for not less than two thousand~~  
2 ~~five hundred dollars, as a guaranty of good faith on the part of~~  
3 ~~the bidder that if any of its bids are accepted by the board it~~  
4 ~~will deposit the security required by law.]~~ It is a misdemeanor  
5 for the secretary of the board to directly or indirectly disclose  
6 the amount of any bid before all bids are opened at a public  
7 depository bid opening.

8 165.231. The school board or their designee in  
9 seven-director districts, on the date selected for the acceptance  
10 of bids, shall publicly open the bids and cause each bid to be  
11 verbally read and documented. Following discussion and  
12 clarification of bids with the financial institutions, the board  
13 of education shall cause each bid to be entered upon the records  
14 of the board and shall select from among the bidders, as  
15 depositories of the funds and moneys of the school district,  
16 those whose bids are accepted, and shall notify each of the  
17 bidders so selected. The board may reject any and all bids. The  
18 interest upon the funds and moneys shall be computed upon the  
19 daily balances to the credit of the school district with each  
20 depository and shall be payable by each depository on the first  
21 day of each month to the treasurer of the school district, who  
22 shall place the same to the credit of the district. Each  
23 depository, by at least the fifth day of the current month, shall  
24 render to the secretary of the board a statement, in writing,  
25 showing the amount of interest paid by the depository. ~~[The~~  
26 ~~secretary of the board shall return the certified checks~~  
27 ~~accompanying the bids to the banking institutions whose bids~~  
28 ~~which they accompanied were rejected and, upon the approval of~~

1 ~~the security provided for in sections 110.010 and 110.020, return~~  
2 ~~the certified checks accompanying the accepted bids to the~~  
3 ~~banking institutions respectively, from which they were~~  
4 ~~received.]~~

5 165.241. [~~On or before ten days~~] After notice to any  
6 depository of its selection, the depository shall deliver or  
7 deposit securities in accordance with sections 110.010 and  
8 110.020 and the securities if delivered to the fiscal officer of  
9 the seven-director school district may be deposited for  
10 safekeeping with any federal reserve bank located in this state  
11 or with any banking institution located in the county and  
12 approved by order of the school board entered of record on its  
13 minutes. If at the time for selecting depositories it is  
14 unlawful for banking institutions to pay interest upon demand  
15 deposits the school board at its option either may select  
16 depositories as provided by law or may enter into written  
17 agreement with any or all depositories acting as such during the  
18 preceding period for renewal and continuation of the depository  
19 relationship for the ensuing period with power and authority to  
20 renew and continue the same for successive periods thereafter,  
21 subject however to termination as provided by law. The rights  
22 and obligations of the parties and of any trustee joining in a  
23 renewal agreement shall be deemed continuous throughout the  
24 periods of the renewals. Each depository at all times shall  
25 maintain the security in kind and amount required by sections  
26 110.010 and 110.020 with right in the depository when not in  
27 default to make substitutions thereof and to withdraw interest  
28 coupons therefrom as they mature.

1           165.271. 1. As soon as the securities satisfactory to the  
2 district are deposited [~~and approved by the board of a~~  
3 ~~seven-director district, an order shall be made designating~~] ,  
4 the banking institution depositing the securities shall be deemed  
5 as a depository of the part of the funds and moneys of the school  
6 district of which it has been selected as the depository, until  
7 the time fixed by sections 165.201 to 165.291 for another  
8 selection. The treasurer of the school district immediately upon  
9 the making of the order shall transfer to the depository the  
10 parts of all funds and moneys belonging to the school district  
11 that the depository is entitled to receive by virtue of its  
12 designation.

13           2. In case any bonds, coupons or other indebtedness of the  
14 district are payable, by the terms of the bonds, coupons or other  
15 evidences of indebtedness, at any particular place outside the  
16 district, nothing contained in sections 165.201 to 165.291 shall  
17 prevent the board from causing the treasurer to place a  
18 sufficient sum of money to meet the same at the place where the  
19 debts are payable at the time of their maturity.

20           3. The treasurer of a seven-director district, as the funds  
21 and moneys of the school district come into his hands from time  
22 to time, shall deposit them with the depositories to the credit  
23 of the school district, and at all times shall keep on deposit  
24 with each depository approximately that proportion of all the  
25 funds and moneys of the district for which the board accepted the  
26 bid of the depository. If at any time the amount of funds and  
27 moneys on deposit with any depository to the credit of the school  
28 district is either more or less than the proportion thereof for

1 which the board accepted the bid of the depository, that fact  
2 shall not impair or in any manner affect the liability of the  
3 depository to faithfully perform all the duties and obligations  
4 devolving by law upon the depository.

5 4. If any banking institution, after being selected as  
6 depository and notified thereof, fails to deposit the security  
7 within the time provided by section 165.241, [~~the certified check~~  
8 ~~accompanying the accepted bid of the banking institution shall be~~  
9 ~~forfeited to the school district as liquidated damages, and]~~ the  
10 board[~~, after twenty days' notice in the manner herein provided,~~]  
11 shall take such action as it deems appropriate to safeguard  
12 district funds, including deposit to another bank on an expedited  
13 basis, and shall proceed to receive new bids and select another  
14 depository in lieu of the one failing to deposit the security.

15 447.200. 1. If any consumer deposit account with a banking  
16 organization or financial organization, as such terms are defined  
17 in section 447.503, is determined to have been inactive for a  
18 period of twelve or more months and inactivity fees apply to the  
19 account, such banking organization or financial organization  
20 shall notify the person or depositor named on the account of such  
21 inactivity through first class mail, postage prepaid, marked  
22 "Address Correction Requested". Alternatively, the notice may be  
23 sent electronically if the consumer has consented to receiving  
24 electronic disclosures in accordance with the federal Truth in  
25 Savings Act, 12 U.S.C. Sections 4301 to 4313, and the regulations  
26 promulgated pursuant thereto.

27 2. Notwithstanding any provision of law to the contrary,  
28 for any consumer deposit account with a banking organization or

1 financial organization that has been inactive for twelve months  
2 or more, such bank shall issue annual statements to the person or  
3 depositor named on the account. The organization may charge a  
4 service fee of up to five dollars for any statement issued under  
5 this subsection, provided that such fee shall be withdrawn from  
6 the inactive account.

7 3. If any consumer deposit account with a banking  
8 organization or financial organization is determined to have been  
9 inactive for a period of five years, the funds from such account  
10 shall be remitted to the abandoned fund account established under  
11 section 447.543.

12 4. For purposes of this section, the word "inactive" means  
13 a prescribed period during which there is no activity or contact  
14 initiated by the person or depositor named on the account, which  
15 results in inactivity fees charged to the account.

16 ✓

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18 \_\_\_\_\_  
19 Representative Lyndall Fraker

\_\_\_\_\_  
Senator Mike Cunningham