

SENATE BILL NO. 1292

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

4937S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 95.280, 95.285, and 95.355, RSMo, and to enact in lieu thereof one new section relating to financial transactions involving public funds.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 95.280, 95.285, and 95.355, RSMo, are repealed and one new section enacted in lieu thereof, to be known as section 110.075, to read as follows:

110.075. 1. As used in this section, the following terms shall mean:

(1) "Depository", banking institution headquartered in or maintaining a full-service branch in this state which is selected by a municipality to hold and manage public funds;

(2) "Governing body", any city council, board of aldermen, or board of trustees;

(3) "Municipal depositories", any state-chartered or federally chartered banking institution as defined in Article IV, Section 15 of the Constitution of Missouri;

(4) "Municipality", any city or village in this state;

(5) "Public funds", funds owned or controlled by a municipality, including tax revenues, fees, grants, and other sources of income.

2. All municipalities shall select depositories through a competitive process in accordance with the provisions in this section. The governing body of each municipality shall develop and publish a request for

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 proposals which shall outline the requirements for selecting
20 one or more municipal depositories. Such requirements shall
21 address or include the following matters:

22 (1) The municipality shall use due diligence for
23 determining the financial stability and soundness of the
24 depository based on publicly available financial reports and
25 other public sources;

26 (2) Safe custody and liquidity of public funds,
27 including deposit insurance coverage and pledge of
28 collateral or investment in appropriate government
29 securities as authorized for public funds;

30 (3) Interest rates and fees offered;

31 (4) Services offered, including online banking, cash
32 management, deposit sweep and repurchase accounts,
33 investment in a common trust fund in eligible securities for
34 municipalities and political subdivision, and other banking
35 service options;

36 (5) Compliance with all applicable state and federal
37 banking regulations;

38 (6) Convenient and efficient treasury functions,
39 including if the location of the depository institution
40 shall be required to be located within the municipality or
41 in the same county as the municipality.

42 3. Banking institutions interested in becoming the
43 municipal depository shall respond to the municipality's
44 request for proposals within the time frame specified by the
45 municipality in the request.

46 4. The governing body shall evaluate the proposals
47 based on the criteria outlined in the request for proposals
48 and select a banking institution that best meets the
49 municipality's needs and objectives.

50 5. The selected banking institution shall enter into a
51 contract with the municipality outlining the terms and
52 conditions of the depository relationship, including, but
53 not limited to, the interest rates, fees, and services to be
54 provided.

55 6. Municipalities shall maintain records of the
56 selection process, including all proposals received by the
57 municipality for a period of two years.

2 [95.280. 1. Subject to the provisions of
3 section 110.030, the city council, at its
4 regular meetings in July of each year, may
5 receive sealed proposals for the deposit of the
6 city funds from banking institutions doing
7 business within the city that desire to be
8 selected as the depository of the funds of the
9 city. Notice that bids will be received shall
10 be published by the city clerk not less than one
11 nor more than four weeks before the meeting, in
12 some newspaper published in the city. Any
13 banking institution doing business in the city,
14 desiring to bid, shall deliver to the city
15 clerk, on or before the day of the meeting, a
16 sealed proposal stating the rate percent upon
17 daily balances that the banking institution
18 offers to pay to the city for the privilege of
19 being the depository of the funds of the city
20 for the year next ensuing the date of the
21 meeting; or, in the event that the selection is
22 made for a less term than one year, as herein
23 provided, then for the time between the date of
24 the bid and the next regular time for the
25 selection of a depository. It is a misdemeanor
26 for the city clerk or other person to disclose
27 directly or indirectly the amount of any bid to
28 any person before the selection of the
29 depository.

30 2. Notwithstanding the provisions of
31 subsection 1 of this section to the contrary,
32 the city council of any third class city with a
33 population of more than fifteen thousand and
34 less than nineteen thousand that is located in
35 any county of the fourth classification with a
36 population of more than forty thousand and less
37 than forty-eight thousand three hundred, or of
38 any city of the third classification with more
39 than ten thousand five hundred but less than ten
40 thousand six hundred inhabitants may receive
41 sealed proposals for the deposit of city funds
42 from banking institutions doing business within
the city at any of the regular meetings of such

43 city. The city shall send notice of bids to
44 each banking institution in the city by regular
45 mail at the time the notice is published in the
46 newspaper in subsection 1 of this section. The
47 banking institution selected as the depository
48 shall be offered a depository contract for a
49 maximum of two years. Any such city shall
50 follow the bid procedure established in
51 subsection 1 of this section, except as
52 otherwise provided in this subsection.]

2 [95.285. 1. Except as provided in
3 subsection 2 of this section, upon the opening
4 of the sealed proposals submitted, the city
5 council shall select as the depository of the
6 funds of the city the banking institution
7 offering to pay to the city the largest amount
8 for the privilege; except that the council may
9 reject any or all bids. Within five days after
10 the selection of the depository, the banking
11 institution selected shall deposit the
12 securities as required by sections 110.010 and
13 110.020. The rights and duties of the parties
14 to the depository contract are as provided in
15 section 110.010.

16 2. Notwithstanding any provision of
17 section 95.280 or this section to the contrary,
18 the contract term for any city of the third
19 classification with more than ten thousand five
20 hundred but less than ten thousand six hundred
21 inhabitants shall begin on the first day of
22 August following the receipt of the bid
proposals.]

2 [95.355. Boards of aldermen in cities of
3 the fourth class, at their first regular
4 meetings in the months of January, April, July
5 and October of each year, may select a
6 depository for the funds of their respective
7 cities, for the length of time and under the
8 rules and regulations that are provided and
9 prescribed by ordinance therefor. The rights
10 and duties of the parties to the depository
11 contract are as provided in section 110.010.
12 The deposits shall be secured by deposit of
13 securities as required by sections 110.010 and
14 110.020. The depository shall be a banking
15 institution doing business within the city. If
16 such depository cannot be selected, or such
17 satisfactory arrangements made, the boards of
18 aldermen may invest the moneys upon the terms
19 and under the conditions provided by law for the
loaning of county and school moneys.]

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