

SECOND REGULAR SESSION  
[P E R F E C T E D]  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 769**  
99TH GENERAL ASSEMBLY

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Reported from the Committee on Insurance and Banking, February 15, 2018, with recommendation that the Senate Committee Substitute do pass.

Senate Committee Substitute for Senate Bill No. 769, adopted February 27, 2018.

Taken up for Perfection February 27, 2018. Bill declared Perfected and Ordered Printed, as amended.

ADRIANE D. CROUSE, Secretary.

5199S.06P

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**AN ACT**

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

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

Section A. Sections 30.270, 50.660, 50.783, 67.085, 95.530, 110.010, 110.080, 110.140, 165.221, 165.231, 165.241, and 165.271, RSMo, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 8.301, 30.270, 50.660, 50.783, 67.085, 95.530, 110.010, 110.080, 110.140, 165.221, 165.231, 165.241, 165.271, 362.503, and 386.205, to read as follows:

**8.301. 1. Neither the state nor any political subdivision thereof shall:**

**(1) Condition a contract upon a requirement that a bidder have a specified experience modification factor;**

**(2) Make an offer to contract conditioned upon bidder having a specified experience modification factor;**

**(3) Issue an advertisement for bids on a contract containing a requirement that the bidder have a specified experience modification factor;**

**(4) Solicit bids for a contract conditioned upon a bidder having a specified experience modification factor; or**

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

12           **(5) Weight any bidder for a contract favorably or unfavorably**  
13 **based upon the bidder's experience modification factor.**

14           **2. For purposes of this section, the phrase "experience**  
15 **modification factor" shall mean the factor calculated pursuant to the**  
16 **provisions of chapter 287.**

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

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

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

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

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

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

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

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

23           (8) Notes, bonds, debentures or other similar obligations issued by the  
24 farm credit banks or agricultural credit banks or any other obligations issued  
25 pursuant to the provisions of an act of the Congress of the United States known  
26 as the Farm Credit Act 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 payment of principal  
29 and interest by the government of the United States or any agency or  
30 instrumentality thereof;

31           (11) Bonds of any political subdivision established pursuant to the

32 provisions of [Section 30] **Sections 30(a) and 30(b)**, Article VI of the  
33 Constitution of Missouri;

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

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

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

42 (15) Out-of-state municipal bonds, including certificates of participation  
43 and leasehold revenue bonds, provided such bonds are rated in **one of the four**  
44 highest [category] **rating categories** by at least one nationally recognized  
45 statistical rating agency;

46 (16) (a) Mortgage securities that are individual loans that include  
47 negotiable promissory notes and the first lien deeds of trust securing payment of  
48 such notes on one to four family real estate, on commercial real estate, or on farm  
49 real estate located in Missouri or states adjacent to Missouri, provided such  
50 loans:

51 a. Are underwritten to conform to standards established by the state  
52 treasurer, which are substantially similar to standards established by the Federal  
53 Home Loan Bank of Des Moines, Iowa, and any of its successors in interest that  
54 provide funding for financial institutions in Missouri;

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

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

60 d. Are not construction loans, are not more than ninety days delinquent,  
61 have not been classified as substandard, doubtful, or subject to loss, are one  
62 hundred percent owned by the financial institution, are otherwise unencumbered  
63 and are not being temporarily warehoused in the financial institution for sale to  
64 a third party. Any disqualified mortgage securities shall be removed as collateral  
65 within ninety days of disqualification or the state treasurer may disqualify such  
66 collateral as collateral for state funds;

67 (b) The state treasurer may promulgate regulations and provide such

68 other forms or agreements to ensure the state maintains a first priority position  
69 on the deeds of trust and otherwise protect and preserve state funds. Any rule  
70 or portion of a rule, as that term is defined in section 536.010, that is created  
71 under the authority delegated in this section shall become effective only if it  
72 complies with and is subject to all of the provisions of chapter 536 and, if  
73 applicable, section 536.028. This section and chapter 536 are nonseverable and  
74 if any of the powers vested with the general assembly pursuant to chapter 536 to  
75 review, to delay the effective date, or to disapprove and annul a rule are  
76 subsequently held unconstitutional, then the grant of rulemaking authority and  
77 any rule proposed or adopted after August 28, 2005, shall be invalid and void;

78 (c) A status report on all such mortgage securities shall be provided to the  
79 state treasurer on a calendar monthly basis in the manner and format prescribed  
80 by the state treasurer by the financial institutions pledging such mortgage  
81 securities and also shall certify their compliance with subsection 2 **of this**  
82 **section** for such mortgage securities;

83 (d) In the alternative to paragraph (a) of this subdivision, a financial  
84 institution may provide a blanket lien on all loans secured by one to four family  
85 real estate, all loans secured by commercial real estate, all loans secured by farm  
86 real estate, or any combination of these categories, provided the financial  
87 institution secures such blanket liens with real estate located in Missouri and  
88 states adjacent to Missouri and otherwise complies with paragraphs (b) and (c)  
89 of this subdivision;

90 (e) The provisions of paragraphs (a) to (d) of this subdivision are not  
91 authorized for any Missouri political subdivision, notwithstanding the provisions  
92 of chapter 110 to the contrary;

93 (f) As used in this subdivision, the term "unencumbered" shall mean  
94 mortgage securities pledged for state funds as provided in subsection 1 of this  
95 section, and not subject to any other express claims by any third parties,  
96 including but not limited to a blanket lien on the bank assets by the Federal  
97 Home Loan Bank, a depositary arrangement when securities are loaned and  
98 repurchased daily or otherwise, or the depositary has pledged its stock and assets  
99 for a loan to purchase another depositary or otherwise; and

100 (g) As used in this subdivision, the term "well capitalized" shall mean a  
101 banking institution that according to its most recent report of condition and  
102 income or thrift financial report, publicly available as applicable, qualifies as well  
103 capitalized under the uniform capital requirements established by the federal

104 banking regulators or as determined by state banking regulators under  
105 substantially similar requirements;

106 (17) **Brokered or negotiable certificates of deposit that are fully**  
107 **insured either by the Federal Deposit Insurance Corporation or the**  
108 **National Credit Union Share Insurance Fund;**

109 (18) Any investment that the state treasurer may invest in as provided  
110 in Article IV, Section 15 of the Missouri Constitution, and subject to the state  
111 treasurer's written investment policy in section 30.260, that is not otherwise  
112 provided for in this section, provided the banking institution or eligible lending  
113 institution as defined in subdivision (10) of section 30.750 is well capitalized, as  
114 defined in subdivision (16) of this subsection. The provisions of this subdivision  
115 are not authorized for political subdivisions, notwithstanding the provisions of  
116 chapter 110 to the contrary.

117 2. Securities deposited shall be in an amount valued at market equal at  
118 least to one hundred percent of the aggregate amount on time deposit as well as  
119 on demand deposit with the particular financial institution less the amount, if  
120 any, which is insured either by the Federal Deposit Insurance Corporation or by  
121 the National Credit [Unions] **Union** Share Insurance Fund. Furthermore, for a  
122 well-capitalized banking institution, securities authorized in this section that are:

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

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

131 (3) United States Treasury securities and United States Federal Agency  
132 debentures issued by Fannie Mae, Freddie Mac, the Federal Home Loan Bank,  
133 or the Federal Farm Credit Bank valued at market and deposited as collateral  
134 shall not exceed one hundred five percent of the aggregate amount of time  
135 deposits and demand deposits. All other securities, except as noted elsewhere in  
136 this section, valued at market and deposited as collateral shall not exceed one  
137 hundred fifteen percent of the aggregated amount of the time deposits and  
138 demand deposits; and

139 (4) Securities that are surety bonds and letters of credit authorized as

140 collateral need only collateralize one hundred percent of the aggregate amount  
141 of time deposits and demand deposits.

142           3. The securities or book entry receipts shall be delivered to the state  
143 treasurer and receipted for by the state treasurer and retained by the treasurer  
144 or by financial institutions that the governor, state auditor and treasurer agree  
145 upon. The state treasurer shall from time to time inspect the securities and book  
146 entry receipts and see that they are actually held by the state treasury or by the  
147 financial institutions selected as the state depositories. The governor and the  
148 state auditor may inspect or request an accounting of the securities or book entry  
149 receipts, and if in any case, or at any time, the securities are not satisfactory  
150 security for deposits made as provided by law, they may require additional  
151 security to be given that is satisfactory to them.

152           4. Any securities deposited pursuant to this section may from time to time  
153 be withdrawn and other securities described in the list provided for in subsection  
154 1 of this section may be substituted in lieu of the withdrawn securities with the  
155 consent of the treasurer; but a sufficient amount of securities to secure the  
156 deposits shall always be held by the treasury or in the selected depositories.

157           5. If a financial institution of deposit fails to pay a deposit, or any part  
158 thereof, pursuant to the terms of its contract with the state treasurer, the state  
159 treasurer shall forthwith convert the securities into money and disburse the same  
160 according to law.

161           6. Any financial institution making deposits of bonds with the state  
162 treasurer pursuant to the provisions of this chapter may cause the bonds to be  
163 endorsed or stamped as it deems proper, so as to show that they are deposited as  
164 collateral and are not transferable except upon the conditions of this chapter or  
165 upon the release by the state treasurer.

50.660. [1.] All contracts shall be executed in the name of the county, or  
2 in the name of a township in a county with a township form of government, by the  
3 head of the department or officer concerned, except contracts for the purchase of  
4 supplies, materials, equipment or services other than personal made by the officer  
5 in charge of purchasing in any county or township having the officer. No contract  
6 or order imposing any financial obligation on the county or township is binding  
7 on the county or township unless it is in writing and unless there is a balance  
8 otherwise unencumbered to the credit of the appropriation to which it is to be  
9 charged and a cash balance otherwise unencumbered in the treasury to the credit  
10 of the fund from which payment is to be made, each sufficient to meet the

11 obligation incurred and unless the contract or order bears the certification of the  
12 accounting officer so stating; except that in case of any contract for public works  
13 or buildings to be paid for from bond funds or from taxes levied for the purpose  
14 it is sufficient for the accounting officer to certify that the bonds or taxes have  
15 been authorized by vote of the people and that there is a sufficient unencumbered  
16 amount of the bonds yet to be sold or of the taxes levied and yet to be collected  
17 to meet the obligation in case there is not a sufficient unencumbered cash balance  
18 in the treasury. All contracts and purchases shall be let to the lowest and best  
19 bidder after due opportunity for competition, including advertising the proposed  
20 letting in a newspaper in the county or township with a circulation of at least five  
21 hundred copies per issue, if there is one[, except that the advertising is not  
22 required in case of contracts or purchases involving an expenditure of less than  
23 six thousand dollars]. It is not necessary to obtain bids on any purchase in the  
24 amount of [four] **six** thousand [five hundred] dollars or less made from any one  
25 person, firm or corporation during any period of ninety days [or, if the county is  
26 any county of the first classification with more than one hundred fifty thousand  
27 but fewer than two hundred thousand inhabitants or any county of the first  
28 classification with more than two hundred sixty thousand but fewer than three  
29 hundred thousand inhabitants, it is not necessary to obtain bids on such  
30 purchases in the amount of six thousand dollars or less]. All bids for any  
31 contract or purchase may be rejected and new bids advertised for. Contracts  
32 which provide that the person contracting with the county or township shall,  
33 during the term of the contract, furnish to the county or township at the price  
34 therein specified the supplies, materials, equipment or services other than  
35 personal therein described, in the quantities required, and from time to time as  
36 ordered by the officer in charge of purchasing during the term of the contract,  
37 need not bear the certification of the accounting officer, as herein provided; but  
38 all orders for supplies, materials, equipment or services other than personal shall  
39 bear the certification. In case of such contract, no financial obligation accrues  
40 against the county or township until the supplies, materials, equipment or  
41 services other than personal are so ordered and the certificate furnished.

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

50.783. 1. The county commission may waive the requirement of  
2 competitive bids or proposals for supplies when the commission has determined

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

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

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

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

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

23 3. Notwithstanding subsection 2 of this section to the contrary, on any  
24 single feasible service purchase by any county of the first classification with more  
25 than one hundred fifty thousand but fewer than two hundred thousand  
26 inhabitants or any county of the first classification with more than two hundred  
27 sixty thousand but fewer than three hundred thousand inhabitants where the  
28 estimated expenditure is **over** six thousand dollars [or over], the commission  
29 shall post notice of the proposed purchase and advertise the commission's intent  
30 to make such purchase in at least one daily and one weekly newspaper of general  
31 circulation in such places as are most likely to reach prospective bidders or  
32 offerors and may provide such information through an electronic medium  
33 available to the general public at least ten days before the contract is to be let.

67.085. Notwithstanding any law to the contrary, any political subdivision  
2 of the state and any other public entity in Missouri may invest funds of the public  
3 entity not immediately needed for the purpose to which such funds or any of them  
4 may be applicable provided each public entity meets the requirements for  
5 separate deposit insurance of public funds permitted by federal deposit insurance



6 and in accordance with the following conditions:

7 (1) The public funds are invested through a financial institution which  
8 has been selected as a depository of the funds in accordance with the applicable  
9 provisions of the statutes of Missouri relating to the selection of depositories and  
10 such financial institution enters into a written agreement with the public entity;

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

14 (3) Each such deposit account is insured by federal deposit insurance for  
15 one hundred percent of the principal and accrued interest of the deposit; **and**

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

18 (5) On the same date that the public funds are deposited under  
19 subdivision (2) of this section, the selected financial institution receives an  
20 amount of deposits from customers of other financial institutions equal to the  
21 amount of the public funds initially invested by the public entity through the  
22 selected financial institution].

95.530. In all cities not within a county, the mayor, the comptroller and  
2 the treasurer shall constitute the funds committee, and the treasurer, by virtue  
3 of his office, shall serve as chairman of such committee. The committee shall  
4 annually select a bank or banks, or trust company or trust companies, or credit  
5 union or credit unions, savings and loan or savings and loans, which has its  
6 principal place of business in Missouri referred to hereafter as "listed  
7 institutions", for the current deposit of the city's funds, which in their opinion  
8 will be most commensurate with the safety thereof. The treasurer, as chairman,  
9 shall supervise the business of the committee and maintain records of committee  
10 proceedings, and shall call annual meetings or any other meeting as often as the  
11 business of the city may require. The treasurer shall be a member of any  
12 financial planning or decision-making body or committee furthering the needs of  
13 the city's financial business, except the legislative and appropriating bodies. The  
14 treasurer, by virtue of his office, shall sit on any committee or group which deals  
15 with the issuance of bonds of the city or any agency or instrumentality  
16 thereof. The treasurer shall serve as the chief investment and cash management  
17 officer of the city and, as such, act as the sole investment authority on any  
18 investments of public funds held by the city or any instrumentality thereof,  
19 including funds derived from proceeds from the issuance of bonds and funds from

20 proceeds from lease/purchase agreements. Such investments shall be made in a  
21 manner consistent with investment policies approved by the funds commission,  
22 and with judgment and care, under circumstances then prevailing, which persons  
23 of prudence, discretion and intelligence exercise in the management of their own  
24 affairs, not for speculation, but for investment, considering the probable safety  
25 of capital and income to be derived. The treasurer shall ensure the safety of all  
26 funds held by the city or any instrumentalities thereof and, upon the approval of  
27 the funds commission and reasonable notice, may assume control of any accounts  
28 not managed in compliance with state law, serve as the custodian of any funds  
29 held in such accounts and take any other measures reasonably required to ensure  
30 the preservation of public funds and compliance with applicable law. The funds  
31 commission, also known as the "funds committee", shall approve all financial  
32 institutions for any banking services required by the city pursuant to investment  
33 policies and evaluation criteria set by the treasurer and approved by the funds  
34 commission. At least once per year, the treasurer and the city's external auditors  
35 shall report to the comptroller on the city's compliance with this section. Any  
36 state or municipally created agency, citywide elected officials or any  
37 instrumentality thereof working in cooperation with the city in the collection,  
38 management, investment or disbursement of governmental funds, shall annually  
39 report a listing of all listed institution's accounts, including a list of all pledged  
40 collateral, to the fund committee. Any financial institution acting as a depository  
41 or custodian of public funds for any state or municipally created agency, citywide  
42 elected official or any instrumentality thereof working in the collection,  
43 management, investment or disbursement of governmental funds for a city located  
44 not within a county shall annually report to the funds committee. Such agencies,  
45 elected officials and instrumentalities shall, during the interim period, report any  
46 change or transfer or establishment of new accounts or changes in collateral to  
47 the fund committee within ten days of doing so. Financial institutions, when  
48 requested by the funds committee, shall verify such information. Before any  
49 deposit shall be made by the treasurer in any listed institution, the institution  
50 shall give a bond in an amount equal to the deposit, with good and sufficient  
51 sureties, to be approved by the unanimous vote of the members of the funds  
52 committee, for the safekeeping and prompt payment of such funds, or any part  
53 thereof, when demanded by the treasurer, and shall at all times keep the sureties  
54 on such bond satisfactory to the funds committee. In lieu of [or in addition to]  
55 such bond, listed institutions may, with the unanimous consent of the members

56 of the funds committee, deposit with the treasurer of such city or with some other  
57 mutually satisfactory depositary [in such city, in escrow, bonds or treasury  
58 certificates of the United States or other interest-bearing obligations guaranteed  
59 as to both principal and interest by the United States or agency or  
60 instrumentality thereof in accordance with the approved] collateral securities  
61 maintained and approved by the state treasurer, or bonds of the state of Missouri  
62 or of any city not within a county, **authorized under section 30.270 and**  
63 **approved by the state treasurer with respect to deposit and**  
64 **management of state funds** of a [par] value equal to the amount of such  
65 deposit, or any part of such deposit not protected by [such bond] **federal deposit**  
66 **insurance**. The securities so deposited shall, in case of default by any such  
67 listed institution, be taken possession of by the funds committee, and to the  
68 extent required to make good such default, be sold for the benefit of such  
69 city. Any securities so deposited may, with the unanimous consent of the  
70 members of the funds committee, be withdrawn, and others of equal value and  
71 amount substituted therefor. As the amount of such funds on deposit is reduced,  
72 listed institutions, when not in default, shall be permitted to withdraw the excess  
73 of collateral, except that there shall at no time be a less amount in par value of  
74 collateral than the amount at such time of deposits. The securities so deposited  
75 or any substitute therefor, shall, upon default, be exhausted before recourse shall  
76 be had against the securities upon any bond executed by listed institutions for the  
77 protection of such deposits. In lieu of or in addition to such deposit of city funds  
78 in listed institutions, the treasurer may invest funds belonging to such city and  
79 not immediately needed for the purpose to which such funds or any of them may  
80 be applicable, in accordance with Section 15, Article IV of the Missouri  
81 Constitution. In addition, the treasurer may enter into repurchase agreements  
82 maturing and becoming payable within ninety days secured by United States  
83 Treasury obligations or obligations of the United States government agencies or  
84 instrumentalities of any maturity as provided by law.

110.010. 1. The public funds of every county, township, city, town, village,  
2 school district of every character, road district, sewer district, fire protection  
3 district, water supply district, drainage or levee district, state hospital, state  
4 schools for the mentally deficient, Missouri School for the Deaf, Missouri School  
5 for the Blind, Missouri Training School for Boys, training school for girls,  
6 Missouri Veterans' Home, Missouri State Chest Hospital, state university,  
7 Missouri state teachers' colleges, Lincoln University, **or any other political**

8 **subdivision or agency of the state** which are deposited in any banking  
9 institution acting as a legal depository of the funds under the statutes of Missouri  
10 requiring the letting and deposit of the same and the furnishing of security  
11 therefor, shall be secured by the deposit of securities of the character prescribed  
12 by section 30.270 for the security of funds deposited by the state treasurer.

13 2. The securities shall, at the option of the depository banking institution,  
14 be delivered either to the fiscal officer or the governing body of the municipal  
15 corporation or other depositor of the funds, or by depositing the securities with  
16 another banking institution or safe depository as trustee satisfactory to both  
17 parties to the depository agreement. The trustee may be a bank owned or  
18 controlled by the same bank holding company as the depository banking  
19 institution.

20 3. The rights and duties of the several parties to the depository contract  
21 shall be the same as those of the state and the depository banking institution  
22 respectively under section 30.270. If a depository banking institution deposits  
23 the bonds or securities with a trustee as above provided, and the municipal  
24 corporation or other depositor of funds gives notice in writing to the trustee that  
25 there has been a breach of the depository contract and makes demand in writing  
26 on the trustee for the securities, or any part thereof, then the trustee shall  
27 forthwith surrender to the municipal corporation or other depositor of funds a  
28 sufficient amount of the securities to fully protect the depositor from loss and the  
29 trustee shall thereby be discharged of all further responsibility in respect to the  
30 securities so surrendered.

31 **4. Pursuant to an agreement with the banking institution serving**  
32 **as a depository for a public entity under this section, public funds held**  
33 **in the custody of the depository may be invested in the obligations**  
34 **described in Section 15, Article IV of the Missouri Constitution**  
35 **permitted for the state treasurer, including repurchase agreements,**  
36 **provided the investments are authorized in an investment policy**  
37 **adopted by the public entity, treasurer, or other finance officer**  
38 **authorized to act for the public entity.**

110.080. 1. Any banking corporation, association or trust company in the  
2 city desiring to bid shall deliver to the secretary of the board on or before twelve  
3 o'clock noon on the day of the meeting at which the depository is to be selected  
4 a sealed bid stating the rate of interest that it offers to pay on the funds and  
5 moneys of the institution for the term of up to four years next ensuing the date

6 of the bid.

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

12           3.] It is a misdemeanor for the secretary of the board to directly or  
13 indirectly disclose the amount of any bid before the selection of the depositary or  
14 depositaries.

110.140. 1. Any banking corporation or association in the county desiring  
2 to bid shall deliver to the clerk of the commission, on or before the first Monday  
3 of July at which the selection of depositaries is to be made, a sealed proposal,  
4 stating the rate of interest that the banking corporation, or association offers to  
5 pay on the funds of the county for the term of two or four years next ensuing the  
6 date of the bid, or, if the selection is made for a less term than two or four years,  
7 as provided in sections 110.180 and 110.190, then for the time between the date  
8 of the bid and the next regular time for the selection of depositaries as fixed by  
9 section 110.130.

10           2. [Each bid shall be accompanied by a certified check for not less than  
11 two thousand five hundred dollars, as a guaranty of good faith on the part of the  
12 bidder, that if his or her bid should be the highest he or she will provide the  
13 security required by section 110.010. Upon his or her failure to give the security  
14 required by law, the amount of the certified check shall go to the county as  
15 liquidated damages, and the commission may order the county clerk to  
16 readvertise for bids.

17           3.] It shall be a misdemeanor, and punishable as such, for the clerk of the  
18 commission, or any deputy of the clerk, to directly or indirectly disclose the  
19 amount of any bid before the selection of depositaries.

165.221. For the purpose of letting the funds the board shall divide the  
2 funds into not less than two nor more than ten equal parts. Each bidder may bid  
3 for any number of the parts, but the bid for each part shall be separate. Any  
4 banking institution in the county or in an adjoining county desiring to bid shall  
5 deliver to the secretary of the board, on or before the date selected for the  
6 acceptance of bids, a sealed bid, stating the rate of interest, or method by which  
7 the interest will be determined, that the banking institution offers to pay on one  
8 part of the funds and moneys of the school district for the term of one to five

9 years, as the case may be, next ensuing the date of the bid; or if the selection is  
10 made for a less term as provided in sections 165.201 to 165.291, then for the time  
11 between the date of the bid and the next regular time for the selection of  
12 depositaries, as fixed by section 165.211. [Each bid shall be accompanied by a  
13 check in favor of the school district, on some solvent banking institution in the  
14 county or an adjoining county, duly certified, for not less than two thousand five  
15 hundred dollars, as a guaranty of good faith on the part of the bidder that if any  
16 of its bids are accepted by the board it will deposit the security required by law.]  
17 It is a misdemeanor for the secretary of the board to directly or indirectly disclose  
18 the amount of any bid before all bids are opened at a public depositary bid  
19 opening.

165.231. The school board or their designee in seven-director districts, on  
2 the date selected for the acceptance of bids, shall publicly open the bids and cause  
3 each bid to be verbally read and documented. Following discussion and  
4 clarification of bids with the financial institutions, the board of education shall  
5 cause each bid to be entered upon the records of the board and shall select from  
6 among the bidders, as depositaries of the funds and moneys of the school district,  
7 those whose bids are accepted, and shall notify each of the bidders so  
8 selected. The board may reject any and all bids. The interest upon the funds and  
9 moneys shall be computed upon the daily balances to the credit of the school  
10 district with each depositary and shall be payable by each depositary on the first  
11 day of each month to the treasurer of the school district, who shall place the same  
12 to the credit of the district. Each depositary, by at least the fifth day of the  
13 current month, shall render to the secretary of the board a statement, in writing,  
14 showing the amount of interest paid by the depositary. [The secretary of the  
15 board shall return the certified checks accompanying the bids to the banking  
16 institutions whose bids which they accompanied were rejected and, upon the  
17 approval of the security provided for in sections 110.010 and 110.020, return the  
18 certified checks accompanying the accepted bids to the banking institutions  
19 respectively, from which they were received.]

165.241. [On or before ten days] After notice to any depositary of its  
2 selection, the depositary shall deliver or deposit securities in accordance with  
3 sections 110.010 and 110.020 and the securities if delivered to the fiscal officer  
4 of the seven-director school district may be deposited for safekeeping with any  
5 federal reserve bank located in this state or with any banking institution located  
6 in the county and approved by order of the school board entered of record on its

7 minutes. If at the time for selecting depositaries it is unlawful for banking  
8 institutions to pay interest upon demand deposits the school board at its option  
9 either may select depositaries as provided by law or may enter into written  
10 agreement with any or all depositaries acting as such during the preceding period  
11 for renewal and continuation of the depositary relationship for the ensuing period  
12 with power and authority to renew and continue the same for successive periods  
13 thereafter, subject however to termination as provided by law. The rights and  
14 obligations of the parties and of any trustee joining in a renewal agreement shall  
15 be deemed continuous throughout the periods of the renewals. Each depositary  
16 at all times shall maintain the security in kind and amount required by sections  
17 110.010 and 110.020 with right in the depositary when not in default to make  
18 substitutions thereof and to withdraw interest coupons therefrom as they mature.

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

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

16 3. The treasurer of a seven-director district, as the funds and moneys of  
17 the school district come into his hands from time to time, shall deposit them with  
18 the depositaries to the credit of the school district, and at all times shall keep on  
19 deposit with each depositary approximately that proportion of all the funds and  
20 moneys of the district for which the board accepted the bid of the depositary. If  
21 at any time the amount of funds and moneys on deposit with any depositary to  
22 the credit of the school district is either more or less than the proportion thereof  
23 for which the board accepted the bid of the depositary, that fact shall not impair  
24 or in any manner affect the liability of the depositary to faithfully perform all the

25 duties and obligations devolving by law upon the depository.

26 4. If any banking institution, after being selected as depository and  
27 notified thereof, fails to deposit the security within the time provided by section  
28 165.241, [the certified check accompanying the accepted bid of the banking  
29 institution shall be forfeited to the school district as liquidated damages, and] the  
30 board[, after twenty days' notice in the manner herein provided,] **shall take**  
31 **such action as it deems appropriate to safeguard district funds,**  
32 **including deposit to another bank on an expedited basis and shall**  
33 proceed to receive new bids and select another depository in lieu of the one failing  
34 to deposit the security.

**362.503. 1. Whenever any account with a bank is determined to**  
2 **have been inactive for a period of twelve or more months, such bank**  
3 **shall notify the person or depositor named on the account of such**  
4 **inactivity through first class mail postage prepaid marked "Address**  
5 **Correction Requested."**

6 2. Notwithstanding any provision of law to the contrary, for any  
7 account with a bank that has been inactive for twelve months or more,  
8 such bank shall issue annual statements to the person or depositor  
9 named on the account. A bank may charge a service fee of up to five  
10 dollars for any statement issued under this subsection, provided that  
11 such fee shall be withdrawn from the inactive account.

12 3. Whenever any account with a bank is determined to have been  
13 inactive for a period of five years, the funds from such account shall be  
14 remitted to the abandoned fund account established under section  
15 447.543.

16 4. For purposes of this section, the word "inactive" means a  
17 prescribed period during which there is no activity or contact initiated  
18 by the person or depositor named on the account.

**386.205. 1. A public utility shall not:**

2 (1) **Condition a contract upon a requirement that a bidder have**  
3 **a specified experience modification factor;**

4 (2) **Make an offer to contract conditioned upon bidder having a**  
5 **specified experience modification factor;**

6 (3) **Issue an advertisement for bids on a contract containing a**  
7 **requirement that the bidder have a specified experience modification**  
8 **factor;**

9 (4) **Solicit bids for a contract conditioned upon a bidder having**



10 a specified experience modification factor; or

11 (5) Weight any bidder for a contract favorably or unfavorably  
12 based upon the bidder's experience modification factor.

13 2. For purposes of this section, the phrase "experience  
14 modification factor" shall mean the factor calculated pursuant to the  
15 provisions of chapter 287.

✓

Unofficial

Bill

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