

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 1093
92ND GENERAL ASSEMBLY

Reported from the Committee on Local Government, April 22, 2004, with recommendation that the House Committee Substitute for Senate Committee Substitute for Senate Bill No. 1093 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

3931L.04C

AN ACT

To amend chapters 67, 362, 369, and 370, RSMo, by adding thereto four new sections relating to investment of public funds.

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

Section A. Chapters 67, 362, 369, and 370, RSMo, are amended by adding thereto four new sections, to be known as sections 67.085, 362.112, 369.161, and 370.400, to read as follows:

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

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

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

(3) Each such certificate of deposit issued by financial institutions as provided in subdivision (2) of this section is insured by federal deposit insurance for one hundred percent of the principal and accrued interest of the certificate of deposit;

17 **(4) The selected financial institution acts as custodian for the public entity with**
18 **respect to the certificate of deposit issued for its account; and**

19 **(5) At the same time that the public funds are deposited and the certificates of**
20 **deposit are issued, the selected financial institution receives an amount of deposits from**
21 **customers of other financial institutions equal to the amount of the public funds initially**
22 **invested by the public entity through the selected financial institution.**

362.112. In addition to any other banking authority, a bank or trust company may
2 **act as a custodian for any entity, public or private, and place funds in any other financial**
3 **institutions, provided such funds are placed in deposits and insured by the Federal Deposit**
4 **Insurance Corporation.**

369.161. In addition to any other banking authority, a savings and loan association
2 **or savings bank may act as a custodian for any entity, public or private, and place funds**
3 **in any other financial institutions, provided such funds are placed in deposits and insured**
4 **by the Federal Deposit Insurance Corporation.**

370.400. In addition to any other credit union authority, a credit union may act as
2 **a custodian for any entity, public or private, and place funds in any other financial**
3 **institutions, provided such funds are placed in deposits and insured by federal deposit**
4 **insurance.**