

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 468

93RD GENERAL ASSEMBLY

Reported from the Committee on Financial Institutions February 16, 2005, with recommendation that the House Committee Substitute for House Bill No. 468 Do Pass.

Taken up for Perfection February 23, 2005. House Committee Substitute for House Bill No. 468 ordered Perfected and printed, as amended.

STEPHEN S. DAVIS, Chief Clerk

1391L.02P

AN ACT

To repeal sections 30.247, 30.250, 30.260, 30.270, 30.440, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 30.767, 30.830, and 30.840, RSMo, and to enact in lieu thereof sixteen new sections relating to the state treasurer, with penalty provisions.

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

Section A. Sections 30.247, 30.250, 30.260, 30.270, 30.440, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 30.767, 30.830, and 30.840, RSMo, are repealed and sixteen new sections enacted in lieu thereof, to be known as sections 30.250, 30.260, 30.270, 30.286, 30.440, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 30.767, 30.830, 30.840, 30.860, and 1, to read as follows:

30.250. 1. The state treasurer shall enter into a written contract with each depository setting forth the conditions and terms upon which the moneys of the state are deposited therewith and containing among its provisions and conditions the following:

(1) The amount of the moneys of the state to be entrusted to each depository;

(2) With respect to demand deposits, the time such contract shall continue with the right reserved to each the state treasurer and the depository to terminate the contract at any time upon giving ninety days' notice to the other party of his or **her or** its intention to do so;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

8 (3) With respect to time deposits, the conditions as to time and notice which need be
9 given in regard to withdrawals and the rate of interest which the depositary shall be obligated to
10 pay;

11 (4) Provisions requiring that the depositary shall:

12 (a) Safely keep such deposits;

13 (b) Pay demand deposits on the state treasurer's demand therefor; and

14 (c) Pay time deposits only in accordance with the contract with the depositary;

15 (5) That such depositary shall secure the state moneys with the amount and character of
16 securities provided for in section 30.270, such securities to be held at the expense of the
17 depositary;

18 (6) That no item of security deposited by a depositary under the terms of the contract
19 shall be withdrawn without the written consent of the state treasurer; and that otherwise the
20 representatives of the state of Missouri shall have the rights prescribed by sections 30.270 and
21 30.280;

22 (7) That the depositary shall, at times specified by the state treasurer, render a statement
23 showing the daily activity in the account;

24 (8) That in the event the depositary shall default in any manner in performing any of the
25 terms and conditions of the contract, or shall fail to keep safely the moneys of the state deposited
26 with it, the state treasurer shall be authorized forthwith without notice, advertisement or demand,
27 and at public or private sale, to convert into money the securities deposited, or as many of them
28 as may be necessary to pay the whole amount of the state deposits in such depositary; **and**

29 **(9) The contract for state funds may be for a period of up to five years.**

30 2. Upon the execution of such contracts the state treasurer shall deliver a copy thereof
31 to the governor, a copy thereof to the state auditor, a copy thereof to the depositary, shall file
32 another copy with the secretary of state, and shall retain the contract in his own office.

30.260. 1. The state treasurer shall prepare, maintain and adhere to a written investment
2 policy which shall include an asset allocation plan which limits the total amount of state moneys
3 which may be invested in any particular investment authorized by section 15, article IV of the
4 Missouri Constitution. The state treasurer shall present a copy of such policy to the governor,
5 commissioner of administration, state auditor and general assembly at the commencement of
6 each regular session of the general assembly or at any time the written investment policy is
7 amended.

8 2. The state treasurer shall determine by the exercise of the treasurer's best judgment the
9 amount of state moneys that are not needed for current operating expenses of the state
10 government and shall keep on demand deposit in banking institutions in this state selected by the
11 treasurer and approved by the governor and state auditor the amount of state moneys which the

12 treasurer has so determined are needed for current operating expenses of the state government
13 and disburse the same as authorized by law.

14 3. Within the parameters of the state treasurer's written investment policy, the state
15 treasurer shall place the state moneys which the treasurer has determined are not needed for
16 current operations of the state government on time deposit drawing interest in banking
17 institutions in this state selected by the treasurer and approved by the governor and the state
18 auditor, or place them outright or, if applicable, by repurchase agreement in obligations described
19 in section 15, article IV, Constitution of Missouri, as the treasurer in the exercise of the
20 treasurer's best judgment determines to be in the best overall interest of the people of the state
21 of Missouri, giving due consideration to:

22 (1) The preservation of such state moneys;

23 (2) **The benefits to the economy and welfare of the people of Missouri when such**
24 **state money is invested in banking institutions in this state that, in turn, provide additional**
25 **loans and investments in the Missouri economy and generate state taxes from such initial**
26 **investments and the loans and investments created by the banking institutions, compared**
27 **to the removal or withholding from banking institutions in the state of all or some such**
28 **state moneys and investing same in obligations authorized in section 15, article IV of the**
29 **Missouri Constitution;**

30 (3) The liquidity needs of the state;

31 [(3)] (4) The [comparative yield] **aggregate return in earnings and taxes on the**
32 **deposits and the investment** to be derived therefrom;

33 [(4) The effect upon the economy and welfare of the people of Missouri of the removal
34 or withholding from banking institutions in the state of all or some such state moneys and
35 investing same in obligations authorized in section 15, article IV of the Missouri Constitution;]
36 and

37 (5) All other factors which to the treasurer as a prudent state treasurer seem to be
38 relevant to the general public welfare in the light of the circumstances at the time prevailing. The
39 state treasurer may also place state moneys which are determined not needed for current
40 operations of the state government in linked deposits as provided in sections 30.750 to 30.767.

41 4. Except for state moneys deposited in linked deposits as provided in sections 30.750
42 to 30.767, the rate of interest payable by all banking institutions on time deposits of state moneys
43 shall be the same as the average rate paid during the week next preceding the week in which the
44 deposit was made for United States of America treasury securities maturing and becoming
45 payable closest to the time of termination of the deposit, as determined by the state treasurer,
46 adjusted to the nearest one-tenth of a percent; except that the rate shall never exceed the
47 maximum rate of interest which by federal law or regulation a bank which is a member of the

48 Federal Reserve System may from time to time pay on a time deposit of the same size and
49 maturity.

50 5. Within the parameters of the state treasurer's written investment policy, the state
51 treasurer may subscribe for or purchase outright or by repurchase agreement investments of the
52 character described in subsection 3 of this section which the treasurer, in the exercise of the
53 treasurer's best judgment, believes to be the best for investment of state moneys at the time and
54 in payment therefor may withdraw moneys from any bank account, demand or time, maintained
55 by the treasurer without having any supporting warrant of the commissioner of administration.
56 The state treasurer may bid on subscriptions for such obligations in accordance with the
57 treasurer's best judgment. The state treasurer shall provide for the safekeeping of all such
58 obligations so acquired in the same manner that securities pledged to secure the repayment of
59 state moneys deposited in banking institutions are kept by the treasurer pursuant to law. The
60 state treasurer may hold any such obligation so acquired by the treasurer until its maturity or
61 prior thereto may sell the same outright or by reverse repurchase agreement provided the state's
62 security interest in the underlying security is perfected or temporarily exchange such obligation
63 for cash or other authorized securities of at least equal market value with no maturity more than
64 one year beyond the maturity of any of the traded obligations, for a negotiated fee as the
65 treasurer, in the exercise of the treasurer's best judgment, deems necessary or advisable for the
66 best interest of the people of the state of Missouri in the light of the circumstances at the time
67 prevailing. The state treasurer may pay all costs and expenses reasonably incurred by the
68 treasurer in connection with the subscription, purchase, sale, collection, safekeeping or delivery
69 of all such obligations at any time acquired by the treasurer.

70 6. As used in this chapter, except as more particularly specified in section 30.270,
71 obligations of the United States shall include securities of the United States Treasury, and United
72 States agencies or instrumentalities as described in section 15, article IV, Constitution of
73 Missouri. The word "temporarily" as used in this section shall mean no more than six months.

30.270. 1. For the security of the moneys deposited by the state treasurer pursuant to the
2 provisions of this chapter, the state treasurer shall, from time to time, submit a list of acceptable
3 securities to be approved by the governor and state auditor if satisfactory to them, and the state
4 treasurer shall require of the selected and approved banks or financial institutions as security for
5 the safekeeping and payment of deposits, securities from the list provided for in this section,
6 which list [may] **shall** include only securities of the following kind and character, **unless it is**
7 **determined by the state treasurer that the use of such securities as collateral may place**
8 **state 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 including revenue bonds issued
11 by state agencies or by state authorities created by legislative enactment;
- 12 (3) Bonds of any city in this state having a population of not less than two thousand;
- 13 (4) Bonds of any county in this state;
- 14 (5) Approved registered bonds of any school district situated in this state;
- 15 (6) Approved registered bonds of any special road district in this state;
- 16 (7) State bonds of any state;
- 17 (8) Notes, bonds, debentures or other similar obligations issued by the federal land
18 banks, federal intermediate credit banks, or banks for cooperatives or any other obligations
19 issued pursuant to the provisions of an act of the Congress of the United States known as the
20 Farm Credit Act of 1971, and acts amendatory thereto;
- 21 (9) Bonds of the federal home loan banks;
- 22 (10) Any bonds or other obligations guaranteed as to payment of principal and interest
23 by the government of the United States or any agency or instrumentality thereof;
- 24 (11) Bonds of any political subdivision established pursuant to the provisions of section
25 30, article VI[,] of the Constitution of Missouri;
- 26 (12) Tax anticipation notes issued by any county of the first classification;
- 27 (13) A surety bond issued by an insurance company licensed pursuant to the laws of the
28 state of Missouri whose claims-paying ability is rated in the highest category by at least one
29 nationally recognized statistical rating agency. The face amount of such surety bond shall be at
30 least equal to the portion of the deposit to be secured by the surety bond;
- 31 (14) An irrevocable standby letter of credit issued by a Federal Home Loan Bank
32 possessing the highest rating issued by at least one nationally recognized statistical rating agency;
- 33 (15) Out-of-state municipal bonds, provided such bonds are rated in the highest category
34 by at least one nationally recognized statistical rating agency.
- 35 **(16) (a) Mortgage securities that are individual loans that include negotiable**
36 **promissory notes and the first lien deeds of trust securing payment of such notes on one to**
37 **four family real estate, on commercial real estate, or on farm real estate located in Missouri**
38 **or states adjacent to Missouri, provided such loans:**
- 39 **a. Are underwritten to conform to standards established by the state treasurer,**
40 **which are substantially similar to standards established by the Federal Home Loan Bank**
41 **of Des Moines, Iowa, and any of its successors in interest that provide funding for financial**
42 **institutions in Missouri;**
- 43 **b. Are offered by a financial institution in which a senior executive officer certifies**
44 **under penalty of perjury that such loans are compliant with the requirements of the**
45 **Federal Home Loan Bank of Des Moines, Iowa when such loans are pledged by such bank;**

- 46 c. Are offered by a financial institution that is well capitalized; and
- 47 d. Are not construction loans, are not more than ninety days delinquent, have not
- 48 been classified as substandard, doubtful, or subject to loss, are one hundred percent owned
- 49 by the financial institution, are otherwise unencumbered and are not being temporarily
- 50 warehoused in the financial institution for sale to a third party.
- 51
- 52 Any disqualified mortgage securities shall be removed as collateral within ninety days of
- 53 disqualification or the state treasurer may disqualify such collateral as collateral for state
- 54 funds.
- 55 (b) The state treasurer may promulgate regulations and provide such other forms
- 56 or agreements to ensure the state maintains a first priority position on the deeds of trust
- 57 and otherwise protect and preserve state funds. Any rule or portion of a rule, as that term
- 58 is defined in section 536.010, RSMo, that is created under the authority delegated in this
- 59 section shall become effective only if it complies with and is subject to all of the provisions
- 60 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter
- 61 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
- 62 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
- 63 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
- 64 authority and any rule proposed or adopted after August 28, 2005, shall be invalid and
- 65 void.
- 66 (c) A status report on all such mortgage securities shall be provided to the state
- 67 treasurer on a calendar monthly basis in the manner and format prescribed by the state
- 68 treasurer by the financial institutions pledging such mortgage securities and also shall
- 69 certify their compliance with subsection 2 for such mortgage securities;
- 70 (d) In the alternative to paragraph (a) of this subdivision, a financial institution
- 71 may provide a blanket lien on all loans secured by one to four family real estate, all loans
- 72 secured by commercial real estate, all loans secured by farm real estate, or any
- 73 combination of these categories, provided the financial institution secures such blanket
- 74 liens with real estate located in Missouri and states adjacent to Missouri and otherwise
- 75 complies with paragraphs (b) and (c) of this subdivision;
- 76 (e) The provisions of paragraphs (a) to (d) of this subdivision are not authorized
- 77 for any Missouri political subdivision, notwithstanding the provisions of chapter 110,
- 78 RSMo, to the contrary;
- 79 (f) As used in this subdivision, the term "unencumbered" shall mean mortgage
- 80 securities pledged for state funds as provided in subsection 1 of this section, and not subject
- 81 to any other express claims by any third parties, including but not limited to a blanket lien

82 on the bank assets by the Federal Home Loan Bank, a depository arrangement when
83 securities are loaned and repurchased daily or otherwise, or the depository has pledged its
84 stock and assets for a loan to purchase another depository or otherwise; and

85 (g) As used in this subdivision, the term "well capitalized" shall mean a banking
86 institution that according to its most recent report of condition and income or thrift
87 financial report, publicly available as applicable, qualifies as "well capitalized" under the
88 uniform capital requirements established by the federal banking regulators or as
89 determined by state banking regulators under substantially similar requirements.

90 (17) Any investment that the state treasurer may invest in as provided in article IV,
91 section 15 of the Missouri Constitution, and subject to the state treasurer's written
92 investment policy in section 30.260, that is not otherwise provided for in this section,
93 provided the banking institution is well capitalized, as defined in subdivision (16) of this
94 subsection. The provisions of this subdivision are not authorized for political subdivisions,
95 notwithstanding the provisions of chapter 110, RSMo, to the contrary.

96 2. Securities deposited shall be in an amount valued at market equal at least to one
97 hundred percent of the aggregate amount on time deposit as well as on demand deposit with the
98 particular financial institution less the amount, if any, which is insured either by the Federal
99 Deposit Insurance Corporation [or by the Federal Savings and Loan Insurance Corporation] or
100 by the National Credit Unions Share Insurance Fund. Furthermore, for a well-capitalized
101 banking institution, securities authorized in this section that are:

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

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

110 (3) Other securities valued at market and deposited as collateral shall not exceed
111 one hundred and five percent of the aggregate amount of time deposits and demand
112 deposits; and

113 (4) Securities that are surety bonds and letters of credit authorized as collateral
114 need only collateralize one hundred percent of the aggregate amount of time deposits and
115 demand deposits.

116 3. The securities or book entry receipts shall be delivered to the state treasurer and
117 receipted for by the state treasurer and retained by the treasurer or by financial institutions that

118 the governor, state auditor and treasurer agree upon. The state treasurer shall from time to time
119 inspect the securities and book entry receipts and see that they are actually held by the state
120 treasury or by the financial institutions selected as the state depositories. The governor and the
121 state auditor may inspect or request an accounting of the securities or book entry receipts, and
122 if in any case, or at any time, the securities are not satisfactory security for deposits made as
123 provided by law, they may require additional security to be given that is satisfactory to them.

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

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

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

30.286. In addition to the other powers authorized in this chapter, the state
2 **treasurer may enter into one or more agreements with one or more vendors, banking**
3 **institutions, agents, consulting firms, or not-for-profit private businesses for the provisions**
4 **of services relating to the state treasurer's duties as described in this chapter and the**
5 **Missouri Constitution, including but not limited to collateral tracking and management,**
6 **custodial banking and other banking services, securities lending, investment advisory**
7 **services, and other general consulting services as required for a period of years. Such**
8 **businesses shall be required to demonstrate their ability to manage confidential**
9 **information, to purchase fidelity bonds on the employees of such businesses, purchase**
10 **other bonds and insurance as needed for the services provided, and to certify adequately**
11 **the accuracy of reports required from time to time.**

30.440. No state moneys **governed by this chapter** may be deposited on either time or
2 demand deposit in any banking institution [in this state] of which bank any one or more of the
3 state treasurer, the governor, or the state auditor is at the time the owner of any of the outstanding
4 shares of capital stock of any class of such bank or is an officer or employee thereof, **except**
5 **when the governor, state auditor, and state treasurer disclose the name of the bank where**
6 **such state official is the owner of stock or is an officer or employee as an additional part**
7 **of the required disclosures in section 105.485, RSMo.**

30.750. As used in sections 30.750 to [30.765] **30.767**, the following terms mean:

(1) "Eligible agribusiness", a person[, employing ten or more persons] engaged in the processing or adding of value to agricultural products produced in Missouri;

(2) "Eligible beginning farmer",

(a) For any beginning farmer who seeks to participate in the linked deposit program alone, a farmer who:

a. Is a Missouri resident;

b. Wishes to borrow for a farm operation located in Missouri;

c. Is at least eighteen years old; **and**

d. In the preceding five years has not owned, either directly or indirectly, farm land greater than [thirty] **fifty** percent of the [median] **average** size farm in the county where the proposed farm operation is located, or farm land with an appraised value greater than [one hundred twenty-five] **four hundred fifty** thousand dollars[; and

e. Has not been the sole farmer of land for more than ten years prior to the date of application of the proposed farm operation].

A farmer who qualifies as an eligible farmer under this provision may utilize the proceeds of a linked deposit loan to purchase agricultural land, farm buildings, new and used farm equipment, livestock and working capital;

(b) For any beginning farmer who is participating in both the linked deposit program and the beginning farmer loan program administered by the Missouri agriculture and small business development authority, a farmer who:

a. Qualifies under the definition of a beginning farmer utilized for eligibility for federal tax-exempt financing, including the limitations on the use of loan proceeds; and

b. Meets all other requirements established by the Missouri agriculture and small business development authority;

(3) **"Eligible facility borrower", a borrower qualified under section 30.860 to apply for a reduced rate loan under sections 30.750 to 30.767;**

(4) "Eligible farming operation", any person engaged in farming in an authorized farm corporation, family farm, or family farm corporation as defined in section 350.010, RSMo, that has all of the following characteristics:

(a) Is headquartered in this state;

(b) Maintains offices, operating facilities, or farming operations and transacts business in this state;

(c) Employs less than ten employees;

(d) Is organized for profit;

37 (e) Possesses not more than sixty percent equity, where "percent equity" is defined as
38 total assets minus total liabilities divided by total assets, except that an otherwise eligible
39 farming operation applying for a loan for the purpose of installing or improving a waste
40 management practice in order to comply with environmental protection regulations shall be
41 exempt from this eligibility requirement;

42 [(4)] (5) "Eligible higher education institution", any approved public or private
43 institution as defined in section 173.205, RSMo;

44 [(5)] (6) "Eligible job enhancement business", a new, existing or expanding firm
45 operating in Missouri which employs ten or more employees on a yearly average and which, as
46 nearly as possible, is able to establish or retain at least one job in Missouri for each twenty-five
47 thousand dollars received from a linked deposit loan;

48 [(6)] (7) "Eligible lending institution", a financial institution that is eligible to make
49 commercial or agricultural or student loans or discount or purchase such loans, is a public
50 depository of state funds or obtains its funds through the issuance of obligations, either directly
51 or through a related entity, eligible for the placement of state funds under the provisions of
52 section 15, article IV, Constitution of Missouri, and agrees to participate in the linked deposit
53 program;

54 [(7)] (8) "Eligible livestock operation", any person, engaged in production of livestock
55 or poultry in an authorized farm corporation, family farm, or family farm corporation as defined
56 in section 350.010, RSMo;

57 [(8)] (9) "Eligible marketing enterprise", a business enterprise operating in this state
58 which is in the process of marketing its goods, products or services within or outside of this state
59 or overseas, which marketing is designed to increase manufacturing, transportation, mining,
60 communications, or other enterprises in this state, which has proposed its marketing plan and
61 strategy to the department of economic development and which plan and strategy has been
62 approved by the department for purposes of eligibility pursuant to sections 30.750 to [30.765]
63 **30.767**. Such business enterprise shall conform to the characteristics of paragraphs (a), (b) and
64 (d) of subdivision [(3)] (4) of this section and also employ less than twenty-five employees;

65 [(9)] (10) "Eligible multitenant development enterprise", a new enterprise that develops
66 multitenant space for targeted industries as determined by the department of economic
67 development and approved by the department for the purposes of eligibility pursuant to sections
68 30.750 to 30.765;

69 [(10)] (11) "Eligible residential property developer", an individual who purchases and
70 develops a residential structure of either two or four units, if such residential property developer
71 uses and agrees to continue to use, for at least the five years immediately following the date of
72 issuance of the linked deposit loan, one of the units as his principal residence or if such person's

73 principal residence is located within one-half mile from the developed structure and such person
74 agrees to maintain the principal residence within one-half mile of the developed structure for at
75 least the five years immediately following the date of issuance of the linked deposit loan;

76 [(11)] (12) "Eligible residential property owner", a person, firm or corporation who
77 purchases, develops or rehabilitates a multifamily residential structure;

78 [(12)] (13) "Eligible small business", a person engaged in an activity with the purpose
79 of obtaining, directly or indirectly, a gain, benefit or advantage and which conforms to the
80 characteristics of paragraphs (a), (b) and (d) of subdivision [(3)] (4) of this section, and also
81 employs less than twenty-five employees;

82 [(13)] (14) "Eligible student borrower", any person attending, or the parent of a
83 dependent undergraduate attending, an eligible higher education institution in Missouri who may
84 or may not qualify for need-based student financial aid calculated by the federal analysis called
85 Congressional Methodology Formula pursuant to 20 U.S.C. 1078, as amended (the Higher
86 Education Amendments of 1986);

87 [(14)] (15) "Eligible water supply system", a water system which serves fewer than fifty
88 thousand persons and which is owned and operated by:

89 (a) A public water supply district established pursuant to chapter 247, RSMo; or

90 (b) A municipality or other political subdivision; or

91 (c) A water corporation; and which is certified by the department of natural resources
92 in accordance with its rules and regulations to have suffered a significant decrease in its capacity
93 to meet its service needs as a result of drought;

94 [(15)] (16) "Farming", using or cultivating land for the production of agricultural crops,
95 livestock or livestock products, forest products, poultry or poultry products, milk or dairy
96 products, or fruit or other horticultural products;

97 [(16)] (17) "Linked deposit", a certificate of deposit, or in the case of production credit
98 associations, the subscription or purchase outright of obligations described in section 15, article
99 IV, Constitution of Missouri, placed by the state treasurer with an eligible lending institution [at
100 up to three percent below current market rates that are determined and calculated by the state
101 treasurer, provided the deposit rate is not below two percent] **at rates otherwise provided by**
102 **law in section 30.758**, provided the institution agrees to lend the value of such deposit,
103 according to the deposit agreement provided in sections 30.750 to 30.765, to eligible small
104 businesses, farming operations, eligible job enhancement businesses, eligible marketing
105 enterprises, eligible residential property developers, eligible residential property owners, eligible
106 agribusinesses, eligible beginning farmers, eligible livestock operations, eligible student
107 borrowers, **eligible facility borrower**, or eligible water supply systems at below the present
108 borrowing rate applicable to each small business, farming operation, eligible job enhancement

109 business, eligible marketing enterprise, eligible residential property developer, eligible residential
110 property owner, eligible agribusiness, eligible beginning farmer, eligible livestock operation,
111 eligible student borrower, or supply system at the time of the deposit of state funds in the
112 institution;

113 **(18) "Market rate", the interest rate tied to federal government securities and more**
114 **specifically described in subsection 4 of section 30.260;**

115 ~~[(17)]~~ **(19)** "Water corporation", as such term is defined in section 386.020, RSMo;

116 ~~[(18)]~~ **(20)** "Water system", as such term is defined in section 386.020, RSMo.

30.753. 1. The state treasurer may invest in linked deposits; however, the total amount
2 so deposited at any one time shall not exceed, in the aggregate, ~~[three hundred sixty]~~ **seven**
3 **hundred twenty** million dollars. No more than ~~[one hundred sixty-five]~~ **three hundred thirty**
4 million dollars of the aggregate deposit shall be used for linked deposits to eligible farming
5 operations, eligible agribusinesses, eligible beginning farmers ~~[and]~~, eligible livestock
6 operations, **and eligible facility borrowers**, no more than ~~[fifty-five]~~ **one hundred ten** million
7 of the aggregate deposit shall be used for linked deposits to small businesses, no more than ~~[ten]~~
8 **twenty** million dollars shall be used for linked deposits to eligible multitenant development
9 enterprises, and no more than ~~[ten]~~ **twenty** million dollars of the aggregate deposit shall be used
10 for linked deposits to eligible residential property developers and eligible residential property
11 owners, no more than ~~[one hundred ten]~~ **two hundred twenty** million dollars of the aggregate
12 deposit shall be used for linked deposits to eligible job enhancement businesses and no more
13 than ~~[ten]~~ **twenty** million dollars of the aggregate deposit shall be used for linked deposit loans
14 to eligible water systems. Linked deposit loans may be made to eligible student borrowers from
15 the aggregate deposit. If demand for a particular type of linked deposit exceeds the initial
16 allocation, and funds initially allocated to another type are available and not in demand, the state
17 treasurer may commingle allocations among the types of linked deposits. ~~[The amount~~
18 ~~reallocated under this commingling provision shall not exceed fifty percent of the initial~~
19 ~~allocation.]~~

20 2. The minimum deposit to be made by the state treasurer to an eligible lending
21 institution for eligible job enhancement business loans shall be ninety thousand dollars. Linked
22 deposit loans for eligible job enhancement businesses may be made for the purposes of assisting
23 with relocation expenses, working capital, interim construction, inventory, site development,
24 machinery and equipment, or other expenses necessary to create or retain jobs in the recipient
25 firm.

30.756. 1. An eligible lending institution that desires to receive a linked deposit shall
2 accept and review applications for linked deposit loans from eligible multitenant enterprises,
3 eligible farming operations, eligible small businesses, eligible job enhancement businesses,

4 eligible marketing enterprises, eligible agribusinesses, eligible beginning farmers, eligible
5 livestock operations, eligible residential property developers, eligible residential property
6 owners, eligible student borrowers, **eligible facility borrowers**, and eligible water supply
7 systems. An eligible residential property owner shall certify on his **or her** loan application that
8 the reduced rate loan will be used exclusively to purchase, develop or rehabilitate a multifamily
9 residential property. The lending institution shall apply all usual lending standards to determine
10 the credit worthiness of each eligible multitenant enterprise, eligible farming operation, eligible
11 small business, eligible job enhancement business, eligible marketing enterprise, eligible
12 residential property developer, eligible residential property owner, eligible agribusiness, eligible
13 beginning farmer, eligible livestock operation, eligible student borrower, **eligible facility**
14 **borrower**, or eligible water supply system. No linked deposit loan made to any eligible farming
15 operation, eligible livestock operation, eligible agribusiness or eligible small business shall
16 exceed [one hundred thousand dollars and no service of separate loans may be made which
17 exceeds such limit to any single eligible farming operation, eligible livestock operation, eligible
18 agribusiness or eligible small business.] **a dollar limit determined by the state treasurer is the**
19 **state treasurer's best judgment, except as otherwise limited. Any link deposit loan made**
20 **to an eligible facility borrower shall be in accordance with the loan amount and loan term**
21 **requirements in section 30.860.**

22 2. An eligible farming operation, small business or job enhancement business shall
23 certify on its loan application that the reduced rate loan will be used exclusively for necessary
24 production expenses or the expenses listed in subsection 2 of section 30.753 or the refinancing
25 of an existing loan for production expenses or the expenses listed in subsection 2 of section
26 30.753 of an eligible farming operation, small business or job enhancement business. Whoever
27 knowingly makes a false statement concerning such application is guilty of a class A
28 misdemeanor. An eligible water supply system shall certify on its loan application that the
29 reduced rate loan shall be used exclusively to pay the costs of upgrading or repairing an existing
30 water system, constructing a new water system, or making other capital improvements to a water
31 system which are necessary to improve the service capacity of the system.

32 3. In considering which eligible farming operations should receive reduced rate loans,
33 the eligible lending institution shall give priority to those farming operations which have suffered
34 reduced yields due to drought or other natural disasters and for which the receipt of a reduced
35 rate loan will make a significant contribution to the continued operation of the recipient farming
36 operation.

37 4. The eligible financial institution shall forward to the state treasurer a linked deposit
38 loan package, in the form and manner as prescribed by the state treasurer. The package shall
39 include such information as required by the state treasurer, including the amount of each loan

40 requested. The institution shall certify that each applicant is an eligible farming operation,
41 eligible small business, eligible job enhancement business, eligible marketing enterprise, eligible
42 residential property developer, eligible residential property owner, eligible agribusiness, eligible
43 beginning farmer, eligible livestock operation, eligible student borrower, **eligible facility**
44 **borrower**, or eligible water supply system, and shall, for each eligible farming operation, small
45 business, eligible job enhancement business, eligible marketing enterprise, eligible residential
46 property developer, eligible residential property owner, eligible agribusiness, eligible beginning
47 farmer, eligible livestock operation, eligible student borrower, **eligible facility borrower**, or
48 eligible water supply system, certify the present borrowing rate applicable.

49 5. The eligible lending institution shall be responsible for determining if a student
50 borrower is an eligible student borrower. A student borrower shall be eligible for an initial or
51 renewal reduced rate loan only if, at the time of the application for the loan, **[he] the student** is
52 a citizen or permanent resident of the United States, a resident of the state of Missouri as defined
53 by the coordinating board for higher education, is enrolled or has been accepted for enrollment
54 in an eligible higher education institution, and establishes that **[he] the student** has financial
55 need. In considering which eligible student borrowers may receive reduced rate loans, the
56 eligible lending institution may give priority to those eligible student borrowers whose income,
57 or whose family income, if the eligible student borrower is a dependent, is such that the eligible
58 student borrower does not qualify for need-based student financial aid pursuant to 20 U.S.C.
59 1078, as amended (the Higher Education Amendments of 1986). The eligible lending institution
60 shall require the eligible student borrower to document that **[he] the student** has applied for and
61 has obtained all need-based student financial aid for which **[he] the student** is eligible prior to
62 application for a reduced rate loan pursuant to this section. In no case shall the combination of
63 all financial aid awarded to any student in any particular enrollment period exceed the total cost
64 of attendance at the institution in which the student is enrolled. No eligible lending institution
65 shall charge any additional fees, including but not limited to an origination, service or insurance
66 fee on any loan agreement under the provisions of sections 30.750 to 30.765.

67 6. The eligible lending institution making an initial loan to an eligible student borrower
68 may make a renewal loan or loans to the student. The total of such reduced rate loans from
69 eligible lending institutions made pursuant to this section to any individual student shall not
70 exceed the cumulative totals established by 20 U.S.C. 1078, as amended. An eligible student
71 borrower shall certify on his **or her** loan application that the reduced rate loan shall be used
72 exclusively to pay the costs of tuition, incidental fees, books and academic supplies, room and
73 board and other fees directly related to enrollment in an eligible higher education institution. The
74 eligible lending institution shall make the loan payable to the eligible student borrower and the

75 eligible higher education institution as copayees. The method of repayment of the loan shall be
76 the same as for repayment of loans made pursuant to sections 173.095 to 173.186, RSMo.

77 **7. Beginning August 28, 2005, in considering which eligible multitenant enterprise,**
78 **eligible farming operation, eligible small business, eligible job enhancement business,**
79 **eligible marketing enterprise, eligible residential property developer, eligible residential**
80 **property owner, eligible agribusiness, eligible beginning farmer, eligible livestock**
81 **operation, eligible student borrower, eligible facility borrower, or eligible water supply**
82 **system should receive reduced rate loans, the eligible lending institution shall give priority**
83 **to an eligible multitenant enterprise, eligible farming operation, eligible small business,**
84 **eligible job enhancement business, eligible marketing enterprise, eligible residential**
85 **property developer, eligible residential property owner, eligible agribusiness, eligible**
86 **beginning farmer, eligible livestock operation, eligible student borrower, eligible facility**
87 **borrower, or eligible water supply system that has not previously received a reduced rate**
88 **loan through the linked deposit program. However nothing shall prohibit an eligible**
89 **lending institution from making a reduced rate loan to any entity that previously has**
90 **received such a loan, if such entity otherwise qualifies for such a reduced rate loan.**

30.758. 1. The state treasurer may accept or reject a linked deposit loan package or any
2 portion thereof.

3 2. Upon acceptance of the linked deposit loan package or any portion thereof, the state
4 treasurer may place linked deposits with the eligible lending institution [at up to three percent
5 below current market rates, as determined and calculated by the state treasurer provided the
6 deposit rate is not below two percent] **as follows: when market rates are five percent or**
7 **above, the state treasurer shall reduce the market rate by up to three percentage points to**
8 **obtain the linked deposit rate; when market rates are less than five percent, the state**
9 **treasurer shall reduce the market rate by up to forty percent to obtain the linked deposit**
10 **rate, provided that the linked deposit rate is not below one percent. All linked deposit rates**
11 **are determined and calculated by the state treasurer.** When necessary, the treasurer may
12 place linked deposits prior to acceptance of a linked deposit loan package.

13 3. The eligible lending institution shall enter into a deposit agreement with the state
14 treasurer, which shall include requirements necessary to carry out the purposes of sections 30.750
15 to [30.765. Such requirements shall reflect the market conditions prevailing in the eligible
16 lending institution's lending area] **30.767.** The deposit agreement shall specify the length of time
17 for which the lending institution will lend funds upon receiving a linked deposit, **and the**
18 **original deposit plus renewals shall not exceed five years, except as otherwise provided in**
19 **this chapter.** The agreement shall also include provisions for the linked deposit of a linked
20 deposit for an **eligible facility borrower, eligible multitenant enterprise, eligible farming**

21 operation, small business, eligible marketing enterprise, eligible residential property developer,
22 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible
23 livestock operation, eligible student borrower or job enhancement business [to mature within a
24 period not to exceed one year. The state treasurer may renew such linked deposit for additional
25 periods of time, each of which shall not exceed one year. The linked deposit of a linked deposit
26 for an eligible property developer or residential property owner shall mature within a period not
27 to exceed three years. The linked deposit of a linked deposit for an eligible water supply system
28 shall mature within a period not to exceed three years and the state treasurer may renew such a
29 linked deposit for additional periods of time, each of which shall not exceed three years].
30 Interest shall be paid at the times determined by the state treasurer.

31 4. The period of time for which such linked deposit is placed with an eligible lending
32 institution shall be neither longer nor shorter than the period of time for which the linked deposit
33 is used to provide loans at reduced interest rates. The agreement shall further provide that the
34 state shall receive market interest rates on any linked deposit or any portion thereof for any
35 period of time for which there is no corresponding linked deposit loan outstanding to an eligible
36 multitenant enterprise, eligible farming operation, eligible small business, eligible job
37 enhancement business, eligible marketing enterprise, eligible residential property developer,
38 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible
39 livestock operation, eligible student borrower, **eligible facility borrower**, or eligible water
40 supply system, **except as otherwise provided in this subsection. Within thirty days after the**
41 **annual anniversary date of the linked deposit, the eligible lending institution shall repay**
42 **the state treasurer any linked deposit principal received from borrowers in the previous**
43 **yearly period and thereafter repay such principal within thirty days of the yearly**
44 **anniversary date calculated separately for each linked deposit loan, and repaid at the**
45 **linked deposit rate. Such principal payment shall be accelerated when more than thirty**
46 **percent of the linked deposit loan is repaid within a single monthly period. Any principal**
47 **received and not repaid, up to the point of the thirty percent or more payment, shall be**
48 **repaid within thirty days of that payment at the linked deposit rate. Finally, when the**
49 **linked deposit is tied to a "revolving line of credit agreement" between the banking**
50 **institution and its borrower, the full amount of the line of credit shall be excluded from the**
51 **repayment provisions of this subsection.**

30.760. 1. Upon the placement of a linked deposit with an eligible lending institution,
2 such institution is required to lend such funds to each approved eligible multitenant enterprise,
3 eligible farm operation, eligible small business, eligible job enhancement business, eligible
4 marketing enterprise, eligible residential property developer, eligible residential property owner,
5 eligible agribusiness, eligible beginning farmer, eligible livestock operation, eligible student

6 borrower, **eligible facility borrower**, or eligible water supply system listed in the linked deposit
7 loan package required by section 30.756 and in accordance with the deposit agreement required
8 by section 30.758. The loan shall be at a fixed rate of interest which is below the present
9 borrowing rate applicable to each eligible multitenant enterprise, eligible farming operation,
10 eligible small business, eligible job enhancement business, eligible marketing enterprise, eligible
11 residential property developer, eligible residential property owner, eligible agribusiness, eligible
12 beginning farmer, eligible livestock operation, eligible student borrower, **eligible facility**
13 **borrower**, or eligible water supply system as determined pursuant to rules and regulations
14 promulgated by the state treasurer under the provisions of chapter 536, RSMo, including
15 emergency rules issued pursuant to section 536.025, RSMo. In addition, the loan agreement
16 shall specify that the eligible multitenant enterprise, eligible farming operation, eligible small
17 business, eligible job enhancement business, eligible marketing enterprise, eligible residential
18 property developer, eligible residential property owner, eligible agribusiness, eligible beginning
19 farmer, eligible livestock operation, eligible student borrower, **eligible facility borrower**, or
20 eligible water supply system shall use the proceeds as required by sections 30.750 to 30.765, and
21 that in the event the loan recipient does not use the proceeds in the manner prescribed by sections
22 30.750 to 30.765, the remaining proceeds shall be immediately returned to the lending institution
23 and that any proceeds used by the loan recipient shall be repaid to the lending institution as soon
24 as practicable. All records and documents pertaining to the programs established by sections
25 30.750 to 30.765 shall be segregated by the lending institution for ease of identification and
26 examination. A certification of compliance with this section in the form and manner as
27 prescribed by the state treasurer shall be required of the eligible lending institution. Any lender
28 or lending officer of an eligible lending institution who knowingly violates the provisions of
29 sections 30.750 to 30.765 is guilty of a class A misdemeanor.

30 2. The state treasurer shall take any and all steps necessary to implement the linked
31 deposit program and monitor compliance of eligible multitenant enterprises, eligible lending
32 institutions, eligible farming operations, eligible small businesses, eligible job enhancement
33 businesses, eligible marketing enterprises, eligible residential property developers, eligible
34 residential property owners, eligible agribusinesses, eligible beginning farmers, eligible livestock
35 operations, **eligible facility borrowers**, or eligible water supply systems. [Annually, by the first
36 day of February, the state treasurer shall report on the linked deposits program for the preceding
37 calendar year to the governor, the speaker of the house of representatives, and the president pro
38 tem of the senate. The report shall set forth the linked deposits made by the state treasurer under
39 the program during the year and shall include information regarding the nature, terms, and
40 amounts of the loans upon which the linked deposits were based. The report shall not include
41 the assets, liabilities or percent equity of any recipient eligible multitenant enterprise, eligible

42 farming operation, eligible small business, eligible job enhancement business, eligible marketing
43 enterprise, eligible residential property developer, eligible residential property owner, eligible
44 agribusiness, eligible beginning farmer, eligible livestock operation, eligible student borrower
45 or eligible water supply system, but shall include a statement by the state treasurer that the
46 eligible lending institutions have certified that all recipient eligible multitenant enterprises,
47 eligible farming operations, eligible small businesses, eligible job enhancement businesses,
48 eligible marketing enterprises, eligible residential property developers, eligible residential
49 property owners, eligible agribusinesses, eligible beginning farmers, eligible livestock
50 operations, eligible student borrowers or eligible water supply systems meet the criteria of
51 sections 30.750 to 30.765.]

30.765. The state and the state treasurer are not liable to any eligible lending institution
2 in any manner for payment of the principal or interest on the loan to an eligible multitenant
3 enterprise, eligible farm operation, eligible small business, eligible job enhancement business,
4 eligible marketing enterprise, eligible residential property developer, eligible residential property
5 owner, eligible agribusiness, eligible beginning farmer, eligible livestock operation, eligible
6 student borrower, **eligible facility borrower**, or eligible water supply system. Any delay in
7 payments or default on the part of an eligible multitenant enterprise, eligible farming operation,
8 eligible small business, eligible job enhancement business, eligible marketing enterprise, eligible
9 residential property developer, eligible residential property owner, eligible agribusiness, eligible
10 beginning farmer, eligible livestock operation, eligible student borrower, **eligible facility**
11 **borrower**, or eligible water supply system does not in any manner affect the deposit agreement
12 between the eligible lending institution and the state treasurer.

30.767. The state treasurer shall not, after December 31, [2007] **2015**, invest in any
2 linked deposit the value of which is to be lent to a recipient other than an eligible water supply
3 system or an eligible student borrower. **The state treasurer shall not, after January 1, 2020,**
4 **invest in any linked deposit, the value of which is to be lent to any new eligible facility**
5 **borrower. However, such restriction shall not apply to any extensions of existing loans as**
6 **provided for in section 30.860.**

30.830. The state treasurer may utilize up to [thirty] **sixty** million dollars of the [one
2 hundred sixty-five] **three hundred thirty** million dollar linked deposit allocation for agriculture
3 set forth in subsection 1 of section 30.753 for linked deposits for eligible guaranteed
4 agribusinesses and eligible guaranteed livestock operations.

30.840. The state treasurer may renew a linked deposit for an eligible guaranteed
2 agribusiness or an eligible guaranteed livestock operation for additional [one-year], **up to five-**
3 **year**, terms, not to exceed ten years.

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

2 (1) "Agricultural commodity", any agricultural product that has been produced
3 for purpose of sale or exchange, except for animals whose principal use may be construed
4 as recreational or as a pet;

5 (2) "Authority", the Missouri agricultural and small business development
6 authority organized under sections 348.005 to 348.180, RSMo;

7 (3) "Borrower", any partnership, corporation, cooperative, or limited liability
8 company organized or incorporated under the laws of this state consisting of not less than
9 twelve members for the purpose of owning or operating within this state a development
10 facility or a renewable fuel production facility in which producer members:

11 (a) Hold a majority of the governance or voting rights of the entity and any
12 governing committee;

13 (b) Control the hiring and firing of management; and

14 (c) Deliver agricultural commodities or products to the entity for processing, unless
15 processing is required by multiple entities;

16 (4) "Development facility", a facility producing either a good derived from an
17 agricultural commodity or using a process to produce a good derived from an agricultural
18 product;

19 (5) "Eligible facility borrower", a development facility or renewal fuel production
20 facility borrower qualified by the authority under this section to apply for a reduced rate
21 loan under sections 30.750 to 30.767;

22 (6) "Renewable fuel production facility", a facility producing an energy source that
23 is derived from a renewable, domestically grown organic compound capable of powering
24 machinery, including an engine or power plant, and any by-product derived from such
25 energy source.

26 2. The authority shall accept applications and issue certificates of qualification as
27 an eligible facility borrower to development facilities and renewable fuel production
28 facilities for purposes of applying for reduced rate loans under sections 30.750 to 30.767
29 to finance new costs or refinance existing debt associated with such facilities. The
30 authority may charge for each certificate of qualification a one-time fee in an amount not
31 to exceed the actual cost of issuance of the certificate.

32 3. In determining whether a facility will qualify as an eligible facility borrower, the
33 authority shall consider the following factors:

34 (1) The borrower's ability to repay the loan;

35 (2) The general economic conditions of the area in which the agricultural property
36 will be or is located;

- 37 (3) The prospect of success of the particular project for which the loan is sought;
38 and
- 39 (4) Such other factors as the authority may establish by rule.
- 40 4. No reduced rate loan made to an eligible facility borrower under sections 30.750
41 to 30.767 shall:
- 42 (1) Exceed seventy million dollars for any single eligible facility borrower;
- 43 (2) Exceed seventy percent of the total anticipated cost of the development facility
44 or renewable fuel production facility or, in the case of refinancing existing debt, ninety
45 percent of the fair market value of the development facility or renewable fuel production
46 facility;
- 47 (3) Exceed a loan term of five years, except that such loan may be extended up to
48 two additional loan periods of five years each for a maximum total loan term of fifteen
49 years; and
- 50 (4) When a banking institution extends credit under the provisions of this section
51 and provides the lead in underwriting the credit, it may enter into a participation
52 agreement, sell part of the loan to third parties, syndicate the loan, or make other written
53 arrangement with financial intermediaries, provided that at all times any financial
54 intermediary, participate, purchaser, or other party obtaining a legal or equitable interest
55 in the loan otherwise qualifies for linked deposit loans and fully collateralizes those loans
56 as required by chapter 30.
- 57 5. The state treasurer may contract with other parties as permitted in section
58 30.286 and consult with the authority to implement this section. However, the state
59 treasurer shall make the final determination on the placement of linked deposits of state
60 funds in banking institutions as permitted by the constitution.
- 61 6. The state treasurer shall promulgate rules to implement the provisions of this
62 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
63 that is created under the authority delegated in this section shall become effective only if
64 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
65 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
66 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
67 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
68 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
69 adopted after August 28, 2005, shall be invalid and void.
- 70 7. The provisions of sections 23.250 to 23.298, RSMo, shall not apply to the
71 provisions of this section.

Section 1. 1. There is hereby created in the state treasury the "State Treasurer's General Operations Fund" which shall receive deposits, make disbursements and be administered in compliance with the provisions of this section.

2. Subject to appropriation, moneys in the state treasurer's general operations fund shall be used solely to pay for personal service, equipment and other expenses of the state treasurer related to the state treasurer's constitutional and statutory responsibilities, exclusive of any personal service, equipment and other expenses attributable to positions wholly dedicated to the functions described in chapter 447, RSMo. The commissioner of administration shall review and approve all requests of the state treasurer of disbursements from the state treasurer's general operations fund for compliance with the provisions of this section. Nothing in this section shall be deemed to prevent the general assembly from making appropriations to the state treasurer from other permissible sources.

3. Notwithstanding any other provisions of law to the contrary, moneys shall be deposited in the state treasurer's general operations fund and administered in accordance with the following provisions:

(1) On a daily basis, the state treasurer shall apportion any interest or other increment derived from the investment of funds in an amount proportionate to the average daily balance of funds in the state treasury. The state treasurer shall use a method in accordance with generally accepted accounting principles in apportioning and distributing that interest or increment. Prior to distributing that interest or increment, the state treasurer shall deduct the costs incurred by the state treasurer in administering this chapter in proportion to the average daily balance of the amounts deposited to each fund in the state treasury. The state treasurer shall then deposit the identified portion of the daily interest receipts in the "First Steps Program" to be used for the administration and implementation of IDEA, Part C, through the first steps program, and shall promulgate regulations implementing the requirements of Part C of IDEA, consistent with federal regulations, 34 C.F.R. 303, et seq. All other remaining interest received on the investment of state funds shall be allocated and deposited to funds within the state treasury as required by law.

(2) The total costs for personal service, equipment and other expenses of the state treasurer related to the state treasurer's constitutional and statutory responsibilities, exclusive of any personal service, equipment and other expenses attributable to positions wholly dedicated to the functions described in chapter 447, RSMo, and any banking fees and other banking-related costs, shall not exceed ten basis points, or one-tenth of one percent, of the total of the average daily fund balance of funds within the state treasury.

37 **4. Notwithstanding the provisions of section 33.080, RSMo, moneys in the "State**
38 **Treasurer's General Operations Fund" shall not lapse to the general revenue fund at the**
39 **end of the biennium unless and only to the extent to which the amount in the fund exceeds**
40 **the annual appropriations from the fund for the current fiscal year.**

 Section B. Because of the need to provide consistent funding to the State Treasurer's
2 Office to allow the office's primary functions to proceed in a timely and efficient manner, section
3 A of this act is deemed necessary for the immediate preservation of the public health, welfare,
4 peace and safety, and is hereby declared to be an emergency act within the meaning of the
5 constitution, and section A of this act shall be in full force and effect upon its passage and
6 approval.

 [30.247. Any bank account, included but not limited to the life sciences
2 research trust fund created pursuant to section 196.1100, RSMo, with an average
3 daily balance of ten thousand dollars or more, containing state funds, shall be
4 obtained through an open and competitive bid process.]