

CCS SS SCS HCS HB 1879 -- PUBLIC ENTITY FINANCIAL TRANSACTIONS

This bill modifies several provisions relating to financial transactions by public entities.

SECURITY-COLLATERAL LIST

Currently, the State Treasurer and the Treasurer of the City of St. Louis are limited in the securities they may require as collateral from banks or financial institutions selected and approved for the safekeeping and payment of deposits. With regard to out-of-state municipal bonds, it must be determined that the bonds are rated in the highest category by at least one nationally recognized statistical rating agency to be qualified as collateral. This bill changes that standard to require the bonds to be rated "investment grade" by at least one such agency (Sections 30.270 and 95.530, RSMo).

The bill also adds brokered or negotiable certificates of deposit that are fully insured by the FDIC to the collateral list (Section 30.270).

STATE PURCHASING AND PRINTING

This bill states that for purposes of Chapter 34, state purchasing and printing, the term "department" does not include public institutions of higher education (Section 34.010).

ORGANIZATIONS FOR THE BLIND AND SHELTERED WORKSHOPS

This bill changes the bidding preference for state purchasing from qualified nonprofit organizations for the blind and sheltered workshops from a flat 10-point bonus award to a sliding scale from five to 15 bonus points based on the revenue generation for and utilization of the qualified nonprofit organizations for the blind and sheltered workshops, as determined in rule by the Commissioner of Administration (Section 34.165).

COMPETITIVE BIDDING FOR COUNTIES

Currently, counties must advertise a request for bids for contracts and purchases of more than \$4,500 with any one person or corporation during a 90-day period. This bill provides that the bidding requirement applies to contracts or purchases involving expenditures of more than \$6,000 (Section 50.660).

Current law requires a county commission to seek competitive bids or proposals on single feasible source purchases of \$3,000 or more, and advertise for bids on such purchases of \$5,000 or more. This

bill requires the commission to seek bids and advertise on single feasible source purchases of more than \$6,000 (Section 50.783).

INVESTMENT OF PUBLIC FUNDS

Currently, any public entity or political subdivision may invest public funds if, among other things, on the same date that the public funds are deposited, the financial institution also receives an amount of deposits from other financial institutions equal to the amount of the public funds deposited. This bill repeals this requirement (Section 67.085).

DEPOSITARIES FOR PUBLIC FUNDS

Currently, restrictions are provided on the security of the public funds of specific political subdivisions. This bill stipulates that the requirements apply to all political subdivisions of the state. Furthermore, the bill also allows banks serving as a depository for public funds to invest in the same manner as the State Treasurer is constitutionally permitted (Section 110.010).

CERTIFIED CHECK REQUIREMENTS

Currently, certain bids made by banks, associations, or trust companies are required to be accompanied by a certified check. This bill repeals those requirements (Sections 110.080, 110.140, 165.221, 165.231, and 165.271).

REAL ESTATE BOOK

This bill allows the county real estate book, which contains all lands subject to assessment, to use an alternate address for the purpose of mailing property tax statements to someone other than the owner of the property (Section 137.225).

DORMANT BANK ACCOUNTS

The bill specifies that whenever a consumer deposit account with a banking organization or financial organization has been inactive for 12 months or more and inactivity fees apply to the account, the organization is required to notify the account holder of such inactivity through first class mail postage prepaid marked "Address Correction Requested" or through electronic notice if the consumer has agreed to receive such notices under the federal Truth in Savings Act. Additionally, the bank is required to send annual statements for such account and charge a fee up to \$5 per statement. Such fee shall be withdrawn from the inactive account.

This bill stipulates that the funds of any bank account which has

been inactive for a period of five years shall be remitted to the Abandoned Fund Account administered by the State Treasurer (Section 447.200) .