

House _____ Amendment NO. _____

Offered By _____

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 98, Page 1, Section
2 A, Line 3, by inserting after all of said section and line the following:
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4 "362.490. 1. Notwithstanding any provision of law of this state or of any political
5 subdivision thereof requiring security for deposits in the form of collateral, surety bond or in any
6 other form, security for such deposits shall not be required to the extent said deposits are insured
7 under the provisions of an act of congress creating and establishing the Federal Deposit Insurance
8 Corporation or similar agency created and established by the Congress of the United States.

9 2. (1) As an alternative to the requirements for direct pledging of security for deposit of
10 public funds in excess of the amount that is federally insured or guaranteed pursuant to sections
11 110.010, 110.020, and 110.060, a banking institution authorized as legal depositary for public funds
12 may secure the deposits of any governmental entity by granting a security interest in a single pool of
13 securities to secure the repayment of all public funds deposited in the banking institution by such
14 governmental entities and not otherwise federally insured or secured pursuant to law.

15 (2) A banking institution may secure the deposit of public funds using the direct method as
16 provided in chapter 110, or the single bank pooled method provided in this section, or may elect to
17 offer government entities the choice of either method to secure the deposit of public funds.

18 (3) Under the direct method a banking institution may secure the deposit of public funds of
19 each government entity separately by furnishing securities pursuant to sections 110.010, 110.020,
20 and 110.060.

21 (4) Under the single bank pooled method a banking institution may secure the deposit of
22 public funds of one or more government entities through a pool of eligible securities held in custody
23 and safekeeping with one or more other banking institutions or safe depositaries, to be held subject
24 to the order of the director of the division of finance or the administrator appointed pursuant to
25 subsection 3 of this section for the benefit of the government entities having public funds deposited
26 with such banking institution as set forth in this section.

27 3. (1) The director of the division of finance shall have exclusive authority to appoint a
28 bank, trust company, or association for Missouri banks which is chartered or incorporated in
29 Missouri, to serve as the administrator with respect to a single bank pooled method. The
30 administrator shall act as an agent for banking institutions and as the nominee of the government

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1 entities for purposes of administering the pool of securities pledged to secure uninsured public fund
2 deposits. The fees and expenses of such administrator shall be paid by the banking institutions
3 utilizing the single bank pooled method. The single bank pooled method shall not be utilized by any
4 banking institution unless an administrator has been appointed by the director pursuant to this
5 section and is acting as the administrator. The director may require the administrator to post a
6 surety bond or security to the director in an amount up to one hundred thousand dollars to assure the
7 faithful performance of the duties of the administrator.

8 (2) At all times the aggregate market value of the pool of securities so deposited, pledged, or
9 in which a security interest is granted shall be at least equal to one hundred two percent of the
10 amount on deposit which is in excess of the amount so insured.

11 (3) Each banking institution shall carry on its accounting records at all times a general
12 ledger or other appropriate account of the total amount of all public funds to be secured by the pool
13 of securities as determined at the opening of business each day, and the aggregate market value of
14 the pool of securities pledged, or in which a security interest is granted to secure such public funds.

15 (4) If a banking institution elects to secure the deposit of public funds through the use of the
16 single bank pooled method, such banking institution shall notify the administrator in writing that it
17 has elected to utilize the single bank pooled method and the proposed effective date thereof and
18 enter such agreement as the administrator may require.

19 (5) A banking institution may not retain any deposit of public funds which is required to be
20 secured unless it has secured the deposits for the benefit of the government entities having public
21 funds with such banking institution pursuant to this section.

22 (6) Only the securities and collateral described or listed pursuant to section 30.270 for the
23 safekeeping and payment of deposits by the state treasurer may be provided and accepted as security
24 for the deposit of public funds and shall be eligible as collateral. The administrator shall not accept
25 any securities which are not described or listed pursuant to section 30.270.

26 (7) The administrator may establish such procedures and reporting requirements as
27 necessary for depository banking institutions and their safekeeping banks or depositories to confirm
28 the amount of insured public fund deposits, the pledge of securities to the administrator to secure the
29 deposit of public funds, as agent for each participating banking institution, and to monitor the
30 market value of pledged securities as reported by the custody agents, and to add, substitute, or
31 remove securities held in the single bank pool as directed by the depository banking institution.

32 (8) In the event of the failure and insolvency of a banking institution using the single bank
33 pooled method, subject to any order of the director pursuant to powers vested under chapter 361, the
34 administrator shall direct the safekeeping banks or depositories to sell the pledged securities and
35 direct proceeds to the payment of the uninsured public fund deposits or to transfer the pledged
36 securities to that banking institution's primary supervisory agency or the duly appointed receiver for
37 the banking institution to be liquidated to pay out the uninsured public fund deposits."; and

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39 Further amend said bill by amending the title, enacting clause, and intersectional references
40 accordingly.