

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 270**  
**93RD GENERAL ASSEMBLY**

---

Reported from the Committee on Financial Institutions April 4, 2005, with recommendation that House Committee Substitute for Senate Committee Substitute for Senate Bill No. 270 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

1236L.04C

---

**AN ACT**

To repeal sections 30.247, 30.250, 30.260, 30.270, 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 fifteen new sections relating to the state treasurer, with penalty provisions and an emergency clause.

---

*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30.247, 30.250, 30.260, 30.270, 30.750, 30.753, 30.756, 30.758, 2 30.760, 30.765, 30.767, 30.830, and 30.840, RSMo, are repealed and fifteen new sections 3 enacted in lieu thereof, to be known as sections 30.250, 30.260, 30.270, 30.286, 30.750, 30.753, 4 30.756, 30.758, 30.760, 30.765,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 depositary 2 setting forth the conditions and terms upon which the moneys of the state are deposited therewith 3 and containing among its provisions and conditions the following:

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

5 (2) With respect to demand deposits, the time such contract shall continue with the right 6 reserved to each the state treasurer and the depositary to terminate the contract at any time upon 7 giving ninety days' notice to the other party of his or **her** or its intention to do so;

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;

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.

- 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] **farm credit banks or**  
19 **agricultural credit banks** or any other obligations issued pursuant to the provisions of an act  
20 of the Congress of the United States known as the Farm Credit Act of 1971, and acts amendatory  
21 thereto;
- 22 (9) Bonds of the federal home loan banks;
- 23 (10) Any bonds or other obligations guaranteed as to payment of principal and interest  
24 by the government of the United States or any agency or instrumentality thereof;
- 25 (11) Bonds of any political subdivision established pursuant to the provisions of section  
26 30, article VI[,] of the Constitution of Missouri;
- 27 (12) Tax anticipation notes issued by any county of the first classification;
- 28 (13) A surety bond issued by an insurance company licensed pursuant to the laws of the  
29 state of Missouri whose claims-paying ability is rated in the highest category by at least one  
30 nationally recognized statistical rating agency. The face amount of such surety bond shall be at  
31 least equal to the portion of the deposit to be secured by the surety bond;
- 32 (14) An irrevocable standby letter of credit issued by a Federal Home Loan Bank  
33 possessing the highest rating issued by at least one nationally recognized statistical rating agency;
- 34 (15) Out-of-state municipal bonds, provided such bonds are rated in the highest category  
35 by at least one nationally recognized statistical rating agency.
- 36 **(16) (a) Mortgage securities that are individual loans that include negotiable**  
37 **promissory notes and the first lien deeds of trust securing payment of such notes on one to**  
38 **four family real estate, on commercial real estate, or on farm real estate located in Missouri**  
39 **or states adjacent to Missouri, provided such loans:**
- 40 **a. Are underwritten to conform to standards established by the state treasurer,**  
41 **which are substantially similar to standards established by the Federal Home Loan Bank**  
42 **of Des Moines, Iowa, and any of its successors in interest that provide funding for financial**  
43 **institutions in Missouri;**
- 44 **b. Are offered by a financial institution in which a senior executive officer certifies**  
45 **under penalty of perjury that such loans are compliant with the requirements of the**  
46 **Federal Home Loan Bank of Des Moines, Iowa when such loans are pledged by such bank;**
- 47 **c. Are offered by a financial institution that is well capitalized; and**
- 48 **d. Are not construction loans, are not more than ninety days delinquent, have not**  
49 **been classified as substandard, doubtful, or subject to loss, are one hundred percent owned**

50 by the financial institution, are otherwise unencumbered and are not being temporarily  
51 warehoused in the financial institution for sale to a third party.

52

53 Any disqualified mortgage securities shall be removed as collateral within ninety days of  
54 disqualification or the state treasurer may disqualify such collateral as collateral for state  
55 funds.

56 (b) The state treasurer may promulgate regulations and provide such other forms  
57 or agreements to ensure the state maintains a first priority position on the deeds of trust  
58 and otherwise protect and preserve state funds. Any rule or portion of a rule, as that term  
59 is defined in section 536.010, RSMo, that is created under the authority delegated in this  
60 section shall become effective only if it complies with and is subject to all of the provisions  
61 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter  
62 536, RSMo, are nonseverable and if any of the powers vested with the general assembly  
63 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and  
64 annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
65 authority and any rule proposed or adopted after August 28, 2005, shall be invalid and  
66 void;

67 (c) A status report on all such mortgage securities shall be provided to the state  
68 treasurer on a calendar monthly basis in the manner and format prescribed by the state  
69 treasurer by the financial institutions pledging such mortgage securities and also shall  
70 certify their compliance with subsection 2 for such mortgage securities;

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

77 (e) The provisions of paragraphs (a) to (d) of this subdivision are not authorized  
78 for any Missouri political subdivision, notwithstanding the provisions of chapter 110,  
79 RSMo, to the contrary;

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

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

91 (17) Any investment that the state treasurer may invest in as provided in article IV,  
92 section 15 of the Missouri Constitution, and subject to the state treasurer's written  
93 investment policy in section 30.260, that is not otherwise provided for in this section,  
94 provided the banking institution or eligible lending institution as defined in subdivision (7)  
95 of section 30.750 is well capitalized, as defined in subdivision (16) of this subsection. The  
96 provisions of this subdivision are not authorized for political subdivisions, notwithstanding  
97 the provisions of chapter 110, RSMo, to the contrary.

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

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

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

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

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

118 3. The securities or book entry receipts shall be delivered to the state treasurer and  
119 receipted for by the state treasurer and retained by the treasurer or by financial institutions that  
120 the governor, state auditor and treasurer agree upon. The state treasurer shall from time to time  
121 inspect the securities and book entry receipts and see that they are actually held by the state

122 treasury or by the financial institutions selected as the state depositories. The governor and the  
 123 state auditor may inspect or request an accounting of the securities or book entry receipts, and  
 124 if in any case, or at any time, the securities are not satisfactory security for deposits made as  
 125 provided by law, they may require additional security to be given that is satisfactory to them.

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

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

134 6. Any financial institution making deposits of bonds with the state treasurer pursuant  
 135 to the provisions of this chapter may cause the bonds to be endorsed or stamped as it deems  
 136 proper, so as to show that they are deposited as collateral and are not transferable except upon  
 137 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.**

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

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

4 (2) "Eligible beginning farmer",

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

7 a. Is a Missouri resident;

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

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



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

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

16

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

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

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

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

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

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

32 (a) Is headquartered in this state;

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

35 (c) Employs less than ten employees;

36 (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] **30.767**;

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] **30.767**, to eligible  
104 small 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. The state treasurer shall make a good faith effort to ensure that the linked**  
4 **deposits are placed with eligible lending institutions to make linked deposit loans to**  
5 **minority or female-owned eligible multitenant enterprises, eligible farming operations,**  
6 **eligible small businesses, eligible job enhancement businesses, eligible marketing**  
7 **enterprises, eligible residential property developers, eligible residential property owners,**  
8 **eligible agribusinesses, eligible beginning farmers, eligible livestock operations, eligible**  
9 **student borrowers, eligible facility borrowers, or eligible water supply systems. Results of**  
10 **such effort shall be included in the linked deposit review committee's annual report to the**  
11 **governor.**

12 [2.] **3. Upon acceptance of the linked deposit loan package or any portion thereof, the**  
13 **state treasurer may place linked deposits with the eligible lending institution [at up to three**  
14 **percent below current market rates, as determined and calculated by the state treasurer provided**  
15 **the deposit rate is not below two percent] as follows: when market rates are five percent or**  
16 **above, the state treasurer shall reduce the market rate by up to three percentage points to**  
17 **obtain the linked deposit rate; when market rates are less than five percent, the state**  
18 **treasurer shall reduce the market rate by up to sixty percent to obtain the linked deposit**  
19 **rate, provided that the linked deposit rate is not below one percent. All linked deposit rates**  
20 **are determined and calculated by the state treasurer. When necessary, the treasurer may**  
21 **place linked deposits prior to acceptance of a linked deposit loan package.**

22 [3.] **4. The eligible lending institution shall enter into a deposit agreement with the state**  
23 **treasurer, which shall include requirements necessary to carry out the purposes of sections 30.750**  
24 **to [30.765. Such requirements shall reflect the market conditions prevailing in the eligible**  
25 **lending institution's lending area] 30.767. The deposit agreement shall specify the length of time**  
26 **for which the lending institution will lend funds upon receiving a linked deposit, and the**  
27 **original deposit plus renewals shall not exceed five years, except as otherwise provided in**  
28 **this chapter. The agreement shall also include provisions for the linked deposit of a linked**  
29 **deposit for an eligible facility borrower, eligible multitenant enterprise, eligible farming**  
30 **operation, small business, eligible marketing enterprise, eligible residential property developer,**

31 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible  
32 livestock operation, eligible student borrower or job enhancement business [to mature within a  
33 period not to exceed one year. The state treasurer may renew such linked deposit for additional  
34 periods of time, each of which shall not exceed one year. The linked deposit of a linked deposit  
35 for an eligible property developer or residential property owner shall mature within a period not  
36 to exceed three years. The linked deposit of a linked deposit for an eligible water supply system  
37 shall mature within a period not to exceed three years and the state treasurer may renew such a  
38 linked deposit for additional periods of time, each of which shall not exceed three years].  
39 Interest shall be paid at the times determined by the state treasurer.

40 [4.] 5. The period of time for which such linked deposit is placed with an eligible  
41 lending institution shall be neither longer nor shorter than the period of time for which the linked  
42 deposit is used to provide loans at reduced interest rates. The agreement shall further provide  
43 that the state shall receive market interest rates on any linked deposit or any portion thereof for  
44 any period of time for which there is no corresponding linked deposit loan outstanding to an  
45 eligible multitenant enterprise, eligible farming operation, eligible small business, eligible job  
46 enhancement business, eligible marketing enterprise, eligible residential property developer,  
47 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible  
48 livestock operation, eligible student borrower, **eligible facility borrower**, or eligible water  
49 supply system, **except as otherwise provided in this subsection. Within thirty days after the**  
50 **annual anniversary date of the linked deposit, the eligible lending institution shall repay**  
51 **the state treasurer any linked deposit principal received from borrowers in the previous**  
52 **yearly period and thereafter repay such principal within thirty days of the yearly**  
53 **anniversary date calculated separately for each linked deposit loan, and repaid at the**  
54 **linked deposit rate. Such principal payment shall be accelerated when more than thirty**  
55 **percent of the linked deposit loan is repaid within a single monthly period. Any principal**  
56 **received and not repaid, up to the point of the thirty percent or more payment, shall be**  
57 **repaid within thirty days of that payment at the linked deposit rate. Finally, when the**  
58 **linked deposit is tied to a "revolving line of credit agreement" between the banking**  
59 **institution and its borrower, the full amount of the line of credit shall be excluded from the**  
60 **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] **reduced by the amount established under subsection 3 of section**  
10 **30.758** to each eligible multitenant enterprise, eligible farming operation, eligible small business,  
11 eligible job enhancement business, eligible marketing enterprise, eligible residential property  
12 developer, eligible residential property owner, eligible agribusiness, eligible beginning farmer,  
13 eligible livestock operation, eligible student borrower, **eligible facility borrower**, or eligible  
14 water supply system as determined pursuant to rules and regulations promulgated by the state  
15 treasurer under the provisions of chapter 536, RSMo, including emergency rules issued pursuant  
16 to section 536.025, RSMo. In addition, the loan agreement shall specify that the eligible  
17 multitenant enterprise, eligible farming operation, eligible small business, eligible job  
18 enhancement business, eligible marketing enterprise, eligible residential property developer,  
19 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible  
20 livestock operation, eligible student borrower, **eligible facility borrower**, or eligible water  
21 supply system shall use the proceeds as required by sections 30.750 to 30.765, and that in the  
22 event the loan recipient does not use the proceeds in the manner prescribed by sections 30.750  
23 to 30.765, the remaining proceeds shall be immediately returned to the lending institution and  
24 that any proceeds used by the loan recipient shall be repaid to the lending institution as soon as  
25 practicable. All records and documents pertaining to the programs established by sections 30.750  
26 to 30.765 shall be segregated by the lending institution for ease of identification and  
27 examination. A certification of compliance with this section in the form and manner as  
28 prescribed by the state treasurer shall be required of the eligible lending institution. Any lender  
29 or lending officer of an eligible lending institution who knowingly violates the provisions of  
30 sections 30.750 to 30.765 is guilty of a class A misdemeanor.

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

43 farming operation, eligible small business, eligible job enhancement business, eligible marketing  
44 enterprise, eligible residential property developer, eligible residential property owner, eligible  
45 agribusiness, eligible beginning farmer, eligible livestock operation, eligible student borrower  
46 or eligible water supply system, but shall include a statement by the state treasurer that the  
47 eligible lending institutions have certified that all recipient eligible multitenant enterprises,  
48 eligible farming operations, eligible small businesses, eligible job enhancement businesses,  
49 eligible marketing enterprises, eligible residential property developers, eligible residential  
50 property owners, eligible agribusinesses, eligible beginning farmers, eligible livestock  
51 operations, eligible student borrowers or eligible water supply systems meet the criteria of  
52 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 or an eligible lending institution extends credit  
51 under the provisions of this section and provides the lead in underwriting the credit, it may  
52 enter into a participation agreement, sell part of the loan to third parties, syndicate the  
53 loan, or make other written arrangement with financial intermediaries, provided that at  
54 all times any financial intermediary, participant, purchaser, or other party obtaining a  
55 legal or equitable interest in the loan otherwise qualifies for linked deposit loans and fully  
56 collateralizes those loans as required by this chapter.

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 or eligible lending institutions as permitted by the  
61 constitution.

62 6. The state treasurer shall promulgate rules to implement the provisions of this  
63 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,  
64 that is created under the authority delegated in this section shall become effective only if  
65 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if  
66 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable  
67 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,  
68 to review, to delay the effective date, or to disapprove and annul a rule are subsequently  
69 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
70 adopted after August 28, 2005, shall be invalid and void.

71 7. The provisions of sections 23.250 to 23.298, RSMo, shall not apply to the  
72 provisions of this section.

Section 1. 1. There is hereby created in the state treasury the "State Treasurer's

2 **General Operations Fund” which shall receive deposits, make disbursements and be**  
3 **administered in compliance with the provisions of this section.**

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

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

17 **(1) On a daily basis, the state treasurer shall apportion any interest or other**  
18 **increment derived from the investment of funds in an amount proportionate to the average**  
19 **daily balance of funds in the state treasury. The state treasurer shall use a method in**  
20 **accordance with generally accepted accounting principles in apportioning and distributing**  
21 **that interest or increment. Prior to distributing that interest or increment, the state**  
22 **treasurer shall deduct the costs incurred by the state treasurer in administering this**  
23 **chapter in proportion to the average daily balance of the amounts deposited to each fund**  
24 **in the state treasury. The state treasurer shall then deposit the identified portion of the**  
25 **daily interest receipts in the “State Treasurer’s General Operations Fund”. All other**  
26 **remaining interest received on the investment of state funds shall be allocated and**  
27 **deposited to funds within the state treasury as required by law.**

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

34 **4. Notwithstanding the provisions of section 33.080, RSMo, moneys in the state**  
35 **treasurer’s general operations fund shall not lapse to the general revenue fund at the end**  
36 **of the biennium unless and only to the extent to which the amount in the fund exceeds the**  
37 **annual appropriations from the fund for the current fiscal year.**

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

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.