

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 468
93RD GENERAL ASSEMBLY

Reported from the Committee on Financial and Governmental Organizations and Elections, April 21, 2005, with recommendation that the Senate Committee Substitute do pass.

1391S.05C

TERRY L. SPIELER, Secretary.

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 for a certain section.

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30.247, 30.250, 30.260, 30.270, 30.750, 30.753, 30.756, 30.758, 2 30.760, 30.765, 30.767, 30.830, and 30.840, RSMo, are repealed and fifteen new sections 3 4 enacted in lieu thereof, to be known as sections 30.250, 30.260, 30.270, 30.286, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765,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 5 follows:

30.250. 1. The state treasurer shall enter into a written contract with each 2 3 4 5 6 7 8 9 10 11 12

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;

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

(4) Provisions requiring that the depository shall:

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

13 (a) Safely keep such deposits;

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

15 (c) Pay time deposits only in accordance with the contract with the depository;

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

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20 contract shall be withdrawn without the written consent of the state treasurer; and that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

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

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

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

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

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

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

14 3. Within the parameters of the state treasurer's written investment policy, the
15 state treasurer shall place the state moneys which the treasurer has determined are not
16 needed for current operations of the state government on time deposit drawing interest
17 in banking institutions in this state selected by the treasurer and approved by the
18 governor and the state auditor, or place them outright or, if applicable, by repurchase
19 agreement in obligations described in section 15, article IV, Constitution of Missouri, as
20 the treasurer in the exercise of the treasurer's best judgment determines to be in the
21 best overall interest of the people of the state 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**
24 **when such state money is invested in banking institutions in this state that,**
25 **in turn, provide additional loans and investments in the Missouri economy**
26 **and generate state taxes from such initial investments and the loans and**
27 **investments created by the banking institutions, compared to the removal or**
28 **withholding from banking institutions in the state of all or some such state**
29 **moneys and investing same in obligations authorized in section 15, article IV**
30 **of the Missouri Constitution;**

31 (3) The liquidity needs of the state;

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

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

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

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

50 federal law or regulation a bank which is a member of the Federal Reserve System may
51 from time to time pay on a time deposit of the same size and maturity.

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

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

 30.270. 1. For the security of the moneys deposited by the state treasurer
2 pursuant to the provisions of this chapter, the state treasurer shall, from time to time,
3 submit a list of acceptable securities to be approved by the governor and state auditor
4 if satisfactory to them, and the state treasurer shall require of the selected and approved
5 banks or financial institutions as security for the safekeeping and payment of deposits,
6 securities from the list provided for in this section, which list [may] **shall** include only
7 securities of the following kind and character, **unless it is determined by the state**

8 **treasurer that the use of such securities as collateral may place state public**
9 **funds at undue risk:**

10 (1) Bonds or other obligations of the United States;

11 (2) Bonds or other obligations of the state of Missouri including revenue bonds
12 issued by state agencies or by state authorities created by legislative enactment;

13 (3) Bonds of any city in this state having a population of not less than two
14 thousand;

15 (4) Bonds of any county in this state;

16 (5) Approved registered bonds of any school district situated in this state;

17 (6) Approved registered bonds of any special road district in this state;

18 (7) State bonds of any state;

19 (8) Notes, bonds, debentures or other similar obligations issued by [the federal
20 land banks, federal intermediate credit banks, or banks for cooperatives] **farm credit**
21 **banks or agricultural credit banks** or any other obligations issued pursuant to the
22 provisions of an act of the Congress of the United States known as the Farm Credit Act
23 of 1971, and acts amendatory thereto;

24 (9) Bonds of the federal home loan banks;

25 (10) Any bonds or other obligations guaranteed as to payment of principal and
26 interest by the government of the United States or any agency or instrumentality
27 thereof;

28 (11) Bonds of any political subdivision established pursuant to the provisions of
29 section 30, article VI[,] of the Constitution of Missouri;

30 (12) Tax anticipation notes issued by any county of the first classification;

31 (13) A surety bond issued by an insurance company licensed pursuant to the laws
32 of the state of Missouri whose claims-paying ability is rated in the highest category by
33 at least one nationally recognized statistical rating agency. The face amount of such
34 surety bond shall be at least equal to the portion of the deposit to be secured by the
35 surety bond;

36 (14) An irrevocable standby letter of credit issued by a Federal Home Loan Bank
37 possessing the highest rating issued by at least one nationally recognized statistical
38 rating agency;

39 (15) Out-of-state municipal bonds, provided such bonds are rated in the highest
40 category by at least one nationally recognized statistical rating agency;

41 **(16) (a) Mortgage securities that are individual loans that include**
42 **negotiable promissory notes and the first lien deeds of trust securing payment**
43 **of such notes on one to four family real estate, on commercial real estate, or**

44 on farm real estate located in Missouri or states adjacent to Missouri,
45 provided such loans:

46 a. Are underwritten to conform to standards established by the state
47 treasurer, which are substantially similar to standards established by the
48 Federal Home Loan Bank of Des Moines, Iowa, and any of its successors in
49 interest that provide funding for financial institutions in Missouri;

50 b. Are offered by a financial institution in which a senior executive
51 officer certifies under penalty of perjury that such loans are compliant with
52 the requirements of the Federal Home Loan Bank of Des Moines, Iowa, when
53 such loans are pledged by such bank;

54 c. Are offered by a financial institution that is well capitalized; and

55 d. Are not construction loans, are not more than ninety days
56 delinquent, have not been classified as substandard, doubtful, or subject to
57 loss, are one hundred percent owned by the financial institution, are
58 otherwise unencumbered and are not being temporarily warehoused in the
59 financial institution for sale to a third party.

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

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

75 (c) A status report on all such mortgage securities shall be provided to
76 the state treasurer on a calendar monthly basis in the manner and format
77 prescribed by the state treasurer by the financial institutions pledging such
78 mortgage securities and also shall certify their compliance with subsection
79 2 for such mortgage securities.

80 (d) In the alternative to paragraph (a) of this subdivision, a financial

81 institution may provide a blanket lien on all loans secured by one to four
82 family real estate, all loans secured by commercial real estate, all loans
83 secured by farm real estate, or any combination of these categories, provided
84 the financial institution secures such blanket liens with real estate located
85 in Missouri and states adjacent to Missouri and otherwise complies with
86 paragraphs (b) and (c) of this subdivision.

87 (e) The provisions of paragraphs (a) to (d) of this subdivision are not
88 authorized for any Missouri political subdivision, notwithstanding the
89 provisions of chapter 110, RSMo, to the contrary.

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

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

103 (17) Any investment that the state treasurer may invest in as provided
104 in section 15 of article IV of the Missouri constitution, and subject to the state
105 treasurer's written investment policy in section 30.260, that is not otherwise
106 provided for in this section, provided the banking institution or eligible
107 lending institution, as defined in section 30.750, is well capitalized, as defined
108 in subdivision (16) of this subsection. The provisions of this subdivision are
109 not authorized for political subdivisions, notwithstanding the provisions of
110 chapter 110, RSMo, to the contrary.

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

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

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

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

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

132 3. The securities or book entry receipts shall be delivered to the state treasurer
133 and receipted for by the state treasurer and retained by the treasurer or by financial
134 institutions that the governor, state auditor and treasurer agree upon. The state
135 treasurer shall from time to time inspect the securities and book entry receipts and see
136 that they are actually held by the state treasury or by the financial institutions selected
137 as the state depositories. The governor and the state auditor may inspect or request an
138 accounting of the securities or book entry receipts, and if in any case, or at any time, the
139 securities are not satisfactory security for deposits made as provided by law, they may
140 require additional security to be given that is satisfactory to them.

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

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

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

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

(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

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

27 (3) **"Eligible facility borrower", a borrower qualified under section**
28 **30.860 to apply 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
30 farm corporation, family farm, or family farm corporation as defined in section 350.010,
31 RSMo, that has all of the following characteristics:

32 (a) Is headquartered in this state;

33 (b) Maintains offices, operating facilities, or farming operations and transacts
34 business 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
38 defined as total assets minus total liabilities divided by total assets, except that an
39 otherwise eligible farming operation applying for a loan for the purpose of installing or
40 improving a waste management practice in order to comply with environmental
41 protection regulations shall be 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
46 which, as nearly as possible, is able to establish or retain at least one job in Missouri for
47 each twenty-five thousand dollars received from a linked deposit loan;

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

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

57 [(8)] (9) "Eligible marketing enterprise", a business enterprise operating in this
58 state which is in the process of marketing its goods, products or services within or
59 outside of this state or overseas, which marketing is designed to increase manufacturing,
60 transportation, mining, communications, or other enterprises in this state, which has

61 proposed its marketing plan and strategy to the department of economic development
62 and which plan and strategy has been approved by the department for purposes of
63 eligibility pursuant to sections 30.750 to [30.765] **30.767**. Such business enterprise shall
64 conform to the characteristics of paragraphs (a), (b) and (d) of subdivision [(3)] **(4)** of this
65 section and also employ less than twenty-five employees;

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

70 [(10)] **(11)** "Eligible residential property developer", an individual who purchases
71 and develops a residential structure of either two or four units, if such residential
72 property developer uses and agrees to continue to use, for at least the five years
73 immediately following the date of issuance of the linked deposit loan, one of the units as
74 his principal residence or if such person's principal residence is located within one-half
75 mile from the developed structure and such person agrees to maintain the principal
76 residence within one-half mile of the developed structure for at least the five years
77 immediately following the date of issuance of the linked deposit loan;

78 [(11)] **(12)** "Eligible residential property owner", a person, firm or corporation
79 who purchases, develops or rehabilitates a multifamily residential structure;

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

84 [(13)] **(14)** "Eligible student borrower", any person attending, or the parent of
85 a dependent undergraduate attending, an eligible higher education institution in
86 Missouri who may or may not qualify for need-based student financial aid calculated by
87 the federal analysis called Congressional Methodology Formula pursuant to 20 U.S.C.
88 1078, as amended (the Higher Education Amendments of 1986);

89 [(14)] **(15)** "Eligible water supply system", a water system which serves fewer
90 than fifty thousand persons and which is owned and operated by:

91 (a) A public water supply district established pursuant to chapter 247, RSMo; or
92 (b) A municipality or other political subdivision; or
93 (c) A water corporation; and which is certified by the department of natural
94 resources in accordance with its rules and regulations to have suffered a significant
95 decrease in its capacity to meet its service needs as a result of drought;

96 [(15)] **(16)** "Farming", using or cultivating land for the production of agricultural

97 crops, livestock or livestock products, forest products, poultry or poultry products, milk
98 or dairy products, or fruit or other horticultural products;

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

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

118 [(17)] (19) "Water corporation", as such term is defined in section 386.020,
119 RSMo;

120 [(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
2 amount so deposited at any one time shall not exceed, in the aggregate, [three hundred
3 sixty] **seven hundred twenty** million dollars. No more than [one hundred sixty-five]
4 **three hundred thirty** million dollars of the aggregate deposit shall be used for linked
5 deposits to eligible farming operations, eligible agribusinesses, eligible beginning farmers
6 [and], eligible livestock operations, **and eligible facility borrowers**, no more than
7 [fifty-five] **one hundred ten** million of the aggregate deposit shall be used for linked
8 deposits to small businesses, no more than [ten] **twenty** million dollars shall be used
9 for linked deposits to eligible multitenant development enterprises, and no more than
10 [ten] **twenty** million dollars of the aggregate deposit shall be used for linked deposits
11 to eligible residential property developers and eligible residential property owners, no
12 more than [one hundred ten] **two hundred twenty** million dollars of the aggregate

13 deposit shall be used for linked deposits to eligible job enhancement businesses and no
14 more than [ten] **twenty** million dollars of the aggregate deposit shall be used for linked
15 deposit loans to eligible water systems. Linked deposit loans may be made to eligible
16 student borrowers from the aggregate deposit. If demand for a particular type of linked
17 deposit exceeds the initial allocation, and funds initially allocated to another type are
18 available and not in demand, the state treasurer may commingle allocations among the
19 types of linked deposits. [The amount reallocated under this commingling provision
20 shall not exceed fifty percent of the initial allocation.]

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

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

23 requirements in section 30.860.

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

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

40 4. The eligible financial institution shall forward to the state treasurer a linked
41 deposit loan package, in the form and manner as prescribed by the state treasurer. The
42 package shall include such information as required by the state treasurer, including the
43 amount of each loan requested. The institution shall certify that each applicant is an
44 eligible farming operation, eligible small business, eligible job enhancement business,
45 eligible marketing enterprise, eligible residential property developer, eligible residential
46 property owner, eligible agribusiness, eligible beginning farmer, eligible livestock
47 operation, eligible student borrower, **eligible facility borrower**, or eligible water
48 supply system, and shall, for each eligible farming operation, small business, eligible job
49 enhancement business, eligible marketing enterprise, eligible residential property
50 developer, eligible residential property owner, eligible agribusiness, eligible beginning
51 farmer, eligible livestock operation, eligible student borrower, **eligible facility**
52 **borrower**, or eligible water supply system, certify the present borrowing rate applicable.

53 5. The eligible lending institution shall be responsible for determining if a
54 student borrower is an eligible student borrower. A student borrower shall be eligible
55 for an initial or renewal reduced rate loan only if, at the time of the application for the
56 loan, [he] **the student** is a citizen or permanent resident of the United States, a
57 resident of the state of Missouri as defined by the coordinating board for higher
58 education, is enrolled or has been accepted for enrollment in an eligible higher education

59 institution, and establishes that [he] **the student** has financial need. In considering
60 which eligible student borrowers may receive reduced rate loans, the eligible lending
61 institution may give priority to those eligible student borrowers whose income, or whose
62 family income, if the eligible student borrower is a dependent, is such that the eligible
63 student borrower does not qualify for need-based student financial aid pursuant to 20
64 U.S.C. 1078, as amended (the Higher Education Amendments of 1986). The eligible
65 lending institution shall require the eligible student borrower to document that [he] **the**
66 **student** has applied for and has obtained all need-based student financial aid for which
67 [he] **the student** is eligible prior to application for a reduced rate loan pursuant to this
68 section. In no case shall the combination of all financial aid awarded to any student in
69 any particular enrollment period exceed the total cost of attendance at the institution
70 in which the student is enrolled. No eligible lending institution shall charge any
71 additional fees, including but not limited to an origination, service or insurance fee on
72 any loan agreement under the provisions of sections 30.750 to 30.765.

73 6. The eligible lending institution making an initial loan to an eligible student
74 borrower may make a renewal loan or loans to the student. The total of such reduced
75 rate loans from eligible lending institutions made pursuant to this section to any
76 individual student shall not exceed the cumulative totals established by 20 U.S.C. 1078,
77 as amended. An eligible student borrower shall certify on his **or her** loan application
78 that the reduced rate loan shall be used exclusively to pay the costs of tuition, incidental
79 fees, books and academic supplies, room and board and other fees directly related to
80 enrollment in an eligible higher education institution. The eligible lending institution
81 shall make the loan payable to the eligible student borrower and the eligible higher
82 education institution as copayees. The method of repayment of the loan shall be the
83 same as for repayment of loans made pursuant to sections 173.095 to 173.186, RSMo.

84 **7. Beginning August 28, 2005, in considering which eligible multitenant**
85 **enterprise, eligible farming operation, eligible small business, eligible job**
86 **enhancement business, eligible marketing enterprise, eligible residential**
87 **property developer, eligible residential property owner, eligible agribusiness,**
88 **eligible beginning farmer, eligible livestock operation, eligible student**
89 **borrower, eligible facility borrower, or eligible water supply system should**
90 **receive reduced rate loans, the eligible lending institution shall give priority**
91 **to an eligible multitenant enterprise, eligible farming operation, eligible small**
92 **business, eligible job enhancement business, eligible marketing enterprise,**
93 **eligible residential property developer, eligible residential property owner,**
94 **eligible agribusiness, eligible beginning farmer, eligible livestock operation,**

95 eligible student borrower, eligible facility borrower, or eligible water supply
96 system that has not previously received a reduced rate loan through the
97 linked deposit program. However nothing shall prohibit an eligible lending
98 institution from making a reduced rate loan to any entity that previously has
99 received such a loan, if such entity otherwise qualifies for such a reduced
100 rate loan.

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

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

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

26 [3.] 4. The eligible lending institution shall enter into a deposit agreement with
27 the state treasurer, which shall include requirements necessary to carry out the purposes
28 of sections 30.750 to [30.765. Such requirements shall reflect the market conditions
29 prevailing in the eligible lending institution's lending area] 30.767. The deposit
30 agreement shall specify the length of time for which the lending institution will lend

31 funds upon receiving a linked deposit, **and the original deposit plus renewals shall**
32 **not exceed five years, except as otherwise provided in this chapter.** The
33 agreement shall also include provisions for the linked deposit of a linked deposit for an
34 **eligible facility borrower**, eligible multitenant enterprise, eligible farming operation,
35 small business, eligible marketing enterprise, eligible residential property developer,
36 eligible residential property owner, eligible agribusiness, eligible beginning farmer,
37 eligible livestock operation, eligible student borrower or job enhancement business [to
38 mature within a period not to exceed one year. The state treasurer may renew such
39 linked deposit for additional periods of time, each of which shall not exceed one
40 year. The linked deposit of a linked deposit for an eligible property developer or
41 residential property owner shall mature within a period not to exceed three years. The
42 linked deposit of a linked deposit for an eligible water supply system shall mature within
43 a period not to exceed three years and the state treasurer may renew such a linked
44 deposit for additional periods of time, each of which shall not exceed three
45 years]. Interest shall be paid at the times determined by the state treasurer.

46 [4.] 5. The period of time for which such linked deposit is placed with an eligible
47 lending institution shall be neither longer nor shorter than the period of time for which
48 the linked deposit is used to provide loans at reduced interest rates. The agreement
49 shall further provide that the state shall receive market interest rates on any linked
50 deposit or any portion thereof for any period of time for which there is no corresponding
51 linked deposit loan outstanding to an eligible multitenant enterprise, eligible farming
52 operation, eligible small business, eligible job enhancement business, eligible marketing
53 enterprise, eligible residential property developer, eligible residential property owner,
54 eligible agribusiness, eligible beginning farmer, eligible livestock operation, eligible
55 student borrower, **eligible facility borrower**, or eligible water supply system, **except**
56 **as otherwise provided in this subsection. Within thirty days after the annual**
57 **anniversary date of the linked deposit, the eligible lending institution shall**
58 **repay the state treasurer any linked deposit principal received from**
59 **borrowers in the previous yearly period and thereafter repay such principal**
60 **within thirty days of the yearly anniversary date calculated separately for**
61 **each linked deposit loan, and repaid at the linked deposit rate. Such**
62 **principal payment shall be accelerated when more than thirty percent of the**
63 **linked deposit loan is repaid within a single monthly period. Any principal**
64 **received and not repaid, up to the point of the thirty percent or more**
65 **payment, shall be repaid within thirty days of that payment at the linked**
66 **deposit rate. Finally, when the linked deposit is tied to a "revolving line of**

67 **credit agreement" between the banking institution and its borrower, the full**
68 **amount of the line of credit shall be excluded from the repayment provisions**
69 **of this subsection.**

30.760. 1. Upon the placement of a linked deposit with an eligible lending
2 institution, such institution is required to lend such funds to each approved eligible
3 multitenant enterprise, eligible farm operation, eligible small business, eligible job
4 enhancement business, eligible marketing enterprise, eligible residential property
5 developer, eligible residential property owner, eligible agribusiness, eligible beginning
6 farmer, eligible livestock operation, eligible student borrower, **eligible facility**
7 **borrower**, or eligible water supply system listed in the linked deposit loan package
8 required by section 30.756 and in accordance with the deposit agreement required by
9 section 30.758. The loan shall be at a fixed rate of interest [which is below the present
10 borrowing rate], **reduced by the amount established pursuant to subsection 3**
11 **of section 30.758**, applicable to each eligible multitenant enterprise, eligible farming
12 operation, eligible small business, eligible job enhancement business, eligible marketing
13 enterprise, eligible residential property developer, eligible residential property owner,
14 eligible agribusiness, eligible beginning farmer, eligible livestock operation, eligible
15 student borrower, **eligible facility borrower**, or eligible water supply system as
16 determined pursuant to rules and regulations promulgated by the state treasurer under
17 the provisions of chapter 536, RSMo, including emergency rules issued pursuant to
18 section 536.025, RSMo. In addition, the loan agreement shall specify that the eligible
19 multitenant enterprise, eligible farming operation, eligible small business, eligible job
20 enhancement business, eligible marketing enterprise, eligible residential property
21 developer, eligible residential property owner, eligible agribusiness, eligible beginning
22 farmer, eligible livestock operation, eligible student borrower, **eligible facility**
23 **borrower**, or eligible water supply system shall use the proceeds as required by sections
24 30.750 to 30.765, and that in the event the loan recipient does not use the proceeds in
25 the manner prescribed by sections 30.750 to 30.765, the remaining proceeds shall be
26 immediately returned to the lending institution and that any proceeds used by the loan
27 recipient shall be repaid to the lending institution as soon as practicable. All records
28 and documents pertaining to the programs established by sections 30.750 to 30.765 shall
29 be segregated by the lending institution for ease of identification and examination. A
30 certification of compliance with this section in the form and manner as prescribed by the
31 state treasurer shall be required of the eligible lending institution. Any lender or
32 lending officer of an eligible lending institution who knowingly violates the provisions
33 of sections 30.750 to 30.765 is guilty of a class A misdemeanor.

34 2. The state treasurer shall take any and all steps necessary to implement the
35 linked deposit program and monitor compliance of eligible multitenant enterprises,
36 eligible lending institutions, eligible farming operations, eligible small businesses,
37 eligible job enhancement businesses, eligible marketing enterprises, eligible residential
38 property developers, eligible residential property owners, eligible agribusinesses, eligible
39 beginning farmers, eligible livestock operations, **eligible facility borrowers**, or eligible
40 water supply systems. [Annually, by the first day of February, the state treasurer shall
41 report on the linked deposits program for the preceding calendar year to the governor,
42 the speaker of the house of representatives, and the president pro tem of the
43 senate. The report shall set forth the linked deposits made by the state treasurer under
44 the program during the year and shall include information regarding the nature, terms,
45 and amounts of the loans upon which the linked deposits were based. The report shall
46 not include the assets, liabilities or percent equity of any recipient eligible multitenant
47 enterprise, eligible farming operation, eligible small business, eligible job enhancement
48 business, eligible marketing enterprise, eligible residential property developer, eligible
49 residential property owner, eligible agribusiness, eligible beginning farmer, eligible
50 livestock operation, eligible student borrower or eligible water supply system, but shall
51 include a statement by the state treasurer that the eligible lending institutions have
52 certified that all recipient eligible multitenant enterprises, eligible farming operations,
53 eligible small businesses, eligible job enhancement businesses, eligible marketing
54 enterprises, eligible residential property developers, eligible residential property owners,
55 eligible agribusinesses, eligible beginning farmers, eligible livestock operations, eligible
56 student borrowers or eligible water supply systems meet the criteria of sections 30.750
57 to 30.765.]

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

13 deposit agreement between the eligible lending institution and the state treasurer.

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

30.830. The state treasurer may utilize up to [thirty] **sixty** million dollars of the
2 [one hundred sixty-five] **three hundred thirty** million dollar linked deposit allocation
3 for agriculture set forth in subsection 1 of section 30.753 for linked deposits for eligible
4 guaranteed 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**
3 **to five-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**
3 **produced for purpose of sale or exchange, except for animals whose principal**
4 **use may be construed as recreational or as a pet;**

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

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

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

14 **(b) Control the hiring and firing of management; and**

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

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

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

23 **(6) "Renewable fuel production facility", a facility producing an energy**

24 source that is derived from a renewable, domestically grown organic
25 compound capable of powering machinery, including an engine or power
26 plant, and any by-product derived from such energy source.

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

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

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

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

39 (3) The prospect of success of the particular project for which the loan
40 is sought; and

41 (4) Such other factors as the authority may establish by rule.

42 4. No reduced rate loan made to an eligible facility borrower under
43 sections 30.750 to 30.767 shall:

44 (1) Exceed seventy million dollars for any single eligible facility
45 borrower;

46 (2) Exceed seventy percent of the total anticipated cost of the
47 development facility or renewable fuel production facility or, in the case of
48 refinancing existing debt, ninety percent of the fair market value of the
49 development facility or renewable fuel production facility;

50 (3) Exceed a loan term of five years, except that such loan may be
51 extended up to two additional loan periods of five years each for a maximum
52 total loan term of fifteen years; and

53 (4) When a banking institution or an eligible lending institution
54 extends credit under the provisions of this section and provides the lead in
55 underwriting the credit, it may enter into a participation agreement, sell part
56 of the loan to third parties, syndicate the loan, or make other written
57 arrangement with financial intermediaries, provided that at all times any
58 financial intermediary, participant, purchaser, or other party obtaining a
59 legal or equitable interest in the loan otherwise qualifies for linked deposit
60 loans and fully collateralizes those loans as required by chapter 30.

61 5. The state treasurer may contract with other parties as permitted in
62 section 30.286 and consult with the authority to implement this
63 section. However, the state treasurer shall make the final determination on
64 the placement of linked deposits of state funds in banking institutions or
65 eligible lending institutions as permitted by the constitution.

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

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

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

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

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

19 (1) On a daily basis, the state treasurer shall apportion any interest or

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

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

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

45 5. The provisions of this section shall not be applicable to the state
46 road fund created in section 226.220, RSMo, the motor fuel tax fund created
47 in section 142.345, RSMo, the state highways and transportation department
48 fund created in section 226.200, RSMo, and the state transportation fund
49 created in section 226.225.

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

Section B. Because of the need to provide consistent funding to the State
2 Treasurer's Office to allow the office's primary functions to proceed in a timely and

3 efficient manner, the enactment of section 1 of this act is deemed necessary for the
4 immediate preservation of the public health, welfare, peace and safety, and is hereby
5 declared to be an emergency act within the meaning of the constitution, and the
6 enactment of section 1 of this act shall be in full force and effect upon its passage and
7 approval.

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