

By: Representative Aguirre

To: Banking and Financial Services

HOUSE BILL NO. 1577

1 AN ACT TO AMEND SECTIONS 27-105-305 AND 27-105-353,
2 MISSISSIPPI CODE OF 1972, TO PROVIDE NECESSARY UPDATES AND TO
3 HARMONIZE BIDDING TERMS FOR PUBLIC DEPOSITS BETWEEN COUNTIES AND
4 MUNICIPALITIES; TO REPEAL SECTION 27-105-363, MISSISSIPPI CODE OF
5 1972, WHICH PROVIDES THAT THE TERM OF OFFICE OF A MUNICIPAL
6 DEPOSITOR SHALL BE TWO YEARS; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Section 27-105-305, Mississippi Code of 1972, is
9 amended as follows:

10 27-105-305. The board of supervisors at the regular December
11 1997 meeting, and annually thereafter or, in the discretion of the
12 board of supervisors, thereafter at such other interval of time as
13 determined by the board of supervisors, * * * up to every four (4)
14 years, shall give notice to all financial institutions in its
15 county whose accounts are insured by the Federal Deposit Insurance
16 Corporation (or any successor thereto), by publication, that bids
17 will be received from financial institutions at the following
18 January meeting, or some subsequent meeting, for the privilege of
19 keeping the county funds, or any part thereof, which notice shall
20 refer by name to this article and it shall not be necessary to



21 incorporate in the notice the provisions of this article; and at
22 the January meeting, or a subsequent meeting as may be designated
23 in the notice, as the case may be, the board of supervisors shall
24 receive such bids or proposals as the financial institutions may
25 make for the privilege of keeping the county funds, or any part
26 thereof. The bids or proposals shall designate the kind of
27 security as authorized by law which the financial institutions
28 propose to give as security for funds, and the board shall cause
29 the county funds and all other funds in the hands of the county
30 treasurer to be deposited in the qualified financial institution
31 or qualified institutions proposing the best terms, taking into
32 consideration all material aspects of the proposal, including, but
33 not limited to, net earnings, account costs, costs of transfer of
34 accounts from existing depositories, banking services provided and
35 other service considerations, and meeting the requirements
36 provided in Section 27-105-315, having in view the safety of such
37 funds. However, if a bank submits a bid or offer to the board of
38 supervisors to act as a depository for the county and the bid or
39 offer, if accepted, would result in a contract in which a member
40 of the board of supervisors would have a direct or indirect
41 interest, the board of supervisors may elect to not open or
42 consider any bids received and submit the matter to the State
43 Treasurer. Upon receipt of the bids received from the board of
44 supervisors, the State Treasurer shall open and consider the bids
45 received, select a depository or depositories, make all decisions



46 and take any action within the authority of the board of
47 supervisors under this section relating to the selection of a
48 depository or depositories, including:

49 (a) The selecting and opening of accounts;

50 (b) Approval of securities;

51 (c) The transfer and deposit of funds between
52 depositories; and

53 (d) All other related functions.

54 If the board of supervisors elects to open and consider the
55 bids or offers, it shall not open or consider any bid which, if
56 accepted, would result in a contract in which a member of the
57 board of supervisors would have a direct or indirect interest.

58 **SECTION 2.** Section 27-105-353, Mississippi Code of 1972, is
59 amended as follows:

60 27-105-353. The board of mayor and aldermen or other
61 municipal authorities of each and every city, town or village in
62 the state are required to select a depository in the manner
63 provided by law for the selection of county depositories,
64 including, but not limited to, the same intervals of time as
65 counties for receiving bids from financial institutions for the
66 privilege of holding public funds. Before being selected, a
67 depository must be certified by the State Treasurer as meeting the
68 capital ratio requirement specified in Section 27-105-5 or
69 27-105-6. An institution shall not be a qualified depository and
70 shall not receive any municipal funds unless its ratio has been



71 certified annually by the State Treasurer as meeting the
72 prescribed requirement. Notwithstanding the foregoing, any
73 financial institution whether or not meeting the prescribed ratio
74 requirement whose accounts are insured by the Federal Deposit
75 Insurance Corporation or any successors to that insurance
76 corporation may receive municipal funds in an amount not exceeding
77 the amount that is insured by that insurance corporation and may
78 qualify as a municipal depository to the extent of that insurance
79 as prescribed in Section 27-105-315.

80 **SECTION 3.** Section 27-105-363, Mississippi Code of 1972,
81 which provides that the term of office of a municipal depository
82 shall be two (2) years, is repealed.

83 **SECTION 4.** This act shall take effect and be in force from
84 and after July 1, 2024.

