

By: Representative Aguirre

To: Banking and Financial Services

HOUSE BILL NO. 1577
(As Passed the House)

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; TO CLARIFY THE PUBLICATION AND
7 BIDDING PROCESS FOR ANY QUALIFIED FINANCIAL INSTITUTION THAT SEEKS
8 TO BECOME THE DEPOSITORY FOR COUNTY, MUNICIPAL AND SCHOOL FUNDS;
9 AND FOR RELATED PURPOSES.

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

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

13 27-105-305. (1) The board of supervisors at the regular
14 December 1997 meeting, and annually thereafter or, in the
15 discretion of the board of supervisors, thereafter at such other
16 interval of time as determined by the board of supervisors, * * *
17 up to every four (4) years, shall give notice to all financial
18 institutions in its county whose accounts are insured by the
19 Federal Deposit Insurance Corporation (or any successor thereto),
20 by publication, that bids will be received from financial
21 institutions at the following January meeting, or some subsequent



22 meeting, for the privilege of keeping the county funds, or any
23 part thereof * * *. The bid notice requirement published by the
24 board of supervisors, as set out under this subsection, shall be
25 accomplished by the board publishing the bid notice in a local
26 newspaper at least once for the initial bidding process. On the
27 same day that the bid notice is published, the board of
28 supervisors shall send the standard bid or proposal form as well
29 as any required attachments to all local financial institutions
30 that are qualified depositories via an electronic version. The
31 electronic version shall provide a financial institution the
32 ability to type in responses for the form and required
33 attachments. The notice shall:

34 (a) Provide good contact information to qualified
35 financial institutions to assist in the bidding process;

36 (b) Direct qualified financial institutions to use the
37 standardized bid or proposal form and any required attachments of
38 such form that are provided by the Office of the State Treasurer;
39 and

40 (c) Provide any qualified financial institution any
41 additional information that would be necessary for such
42 institution to offer a qualified bid. The notice shall refer by
43 name to this article and it shall not be necessary to incorporate
44 in the notice the provisions of this article; and at the January
45 meeting, or a subsequent meeting as may be designated in the
46 notice, as the case may be, the board of supervisors shall receive



47 such bids or proposals as the financial institutions may make for
48 the privilege of keeping the county funds, or any part thereof.

49 (2) The bids or proposals shall designate the kind of
50 security as authorized by law which the financial institutions
51 propose to give as security for funds, and the board shall cause
52 the county funds and all other funds in the hands of the county
53 treasurer to be deposited in the qualified financial institution
54 or qualified institutions proposing the best terms, taking into
55 consideration all material aspects of the proposal, including, but
56 not limited to, net earnings, account costs, costs of transfer of
57 accounts from existing depositories, banking services provided and
58 other service considerations, and meeting the requirements
59 provided in Section 27-105-315, having in view the safety of such
60 funds. However, if a bank submits a bid or offer to the board of
61 supervisors to act as a depository for the county and the bid or
62 offer, if accepted, would result in a contract in which a member
63 of the board of supervisors would have a direct or indirect
64 interest, the board of supervisors may elect to not open or
65 consider any bids received and submit the matter to the State
66 Treasurer.

67 (3) Upon receipt of the bids received from the board of
68 supervisors, the State Treasurer shall open and consider the bids
69 received, select a depository or depositories, make all decisions
70 and take any action within the authority of the board of



71 supervisors under this section relating to the selection of a
72 depository or depositories, including:

73 (a) The selecting and opening of accounts;

74 (b) Approval of securities;

75 (c) The transfer and deposit of funds between
76 depositories; and

77 (d) All other related functions.

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

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

84 27-105-353. The board of mayor and aldermen or other
85 municipal authorities of each and every city, town or village in
86 the state are required to select a depository in the manner
87 provided by law for the selection of county depositories,
88 including, but not limited to, the same intervals of time as
89 counties for receiving bids from financial institutions for the
90 privilege of holding public funds. Before being selected, a
91 depository must be certified by the State Treasurer as meeting the
92 capital ratio requirement specified in Section 27-105-5 or
93 27-105-6. An institution shall not be a qualified depository and
94 shall not receive any municipal funds unless its ratio has been
95 certified annually by the State Treasurer as meeting the



96 prescribed requirement. Notwithstanding the foregoing, any
97 financial institution whether or not meeting the prescribed ratio
98 requirement whose accounts are insured by the Federal Deposit
99 Insurance Corporation or any successors to that insurance
100 corporation may receive municipal funds in an amount not exceeding
101 the amount that is insured by that insurance corporation and may
102 qualify as a municipal depository to the extent of that insurance
103 as prescribed in Section 27-105-315.

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

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

