

By: Senator(s) Horhn

To: Business and Financial
Institutions

SENATE BILL NO. 2819

1 AN ACT TO AMEND SECTIONS 27-105-5, 27-105-303, 27-105-305,
2 27-105-315 AND 27-105-353, MISSISSIPPI CODE OF 1972, TO ALLOW
3 UNITED STATES TREASURY-CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL
4 INSTITUTIONS FUND CREDIT UNIONS WHOSE ACCOUNTS ARE INSURED BY THE
5 NATIONAL CREDIT UNION ADMINISTRATION TO QUALIFY AS PUBLIC FUNDS
6 DEPOSITORIES AND ACCEPT PUBLIC FUNDS FROM COUNTIES, MUNICIPALITIES
7 AND OTHER LOCAL GOVERNMENTAL UNITS; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-105-5, Mississippi Code of 1972, is
10 amended as follows:

11 27-105-5. (1) Any financial institution maintaining a
12 deposit-taking facility in this state whose accounts are insured
13 by the Federal Deposit Insurance Corporation or any successors to
14 that insurance corporation, and any United States
15 Treasury-certified Community Development Financial Institutions
16 Fund Credit Union whose accounts are insured by the National
17 Credit Union Administration or any successors to that insurance
18 administration, may qualify as a public funds depository by
19 submitting an application to the State Treasurer as provided by
20 Section 27-105-9, if the institution has a regulatory capital to



21 total assets ratio of five and one-half percent (5-1/2%) or more.
22 That ratio shall be determined not later than December 1 in each
23 calendar year by the State Treasurer on the basis of balance
24 sheets of applying institutions at June 30 of the same calendar
25 year, and an institution shall not be a qualified depository and
26 shall not receive any public funds unless its ratio has been
27 certified annually by the Treasurer as meeting the prescribed
28 requirement. Each applicant shall furnish to the State Treasurer
29 such financial statements, balance sheets or other documentation,
30 sworn to by a duly elected officer, on such date or dates and on
31 such forms as the State Treasurer may require. Any knowing or
32 willful misstatement of fact on those forms shall subject the
33 officer swearing to them to the penalty of perjury, and the
34 financial institution of which he or she is an officer shall not
35 be eligible to serve as a depository for a period of one (1) year
36 beginning with the date on which the State Treasurer certifies
37 that such a misstatement has been made. When so approved by the
38 State Treasurer, the institution shall place on deposit with the
39 State Treasurer qualified bonds, notes and liquid securities in an
40 aggregate amount at least equal to one hundred five percent (105%)
41 of the average daily balance of funds on deposit in the aggregate
42 by the State of Mississippi or any agency or department of the
43 state or by any county, municipality or other governmental unit in
44 excess of that portion of accounts insured by the Federal Deposit



45 Insurance Corporation or the National Credit Union Administration,
46 as the case may be, or any successor thereto.

47 (2) Any financial institution maintaining a deposit-taking
48 facility in this state whose accounts are insured by the Federal
49 Deposit Insurance Corporation or any successors to that insurance
50 corporation and which has been in existence for three (3) or more
51 years may qualify as a public funds depository and public funds
52 guaranty pool member under Section 27-105-6 by submitting an
53 application to the State Treasurer as provided by Section
54 27-105-9, if the institution has a regulatory capital to total
55 assets ratio of six and one-half percent (6-1/2%) or more and
56 otherwise meets the requirements of Section 27-105-6. That ratio
57 shall be determined not later than December 1 in each calendar
58 year by the State Treasurer on the basis of balance sheets of
59 applying institutions at June 30 of the same calendar year, and an
60 institution shall not be a member of the public funds guaranty
61 pool unless its ratio has been certified annually by the Treasurer
62 as meeting the prescribed requirement. Each applicant shall
63 furnish to the State Treasurer such financial statements, balance
64 sheets or other documentation, sworn to by a duly elected officer,
65 on such date or dates and on such forms as the State Treasurer may
66 require. Any knowing or willful misstatement of fact on those
67 forms shall subject the officer swearing to them to the penalty of
68 perjury and the financial institution of which he or she is an
69 officer shall not be eligible to serve as a depository for a



70 period of one (1) year beginning with the date on which the State
71 Treasurer certifies that such a misstatement has been made. When
72 so approved by the State Treasurer, the institution shall meet its
73 security requirement of one hundred five percent (105%) by placing
74 on deposit with the State Treasurer qualified bonds, notes and
75 liquid securities in an aggregate amount at least equal to
76 fifty-two and one-half percent (52-1/2%) of the average daily
77 balance of funds on deposit in the aggregate by the State of
78 Mississippi or any agency or department of the state or by any
79 county, municipality or other governmental unit in excess of that
80 portion of accounts insured by the Federal Deposit Insurance
81 Corporation, or any successor thereto, and executing a guarantee
82 equal to the balance of fifty-two and one-half percent (52-1/2%)
83 of the average daily balance of funds on deposit in the aggregate
84 by the State of Mississippi or any agency or department of the
85 state or by any county, municipality or other governmental unit in
86 excess of that portion of accounts insured by the Federal Deposit
87 Insurance Corporation, or any successor thereto.

88 (3) The term "qualified bonds, notes and liquid securities"
89 as used in this section shall mean:

90 (a) All securities that are direct obligations of the
91 United States Treasury or any other obligations fully guaranteed
92 by the United States government.

93 (b) Bonds, notes and other obligations of the Federal
94 Home Loan Bank, Federal National Mortgage Association, Federal



95 Land Banks, Banks for Cooperatives, and Federal Intermediate
96 Credit Banks, the Government National Mortgage Association, the
97 Federal Housing Administration, the Farmers Home Administration,
98 the Farm Credit System Financial Assistance Corporation, the
99 United States Postal Service, the Federal Financing Bank, the
100 Student Loan Marketing Association, the Small Business
101 Administration, the General Services Administration, the
102 Washington Metropolitan Area Transit Authority, the Maritime
103 Administration, the Export-Import Bank, the International Bank for
104 Reconstruction and Development, the Inter-American Development
105 Bank, the Asian Development Bank, loan participations that carry
106 the guarantee of the Commodity Credit Corporation, an
107 instrumentality of the United States Department of Agriculture or
108 other similar agencies approved by the State Treasurer.

109 (c) Obligations of the Tennessee Valley Authority.

110 (d) Legal obligation or revenue bonds of the State of
111 Mississippi, its agencies, or any political subdivision of the
112 state, or any municipality located in the State of Mississippi, or
113 the Yazoo Mississippi Delta and the Mississippi Levee Districts,
114 or the Mississippi Higher Education Assistance Corporation or its
115 successors, or any body corporate and politic created under the
116 laws of the State of Mississippi.

117 (e) General obligations issued by any other state or by
118 a county, parish or municipality of any other state, the full
119 faith and credit of which are pledged to the payment of principal



120 and interest, that are rated "A" or better by any recognized
121 national rating agency engaged in the business of rating bonds.

122 (f) Surety bonds of any surety company authorized to do
123 business in the State of Mississippi.

124 (g) All bonds authorized as security for state funds
125 under paragraphs (c), (d) and (e), inclusive, shall be investment
126 quality, and any bonds under paragraphs (c), (e) and (f),
127 inclusive, which are rated substandard by any of the appropriate
128 supervisory authorities having jurisdiction over the depository or
129 by any recognized national rating agency engaged in the business
130 of rating bonds, shall not be eligible for pledging as security to
131 the State of Mississippi by any qualified state depository. As
132 used in this paragraph, the term "investment quality" shall mean
133 that, at worst, the obligor of the bonds has adequate capacity to
134 meet its financial commitments even if adverse economic conditions
135 or changing circumstances are likely to lead to a weakened
136 capacity to do so.

137 No bonds shall be accepted as security for more than their
138 stated par value or market value, whichever is lower, except bonds
139 and obligations of the State of Mississippi and Mississippi State
140 Highway bonds or notes, which may be accepted as security at par
141 value or market value, whichever is greater.

142 The bonds, notes and liquid securities to be placed on
143 deposit shall secure both deposits and the accrued interest
144 thereon.



145 Money shall be drawn from the depositories so as to leave in
146 each as near as practicable, its equitable proportion of state
147 funds.

148 The State Treasurer is authorized and empowered to:

149 (i) Deposit for safekeeping in the vaults of any
150 of the state or national banks located within this state that are
151 members of the Federal Deposit Insurance Corporation and that have
152 appropriate safekeeping facilities approved by the State
153 Depository Commission, any federal reserve bank, any federal
154 reserve branch bank, or any bank that is a member of the Federal
155 Reserve System and is located in a city where there is a federal
156 reserve bank or a federal reserve branch bank, the securities
157 placed with him or her by financial institutions qualifying as
158 state depositories; or

159 (ii) Accept, in lieu of the securities themselves,
160 safekeeping trust receipts issued to the State Treasurer by the
161 authorized safekeeping banks listed in subparagraph (i) above; the
162 safekeeping trust receipts shall describe the securities and show
163 that the securities are held for safekeeping for the account of
164 the State Treasurer or other governmental unit. The securities so
165 deposited shall not be commingled in any manner with the assets of
166 the safekeeping bank.

167 The safekeeping banks listed in subparagraph (i) above are
168 authorized to issue to the State Treasurer their safekeeping trust
169 receipts based on safekeeping trust receipts issued to them by any



170 of their correspondent banks that are members of the Federal
171 Reserve System and are located in any federal reserve city and
172 that have physical custody of the pledged securities.

173 In no event shall the State Treasurer deposit for safekeeping
174 with any depository securities placed by the depository with the
175 State Treasurer in qualifying as a public funds depository, nor
176 shall he or she accept a safekeeping trust receipt by or from a
177 depository covering securities it owns in order to secure state
178 funds on deposit with it.

179 (4) In fulfilling the requirements of this Section 27-105-5,
180 the State Treasurer shall:

181 (a) Maintain perpetual inventory of pledged collateral
182 and perform monthly market valuations and quality ratings.

183 (b) Monitor and confirm, as often as deemed necessary
184 by the Treasurer, the pledged collateral held by third-party
185 custodians.

186 (c) Perfect an interest in pledged collateral by having
187 pledged securities moved into an account established in the
188 Treasurer's name. This action shall be taken at the discretion of
189 the Treasurer.

190 (d) Review the reports of each qualified public funds
191 depository for material changes in capital accounts or changes in
192 name, address or type of institution, record the average daily
193 balances of public deposits held; and monitor the



194 collateral-pledging levels and required collateral based on the
195 average daily balances.

196 (e) Compare public deposit information reported by
197 qualified public funds depositories and public depositors. That
198 comparison shall be conducted for qualified public depositories
199 based on established financial condition criteria of record on
200 September 30.

201 (f) Verify the reports of any qualified public funds
202 depository relating to public deposits it holds when necessary to
203 protect the integrity of the public deposits program.

204 (g) Confirm public deposits, to the extent possible
205 under current law, when needed.

206 (h) Require at his or her discretion the filing of any
207 information or forms required under this chapter to be by
208 electronic data transmission. Those filings of information or
209 forms shall have the same enforceability as a signed writing.

210 (5) A qualified public funds depository shall:

211 (a) Within fifteen (15) days after the end of each
212 calendar month or when requested by the Treasurer, submit to the
213 Treasurer a written report, under oath, indicating the average
214 daily balance of all public deposits held by it during the
215 reported month, required collateral, a detailed schedule of all
216 securities pledged as collateral, selected financial information,
217 and any other information that the Treasurer determines necessary
218 to administer this chapter.



219 (b) Provide to each public depositor annually, not
220 later than thirty (30) days following the public depositor's
221 fiscal year end, the following information on all open accounts
222 identified as a "public deposit" for that public depositor as of
223 its fiscal year end, to be used for confirmation purposes: the
224 federal employer identification number of the public funds
225 depository, the name on the deposit account record, the federal
226 employer identification number on the deposit account record, and
227 the account number, account type and actual account balance on
228 deposit. Any discrepancy found in the confirmation process shall
229 be reconciled within sixty (60) days of the public depositor's
230 fiscal year end.

231 (c) Submit to the Treasurer annually, not later than
232 sixty (60) days of the public depositor's fiscal year end, a
233 report of all public deposits held for the credit of all public
234 depositors at the close of business on each public depositor's
235 fiscal year end. The annual report shall consist of public
236 deposit information in a report format prescribed by the
237 Treasurer. The manner of required filing may be as a signed
238 writing or electronic data transmission, at the discretion of the
239 Treasurer.

240 (6) Public depositors shall comply with the following
241 requirements:

242 (a) A public depositor shall ensure that the name of
243 the public depositor and its tax identification number are on the



244 account or certificate provided to the public depositor by the
245 qualified public depository in a manner sufficient to disclose the
246 identity of the public depositor;

247 (b) Not later than thirty (30) days following its
248 fiscal year end, a public depositor shall notify the State
249 Treasurer of its official name, address, federal tax
250 identification number, and provide a listing of all accounts that
251 it had with qualified public depositories, including the deposit
252 balance in those accounts, as of its fiscal year end. A public
253 entity established during the year shall furnish its official
254 name, address and federal tax identification number to the State
255 Treasurer before making any public deposit.

256 (7) Any information contained in a report of a qualified
257 public funds depository required under Section 27-105-5 or
258 27-105-6 shall be considered confidential and exempt from
259 disclosure and not subject to dissemination to anyone other than
260 the State Treasurer and the State Auditor under the provisions of
261 this chapter.

262 (8) The State Treasurer is empowered to assume
263 responsibility as successor pledgee as agent on behalf of any
264 county, municipality or other governmental unit of any and all
265 collateral pledged before July 1, 2001, to that county,
266 municipality or governmental unit by that public funds depository.
267 Upon assuming responsibility as successor pledgee as provided in
268 this subsection (8), the State Treasurer is empowered to sign such



269 documents on behalf of any such county, municipality or
270 governmental unit as may be required by a trustee custodian,
271 including, but not limited to, any documentation necessary to
272 change the pledgee from the county, municipality or governmental
273 unit as pledgee to the State Treasurer as agent.

274 (9) As used in this section and Section 27-105-6, the
275 following terms shall have the meanings set forth below:

276 (a) The term "regulatory capital" means the bank's
277 regulatory (Tier 1) capital, as calculated in accordance with 12
278 CFR Part 3, 12 CFR Part 217 or 12 CFR 324, as now enacted, or as
279 amended or replaced, as applicable to the applicant.

280 (b) The term "assets classified loss" means:

281 (i) When measured as of the date of examination of
282 the financial institution, those assets that have been determined
283 by an evaluation made by a state or federal examiner as of that
284 date to be a loss; and

285 (ii) When measured as of any other date, those
286 assets:

287 (A) That have been determined: 1. by an
288 evaluation made by a state or federal examiner at the most recent
289 examination of the financial institution to be a loss, or 2. by
290 evaluations made by the financial institution since its most
291 recent examination to be a loss; and

292 (B) That have not been charged off from the
293 financial institution's books or collected.



294 (c) The term "intangible assets" means those assets
295 that would be required to be reported in the item for intangible
296 assets in a Federal Deposit Insurance Corporation (FDIC) banking
297 institution's "Reports of Condition and Income" (Call Reports),
298 regardless of whether the institution is insured by the FDIC.

299 (d) The term "mandatory convertible debt" means a
300 subordinated debt instrument meeting the requirements of the
301 Federal Deposit Insurance Corporation that requires the issuer to
302 convert the instrument into common or perpetual preferred stock by
303 a date at or before the maturity of the debt instrument. The
304 maturity of these instruments must be twelve (12) years or less.

305 (e) The term "mortgage servicing rights" means those
306 assets (net of any related valuation allowances) that result from
307 contracts to service loans secured by real estate (that have been
308 securitized or are owned by others) for which the benefits of
309 servicing are expected to more than adequately compensate the
310 servicer for performing the servicing.

311 (f) The term "perpetual preferred stock" means a
312 preferred stock that does not have a stated maturity date or that
313 cannot be redeemed at the option of the holder and that has no
314 other provisions that will require future redemption of the issue.
315 It includes those issues of preferred stock that automatically
316 convert into common stock at a stated date. It excludes those
317 issues, the rate on which increases, or can increase, in such a



318 manner that would effectively require the issuer to redeem the
319 issue.

320 (g) The term "total assets" means the average of total
321 assets of any financial institution that are or would be included
322 in a Federal Deposit Insurance Corporation (FDIC) banking
323 institution's "Reports of Condition and Income" (Call Reports),
324 regardless of whether the institution is insured by the FDIC, and
325 minus intangible assets other than mortgage servicing rights.

326 (h) The term "average daily balance" means the average
327 daily balance of public deposits of each governmental unit held
328 during the reported month. The average daily balances must be
329 determined by totaling, by account, the daily balance held by the
330 depositor and then dividing the total by the number of calendar
331 days in the month. Deposit insurance is then deducted from each
332 public depositor's balance and the resulting amounts are totaled
333 to obtain the average daily balance.

334 (i) The term "public funds" means funds in which the
335 entire beneficial interest is owned by a governmental unit or
336 funds held in the name of a public official of a governmental unit
337 charged with the duty to receive or administer funds and acting in
338 such official capacity.

339 (j) The term "governmental unit" means the State of
340 Mississippi, and any office, department, agency, division, bureau,
341 commission, board, institution, hospital, college, university,
342 airport authority or other instrumentality thereof, whether or not



343 such body or instrumentality has the authority to levy taxes or to
344 sue or be sued in its own name. Further, it shall mean any body
345 politic or body corporate other than the state responsible for
346 governmental activities only in geographic areas smaller than that
347 of the state, including, but not limited to, any county,
348 municipality, school district, community hospital as defined in
349 Section 41-13-10, airport authority or other instrumentality
350 thereof, whether or not such body or instrumentality has the
351 authority to levy taxes or to sue or be sued in its own name. It
352 is the intent to include all state and political subdivisions or
353 instrumentalities thereof whether specifically recited herein or
354 not.

355 **SECTION 2.** Section 27-105-303, Mississippi Code of 1972, is
356 amended as follows:

357 27-105-303. The amount of money belonging to the several
358 funds in the county treasury of each county in the state which is
359 required to meet the current needs and demands of no more than
360 seven (7) business days shall be kept on deposit in or through
361 qualified financial institutions whose accounts are insured by the
362 Federal Deposit Insurance Corporation or the Federal Savings and
363 Loan Insurance Corporation, or in or through United States
364 Treasury-certified Community Development Financial Institutions
365 Fund Credit Union whose accounts are insured by the National
366 Credit Union Administration, or in or through some of them doing
367 business in the several counties, provided that where there is no



368 such financial institution in a county qualifying as a depository,
369 some such financial institution in an adjoining county may qualify
370 as a depository. All such deposits shall be subject to payment
371 when demanded on warrant issued by the clerk of the board of
372 supervisors on the order of the * * * board or on the allowance of
373 a court authorized to allow the same. Each financial institution
374 qualifying as such county depository shall not be required to pay
375 interest to the county for the privilege of holding the deposits
376 unless federal law permits the payment of interest on such
377 deposits, in which case the maximum permitted interest rate shall
378 be paid on such deposits. Where more than one (1) financial
379 institution in a county offers to qualify as a depository, the
380 board of supervisors may allocate such money to each qualified
381 financial institution as nearly as practicable in proportion to
382 their respective net worth, and may adopt the rules for receiving
383 such deposits.

384 **SECTION 3.** Section 27-105-305, Mississippi Code of 1972, is
385 amended as follows:

386 27-105-305. The board of supervisors at the regular December
387 1997 meeting, and annually thereafter or, in the discretion of the
388 board of supervisors, thereafter at such other interval of time as
389 determined by the board of supervisors, but no less frequently
390 than every four (4) years, shall give notice to all financial
391 institutions in its county whose accounts are insured by the
392 Federal Deposit Insurance Corporation (or any successor thereto),



393 and to all United States Treasury-certified Community Development
394 Financial Institutions Fund Credit Union in its county whose
395 accounts are insured by the National Credit Union Administration
396 (or any successor thereto), by publication, that bids will be
397 received from financial institutions at the following January
398 meeting, or some subsequent meeting, for the privilege of keeping
399 the county funds, or any part thereof, which notice shall refer by
400 name to this article and it shall not be necessary to incorporate
401 in the notice the provisions of this article; and at the January
402 meeting, or a subsequent meeting as may be designated in the
403 notice, as the case may be, the board of supervisors shall receive
404 such bids or proposals as the financial institutions may make for
405 the privilege of keeping the county funds, or any part thereof.
406 The bids or proposals shall designate the kind of security as
407 authorized by law which the financial institutions propose to give
408 as security for funds, and the board shall cause the county funds
409 and all other funds in the hands of the county treasurer to be
410 deposited in the qualified financial institution or qualified
411 institutions proposing the best terms, taking into consideration
412 all material aspects of the proposal, including, but not limited
413 to, net earnings, account costs, costs of transfer of accounts
414 from existing depositories, banking services provided and other
415 service considerations, and meeting the requirements provided in
416 Section 27-105-315, having in view the safety of such funds.
417 However, if a bank submits a bid or offer to the board of



418 supervisors to act as a depository for the county and the bid or
419 offer, if accepted, would result in a contract in which a member
420 of the board of supervisors would have a direct or indirect
421 interest, the board of supervisors may elect to not open or
422 consider any bids received and submit the matter to the State
423 Treasurer. Upon receipt of the bids received from the board of
424 supervisors, the State Treasurer shall open and consider the bids
425 received, select a depository or depositories, make all decisions
426 and take any action within the authority of the board of
427 supervisors under this section relating to the selection of a
428 depository or depositories, including:

- 429 (a) The selecting and opening of accounts;
- 430 (b) Approval of securities;
- 431 (c) The transfer and deposit of funds between
432 depositories; and
- 433 (d) All other related functions.

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

438 **SECTION 4.** Section 27-105-315, Mississippi Code of 1972, is
439 amended as follows:

440 27-105-315. (1) Any financial institution in a county, or
441 in an adjoining county where there is no financial institution in
442 the county qualifying, whose accounts are insured by the Federal



443 Deposit Insurance Corporation or any successors to that insurance
444 corporation, and any United States Treasury-certified Community
445 Development Financial Institutions Fund Credit Union in a county,
446 or in an adjoining county where there is no such credit union in
447 the county qualifying, whose accounts are insured by the National
448 Credit Union Administration or any successors to that insurance
449 administration, may qualify as a county depository, if the
450 institution qualifies as a public funds depository under Section
451 27-105-5 or a public funds guaranty pool member under Sections
452 27-105-5 and 27-105-6. The qualified financial institution shall
453 secure those deposits by placing qualified securities on deposit
454 with the State Treasurer as provided in Section 27-105-5.

455 (2) Notwithstanding the foregoing, any financial institution
456 whether or not meeting the prescribed ratio requirement whose
457 accounts are insured by the Federal Deposit Insurance Corporation
458 or any successors to that insurance corporation, or any United
459 States Treasury-certified Community Development Financial
460 Institutions Fund Credit Union whether or not meeting the
461 prescribed ratio requirement whose accounts are insured by the
462 National Credit Union Administration or any successors to that
463 insurance administration, may receive county funds in an amount
464 not exceeding the amount that is insured by that insurance
465 corporation or insurance administration and may qualify as a
466 county depository to the extent of that insurance.



467 (3) For purposes of the foregoing subsection (2), a deposit
468 or investment shall be within the amount that is insured by that
469 insurance corporation or insurance administration if the deposit
470 or investment is made on the following conditions:

471 (a) The financial institution arranges for the
472 investment of the funds in interest-bearing accounts in one or
473 more banks or savings and loan associations wherever located in
474 the United States, for the account of the public depositor;

475 (b) The full amount of the principal and accrued
476 interest of each such interest-bearing account is insured by the
477 Federal Deposit Insurance Corporation or by the National Credit
478 Union Administration;

479 (c) The financial institution acts as custodian for the
480 public depositor with respect to the funds invested in the public
481 depositor's account; and

482 (d) At the same time that such interest-bearing
483 accounts are invested, the financial institution receives an
484 amount of deposits from customers of other financial institutions
485 located in the United States equal to or greater than the amount
486 of the funds invested by the public depositor through the
487 financial institution.

488 **SECTION 5.** Section 27-105-353, Mississippi Code of 1972, is
489 amended as follows:

490 27-105-353. The board of mayor and aldermen or other
491 municipal authorities of each and every * * * municipality in the



492 state are required to select a depository in the manner provided
493 by law for the selection of county depositories. Before being
494 selected, a depository must be certified by the State Treasurer as
495 meeting the capital ratio requirement specified in Section
496 27-105-5 or 27-105-6. An institution shall not be a qualified
497 depository and shall not receive any municipal funds unless its
498 ratio has been certified annually by the State Treasurer as
499 meeting the prescribed requirement. Notwithstanding the
500 foregoing, any financial institution whether or not meeting the
501 prescribed ratio requirement whose accounts are insured by the
502 Federal Deposit Insurance Corporation or any successors to that
503 insurance corporation, or any United States Treasury-certified
504 Community Development Financial Institutions Fund Credit Union
505 whether or not meeting the prescribed ratio requirement whose
506 accounts are insured by the National Credit Union Administration
507 or any successors to that insurance administration, may receive
508 municipal funds in an amount not exceeding the amount that is
509 insured by that insurance corporation or insurance administration
510 and may qualify as a municipal depository to the extent of that
511 insurance as prescribed in Section 27-105-315.

512 **SECTION 6.** This act shall take effect and be in force from
513 and after July 1, 2024.

