AN ACT

To repeal sections 30.270, 67.085, 95.530, 110.010, 110.080, 110.140, 165.221, 165.231, 165.241, and 165.271, RSMo, and to enact in lieu thereof thirteen new sections relating to financial institutions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 30.270, 67.085, 95.530, 110.010, 110.080, 110.140, 165.221, 165.231, 165.241, and 165.271, RSMo, are repealed and thirteen new sections enacted in lieu thereof, to be known as sections 30.270, 67.085, 95.530, 110.010, 110.080, 110.140, 143.433, 148.720, 165.221, 165.231, 165.241, 165.271, and 447.200, to read as follows:

30.270. 1. For the security of the moneys deposited by the state treasurer pursuant to the provisions of this chapter, the state treasurer shall, from time to time, submit a list of acceptable securities to be approved by the governor and state auditor if satisfactory to them, and the state treasurer shall require of the selected and approved banks or financial institutions as security for the safekeeping and payment of deposits, securities from the list provided for in this section, which list shall include only securities of the following kind and character, unless it is determined by the state treasurer that the use of such securities as collateral may place state public funds at undue risk:

   (1) Bonds or other obligations of the United States;
   (2) Bonds or other obligations of the state of Missouri including revenue bonds issued by state agencies or by state authorities created by legislative enactment;
   (3) Bonds or other obligations of any city in this state having a population of not less than two thousand;
   (4) Bonds or other obligations of any county in this state;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.
(5) Approved registered bonds or other obligations of any school district, including certificates of participation and leasehold revenue bonds, situated in this state;

(6) Approved registered bonds or other obligations of any special road district in this state;

(7) State bonds or other obligations of any state;

(8) Notes, bonds, debentures or other similar obligations issued by the farm credit banks or agricultural credit banks or any other obligations issued pursuant to the provisions of an act of the Congress of the United States known as the Farm Credit Act of 1971, and acts amendatory thereto;

(9) Bonds of the federal home loan banks;

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

(11) Bonds of any political subdivision established pursuant to the provisions of [Section 30] sections 30(a) and 30(b), article VI of the Constitution of Missouri;

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

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

(14) An irrevocable standby letter of credit issued by a Federal Home Loan Bank;

(15) Out-of-state municipal bonds, including certificates of participation and leasehold revenue bonds, provided such bonds are rated in one of the four highest [category] rating categories by at least one nationally recognized statistical rating agency;

(16) (a) Mortgage securities that are individual loans that include negotiable promissory notes and the first lien deeds of trust securing payment of such notes on one to four family real estate, on commercial real estate, or on farm real estate located in Missouri or states adjacent to Missouri, provided such loans:

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

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

   c. Are offered by a financial institution that is well capitalized; and
d. Are not construction loans, are not more than ninety days delinquent, have not been classified as substandard, doubtful, or subject to loss, are one hundred percent owned by the financial institution, are otherwise unencumbered and are not being temporarily warehoused in the financial institution for sale to a third party. Any disqualified mortgage securities shall be removed as collateral within ninety days of disqualification or the state treasurer may disqualify such collateral as collateral for state funds;

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

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

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

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

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

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

(17) **Brokered or negotiable certificates of deposit that are fully insured either by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;**

(18) Any investment that the state treasurer may invest in as provided in Article IV, Section 15 of the Missouri Constitution, and subject to the state treasurer's written investment policy in section 30.260, that is not otherwise provided for in this section, provided the banking institution or eligible lending institution as defined in subdivision (10) of section 30.750 is well capitalized, as defined in subdivision (16) of this subsection. The provisions of this subdivision are not authorized for political subdivisions, notwithstanding the provisions of chapter 110 to the contrary.

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

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

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

(3) United States Treasury securities and United States Federal Agency debentures issued by Fannie Mae, Freddie Mac, the Federal Home Loan Bank, or the Federal Farm Credit Bank valued at market and deposited as collateral shall not exceed one hundred five percent of the aggregate amount of time deposits and demand deposits. All other securities, except as noted elsewhere in this section, valued at market and deposited as collateral shall not exceed one hundred fifteen percent of the aggregated amount of the time deposits and demand deposits; and

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

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

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

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

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

67.085. Notwithstanding any law to the contrary, any political subdivision of the state and any other public entity in Missouri may invest funds of the public entity not immediately needed for the purpose to which such funds or any of them may be applicable provided each public entity meets the requirements for separate deposit insurance of public funds permitted by federal deposit insurance and in accordance with the following conditions:

(1) The public funds are invested through a financial institution which has been selected as a depository of the funds in accordance with the applicable provisions of the statutes of Missouri relating to the selection of depositaries and such financial institution enters into a written agreement with the public entity;

(2) The selected financial institution arranges for the deposit of the public funds in deposit accounts in one or more financial institutions wherever located in the United States, for the account of the public entity;

(3) Each such deposit account is insured by federal deposit insurance for one hundred percent of the principal and accrued interest of the deposit; and

(4) The selected financial institution acts as custodian for the public entity with respect to such deposit accounts; and

(5) On the same date that the public funds are deposited under subdivision (2) of this section, the selected financial institution receives an amount of deposits from customers of other
financial institutions equal to the amount of the public funds initially invested by the public
entity through the selected financial institution].

95.530. In all cities not within a county, the mayor, the comptroller and the treasurer
shall constitute the funds committee, and the treasurer, by virtue of his office, shall serve as
chairman of such committee. The committee shall annually select a bank or banks, or trust
company or trust companies, or credit union or credit unions, savings and loan or savings and
loans, which has its principal place of business in Missouri referred to hereafter as "listed
institutions", for the current deposit of the city's funds, which in their opinion will be most
commensurate with the safety thereof. The treasurer, as chairman, shall supervise the business
of the committee and maintain records of committee proceedings, and shall call annual meetings
or any other meeting as often as the business of the city may require. The treasurer shall be a
member of any financial planning or decision-making body or committee furthering the needs
of the city's financial business, except the legislative and appropriating bodies. The treasurer,
by virtue of his office, shall sit on any committee or group which deals with the issuance of
bonds of the city or any agency or instrumentality thereof. The treasurer shall serve as the chief
investment and cash management officer of the city and, as such, act as the sole investment
authority on any investments of public funds held by the city or any instrumentality thereof,
including funds derived from proceeds from the issuance of bonds and funds from proceeds from
lease/purchase agreements. Such investments shall be made in a manner consistent with
investment policies approved by the funds commission, and with judgment and care, under
circumstances then prevailing, which persons of prudence, discretion and intelligence exercise
in the management of their own affairs, not for speculation, but for investment, considering the
probable safety of capital and income to be derived. The treasurer shall ensure the safety of all
funds held by the city or any instrumentalties thereof and, upon the approval of the funds
commission and reasonable notice, may assume control of any accounts not managed in
compliance with state law, serve as the custodian of any funds held in such accounts and take
any other measures reasonably required to ensure the preservation of public funds and
compliance with applicable law. The funds commission, also known as the "funds committee",
shall approve all financial institutions for any banking services required by the city pursuant to
investment policies and evaluation criteria set by the treasurer and approved by the funds
commission. At least once per year, the treasurer and the city's external auditors shall report to
the comptroller on the city's compliance with this section. Any state or municipally created
agency, citywide elected officials or any instrumentality thereof working in cooperation with the
city in the collection, management, investment or disbursement of governmental funds, shall
annually report a listing of all listed institution's accounts, including a list of all pledged
collateral, to the fund committee. Any financial institution acting as a depository or custodian
of public funds for any state or municipally created agency, citywide elected official or any
instrumentality thereof working in the collection, management, investment or disbursement of
governmental funds for a city located not within a county shall annually report to the funds
committee. Such agencies, elected officials and instrumentalities shall, during the interim
period, report any change or transfer or establishment of new accounts or changes in collateral
to the fund committee within ten days of doing so. Financial institutions, when requested by the
funds committee, shall verify such information. Before any deposit shall be made by the
treasurer in any listed institution, the institution shall give a bond in an amount equal to the
deposit, with good and sufficient sureties, to be approved by the unanimous vote of the members
of the funds committee, for the safekeeping and prompt payment of such funds, or any part
thereof, when demanded by the treasurer, and shall at all times keep the sureties on such bond
satisfactory to the funds committee. In lieu of [or in addition to] such bond, listed institutions
may, with the unanimous consent of the members of the funds committee, deposit with the
treasurer of such city or with some other mutually satisfactory depositary [in such city, in escrow,
bonds or treasury certificates of the United States or other interest-bearing obligations guaranteed
as to both principal and interest by the United States or agency or instrumentality thereof in
accordance with the approved] collateral securities maintained and approved by the state
treasurer, or bonds of the state of Missouri or of any city not within a county, authorized under
section 30.270 and approved by the state treasurer with respect to deposit and management
of state funds of a [par] value equal to the amount of such deposit, or any part of such deposit
not protected by [such bond] federal deposit insurance. The securities so deposited shall, in
case of default by any such listed institution, be taken possession of by the funds committee, and
to the extent required to make good such default, be sold for the benefit of such city. Any
securities so deposited may, with the unanimous consent of the members of the funds committee,
be withdrawn, and others of equal value and amount substituted therefor. As the amount of such
funds on deposit is reduced, listed institutions, when not in default, shall be permitted to
withdraw the excess of collateral, except that there shall at no time be a less amount in par value
of collateral than the amount at such time of deposits. The securities so deposited or any
substitute therefor, shall, upon default, be exhausted before recourse shall be had against the
securities upon any bond executed by listed institutions for the protection of such deposits. In
lieu of or in addition to such deposit of city funds in listed institutions, the treasurer may invest
funds belonging to such city and not immediately needed for the purpose to which such funds
or any of them may be applicable, in accordance with Section 15, Article IV of the Missouri
Constitution. In addition, the treasurer may enter into repurchase agreements maturing and
becoming payable within ninety days secured by United States Treasury obligations or
obligations of the United States government agencies or instrumentalities of any maturity as provided by law.

110.010. 1. The public funds of every county, township, city, town, village, school district of every character, road district, sewer district, fire protection district, water supply district, drainage or levee district, state hospital, state schools for the mentally deficient, Missouri School for the Deaf, Missouri School for the Blind, Missouri Training School for Boys, training school for girls, Missouri Veterans' Home, Missouri State Chest Hospital, state university, Missouri state teachers' colleges, Lincoln University, [which] or any other political subdivision or agency of the state that are deposited in any banking institution acting as a legal depositary of the funds under the statutes of Missouri requiring the letting and deposit of the same and the furnishing of security therefor[.] shall be secured by the deposit of securities of the character prescribed by section 30.270 for the security of funds deposited by the state treasurer.

2. The securities shall, at the option of the depositary banking institution, be delivered either to the fiscal officer or the governing body of the municipal corporation or other depositor of the funds, or by depositing the securities with another banking institution or safe depositary as trustee satisfactory to both parties to the depositary agreement. The trustee may be a bank owned or controlled by the same bank holding company as the depositary banking institution.

3. The rights and duties of the several parties to the depositary contract shall be the same as those of the state and the depositary banking institution respectively under section 30.270. If a depositary banking institution deposits the bonds or securities with a trustee as above provided, and the municipal corporation or other depositor of funds gives notice in writing to the trustee that there has been a breach of the depositary contract and makes demand in writing on the trustee for the securities, or any part thereof, then the trustee shall forthwith surrender to the municipal corporation or other depositor of funds a sufficient amount of the securities to fully protect the depositor from loss and the trustee shall thereby be discharged of all further responsibility in respect to the securities so surrendered.

4. Pursuant to an agreement with the banking institution serving as a depositary for a public entity under this section, public funds held in the custody of the depositary may be invested in the obligations described in article IV, section 15 of the Constitution of Missouri permitted for the state treasurer, including repurchase agreements, provided the investments are authorized in an investment policy adopted by the public entity, treasurer, or other finance officer authorized to act for the public entity.

110.080. 1. Any banking corporation, association or trust company in the city desiring to bid shall deliver to the secretary of the board on or before twelve o'clock noon on the day of the meeting at which the depositary is to be selected a sealed bid stating the rate of interest that
it offers to pay on the funds and moneys of the institution for the term of up to four years next ensuring the date of the bid.

2. Each bid shall be accompanied by a check in favor of the institution on some solvent banking corporation, association, or trust company in the city, duly certified, for not less than one thousand dollars, as a guaranty of good faith on the part of the bidder that if its bid is accepted by the board it will give the security required by section 110.010.

3-] It is a misdemeanor for the secretary of the board to directly or indirectly disclose the amount of any bid before the selection of the depositary or depositaries.

110.140. 1. Any banking corporation or association in the county desiring to bid shall deliver to the clerk of the commission, on or before the first Monday of July at which the selection of depositaries is to be made, a sealed proposal, stating the rate of interest that the banking corporation, or association offers to pay on the funds of the county for the term of two or four years next ensuing the date of the bid, or, if the selection is made for a less term than two or four years, as provided in sections 110.180 and 110.190, then for the time between the date of the bid and the next regular time for the selection of depositaries as fixed by section 110.130.

2. Each bid shall be accompanied by a certified check for not less than two thousand five hundred dollars, as a guaranty of good faith on the part of the bidder, that if his or her bid should be the highest he or she will provide the security required by section 110.010. Upon his or her failure to give the security required by law, the amount of the certified check shall go to the county as liquidated damages, and the commission may order the county clerk to readvertise for bids.

3-] It shall be a misdemeanor, and punishable as such, for the clerk of the commission, or any deputy of the clerk, to directly or indirectly disclose the amount of any bid before the selection of depositaries.

143.433. Notwithstanding any law to the contrary, any entity not subject to the tax on corporations under subsection 2 of section 143.441 shall not be required to complete or file any document or return related to corporate income taxes.

148.720. 1. For all tax years beginning in a calendar year in which there is a reduction in the rate of tax imposed under section 143.071, there shall be a corresponding and proportional reduction in the rate of tax imposed under sections 148.030, 148.140, and 148.620. The reduced rate shall be the applicable rate in each subsequent calendar year.

2. The reduction specified under subsection 1 of this section shall occur each year there is a reduction in the rate of tax imposed under section 143.071, including a reduction in the rate of tax by operation of another law or by the constitution.

165.221. For the purpose of letting the funds the board shall divide the funds into not less than two nor more than ten equal parts. Each bidder may bid for any number of the parts,
but the bid for each part shall be separate. Any banking institution in the county or in an adjoining county desiring to bid shall deliver to the secretary of the board, on or before the date selected for the acceptance of bids, a sealed bid, stating the rate of interest, or method by which the interest will be determined, that the banking institution offers to pay on one part of the funds and moneys of the school district for the term of one to five years, as the case may be, next ensuing the date of the bid; or if the selection is made for a less term as provided in sections 165.201 to 165.291, then for the time between the date of the bid and the next regular time for the selection of depositaries, as fixed by section 165.211. [Each bid shall be accompanied by a check in favor of the school district, on some solvent banking institution in the county or an adjoining county, duly certified, for not less than two thousand five hundred dollars, as a guaranty of good faith on the part of the bidder that if any of its bids are accepted by the board it will deposit the security required by law.] It is a misdemeanor for the secretary of the board to directly or indirectly disclose the amount of any bid before all bids are opened at a public depositary bid opening.

165.231. The school board or their designee in seven-director districts, on the date selected for the acceptance of bids, shall publicly open the bids and cause each bid to be verbally read and documented. Following discussion and clarification of bids with the financial institutions, the board of education shall cause each bid to be entered upon the records of the board and shall select from among the bidders, as depositaries of the funds and moneys of the school district, those whose bids are accepted, and shall notify each of the bidders so selected. The board may reject any and all bids. The interest upon the funds and moneys shall be computed upon the daily balances to the credit of the school district with each depositary and shall be payable by each depositary on the first day of each month to the treasurer of the school district, who shall place the same to the credit of the district. Each depositary, by at least the fifth day of the current month, shall render to the secretary of the board a statement, in writing, showing the amount of interest paid by the depositary. [The secretary of the board shall return the certified checks accompanying the bids to the banking institutions whose bids which they accompanied were rejected and, upon the approval of the security provided for in sections 110.010 and 110.020, return the certified checks accompanying the accepted bids to the banking institutions respectively, from which they were received.]

165.241. [On or before ten days] After notice to any depositary of its selection, the depositary shall deliver or deposit securities in accordance with sections 110.010 and 110.020 and the securities if delivered to the fiscal officer of the seven-director school district may be deposited for safekeeping with any federal reserve bank located in this state or with any banking institution located in the county and approved by order of the school board entered of record on its minutes. If at the time for selecting depositaries it is unlawful for banking institutions to pay
interest upon demand deposits the school board at its option either may select depositaries as
provided by law or may enter into written agreement with any or all depositaries acting as such
during the preceding period for renewal and continuation of the depositary relationship for the
ensuing period with power and authority to renew and continue the same for successive periods
thereafter, subject however to termination as provided by law. The rights and obligations of the
parties and of any trustee joining in a renewal agreement shall be deemed continuous throughout
the periods of the renewals. Each depositary at all times shall maintain the security in kind and
amount required by sections 110.010 and 110.020 with right in the depositary when not in
default to make substitutions thereof and to withdraw interest coupons therefrom as they mature.

165.271. 1. As soon as the securities satisfactory to the district are deposited [and
approved by the board of a seven-director district, an order shall be made designating] , the
banking institution depositing the securities shall be deemed as a depositary of the part of the
funds and moneys of the school district of which it has been selected as the depositary, until the
time fixed by sections 165.201 to 165.291 for another selection. The treasurer of the school
district immediately upon the making of the order shall transfer to the depositary the parts of all
funds and moneys belonging to the school district that the depositary is entitled to receive by
virtue of its designation.

2. In case any bonds, coupons or other indebtedness of the district are payable, by the
terms of the bonds, coupons or other evidences of indebtedness, at any particular place outside
the district, nothing contained in sections 165.201 to 165.291 shall prevent the board from
causing the treasurer to place a sufficient sum of money to meet the same at the place where the
debts are payable at the time of their maturity.

3. The treasurer of a seven-director district, as the funds and moneys of the school
district come into his hands from time to time, shall deposit them with the depositaries to the
credit of the school district, and at all times shall keep on deposit with each depositary
approximately that proportion of all the funds and moneys of the district for which the board
accepted the bid of the depositary. If at any time the amount of funds and moneys on deposit
with any depositary to the credit of the school district is either more or less than the proportion
thereof for which the board accepted the bid of the depositary, that fact shall not impair or in any
manner affect the liability of the depositary to faithfully perform all the duties and obligations
devolving by law upon the depositary.

4. If any banking institution, after being selected as depositary and notified thereof, fails
to deposit the security within the time provided by section 165.241, [the certified check
accompanying the accepted bid of the banking institution shall be forfeited to the school district
as liquidated damages, and] the board, after twenty days' notice in the manner herein provided,
shall take such action as it deems appropriate to safeguard district funds, including deposit
to another bank on an expedited basis and shall proceed to receive new bids and select another depositary in lieu of the one failing to deposit the security.

447.200. 1. If any consumer deposit account with a banking organization or financial organization, as those terms are defined under section 447.503, is determined to be inactive for a period of twelve or more months and if inactivity fees apply to such account, such bank or financial organization shall notify the person or depositor named on such inactive account. Notice may be delivered by first class mail with postage prepaid and marked "Address Correction Requested" or may be delivered electronically if the consumer has consented to receiving electronic disclosures in accordance with the Truth in Savings Act, 12 U.S.C. Section 4301, and regulations.

2. Notwithstanding any provision of law to the contrary, for any consumer account with a bank or financial organization that is inactive for twelve months or more, such bank or financial organization shall issue annual statements to the person or depositor named on the account. A bank may charge a service fee of up to five dollars for any statement issued under this subsection, provided that such fee shall be withdrawn from the inactive account.

3. If any consumer account with a bank or financial organization is determined to be inactive for a period of five years, the funds from such account shall be remitted to the abandoned fund account established under section 447.543.

4. For purposes of this section, the word "inactive" means a prescribed period during which there is no activity or contact initiated by the person or depositor named on the account, which results in an inactivity fee being charged to the account.