

## 2021 Kansas Statutes

- 9-1401. Designation of depositories for public funds; duty of public officers; agreements.** (a) The governing body of any municipal corporation or quasi-municipal corporation shall designate by official action recorded upon the governing body's minutes the banks, savings and loan associations and savings banks which shall serve as depositories of the governing body's funds and the officer and official having the custody of such funds shall not deposit such funds other than at such designated banks, savings and loan associations and savings banks. The banks, savings and loan associations and savings banks which have main or branch offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located shall be designated as such official depositories if the municipal or quasi-municipal corporation can obtain satisfactory security therefor.
- (b) Every officer or person depositing public funds shall deposit all such public funds coming into the officer's or person's possession in their name and official title as such officer. If the governing body of the municipal corporation or quasi-municipal corporation fails to designate an official depository or depositories, the officer thereof having custody of the governing body's funds shall deposit such funds with one or more banks, savings and loan associations or savings banks which have main or branch offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located if satisfactory security can be obtained therefor. If the officer having custody is unable to obtain satisfactory security at a depository within the county or counties where the governing body is located, then the officer may deposit funds elsewhere. If the governing body's funds are deposited elsewhere, the officer shall serve notice in writing on the governing body showing the names and locations of the banks, savings and loan associations and savings banks where the funds are deposited, and upon so doing the officer having custody of the funds shall not be liable for the loss of any portion thereof except for official misconduct or for the misappropriation of such funds by such officer.
- (c) If eligible banks, savings and loan associations or savings banks under subsections [subsection] (a) or (b) cannot or will not provide an acceptable bid, which shall include services, for the depositing of public funds under this section, then banks, savings and loan associations or savings banks which have main or branch offices in an adjoining county to the county in which all or part of such municipal or quasi-municipal corporation is located may receive deposits of such municipal corporation or quasi-municipal corporation, if such banks, savings and loan associations or savings banks have been designated as official depositories under subsection (a) and the municipal corporation or quasi-municipal corporation can obtain satisfactory security therefor.
- (d) The depository bank, savings and loan association or savings bank and any agent, trustee, wholly owned subsidiary or affiliate having identical ownership granting a security interest shall enter into a written agreement with the municipal corporation or quasi-municipal corporation which so designates the bank as a depository for the municipal corporation or quasi-municipal corporation's public moneys.
- (1) The agreement shall secure the public moneys of the municipal corporation or quasi-municipal corporation by granting a security interest in securities held by the depository bank, savings and loan association or savings bank and any agent, trustee, wholly owned subsidiary or affiliate having identical ownership pursuant to K.S.A. 9-1402, and amendments thereto.
- (2) The depository bank, savings and loan association or savings bank and any agent, trustee, wholly owned subsidiary or affiliate having identical ownership shall perfect the security interest causing control to be given to the municipal corporation or quasi-

municipal corporation in accordance with the Kansas uniform commercial code.

(3) The security agreement shall be in writing, executed by all parties thereto, maintained as part of the parties' official records, and except for the municipal corporations or quasi-municipal corporations, approved by the boards of directors or loan committees, which approvals shall be reflected in the minutes of the boards or committees.

**History:** L. 1947, ch. 102, § 63; L. 1957, ch. 74, § 2; L. 1967, ch. 447, § 30; L. 1972, ch. 35, § 1; L. 1982, ch. 52, § 1; L. 1983, ch. 47, § 2; L. 1986, ch. 76, § 1; L. 1989, ch. 48, § 41; L. 1997, ch. 180, § 3; L. 2006, ch. 57, § 1; L. 2015, ch. 38, § 77; L. 2016, ch. 54, § 34; July 1.