

TITLE 12—DEPARTMENT OF REVENUE
Division 10—Director of Revenue
Chapter 43—Investment of Nonstate Funds

12 CSR 10-43.020 Investment Instruments for Nonstate Funds

PURPOSE: This rule establishes the types of investment instruments in which nonstate funds may be invested prior to distribution of principal and interest to local political subdivisions.

- (1) All nonstate funds held for any purpose by any investment agent of the director of revenue shall be held by the agent in an interest bearing account.
- (2) The Department of Revenue Investment Group shall use their collective best judgment to ensure that the investment instruments purchased on behalf of the director of revenue by his/her investment agent shall be in the best overall interest of the local political subdivisions. In making their recommendations, the Investment Group shall give due consideration to—
 - (A) The preservation of all nonstate funds and earned interest;
 - (B) The comparative yield to be derived from the investment instrument;
 - (C) The effect upon the economy and welfare of the people of Missouri of the removal or withholding from banking institutions in the state of all or some such nonstate funds and investing same; and
 - (D) All other factors which to them as a prudent Investment Group seem to be relevant to the general public welfare in the light of the circumstances at the time prevailing.
- (3) The nonstate funds may only be invested in the following instruments:
 - (A) United States Treasury Bills Notes and Bonds;
 - (B) Time Deposits;
 - (C) Repurchase Agreements and Reverse Repurchase Agreements secured by United States Treasury obligations or obligations of the agencies listed in subsections (3)(D)–(H) of this rule;
 - (D) Federal National Mortgage Association Securities;
 - (E) Federal Agricultural Mortgage Corporation (FAMC) Securities;
 - (F) Federal Home Loan Bank Securities;
 - (G) Federal Home Loan Mortgage Corporation Securities;
 - (H) Federal Farm Credit System Securities;
 - (I) Commercial Paper (no more than ten percent (10%) to any one (1) issuer); and
 - (J) No other type of investment instrument may be purchased for nonstate funds.

(4) No one (1) security listed in subsections (3)(D)–(H) of this rule shall exceed twenty-five percent (25%) of the Department of Revenue’s investment portfolio, unless specified otherwise.

*AUTHORITY: section 136.120, RSMo 2016. * Original rule filed May 2, 1986, effective Aug. 11, 1986. Amended: Filed April 21, 1987, effective July 23, 1987. Amended: Filed Dec. 15, 1987, effective May 12, 1988. Amended: Filed Aug. 28, 1990, effective Dec. 31, 1990. Amended: Filed Aug. 12, 1999, effective Feb. 29, 2000. Amended: Filed Sept. 11, 2006, effective April 30, 2007. Amended: Filed Jan. 24, 2023, effective Aug. 30, 2023.*

**Original authority: 136.120, RSMo 1945*