§ 107-a. Security for public deposits. 1. As used in this section, the following terms shall have the following meanings:

(a) "Public depositary". A bank, trust company or other depositary, whether state or federally chartered, authorized to accept and hold deposits of public funds under the laws of this state.

(b) "Public funds". Funds of a political subdivision.

(c) "Political subdivision". Any municipal corporation, school district, board of cooperative educational services, district corporation, special improvement district governed by a separate board of commissioners or a public library.

(d) "Public deposits". Deposits of public funds in a public depositary which are available for all uses generally permitted by the public depositary to the depositing political subdivision for actually and finally collected funds under the public depositary's account agreement or policies.

2. Whenever a political subdivision is required by any general or special law to obtain a pledge of assets or other security from a public depositary for its public deposits and such political subdivision has entered into a written agreement with such public depositary relating to such public deposits and has provided written notice in a form specified by such written agreement to the public depositary of such public deposits, the public depositary shall comply with the provisions of such law at the time it accepts any public deposits from the political subdivision; provided, however, that where the public depositary and political subdivision have agreed in writing as to the maximum amount of security which such depositary shall provide, and the terms, conditions and timing of the provisions of security pursuant thereto, and the depositary has at all times complied with such agreement, it shall be deemed to have complied with the provisions of such law for so long as it shall comply with such agreement.