

SECOND REGULAR SESSION

SENATE BILL NO. 1191

91ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR JACOB.

Read 1st time February 21, 2002, and 1,000 copies ordered printed.

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TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 8, RSMo, by adding thereto seven new sections relating to board of public buildings bond issuances, with an emergency clause.

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

Section A. Chapter 8, RSMo, is amended by adding thereto seven new sections, to be known as sections 8.500, 8.505, 8.510, 8.515, 8.520, 8.525 and 8.530, to read as follows:

8.500. As used in sections 8.500 to 8.530 the following definitions shall apply:

(1) "Board", the state board of public buildings;

(2) "Net tobacco recoveries", moneys recovered and received by the state as a result of the national master settlement agreement with tobacco companies including moneys from any source and from any subsection of such agreement. Net tobacco recoveries shall include only those moneys deposited in the state treasury which shall be net of inflation, volume and other adjustments provided for in the master settlement agreement;

(3) "Tobacco bonds", bonds issued hereunder for the purposes herein authorized and payable, both as principal and interest, solely and only out of the net tobacco recoveries.

8.505. Whenever actual revenues are less than the revenue estimates upon which appropriations are based or when the governor makes a declaration of budgetary emergency, the board of public buildings may issue bonds to be repaid with net tobacco recoveries, secured by the state's rights, title and interest from recoveries

resulting from the master settlement agreement with the tobacco companies, or sell the state of Missouri's rights, title and interest from such net tobacco recoveries. The proceeds from such bond issuance or sale of revenue may be used for any governmental purpose. The proceeds from bonds issued pursuant to this section may be deposited directly to the general revenue fund or deposited to the tobacco bond proceeds fund hereby created and then transferred to the general revenue fund. The bond issuance or sale of future recoveries is limited to a total of five hundred million dollars. Repayment of any bonds issued pursuant to this section may be made from an appropriation specifically authorized for such purpose or from any appropriation from net tobacco recoveries for any other purpose.

8.510. Any bonds issued pursuant to sections 8.500 to 8.530 shall not be deemed to be an indebtedness of the state of Missouri or of the board, or of the individual members of the board, and shall not be deemed to be an indebtedness within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness.

8.515. 1. Bonds issued pursuant to the provisions of sections 8.500 to 8.530 shall be of such denomination or denominations, shall bear such rate or rates of interest not to exceed fifteen percent per annum, and shall mature at such time or times within forty years from the date thereof, as the board determines. The bonds may be either serial bonds or term bonds.

2. Serial bonds may be issued with or without the reservation of the right to call them for payment and redemption in advance of their maturity, upon the giving of such notice, and with or without a covenant requiring the payment of a premium in the event of such payment and redemption prior to maturity, as the board determines.

3. Term bonds shall contain a reservation of the right to call them for payment and redemption prior to maturity at such time or times and upon the giving of such notice, and upon the payment of such premium, if any, as the board determines.

4. The sale of bonds issued pursuant to this section may be completed on a negotiated or competitive basis, but in no event shall such bonds be sold for less than ninety-eight percent of the par value thereof, and accrued interest.

5. The bonds, when issued and sold, shall be negotiable instruments within the meaning of the law merchant and the negotiable instruments law, and the interest thereon shall be exempt from income taxes pursuant to the laws of this state.

8.520. 1. The tobacco bonds issued pursuant to the provisions of sections 8.500 to 8.530 may be refunded, in whole or in part, in any of the following circumstances:

(1) When any such bonds have by their terms become due and payable and

there are not sufficient funds in the interest and sinking fund provided for their payment to pay such bonds and the interest thereon;

(2) When any such bonds are by their terms callable for payment and redemption in advance of their date of maturity and are duly called for payment and redemption;

(3) When any such bonds are voluntarily surrendered by the holder or holders thereof for exchange for refunding bonds.

2. For the purpose of refunding any bonds issued hereunder, including refunding bonds, the board may make and issue refunding bonds in the amount necessary to pay off and redeem the bonds to be refunded together with unpaid and past due interest thereon and any premium which may be due under the terms of the bonds, together also with the cost of issuing the refunding bonds, and may sell the same in like manner as is herein provided for the sale of revenue bonds, and with the proceeds thereof pay off, redeem and cancel the old bonds and coupons that have matured, or the bonds that have been called for payment and redemption, together with the past due interest and premium, if any, due thereon, or the bonds may be issued and delivered in exchange for a like par value amount of bonds to refund which the refunding bonds were issued. No refunding bonds issued pursuant to sections 8.500 to 8.530 shall be payable in more than forty years from the date thereof or shall bear interest at a rate in excess of six percent per annum.

3. The refunding bonds shall be payable from the same sources as were pledged to the payment of the bonds refunded thereby and in the discretion of the board, may be payable from any other sources which pursuant to sections 8.500 to 8.530 may be pledged to the payment of revenue bonds issued hereunder. Bonds of two or more issues may be refunded by a single issue of refunding bonds.

8.525. The board may prescribe the form details and incidents of the bonds, and make the covenants that in its judgment are advisable or necessary properly to secure the payment thereof; but the form, details, incidents and covenants shall not be inconsistent with any of the provisions of sections 8.500 to 8.530. Such bonds may have the seal of the board impressed thereon or affixed thereto or imprinted or otherwise reproduced thereon. If such bonds shall be authenticated by the bank or trust company acting as registrar for such bonds by the manual signature of a duly authorized officer or employee thereof, the duly authorized officers of the board executing and attesting such bonds, may all do so by facsimile signature of public officials law, sections 105.273 to 105.278, RSMo, when duly authorized by resolution of the board and the provisions of section 108.175, RSMo, shall not apply to such bonds. The holder or holders of any bond or bonds issued hereunder or of any

coupons representing interest accrued thereon may, by proper civil action either at law or in equity, compel the board to perform all duties imposed upon it and also to enforce the performance of any and all other covenants made by the board in the issuance of the bonds.

8.530. Bonds may be issued pursuant to the provisions of sections 8.500 to 8.530 pursuant to a resolution adopted by the affirmative vote of two-thirds of the members of the board and not other proceedings shall be required therefor.

Section B. Because immediate action is necessary to ensure a balanced state budget, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect on May 17, 2002, or upon its passage and approval by the governor, whichever later occurs.

Unofficial^T

Bill

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