

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 436
92ND GENERAL ASSEMBLY

Reported from the Committee on Pensions and General Laws, February 12, 2003, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

1371S.06C

AN ACT

To repeal sections 8.550 and 8.570, RSMo, and to enact in lieu thereof two new sections relating to the tobacco securitization settlement trust fund, with an emergency clause.

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

Section A. Sections 8.550 and 8.570, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 8.550 and 8.570, to read as follows:

8.550. 1. A tobacco securitization settlement trust fund is established **within the state treasury**, separate and apart from all other public moneys or funds of the state, under the control of the authority. The fund shall consist of moneys paid to the authority and not pledged to the payment of bonds or otherwise obligated or any other moneys deposited to the fund [by the authority]. Such moneys shall include but are not limited to payments received from the master settlement agreement which are not pledged to the payment of bonds or which are subsequently released from a pledge to the payment of any bonds; payments which, in accordance with any sales agreement with the state, are to be paid to the state and not pledged to the bonds, including that portion of the proceeds of any bonds designated for purchase of a portion of the state's share, which are designated for deposit in the fund, together with all interest, dividends, and rents on the bonds; and all securities or investment income and other assets acquired by and through the use of the moneys belonging to the fund and any other moneys deposited in the fund. Moneys in the fund are to be used solely and only as provided in this section, and shall not be used for any other purpose. Such moneys shall not be available for the payment of any claim against the authority or any debt or obligation of the authority.

2. There shall be established within the tobacco securitization settlement trust fund a "qualified tax-exempt expenditure account" and a "taxable expenditure account". The net

proceeds of all tax-exempt bonds shall be deposited in the qualified tax-exempt expenditure account. The net proceeds of all taxable bonds shall be deposited in the taxable expenditure account. Moneys deposited in the qualified tax-exempt expenditure account shall be used to pay or reimburse the state for expenditures which are permissible under federal tax law governing tax-exempt bonds. Upon such reimbursement or use such moneys shall be transferred by the authority to the state treasurer for deposit in the state general revenue fund and applied as provided in subsection 4 of this section or to such other fund as may be provided by law. Moneys deposited in the taxable expenditure account shall, upon direction of the authority, be transferred to the state treasurer for deposit in the state general revenue fund or to such other fund as may be provided by law.

3. For the purpose of maximizing the amount of tax-exempt bonds to be issued, the governor or an authorized designee may evidence in writing the state's intent to finance any state expenditure from the proceeds of bonds either by directly funding such expenditure or through reimbursement of amounts originally funded from another source. An allocation of proceeds of bonds to finance any expenditure originally funded from another source may be evidenced by a written statement signed by the governor or an authorized designee. Upon such allocation, the amount allocated shall be deposited to the general revenue fund of the state and thereafter may be appropriated for any purpose. The treasurer of the authority shall act as custodian and trustee of the tobacco securitization settlement trust fund and shall administer the fund as directed by the authority. The treasurer of the authority shall do all of the following: hold, invest and disburse funds; sell any securities or other property held by the fund and reinvest the proceeds as directed by the authority, when deemed advisable by the authority for the protection of the fund or the preservation of the value of the investment; subscribe, at the direction of the authority, for the purchase of securities for future delivery in anticipation of future income; and pay for securities, as directed by the authority, upon the receipt of the purchasing entity's paid statement or paid confirmation of purchase. Any sale of securities or other property held by the fund under this subsection shall only be made with the advice of the board in the manner and to the extent provided in sections 8.500 to 8.565 with regard to the purchase of investments.

4. All moneys paid to or deposited in the fund are available to the authority to be used in accordance with sections 8.500 to 8.565, including but not limited to all of the following:

(1) For payment of amounts due to the state pursuant to the terms of the sales agreements entered into between the state and the authority;

(2) For purposes of paying or reimbursing the state for expenditures which are permissible under federal tax law governing tax-exempt bonds; provided, such moneys are transferred at the time of such payment or reimbursement to the state treasurer for deposit in the state general revenue fund and used by the state treasurer solely to pay the costs of

implementing the program plan;

(3) For transfer to the state general revenue fund for the payment of the costs of implementing the program plan;

(4) To make interim transfers to the state as provided in subsection 5 of this section; and

(5) For payment of any other costs other than the payment of bonds approved by the authority to implement sections 8.500 to 8.565.

5. Prior to disbursement of the moneys in the tobacco securitization settlement trust fund in accordance with subsection 4 of this section, the authority shall have the power to transfer moneys in the fund to the state general revenue fund for the purposes of funding the program plan on an interim basis, provided the state agrees to reimburse the tobacco securitization settlement trust fund before the date such moneys are expected to be expended by the authority.

6. No more than one hundred [seventy-five] million dollars of the net proceeds of bonds authorized by sections 8.500 to [8.565] **8.590** may be applied to the payment of the costs of the program plan during [any] fiscal year **2003 and no more than one hundred million dollars of the net proceeds of bonds authorized by sections 8.550 to 8.590 may be applied to the payment of costs of the program plan during any fiscal year subsequent to fiscal year 2003**; provided, amounts not so applied during a prior fiscal year may be carried over and applied to costs of implementing the program plan during the next successive fiscal year.

8.570. The board of public buildings may issue bonds payable from not more than thirty percent of the state's share **either solely or concurrently with a bond offering of the authority**; provided, [and] **that** the maximum amount of the state's share sold by the authority pursuant to section 8.535 and by the board of public buildings pursuant to this section shall collectively not exceed thirty percent of the state's share. **All of** the proceeds from bonds issued by the board of public buildings under this section [may] **shall** 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] **tobacco securitization settlement trust fund created in section 8.550 to be utilized pursuant to the provisions of section 8.550**. Repayment of any bonds issued pursuant to this section may be made solely from such portion of the state's share, an appropriation specifically authorized for such purpose or from any appropriation from the state's share for any other purpose.

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 upon its passage and approval.

Unofficial

Bill

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