

FIRST REGULAR SESSION

# SENATE BILL NO. 445

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR SHIELDS.

Read 1st time February 6, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

1568S.011

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## AN ACT

To repeal section 166.300, RSMo, and to enact in lieu thereof one new section relating to the school building revolving fund.

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

Section A. Section 166.300, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 166.300, to read as follows:

166.300. 1. As used in this section, the following words and phrases shall mean:

(1) "Capital improvement projects", expenditures for lands or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings and initial equipment purchases;

(2) "School facility", a structure dedicated primarily to housing teachers and students in the instructional process, but shall not include buildings dedicated primarily to administrative and support functions within the school.

2. There is hereby created a revolving fund to be known as the "School Building Revolving Fund". All forfeitures of assets transferred pursuant to section 166.131, all gifts and bequests to such fund, and such moneys as may be appropriated to the fund shall be deposited into the school building revolving fund; except that no more than four hundred forty million dollars, in the aggregate, shall be transferred to the fund. After a fund balance has been established by prior years' deposits and interest, school districts may submit applications for lease purchases from the revolving fund for specific projects consistent with rules and regulations of the state board of education and subsection 3 of this section, except that no school district may be permitted to enter into a lease purchase from the school building revolving fund without first

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

submitting a long-range capital improvements plan.

3. To be eligible for a lease purchase authorized by this section:

(1) A school district shall meet the minimum criteria for state aid and for increases in state aid established pursuant to section 163.021, RSMo;

(2) A school district shall provide a program which is accredited by the state board of education for grades kindergarten through twelve or for grades kindergarten through eight; and

(3) A school district shall have an equalized, assessed valuation per eligible pupil for the preceding year which is less than the statewide average equalized, assessed valuation per eligible pupil for the preceding year; and

(4) A school district shall have a bonded indebtedness which is no less than ninety percent of the constitutional limitation on indebtedness pursuant to section 26(b) of article VI of the Constitution of Missouri.

4. Lease purchase applications shall be funded, as funds allow, first for all applications pursuant to subdivision (1) of this subsection and then for applications pursuant to subdivision (2) of this subsection and then for applications pursuant to subdivision (3) of this subsection, and for funding of applications pursuant to a particular subdivision, applications shall be funded in the order that the applications are received by the department. If two or more applications are received on the same day, the district with the lowest appraised valuation per pupil shall be given priority. Ranking of the applications for offering of lease purchases shall be done in the following order:

(1) Districts with capital replacement costs in excess of insurance proceeds due to facility destruction caused by fire or natural disaster shall be ranked on the basis of percentage of bonding capacity;

(2) Districts with a cumulative percentage growth in fall membership for the third through the fifth preceding years in excess of twelve percent and which have a bonded indebtedness which is no less than ninety percent of the constitutional limitation on indebtedness pursuant to section 26(b) of article VI of the Constitution of Missouri; and

(3) Districts with an equalized assessed valuation per pupil which is less than the statewide average equalized assessed valuation per pupil and which have a bonded indebtedness which is no less than ninety percent of the constitutional limitation on indebtedness pursuant to section 26(b) of article VI of the Constitution of Missouri.

5. When building replacement is caused by fire or natural disaster, the requirement for a school district to have a long-range capital improvements plan may be waived by the state board of education.

6. Each school district participating in a lease purchase from the school building revolving fund shall repay such lease purchase in no more than ten annual payments made on or before June thirtieth of each year. The first such payment shall be due and payable on June thirtieth

of the first full fiscal year following receipt of lease purchase proceeds. Lease purchase repayments shall be immediately deposited to the school building revolving fund by the department. Interest charged to the school district shall not exceed three percent.

7. Any school district which fails to obligate the full amount of a loan from the school building revolving fund for the allowable lease purchase must return the unobligated amount plus interest earned to the department no later than June thirtieth of the second full fiscal year after receipt of loan proceeds.

8. If a school district fails to make an annual payment to the school building revolving fund after notice of nonpayment by the department, members of the board of education and the school district's superintendent shall have violated section 162.091, RSMo, and the attorney general of the state of Missouri shall be notified by the state board of education to begin prosecution procedures.

9. All property purchased pursuant to a lease purchase from the school building revolving fund shall remain the property of the state until such time as the lease purchase has been fully repaid pursuant to this section. If a school district does not make an annual payment to the school building revolving fund after notice of nonpayment by the department, the state board of education may, if the delinquency exceeds one hundred eighty days, take possession of the property. As a part of the lease purchase agreement, the school district shall agree to assume all costs, obligations and liabilities for or arising out of establishment, operation and maintenance of the lease purchase property. Other provisions of law to the contrary notwithstanding, neither the state nor any state agency shall have any obligation for such costs, obligations or liabilities unless and until the state board of education takes possession of the property pursuant to this subsection upon a school district's failure to make annual payments as required in the lease purchase agreement.

10. [Notwithstanding the provisions of section 33.080, RSMo, to the contrary, moneys in the school building revolving fund shall not be transferred to the credit of the general revenue fund at the end of the biennium. All yield, interest, income, increment or gain received from time deposit of moneys in the state treasury to the credit of the fund shall be credited by the state treasurer to the fund.] **Any unobligated cash balance in the school building revolving fund as of August 28, 2003, shall be transferred to aid the public schools of this state pursuant to section 163.031, RSMo. Any and all deposits made to the school building revolving fund after August 28, 2003, shall be immediately transferred to the state school moneys fund, pursuant to section 166.051.**