

FIRST REGULAR SESSION

SENATE BILL NO. 512

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR RUSSELL.

Read 1st time February 17, 2003, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

1691S.011

AN ACT

To repeal sections 8.370, 8.400, and 8.420, RSMo, and to enact in lieu thereof three new sections relating to issuance of revenue bonds by the state board of public buildings, with an emergency clause.

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

Section A. Sections 8.370, 8.400, and 8.420, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 8.370, 8.400, and 8.420, to read as follows:

8.370. As used in sections 8.370 to 8.450 the following words and phrases mean:

(1) "Agency", any state department or any division or branch thereof, or any bureau, board, commission, institution, officer or office of the state of Missouri, **or any state educational institution as defined in section 176.010, RSMo;**

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

(3) "Instrumentalities", any elected official of the state, state office, state agency or any individual who spends more than fifty percent of his time in work for the state that receives all or any part of its funds or compensation from appropriated funds of this state;

(4) "Net income and revenues", **at the discretion of the board, any of the following:** the income arising from the operation of a project remaining after providing for the costs of operation of the project and the costs of maintenance thereof[.]; **appropriations of the general assembly for the payment of bonds issued by the board for any project;** or, in the case of energy retrofitting projects, the income arising from agreement between the board of public buildings and the department responsible for the operation of the facility;

(5) "Project", one or more office buildings or other structures, **renovations,**

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

improvements and equipping of such buildings and structures and any other facilities for the use and occupancy of the agencies and instrumentalities of the state, including the department of corrections and human resources [and], the department of mental health and, at the discretion of the board, energy retrofitting projects in state-owned facilities or any eating facilities which may be rented to a desirable person, firm or corporation, upon proper bids, at the rental costs that the board determines to be reasonable and necessary under the provisions of sections 8.370 to 8.450;

(6) "Revenue bonds", bonds issued hereunder for the purposes herein authorized and payable, both as to principal and interest, solely and only out of [the] net income and revenues [arising from the operation of the project for which the bonds are issued after providing for the costs of operation and maintenance of such project] **relating to any project**, and, in addition thereto, in the discretion of the board, out of the proceeds of any grant in aid of the project which may be received from any source.

8.400. 1. For the purpose of providing funds for the acquisition, construction, erection, **renovation, improving**, equipment and furnishing of any such project, and for providing a site therefor, as herein provided, the board may issue and sell revenue bonds, as herein defined, in an amount not to exceed the estimated cost of the project, including costs necessarily incidental thereto. At the time of the issuance of the bonds, the board shall pledge the net income and revenues of the project to the payment of the bonds, both principal and interest, and, **when applicable**, shall covenant to fix, maintain and collect the reasonable rates and charges for the use of the project that in the judgment of the board will provide **net income and** revenues sufficient to pay the reasonable cost of operating and maintaining the project; to provide and maintain an interest and sinking fund in an amount adequate promptly to pay the principal of and interest on such bonds; to provide [a reasonable] **any required** reserve fund; and to provide [a reasonable] **any required** fund for depreciation. In addition to pledging such net income and revenues as herein provided, the board, in its discretion, may pledge to the payment of such bonds, both principal and interest, the proceeds of any grant in aid of such project which may be received from any source.

2. In case of energy retrofitting projects, bond sale proceeds shall be provided for the purpose of retrofitting existing state facilities. The board shall pledge the income received and interest charged therefor to the payments of the bonds as prescribed in subsection 1 of this section.

3. **The board may issue bonds to provide funds to refinance the payment of general revenue fund temporary notes issued by the tobacco settlement financing authority.**

4. **The board may covenant to request annual appropriations in an amount sufficient to pay the principal, interest, and any necessary reserve funds for any bonds**

issued by the board.

8.420. 1. Bonds issued under and pursuant to the provisions of sections 8.370 to 8.450 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 bonds, when issued, shall be sold at public sale for the best price obtainable after giving such reasonable notice of such sale as may be determined by the board, but in no event shall such bonds be sold for less than ninety-eight percent of the par value thereof, and accrued interest. Any such bonds may be sold to the United States of America or to any agency or instrumentality thereof, at a price not less than par and accrued interest, without public sale and without the giving of notice as herein provided.

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 under the laws of the state of Missouri.

6. After August 13, 1976, the board shall not issue revenue bonds pursuant to the provisions of sections 8.370 to 8.450 for one or more projects, as defined in section 8.370, in excess of a total par value of **[four] eight** hundred twenty-five million dollars.

7. After August 13, 1976, any bonds which may be issued pursuant to the provisions of sections 8.370 to 8.450 shall be issued only for projects which have been approved by a majority of the house members and a majority of the senate members of the committee on legislative research of the general assembly, and the approval by the committee on legislative research required by the provisions of section 8.380 shall be given only in accordance with this provision. For the purposes of approval of a project, the total amount of bonds issued for purposes of energy retrofitting in state-owned facilities shall be treated as a single project.

Section B. Because of the need to improve the capital projects of this state while relieving the burden on the general revenue fund, 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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