

SECOND REGULAR SESSION

# SENATE JOINT RESOLUTION NO. 42

92ND GENERAL ASSEMBLY

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INTRODUCED BY SENATOR COLEMAN.

Read 1st time January 14, 2004, and ordered printed.

TERRY L. SPIELER, Secretary.

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## JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment to article IX of the Constitution of Missouri relating to education.

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*Be it resolved by the Senate, the House of Representatives concurring therein:*

That at the next general election to be held in the state of Missouri, on Tuesday next following the first Monday in November, 2004, or at a special election to be called by the governor for that purpose, there is hereby submitted to the qualified voters of this state, for adoption or rejection, the following amendment to article IX of the Constitution of the state of Missouri:

Section A. Article IX, Constitution of Missouri, is amended by adding thereto one new section, to be known as section 11, to read as follows:

**Section 11. 1. The general assembly shall have power to contract, or to authorize the contracting of, a debt or liability on behalf of the state, and to issue bonds or other evidence of indebtedness therefor, not exceeding in the aggregate two billion dollars (\$2,000,000,000), for the purpose of technology and infrastructure upgrading, repairing, remodeling, or rebuilding the elementary and secondary public schools of this state, and for building additions thereto and additional elementary and secondary public school buildings where necessary. No more than twenty-five percent of the revenue from such bonds shall be expended in any three-fiscal-year period. The proceeds of the sale or sales of any bonds issued pursuant to this subsection shall be paid into the state treasury and be credited to the "Public School Infrastructure Fund", which is hereby created in the state treasury. The state board of education shall determine criteria where local school districts can draw money from the fund on a matching basis to be determined by the board.**

**2. All such bonds shall bear interest at a rate not exceeding the rate set by law, payable semiannually, except that the first interest payable thereon may be**

paid not later than one year from the date of issuance, and maturing not later than twenty years from the date of issuance. Such bonds shall be issued by the state board of fund commissioners in such amount, from time to time, as may be necessary to fully fund the purposes established in subsection 1 of this section of the constitution as determined by the general assembly.

3. The proceeds of the sale of the bonds herein authorized shall be expended pursuant to the provisions of this section of the constitution.

4. All such bonds and the interest thereon shall be paid out of the "Public School Infrastructure Bond Interest and Sinking Fund", which is hereby created in the state treasury. Upon the issuance of such bonds, or any portion thereof, the state board of fund commissioners shall notify the commissioner of administration of the amount of money required in the remaining portion of the fiscal year during which said bonds shall have been issued, for the payment of interest on said bonds, and of the amount of money required for the payment of interest on said bonds in the next succeeding fiscal year, and for the establishment and maintenance of a sinking fund to pay said bonds as they mature. Thereafter, within thirty days after the beginning of each fiscal year, the state board of fund commissioners shall notify the commissioner of administration of the amount of money required for the payment of interest on said bonds in the next succeeding fiscal year and for the maintenance of the sinking fund to pay said bonds maturing in such next succeeding fiscal year.

5. So long as there are outstanding bonds or other indebtedness therefor as a result of the provisions of this section, a surcharge entitled the "ABC education assessment" shall be added to the state income tax in an amount equal to one-half of one percent of Missouri taxable income. In the event that the provisions of subsection 10 of this section of the constitution shall cause monies to be appropriated toward retiring the debt established herein, the tax rate of the ABC education assessment shall be reduced in the tax year immediately following to offset the additional monies; provided, however, that the ABC education assessment tax rate shall not be reduced beyond the level necessary to:

(1) Fully pay the principal and interest maturing and accruing on said bonds during the current fiscal year; and

(2) Fund the student achievement fund and the teacher recruitment, retention, and training fund, as provided pursuant to subsection 11 of this section, at a level not less than the level of contribution to such funds by the provisions of subsection 5 of this section in the most recent prior fiscal year in which the provisions of subsection 10 of this section were not operative.

6. It shall be the duty of the commissioner of administration to transfer, at

least monthly, the proceeds of the state income tax ABC education assessment to the credit of the public school infrastructure bond interest and sinking fund until there shall have been transferred to said fund the amount so certified to him or her by the state board of fund commissioners, as provided in this section of the constitution.

7. If at any time after the issuance of any of said bonds, it shall become apparent to the commissioner of administration that neither the proceeds of the ABC education assessment income tax, as aforesaid, nor the provisions of subsection 10 of this section are sufficient for the payment of the principal and interest maturing and accruing on said bonds during the next succeeding fiscal year, a direct tax shall be levied upon all taxable real and tangible personal property in the state for the payment of said bonds and the interest that will accrue thereon. In such event, it shall be the duty of the commissioner of administration annually, on or before the first day of July, to determine the rate of taxation necessary to be levied upon all taxable real and tangible personal property within the state to raise the amount of money needed to pay the principal of and interest on such bonds maturing and accruing in the next succeeding fiscal year, taking into consideration available funds, delinquencies, and costs of collection. The commissioner of administration shall annually certify the rate of taxation so determined to the county clerk of each county and to the comptroller or other officer in the city of St. Louis whose duty it shall be to make up and certify the tax books in which are extended the ad valorem state taxes. It shall be the duty of said clerks and said comptroller or other proper officer in the city of St. Louis to extend upon the tax books the taxes to be collected and to certify the same to the collectors of the revenue of their respective counties and of the city of St. Louis, who shall collect such taxes at the same time and in the same manner and by the same means as are now or may hereafter be provided by law for the collection of state and county taxes, and to pay the same into the state treasury for the credit of the public school infrastructure bond interest and sinking fund.

8. If at any time the balance in the public school infrastructure bond interest and sinking fund should be insufficient to pay accruing interest or maturing principal of said bonds, the state board of fund commissioners shall direct the commissioner of administration to transfer from the general revenue fund to the public school infrastructure bond interest and sinking fund the sum required for said purposes, or either of them, and said sum so transferred shall be reimbursed to the general revenue fund whenever there may be a balance in the public school infrastructure bond interest and sinking fund in excess of the amount which may then be needed to meet the accruing interest and maturing

principal of said bonds during the next succeeding fiscal year.

9. All funds paid into the public school infrastructure bond interest and sinking fund shall be and stand appropriated without legislative action to the payment of principal and interest of said bonds, there to remain until paid out in discharge of the principal of said bonds and the interest accruing thereon, and no part of such fund shall be used for any other purpose so long as any of the principal of said bonds and the interest thereon shall be unpaid; provided, however, that nothing herein contained shall prevent the reimbursement from the public school infrastructure bond interest and sinking fund of the general revenue fund, as provided in this section.

10. For any fiscal year in the event that total state revenues exceed the revenue limit established in section 18, article X of this constitution by one percent or more, notwithstanding the provisions of that article of this constitution to the contrary, the excess revenues shall first be appropriated toward retiring any serviceable debt in such fiscal year incurred pursuant to this section of the constitution; any remaining revenue shall be applied to retiring any future debt incurred pursuant to this section of the constitution in any subsequent fiscal year in which there are outstanding bonds or other evidence of indebtedness therefor. After all such outstanding debt is retired, any remaining revenue shall be refunded on a pro rata basis as prescribed in section 18, article X of this constitution.

11. After the sinking fund and interest requirements of this section have been met, any excess revenue from the ABC education assessment in a fiscal year shall be distributed in equal amounts to the "Student Achievement Fund" which is hereby created in the state treasury. The remaining fifty percent shall be distributed to the "Teacher Recruitment, Retention, and Training Fund" which is hereby created in the state treasury. The funds distributed to the teacher recruitment, retention, and training fund shall be used for grant programs to public schools to promote teacher recruitment, retention, and training. The funds distributed to the student achievement fund shall be used for grant programs to public schools to enhance student achievement with an emphasis on reading programs. The department of elementary and secondary education, with the approval of the state board of education, shall establish the criteria for public school districts to receive said funds. Said funds shall be and stand appropriated without legislative action and shall be considered education funds that shall stand alone and not be considered within the scope of any formula for the equalized funding of the free public schools.

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