

FIRST REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 243

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CUNNINGHAM.

Read 1st time February 9, 2011, and ordered printed.

Read 2nd time February 10, 2011, and referred to the Committee on General Laws.

Reported from the Committee February 24, 2011, with recommendation that the bill do pass.

Taken up for Perfection March 2, 2011. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

0249S.04P

AN ACT

To repeal section 177.088, RSMo, and to enact in lieu thereof two new sections relating to the utilization of resources and services.

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

Section A. Section 177.088, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 177.088 and 177.250, to read as follows:

177.088. 1. As used in this section, the following terms shall mean:

(1) "Board", the board of education, board of trustees, board of regents, or board of governors of an educational institution;

(2) "Educational institution", any school district, including all community college districts, and any state college or university organized under chapter 174.

2. The board of any educational institution may enter into agreements as authorized in this section with a not-for-profit corporation formed under the general not-for-profit corporation law of Missouri, chapter 355, in order to provide for the acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of sites, buildings, facilities, furnishings and equipment for the use of the educational institution for educational purposes.

3. The board may on such terms as it shall approve:

(1) Lease from the corporation sites, buildings, facilities, furnishings and equipment which the corporation has acquired or constructed; or

(2) Notwithstanding the provisions of this chapter or any other provision

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

16 of law to the contrary, sell or lease at fair market value, which may be
17 determined by appraisal, to the corporation any existing sites owned by the
18 educational institution, together with any existing buildings and facilities
19 thereon, in order for the corporation to acquire, construct, improve, extend,
20 repair, remodel, renovate, furnish and equip buildings and facilities thereon, and
21 then lease back or purchase such sites, buildings and facilities from the
22 corporation; provided that upon selling or leasing the sites, buildings or facilities,
23 the corporation agrees to enter into a lease for not more than one year but with
24 not more than twenty-five successive options by the educational institution to
25 renew the lease under the same conditions; and provided further that the
26 corporation agrees to convey or sell the sites, buildings or facilities, including any
27 improvements, extensions, renovations, furnishings or equipment, back to the
28 educational institution with clear title at the end of the period of successive
29 one-year options or at any time bonds, notes or other obligations issued by the
30 corporation to pay for the improvements, extensions, renovations, furnishings or
31 equipment have been paid and discharged.

32 4. Any consideration, promissory note or deed of trust which an
33 educational institution receives for selling or leasing property to a not-for-profit
34 corporation pursuant to this section shall be placed in a separate fund or in
35 escrow, and neither the principal or any interest thereon shall be commingled
36 with any other funds of the educational institutions. At such time as the title or
37 deed for property acquired, constructed, improved, extended, repaired, remodeled
38 or renovated under this section is conveyed to the educational institution, the
39 consideration shall be returned to the corporation.

40 5. The board may make rental payments to the corporation under such
41 leases out of its general funds or out of any other available funds, provided that
42 in no event shall the educational institution become indebted in an amount
43 exceeding in any year the income and revenue of the educational institution for
44 such year plus any unencumbered balances from previous years.

45 6. Any bonds, notes and other obligations issued by a corporation to pay
46 for the acquisition, construction, improvements, extensions, repairs, remodeling
47 or renovations of sites, buildings and facilities, pursuant to this section, may be
48 secured by a mortgage, pledge or deed of trust of the sites, buildings and facilities
49 and a pledge of the revenues received from the rental thereof to the educational
50 institution. Such bonds, notes and other obligations issued by a corporation shall
51 not be a debt of the educational institution and the educational institution shall

52 not be liable thereon, and in no event shall such bonds, notes or other obligations
53 be payable out of any funds or properties other than those acquired for the
54 purposes of this section, and such bonds, notes and obligations shall not
55 constitute an indebtedness of the educational institution within the meaning of
56 any constitutional or statutory debt limitation or restriction.

57 7. The interest on such bonds, notes and other obligations of the
58 corporation and the income therefrom shall be exempt from taxation by the state
59 and its political subdivisions, except for death and gift taxes on transfers. Sites,
60 buildings, facilities, furnishings and equipment owned by a corporation in
61 connection with any project pursuant to this section shall be exempt from
62 taxation.

63 8. The board may make all other contracts or agreements with the
64 corporation necessary or convenient in connection with any project pursuant to
65 this section. The corporation shall comply with sections 290.210 to 290.340.

66 9. Notice that the board is considering a project pursuant to this section
67 shall be given by publication in a newspaper published within the county in
68 which all or a part of the educational institution is located which has general
69 circulation within the area of the educational institution, once a week for two
70 consecutive weeks, the last publication to be at least seven days prior to the date
71 of the meeting of the board at which such project will be considered and acted
72 upon.

73 10. Provisions of other law to the contrary notwithstanding, the board
74 may refinance any lease purchase agreement that satisfies at least one of the
75 conditions specified in subsection 6 of section 165.011 for the purpose of payment
76 on any lease with the corporation under this section for sites, buildings, facilities,
77 furnishings or equipment which the corporation has acquired or constructed, but
78 such refinance shall not extend the date of maturity of any obligation, and the
79 refinancing obligation shall not exceed the amount necessary to pay or provide for
80 the payment of the principal of the outstanding obligations to be refinanced,
81 together with the interest accrued thereon to the date of maturity or redemption
82 of such obligations and any premium which may be due under the terms of such
83 obligations and any amounts necessary for the payments of costs and expenses
84 related to issuing such refunding obligations and to fund a capital projects
85 reserve fund for the obligations.

86 11. [Provisions of other law to the contrary notwithstanding, payments
87 made from any source by a school district, after the latter of July 1, 1994, or July

88 12, 1994, that result in the transfer of the title of real property to the school
89 district, other than those payments made from the capital projects fund, shall be
90 deducted as an adjustment to the funds payable to the district pursuant to section
91 163.031 beginning in the year following the transfer of title to the district, as
92 determined by the department of elementary and secondary education.] No
93 district with modular buildings leased in fiscal year 2004, with the lease
94 payments made from the incidental fund and that initiates the transfer of title
95 to the district after fiscal year 2007, shall have any adjustment to the funds
96 payable to the district under section 163.031 as a result of the transfer of title.

97 12. Notwithstanding provisions of this section to the contrary, the board
98 of education of any school district may enter into agreements with the county in
99 which the school district is located, or with a city, town, or village wholly or
100 partially located within the boundaries of the school district, in order to provide
101 for the acquisition, construction, improvement, extension, repair, remodeling,
102 renovation, and financing of sites, buildings, facilities, furnishings, and
103 equipment for the use of the school district for educational purposes. Such an
104 agreement may provide for the present or future acquisition of an ownership
105 interest in such facilities by the school district, by lease, lease-purchase
106 agreement, option to purchase agreement, or similar provisions, and may provide
107 for a joint venture between the school district and other entity or entities that are
108 parties to such an agreement providing for the sharing of the costs of acquisition,
109 construction, repair, maintenance, and operation of such facilities. The school
110 district may wholly own such facilities, or may acquire a partial ownership
111 interest along with the county, city, town, or village with which the agreement
112 was executed.

177.250. 1. This section shall be known and may be cited as the
2 "Sharing of Services and Increasing Efficiencies Act".

3 2. Two or more school districts, charter schools, any public,
4 private, or nonprofit entity, political subdivision, public institution of
5 higher education, or private institution of higher education may
6 cooperate and share resources to achieve efficiencies, become more
7 cost effective, reduce costs, and reduce and minimize duplicative
8 operations, services, and purchasing. Cooperative actions may include,
9 but not be limited to, the following:

10 (1) Group purchases of supplies, textbooks, and classroom
11 materials;

12 (2) Group purchases of life insurance, property insurance, and
13 health insurance;

14 (3) Administration of services for payroll, secretarial, human
15 resources, maintenance, sanitation, janitorial, and administrative
16 assistance;

17 (4) Participation in a deferred compensation plan; and

18 (5) Joint lease, purchase, or use of facilities.

19 3. Two or more school districts, charter schools, any public,
20 private, or nonprofit entity, political subdivision, public institution of
21 higher education, or private institution of higher education may share
22 certificated and non-certificated employees, including but not limited
23 to, superintendents, principals, administrative staff, central office staff,
24 teachers, teacher aides, paraprofessionals, information technology
25 specialists, maintenance personnel, custodial staff, cooks, bus drivers,
26 and support staff.

27 4. Two or more school districts, charter schools, any public,
28 private, or nonprofit entity, political subdivision, public institution of
29 higher education, or private institution of higher education may enter
30 into an agreement for the acquisition, construction, improvement,
31 extension, repair, remodeling, renovation, and financing of sites,
32 buildings, facilities, furnishings, and equipment for their use.

33 5. Two or more school districts, charter schools, any public,
34 private, or nonprofit entity, political subdivision, public institution of
35 higher education, or private institution of higher education may enter
36 into an agreement for the sharing of services for their use.

37 6. Nothing in this section shall be construed to prohibit any of
38 the entities identified in this section from entering into any
39 cooperative agreement as described in this section or to prohibit any
40 entity identified in this section from altering any current agreement it
41 may have with another entity described in this section without
42 agreement from all the parties to the agreement or expiration of the
43 contract that is in force upon the effective date of this section.

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