

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 723
97TH GENERAL ASSEMBLY

Reported from the Committee on Governmental Accountability and Fiscal Oversight, February 27, 2014, with recommendation that the Senate Committee Substitute do pass.

5022S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 8.420 and 8.665, RSMo, and to enact in lieu thereof two new sections relating to revenue bonds.

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

Section A. Sections 8.420 and 8.665, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 8.420 and 8.665, to read
3 as follows:

8.420. 1. Bonds issued under and pursuant to the provisions of sections
2 8.370 to 8.450 shall be of such denomination or denominations, shall bear such
3 rate or rates of interest not to exceed fifteen percent per annum, and shall mature
4 at such time or times within forty years from the date thereof, as the board
5 determines. The bonds may be either serial bonds or term bonds.

6 2. Serial bonds may be issued with or without the reservation of the right
7 to call them for payment and redemption in advance of their maturity, upon the
8 giving of such notice, and with or without a covenant requiring the payment of
9 a premium in the event of such payment and redemption prior to maturity, as the
10 board determines.

11 3. Term bonds shall contain a reservation of the right to call them for
12 payment and redemption prior to maturity at such time or times and upon the
13 giving of such notice, and upon the payment of such premium, if any, as the board
14 determines.

15 4. The bonds, when issued, shall be sold at public sale for the best price
16 obtainable after giving such reasonable notice of such sale as may be determined
17 by the board, but in no event shall such bonds be sold for less than ninety-eight

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

18 percent of the par value thereof, and accrued interest. Any such bonds may be
19 sold to the United States of America or to any agency or instrumentality thereof,
20 at a price not less than par and accrued interest, without public sale and without
21 the giving of notice as herein provided.

22 5. The bonds, when issued and sold, shall be negotiable instruments
23 within the meaning of the law merchant and the negotiable instruments law, and
24 the interest thereon shall be exempt from income taxes under the laws of the
25 state of Missouri.

26 6. The board shall not issue revenue bonds pursuant to the provisions of
27 sections 8.370 to 8.450 for one or more projects, as defined in section 8.370, in
28 excess of a total par value of [seven] **one billion one** hundred seventy-five
29 million dollars.

30 7. Any bonds which may be issued pursuant to the provisions of sections
31 8.370 to 8.450 shall be issued only for projects which have been approved by a
32 majority of the house members and a majority of the senate members of the
33 committee on legislative research of the general assembly, and the approval by
34 the committee on legislative research required by the provisions of section 8.380
35 shall be given only in accordance with this provision. For the purposes of
36 approval of a project, the total amount of bonds issued for purposes of energy
37 retrofitting in state-owned facilities shall be treated as a single project.

38 **8. Any bonds which may be issued due to the increase of the cap**
39 **amount in subsection 6 of this section occurring on August 28, 2014,**
40 **shall not be issued for construction of new buildings and shall only be**
41 **used for repair or renovation of existing buildings and facilities, except**
42 **that bonds may be issued for the construction of a new mental health**
43 **facility in any county of the first classification with more than forty**
44 **thousand but fewer than fifty thousand inhabitants and with a home**
45 **rule city with more than twelve thousand one hundred but fewer than**
46 **twelve thousand two hundred inhabitants as the county seat.**

8.665. 1. Bonds issued under and pursuant to the provisions of sections
2 8.660 to 8.670 shall be of such denomination or denominations, shall bear such
3 rate or rates of interest not to exceed fifteen percent per annum, and shall mature
4 at such time or times within forty years from the date thereof, as the board
5 determines. The bonds may be either serial bonds or term bonds.

6 2. Serial bonds may be issued with or without the reservation of the right
7 to call them for payment and redemption in advance of their maturity, upon the

8 giving of such notice, and with or without a covenant requiring the payment of
9 a premium in the event of such payment and redemption prior to maturity, as the
10 board determines.

11 3. Term bonds shall contain a reservation of the right to call them for
12 payment and redemption prior to maturity at such time or times and upon the
13 giving of such notice, and upon the payment of such premium, if any, as the board
14 determines.

15 4. The bonds, when issued, shall be sold at public sale for the best price
16 obtainable after giving such reasonable notice of such sale as may be determined
17 by the board, but in no event shall such bonds be sold for less than ninety-eight
18 percent of the par value thereof, and accrued interest. Any such bonds may be
19 sold to the United States of America or to any agency or instrumentality thereof,
20 at a price not less than par and accrued interest, without public sale and without
21 the giving of notice as herein provided.

22 5. The bonds, when issued and sold, shall be negotiable instruments
23 within the meaning of the law merchant and the negotiable instruments law, and
24 the interest thereon shall be exempt from income taxes under the laws of the
25 state of Missouri.

26 6. The board shall not issue revenue bonds pursuant to the provisions of
27 sections 8.660 to 8.670 for one or more projects, as defined in section 8.660, in
28 excess of a total par value of **[one] three** hundred seventy million dollars.

29 7. Any bonds which may be issued pursuant to the provisions of sections
30 8.660 to 8.670 shall be issued only for projects which have been approved by a
31 majority of the house members and a majority of the senate members of the
32 committee on legislative research of the general assembly, and the approval by
33 the committee on legislative research required by the provisions of section 8.661
34 shall be given only in accordance with this provision. For the purposes of
35 approval of a project, the total amount of bonds issued for purposes of energy
36 retrofitting in state-owned facilities shall be treated as a single project.

37 8. The provisions of sections 8.660 to 8.670 shall terminate upon the
38 satisfaction of all outstanding bonds, notes and obligations issued pursuant to
39 such sections. The commissioner of the office of administration shall notify the
40 revisor of statutes when all outstanding bonds, notes, and obligations have been
41 satisfied.

42 **9. Any bonds which may be issued due to the increase of the cap**
43 **amount in subsection 6 of this section occurring on August 28, 2014,**

44 **shall not be issued for construction of new buildings and shall only be**
45 **used for repair or renovation of existing buildings and facilities.**

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Bill

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