

SECOND REGULAR SESSION

SENATE BILL NO. 899

89TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR MAXWELL.

Read 1st time February 10, 1998, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

S3622.011

AN ACT

To repeal section 166.131, RSMo 1994, and section 166.300, RSMo Supp. 1997, relating to school funds, and to enact in lieu thereof two new sections relating to the same subject.

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

Section A. Section 166.131, RSMo 1994, and section 166.300, RSMo Supp. 1997, are repealed and two new sections enacted in lieu thereof, to be known as sections 166.131 and 166.300, to read as follows:

166.131. The county commission in each county shall administer the county school fund of the county. In each county wherein the annual distribution of the liquidated capital of the county school fund has not been ordered by the voters pursuant to sections 166.151 to 166.161, the proceeds of the fund shall be invested by the county commission in registered bonds of the United States, or in bonds of the state or in approved bonds of any city or school district thereof, or in bonds or other securities the payment of which is fully guaranteed by the United States government and shall be preserved as a county school fund. Annually, on or before September thirtieth, in each county of the state all interest accruing from the investment of the capital of the county school fund, if any, the clear proceeds of all penalties[, forfeitures] and fines collected for any breach of the penal laws of the state, the net proceeds from the sale of estrays, and all other money lawfully coming into the fund, shall be collected and distributed to the school districts of the county by the county clerk in the same proportion that the September membership of a school district, determined as provided in (1) of subdivision (8) of section 163.011, RSMo, bears to the sum of the September membership of all the districts in the county. He shall immediately after making the apportionments enter them in a book to be kept for that purpose, and shall furnish each district clerk a copy of the apportionment. The county treasurer shall pay over to the treasurer of the school board of every district in the county the amount due each respective district. **The clear proceeds of all forfeitures collected for any breach of the penal laws of the state**

shall be transferred to the school building revolving fund created in section 166.300.

166.300. 1. As used in this section, the following words and phrase 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, RSMo, 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 [requests] **applications** for [loans and grants] **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 [receive a loan] **enter into a lease purchase** from the school building revolving fund without first submitting a long-range capital improvements plan.

3. To be eligible for [loans or grants] **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; [and]

(3) [A school district shall not incur a total debt, including short-term debt and bonded indebtedness in excess of ten percent of the guaranteed tax base for the current payment year multiplied by the number of eligible pupils in the district in the preceding year.] **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 nine percent of the equalized, assessed valuation of the district.

4. [If the balance in the school building revolving fund is insufficient to fund project plans for capital improvements, applications shall be funded based upon a priority ranking.] **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. For funding of applications pursuant to a particular subdivision of this**

subsection, 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 assessed valuation per pupil shall be given priority. Ranking of the [projects] applications for offering of lease purchases shall be [based upon the following variables] done in the following order:

(1) [A rating of provisionally accredited or unaccredited as determined by the state board of education pursuant to section 161.092, RSMo, based upon the condition and adequacy of facilities pursuant to section 163.023, RSMo, and section 160.538, RSMo;] **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) [Equalized assessed valuation per eligible pupil;] **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 greater than nine percent of the assessed valuation of the district and an equalized assessed valuation per pupil which is less than the statewide average equalized assessed valuation per pupil; and**

(3) [Increasing enrollment;

(4) Age or condition of facility; and

(5) Building destruction due to fire or natural disaster.

5. The state board of education shall promulgate, by rule, the methodology for prioritizing projects based upon these variables.] **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 greater than nine percent of the assessed valuation of the district.**

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.

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