

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ Of \_\_\_\_\_

Amend SS/SCS/Senate Bill Nos. 1410 & 853, Page 42, Section 164.151, Line 25,

2 by inserting after all of said line the following:

3 "Section 1. 1. This section shall be known and may be  
4 cited as the "Missouri Taxpayer Debt Relief and School  
5 Facilities Act". It is the intent of the general assembly  
6 through the Missouri taxpayer debt relief and school  
7 facilities act to:

8 (1) Provide state support for public school facility  
9 projects that are currently funded by local property  
10 taxpayers; and

11 (2) Reduce the property tax burden on Missouri  
12 taxpayers by lowering the amount of bonded indebtedness and  
13 property tax levies of school districts that need to finance  
14 necessary capital improvements in academic facilities.

15 2. As used in this section, the following terms mean:

16 (1) "Academic facility", a building or space, and  
17 related portions of the physical plant and grounds, where  
18 public school students receive instruction that is an  
19 integral part of an adequate public education program,  
20 including classrooms, libraries, laboratories, and related  
21 support spaces, but excluding:

22 (a) Central or district administration buildings;

23 (b) Noninstructional warehouses, bus barns, and  
24 maintenance facilities;

25 (c) Athletic stadiums and similar competition venues,  
26 except to the extent a portion of such facilities is  
27 regularly scheduled instructional space; and

28 (d) Facilities leased from or by the district, unless  
29 otherwise provided by rule of the commission;

30 (2) "Commission", the Missouri commission on academic  
31 facilities established in this section;

32 (3) "Facility condition index", a ratio that compares  
33 the cost of repairing or renovating an academic facility to  
34 the cost of replacing such facility, as determined by the  
35 commission by rule;

36 (4) "Fiscal capacity", the relative ability of a  
37 school district to raise local resources for capital  
38 projects, as determined by the commission, which may include  
39 consideration of a district's property tax base, income  
40 levels, existing debt service, and other factors the  
41 commission deems appropriate;

42 (5) "Immediate repair project", an academic facilities  
43 project that addresses an existing condition that presents a  
44 substantial and imminent danger to the health or safety of  
45 occupants, a serious deficiency in structural integrity or  
46 major building systems, or an urgent need to comply with  
47 applicable building, fire, or accessibility code  
48 requirements;

49 (6) "Local resources", the portion of the cost of a  
50 project to be funded from revenues of the school district,  
51 including proceeds of bonds, capital levies, or other  
52 locally controlled funds, but excluding any moneys received  
53 from the Missouri academic facilities partnership fund;

54 (7) "Maintenance, repair, and renovation", any  
55 activity, improvement, or work on an academic facility that  
56 maintains, conserves, or restores the condition or  
57 efficiency of the facility, including but not limited to

58 roof repair or replacement, HVAC, electrical, plumbing,  
59 interior finishes, accessibility improvements, and code  
60 compliance upgrades;

61 (8) "New construction", any improvement that brings an  
62 academic facility to a better condition or efficiency,  
63 including construction of a new building, additions to an  
64 existing building, or major alterations that significantly  
65 change capacity or function;

66 (9) "Operating levy for school purposes", as such term  
67 is defined in section 163.011 or any successor provision;

68 (10) "Performance levy", as such term is defined in  
69 section 163.011 or any successor provision;

70 (11) "Project", an undertaking by a school district  
71 involving maintenance, repair, and renovation, new  
72 construction, or any combination thereof, with respect to  
73 one or more academic facilities;

74 (12) "School district" or "district", any public  
75 school district organized under the laws of this state.

76 3. There is hereby created the "Missouri Commission on  
77 Academic Facilities". The commission shall be housed within  
78 the department of elementary and secondary education for  
79 administrative purposes, and such department shall provide  
80 staff and administrative support to the commission.

81 Appointed members of the commission shall serve six-year  
82 terms, and all members of the commission shall serve without  
83 compensation but may be reimbursed for necessary expenses  
84 incurred in the performance of their duties. The commission  
85 shall consist of the following seven members, who shall have  
86 demonstrated experience in public school administration,  
87 school facility planning or construction, or public finance:

88 (1) The commissioner of education or the  
89 commissioner's designee;

90 (2) Two members appointed by the governor, not more  
91 than one from the same political party;

92 (3) One member appointed by the president pro tempore  
93 of the Missouri senate;

94 (4) One member appointed by the senate minority  
95 leader; and

96 (5) Two members appointed by the speaker of the house  
97 of representatives, not more than one from the same  
98 political party.

99 4. The commission shall:

100 (1) Administer the Missouri academic facilities  
101 partnership fund and implement this section;

102 (2) Adopt rules to implement this section, including  
103 rules establishing:

104 (a) Application procedures and timelines;

105 (b) Project evaluation criteria and scoring systems;

106 (c) Project categories and definitions that, at a  
107 minimum, distinguish projects that address health, safety,  
108 and code compliance needs; major maintenance, repair,  
109 renovation, and replacement projects; and new construction,  
110 additions, and space or capacity projects;

111 (d) Facility standards and a facility condition index  
112 methodology;

113 (e) Reporting, monitoring, and audit requirements; and

114 (f) A methodology for state and local cost sharing  
115 based on district fiscal capacity;

116 (3) Review and approve or disapprove school district  
117 applications for state financial participation in academic  
118 facilities projects;

119 (4) Determine, for each approved project, the state  
120 share and local share of eligible project costs in  
121 accordance with the cost sharing methodology established  
122 under this section;

123       (5) Apply the priorities and factors set forth in this  
124 section and annually adopt a statewide prioritized list of  
125 projects recommended for funding; and

126       (6) Monitor the use of state funds and project  
127 completion and require such reports and audits from school  
128 districts as are necessary to ensure compliance with this  
129 section and rules adopted under it.

130       5. Except as expressly provided in this section, all  
131 procedures, standards, criteria, and scoring systems  
132 governing applications for and awards of state financial  
133 participation shall be determined by the commission by rule  
134 and may be modified over time as the commission deems  
135 necessary to prudently and resourcefully expend state funds.

136       6. The commission shall establish, by rule, a  
137 methodology for determining the relative fiscal capacity of  
138 each school district to provide local resources for academic  
139 facilities projects and the respective state and local  
140 shares of eligible project costs for districts that receive  
141 state financial participation. In developing this  
142 methodology, the commission shall consider measures of  
143 district fiscal capacity that may include, but need not be  
144 limited to, assessed valuation, property wealth per pupil,  
145 income levels, the district's operating levy, existing debt  
146 service obligations, and other indicators of the ability to  
147 raise local capital. The commission shall ensure that  
148 districts with lower fiscal capacity and higher operating  
149 levies generally qualify for higher effective state support  
150 than districts with higher fiscal capacity and lower  
151 operating levies. The commission shall, by rule, establish  
152 minimum and maximum state participation percentages for  
153 eligible project costs and may differentiate such  
154 percentages among project categories described in this  
155 section.

156           7. (1) There is hereby created in the state treasury  
157 the "Missouri School Facilities Partnership Fund", which  
158 shall consist of moneys appropriated by the general assembly  
159 and any other moneys authorized by law to be deposited in  
160 the fund. The state treasurer shall be custodian of the  
161 fund. In accordance with sections 30.170 and 30.180, the  
162 state treasurer may approve disbursements. The fund shall  
163 be a dedicated fund and, upon appropriation, moneys in this  
164 fund shall be used solely to provide state financial  
165 participation in eligible academic facilities projects for  
166 school districts under this section and to pay the  
167 reasonable administrative costs of the department of  
168 elementary and secondary education and the commission  
169 established this section.

170           (2) Notwithstanding the provisions of section 33.080  
171 to the contrary, any moneys remaining in the fund at the end  
172 of the biennium shall not revert to the credit of the  
173 general revenue fund.

174           (3) The state treasurer shall invest moneys in the  
175 fund in the same manner as other funds are invested. Any  
176 interest and moneys earned on such investments shall be  
177 credited to the fund.

178           8. Notwithstanding any provision of this section to  
179 the contrary, a school district may apply to the commission  
180 for state financial participation in an academic facilities  
181 project only if:

182           (1) The district has adopted and submitted to the  
183 commission a long range facilities plan in a form approved  
184 by the commission;

185           (2) The proposed project is consistent with that plan  
186 and with applicable facility standards established by the  
187 commission; and

188       (3) The district's current operating levy for school  
189 purposes is at or above the performance levy, or the  
190 district's operating levy for school purposes was at or  
191 above the performance levy at any point during the preceding  
192 four fiscal years but was reduced below such levy amount due  
193 to a constitutionally mandated rollback.

194       9. In each funding cycle, the commission shall award  
195 state financial participation in accordance with the  
196 following priorities:

197       (1) First order priority shall be given to projects  
198 that address substantial and imminent dangers to health or  
199 safety, serious deficiencies in structural integrity or  
200 major building systems, or urgent compliance with building,  
201 fire, or accessibility codes in academic facilities,  
202 including immediate repair projects;

203       (2) Second order priority shall be given to projects  
204 that create substantial and demonstrable efficiencies in the  
205 ongoing costs of operation of a school district, including  
206 but not limited to projects that reduce utility or  
207 maintenance costs, improve energy efficiency, or modernize  
208 facilities in connection with voluntary consolidation,  
209 annexation, or cooperative reorganization of districts or  
210 attendance centers;

211       (3) Third order priority shall be given to projects  
212 that remedy significant facility condition deficiencies,  
213 extend the useful life of academic facilities, or replace  
214 facilities whose facility condition index exceeds a  
215 threshold established by the commission; and

216       (4) Fourth order priority shall be given to projects  
217 that provide additional capacity or reconfigured space  
218 necessary to accommodate enrollment growth, eliminate  
219 excessive reliance on temporary classrooms, or support  
220 educationally required programmatic changes.

221           10. Within and among the priority categories  
222 established in subsection 9 of this section, the commission  
223 shall further prioritize projects by considering at least  
224 the following factors, in such manner and relative weight as  
225 the commission shall establish by rule:

226           (1) The severity of the facility need and the  
227 educational impact of the project, including facility  
228 condition, educational adequacy, and enrollment pressures;

229           (2) The school district's fiscal capacity, so that  
230 districts with lower fiscal capacity receive higher  
231 effective state support;

232           (3) The school district's operating levy, so that  
233 districts with higher levies receive higher effective state  
234 support to lower or mitigate increases in the amount of  
235 property taxes residents must pay than districts with lower  
236 operating levies;

237           (4) The extent to which the district is already  
238 relying on local funding effort, prioritizing districts that  
239 receive less than half of their total revenue from state  
240 sources, including:

241           (a) Existing debt service millage or equivalent local  
242 levy for capital purposes; and

243           (b) The proportion of total operating and capital  
244 revenues derived from local sources;

245           (5) The availability, or lack, of additional local  
246 bonding capacity for facilities purposes, including  
247 districts that are at, or within a threshold established by  
248 the commission of, the maximum bonded indebtedness level  
249 permitted by law or commission policy, or that can otherwise  
250 demonstrate insufficient remaining bonding capacity to  
251 address critical facility needs without state participation;

252           (6) The degree of local matching commitment associated  
253 with the project, including:

254 (a) Local cash or in kind contributions, including  
255 proceeds of bonds or levies, dedicated deposits to a capital  
256 and maintenance reserve fund, or other local capital  
257 sources; and

258 (b) Local actions that provide property tax relief to  
259 district residents in connection with the project, such as:

260 a. Reducing existing or planned debt service levies  
261 due to state participation; or

262 b. Avoiding or reducing the need for new or higher  
263 debt service levies that would otherwise be required to  
264 complete the project; and

265 (7) The prudent and resourceful expenditure of state  
266 funds, including consideration of life cycle cost, energy  
267 efficiency, and the extent to which state dollars leverage  
268 or replace local borrowing in a manner that reduces long  
269 term tax burdens while addressing facility needs.

270 11. The commission shall publish, at least annually,  
271 the statewide prioritized list of projects recommended for  
272 funding and shall identify, for each project, the category  
273 and principal factors supporting the commission's  
274 recommended priority.

275 12. No project shall receive state financial  
276 participation under this section unless the district  
277 demonstrates a good faith local matching commitment, as  
278 determined by the commission.

279 13. In awarding state financial participation, the  
280 commission shall give favorable consideration to projects  
281 that are accompanied by a plan, approved by the district's  
282 governing board, that uses state participation to offset or  
283 reduce the amount of new local debt that would otherwise be  
284 required for the project or allows for a reduction in future  
285 debt service levies or avoidance of levy increases that  
286 would otherwise be needed.

287           14. The commission shall not require a district  
288 eligible to apply for state financial participation under  
289 subsection 8 of this section to increase local tax rates as  
290 a condition of receiving state financial participation. The  
291 commission shall ensure that state funds are allocated in a  
292 manner that reasonably balances:

293           (1) Preference for districts demonstrating strong  
294 local effort;

295           (2) Consideration for districts with limited remaining  
296 bonding capacity; and

297           (3) The goal of mitigating, where practicable, the  
298 long term property tax burden associated with necessary  
299 facility improvements.

300           15. A district receiving state financial participation  
301 shall comply with all applicable procurement, construction,  
302 and reporting requirements and shall complete the project  
303 substantially as described in such district's approved  
304 application, unless otherwise authorized by the commission.

305           16. The commission may withhold, suspend, or require  
306 repayment of state funds if the commission finds that a  
307 district has materially violated the requirements of this  
308 section, rules promulgated under this section, or the terms  
309 of such district's approved project.

310           17. The commission shall promulgate rules to implement  
311 the provisions of this section. Any rule or portion of a  
312 rule, as that term is defined in section 536.010, that is  
313 created under the authority delegated in this section shall  
314 become effective only if it complies with and is subject to  
315 all of the provisions of chapter 536 and, if applicable,  
316 section 536.028. This section and chapter 536 are  
317 nonseverable and if any of the powers vested with the  
318 general assembly pursuant to chapter 536 to review, to delay  
319 the effective date, or to disapprove and annul a rule are

320 subsequently held unconstitutional, then the grant of  
321 rulemaking authority and any rule proposed or adopted after  
322 August 28, 2026, shall be invalid and void."; and  
323 Further amend the title and enacting clause accordingly.