

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 718

93RD GENERAL ASSEMBLY

2006

3198S.08T

AN ACT

To repeal sections 8.420, 100.265, and 100.281, RSMo, and to enact in lieu thereof four new sections relating to the issuance of state loans.

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

Section A. Sections 8.420, 100.265, and 100.281, RSMo, are repealed and
2 four new sections enacted in lieu thereof, to be known as sections 8.420, 100.265,
3 100.281 and 100.282, to read 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

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

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. [After August 13, 1976,] The board shall not issue revenue bonds
27 pursuant to the provisions of sections 8.370 to 8.450 for one or more projects, as
28 defined in section 8.370, in excess of a total par value of [six hundred fifty-five]
29 **seven hundred seventy-five** million dollars.

30 7. [After August 13, 1976,] Any bonds which may be issued pursuant to
31 the provisions of sections 8.370 to 8.450 shall be issued only for projects which
32 have been approved by a majority of the house members and a majority of the
33 senate members of the committee on legislative research of the general assembly,
34 and the approval by the committee on legislative research required by the
35 provisions of section 8.380 shall be given only in accordance with this
36 provision. For the purposes of approval of a project, the total amount of bonds
37 issued for purposes of energy retrofitting in state-owned facilities shall be treated
38 as a single project.

39 [8. No more than one hundred fifty million dollars of the net proceeds of
40 the bonds authorized pursuant to sections 8.370 to 8.450 or sections 8.660 to
41 8.670 may be applied to general revenue in fiscal year 2003.]

100.265. 1. There is hereby created within the department of economic
2 development the "Missouri Development Finance Board", which shall constitute
3 a body corporate and politic and shall consist of twelve members, including the
4 lieutenant governor, the director of the department of economic development, **the**
5 **director of the department of natural resources**, and the director of the
6 department of agriculture. No more than five members appointed by the governor
7 to the board shall be of the same political party. Except for the lieutenant
8 governor, the director of the department of economic development, **the director**
9 **of the department of natural resources**, and the director of the department
10 of agriculture, all members shall be appointed by the governor by and with the
11 advice and consent of the senate, and shall serve for terms of four years. The
12 persons serving as members of the Missouri economic development, export and
13 infrastructure board on August 28, 1994, shall become members of the Missouri

14 development finance board for terms to expire at the same time their terms would
15 have expired if they had remained members of the Missouri economic
16 development, export and infrastructure board. The Missouri development finance
17 board shall replace the Missouri economic development, export and infrastructure
18 board. All moneys, property, any other assets or liabilities of the Missouri
19 economic development, export and infrastructure board on August 28, 1994, shall
20 be transferred to the Missouri development finance board. All powers, duties and
21 functions performed by the Missouri economic development, export and
22 infrastructure board pursuant to sections 100.250 to 100.297 shall be transferred
23 to the Missouri development finance board.

24 2. Each member of the board appointed by the governor shall have resided
25 in this state for at least five years prior to appointment. Except for the
26 lieutenant governor, director of the department of economic development, **the**
27 **director of the department of natural resources**, and the director of the
28 department of agriculture, no person may be appointed to the board who is an
29 elected officer or employee of the state, or any agency, board, commission, or
30 authority established by the state.

31 3. The governor shall designate one of the members of the board to serve
32 as chairman. The board shall meet at such times and places it shall
33 designate. Seven members shall constitute a quorum. No vacancy in the
34 membership shall impair the right of a quorum of the members to exercise all of
35 the rights and powers and to perform all of the duties of the board.

36 4. Members of the board shall serve without compensation but shall be
37 reimbursed for their reasonable and necessary expenses incurred in the
38 performance of their duties.

100.281. 1. A request for a loan from the development and reserve fund,
2 the infrastructure development fund [or], the export finance fund, **or the jobs**
3 **now fund** to fund export trade activities or to carry out a project shall be in the
4 form of an application for the project to the board, which application shall be in
5 such form as the board may specify. After reviewing the application and such
6 other information as the board may require, the board may grant all or a part of
7 the loan request, provided the board determines that:

8 (1) The project will be a benefit to the economy or infrastructure of the
9 state;

10 (2) The project will generate sufficient revenues or the borrower will
11 otherwise have sufficient revenues available to enable the borrower to repay the
12 loan to the development and reserve fund, the infrastructure development fund
13 [or], the export finance fund, **or the jobs now fund**, along with any interest to

14 be charged; and

15 (3) In the case of an infrastructure facility project, the loan will not exceed
16 ten million dollars.

17 2. Notwithstanding any other provision of law to the contrary, all
18 development agencies, as defined in section 100.255, shall have the power to
19 borrow funds from the board for any project, to contract with the board, and to
20 furnish a security interest in any of their revenues or properties to the board to
21 secure a loan from the board and to issue notes in evidence thereof upon such
22 terms as such development agencies shall determine.

23 3. When the board issues bonds to provide loans for more than one
24 infrastructure project, the board shall make a reasonable effort to sell the bonds
25 to a purchaser that represents a group consisting of more than one underwriter.

**100.282. The Missouri development finance board, the Missouri
2 health and education facilities authority, the Missouri higher education
3 loan authority, the Missouri housing development commission, and the
4 environmental improvement and energy resources authority shall only
5 approve loan requests from the state, any agency or department of the
6 state, or any state educational institution if the borrower's means of
7 repayment is readily ascertainable and reliable. With the exception of
8 annual appropriation debt for state-owned property, the entities listed
9 in this section shall not approve such requests if the means of
10 repayment is contingent upon state funding that has not been granted,
11 unless the project has been approved by concurrent resolution of the
12 general assembly, or similar legislative directive or approval.**

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