

SS SCS SB 718 -- ISSUANCE OF STATE LOANS

SPONSOR: Crowell (Pearce)

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Institutions by a vote of 15 to 0.

This substitute authorizes the Missouri Development Finance Board, the Missouri Health and Education Facilities Authority, the Missouri Higher Education Loan Authority, the Missouri Housing Development Commission, and the Environmental Improvement and Energy Resources Authority to approve a loan request only if the means of repayment is readily ascertainable and reliable. With the exception of annual appropriation debt for state-owned property, entities cannot approve a request if the means of repayment is contingent upon state funding that has not been granted unless the project has been approved by a concurrent resolution of the General Assembly or similar legislative directive or approval.

The Jobs Now Fund is included in the list of funds from which a loan may be requested from the Missouri Development Finance Board.

Currently, the State Board of Public Buildings cannot issue revenue bonds for the acquisition of office buildings for one or more projects in excess of a total par value of \$655 million. The substitute increases the limit to \$775 million.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and FY 2009.

PROPOSERS: Supporters say that the bill will stop the Missouri Development Finance Board, the Missouri Health and Education Facilities Authority, the Missouri Higher Education Loan Authority, the Missouri Housing Development Commission, and the Environmental Improvement and Energy Resources Authority from approving loan requests if the means of repayment is contingent upon state funding that has not been granted through the General Assembly.

Testifying for the bill was Senator Crowell.

OPPOSERS: There was no opposition voiced to the committee.

Marc Webb, Legislative Analyst