

HCS SCS SB 1170 -- SCHOOL CONSTRUCTION AND LEASES

This bill establishes the Rebuild Missouri Schools Program which requires the State Board of Education to distribute no-interest funding to eligible school districts to help pay the costs of emergency projects because of severe damage or destruction due to an act of God or an extreme weather event such as a tornado, flood, or hail storm which renders the facility, or a substantial portion of it, unusable for the purpose it was serving before the destructive event. The facilities must be located in a state or federally declared disaster area.

Districts applying for funding must enter into an agreement with the state board stipulating that the funding can only be used for the costs of the emergency project, the district will not pay interest for the funding, and the district will repay the funding in annual installments. The annual installments will be subject to an annual appropriation made by the local school board from the district's incidental fund or capital projects fund. Installments do not need to be made in equal amounts, will be deposited into the newly created Rebuild Missouri Schools Fund, and can be paid over a 20-year period. The district must pledge to the state board that the school facilities being repaired or rebuilt as part of the emergency project will be used and occupied until the funding is repaid.

Funding awarded by the state board for an emergency project cannot exceed the cost of the project, less the amount of any insurance proceeds or other money received by the district as a result of the severe damage. If the district receives insurance payments after receiving funding from this program, it must pay the state board any money in excess of the project's costs. These payments will be in addition to the annual installment payment and will be made when the annual installment is due.

Districts that received severe damage after April 1, 2006, cannot be excluded from participating in the program.

The bill also increases the limit on lease-purchase agreements for boards of educational institutions from 20 years to 25 years.

The provisions regarding the Rebuild Missouri Schools Program will expire six years from the effective date.

The bill contains an emergency clause for the provisions regarding the Rebuild Missouri Schools Program.