

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 146
99TH GENERAL ASSEMBLY

0533H.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 108.170 and 137.556, RSMo, and to enact in lieu thereof three new sections relating to political subdivisions.

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

Section A. Sections 108.170 and 137.556, RSMo, are repealed and three new sections
2 enacted in lieu thereof, to be known as sections 67.142, 108.170, and 137.556, to read as follows:

2 **67.142. 1. Nothing in this chapter shall be construed to limit in any manner the**
3 **authority of any village, town, or city, including any home rule city, to prohibit dogs from**
4 **running at large or to further control or regulate dogs within its boundaries, provided that**
5 **no such ordinance, order, policy, or regulation is specific to breed.**

5 **2. The general assembly hereby occupies and preempts the entire field of legislation**
6 **touching in any way the control or regulation of specific breeds of dogs to the complete**
7 **exclusion of any order, ordinance, policy, or regulation by any village, town, or city,**
8 **including any home rule city, in this state. Any existing or future order, ordinance, policy,**
9 **or regulation in this field is or shall be null and void.**

108.170. 1. Notwithstanding any other provisions of any law or charter to the contrary,
2 any issue of bonds, notes, or other evidences of indebtedness, including bonds, notes, or other
3 evidences of indebtedness payable solely from revenues derived from any revenue-producing
4 facility, hereafter issued under any law of this state by any county, city, town, village, school
5 district, educational institution, drainage district, levee district, nursing home district, hospital
6 district, library district, road district, fire protection district, water supply district, sewer district,
7 housing authority, land clearance for redevelopment authority, special authority created under
8 section 64.920, authority created pursuant to the provisions of chapter 238, or other municipality,
9 political subdivision or district of this state shall be negotiable, may be issued in bearer form or

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 registered form with or without coupons to evidence interest payable thereon, may be issued in
11 any denomination, and may bear interest at a rate not exceeding ten percent per annum, and may
12 be sold, at any sale, at the best price obtainable, not less than ninety-five percent of the par value
13 thereof, anything in any proceedings heretofore had authorizing such bonds, notes, or other
14 evidence of indebtedness, or in any law of this state or charter provision to the contrary
15 notwithstanding. Such issue of bonds, notes, or other evidence of indebtedness may bear interest
16 at a rate not exceeding fourteen percent per annum if sold at public sale after giving reasonable
17 notice of such sale, at the best price obtainable, not less than ninety-five percent of the par value
18 thereof; provided, that such bonds, notes, or other evidence of indebtedness may be sold to any
19 agency or corporate or other instrumentality of the state of Missouri or of the federal government
20 at private sale at a rate not exceeding fourteen percent per annum. **Any political subdivision
21 that maintains a credit rating by a nationally recognized bond rating agency of A, AA, or
22 AAA issuing more than ten million dollars debt in a calendar year shall issue such debt
23 through a competitive process unless the political subdivision employs the services of a
24 municipal advisor, at which point the political subdivision may use a negotiated or
25 competitive process. A municipal advisor shall not be allowed to profit financially or
26 otherwise, either directly or indirectly, from the underwriter of a negotiated bond issuance.**

27 2. Notwithstanding the provisions of subsection 1 of this section to the contrary, the sale
28 of bonds, notes, or other evidence of indebtedness issued by the state board of public buildings
29 created under section 8.010, the state board of fund commissioners created under section 33.300,
30 any port authority created under section 68.010, the bi-state metropolitan development district
31 authorized under section 70.370, any special business district created under section 71.790, any
32 county, as defined in section 108.465, exercising the powers granted by sections 108.450 to
33 108.470, the industrial development board created under section 100.265, any planned industrial
34 expansion authority created under section 100.320, the higher education loan authority created
35 under section 173.360, the Missouri housing development commission created under section
36 215.020, the state environmental improvement and energy resources authority created under
37 section 260.010, the agricultural and small business development authority created under section
38 348.020, any industrial development corporation created under section 349.035, or the health and
39 educational facilities authority created under section 360.020 shall, with respect to the sales
40 price, manner of sale and interest rate, be governed by the specific sections applicable to each
41 of these entities.

42 3. **Any person who is engaged as a municipal advisor by a political corporation or
43 subdivision with respect to a particular issue of securities shall be independent of the
44 underwriter of that issue of securities. For the purposes of this section, "municipal
45 advisor" shall mean a person registered as a municipal advisor under the rules of the**

46 **United States Securities and Exchange Commission, and "independent" shall have the**
47 **same meaning as defined by the rules of the United States Securities and Exchange**
48 **Commission. In determining the individuals or entities that may serve as a municipal**
49 **advisor, nothing in this section shall be construed to be more restrictive than the definition**
50 **of a municipal advisor as established by the United States Securities and Exchange**
51 **Commission.**

52 **4.** Notwithstanding other provisions of this section or other law, the sale of bonds, notes
53 or other evidence of indebtedness issued by any housing authority created under section 99.040
54 may be sold at any sale, at the best price obtainable, not less than ninety-five percent of the par
55 value thereof, and may bear interest at a rate not exceeding fourteen percent per annum. The sale
56 shall be a public sale unless the issuing jurisdiction adopts a resolution setting forth clear
57 justification why the sale should be a private sale except that private activity bonds may be sold
58 either at public or private sale.

59 ~~[4.]~~ **5.** Notwithstanding other provisions of this section or law, industrial development
60 revenue bonds may be sold at private sale and bear interest at a rate not exceeding fourteen
61 percent per annum at the best price obtainable, not less than ninety-five percent of the par value
62 thereof.

63 ~~[5.]~~ **6.** Notwithstanding other provisions in subsection 1 of this section to the contrary,
64 revenue bonds issued for airport purposes by any constitutional charter city in this state which
65 now has or may hereafter acquire a population of more than three hundred thousand but less than
66 six hundred thousand inhabitants, according to the last federal decennial census, may bear
67 interest at a rate not exceeding fourteen percent per annum if sold at public sale after giving
68 reasonable notice, at the best price obtainable, not less than ninety-five percent of the par value
69 thereof.

70 ~~[6.]~~ **7.** For purposes of the interest rate limitations set forth in this section, the interest
71 rate on bonds, notes or other evidence of indebtedness described in this section means the rate
72 at which the present value of the debt service payments on an issue of bonds, notes or other
73 evidence of indebtedness, discounted to the date of issuance, equals the original price at which
74 such bonds, notes or other evidence of indebtedness are sold by the issuer. Interest on bonds,
75 notes or other evidence of indebtedness may be paid periodically at such times as shall be
76 determined by the governing body of the issuer and may be compounded in accordance with
77 section 408.080.

78 ~~[7.]~~ **8.** Notwithstanding any provision of law or charter to the contrary:

79 (1) Any entity referenced in subsection 1 or 2 of this section and any other political
80 corporation of the state which entity or political corporation has an annual operating budget for
81 the current year exceeding twenty-five million dollars may, in connection with managing the cost

82 to such entity or political corporation of purchasing fuel, electricity, natural gas, and other
83 commodities used in the ordinary course of its lawful operations, enter into agreements providing
84 for fixing the cost of such commodity, including without limitation agreements commonly
85 referred to as hedges, futures, and options; provided that as of the date of such agreement, such
86 entity or political corporation shall have complied with subdivision (3) of this subsection; and
87 further provided that no eligible school, as defined in section 393.310, shall be authorized by this
88 subsection to enter into such agreements in connection with the purchase of natural gas while the
89 tariffs required under section 393.310 are in effect;

90 (2) Any entity referenced in subsection 1 or 2 of this section and any other political
91 corporation of the state may, in connection with its bonds, notes, or other obligations then
92 outstanding or to be issued and bearing interest at a fixed or variable rate, enter into agreements
93 providing for payments based on levels of or changes in interest rates, including without
94 limitation certain derivative agreements commonly referred to as interest rate swaps, hedges,
95 caps, floors, and collars, provided that:

96 (a) As of the date of issuance of the bonds, notes, or other obligations to which such
97 agreement relates, such entity or political corporation will have bonds, notes, or other obligations
98 outstanding in an aggregate principal amount of at least fifty million dollars; and

99 (b) As of the date of such agreement, such entity's or political corporation's bonds, notes,
100 or other obligations then outstanding or to be issued have received a stand-alone credit rating in
101 one of the two highest categories, without regard to any gradation within such categories, from
102 at least one nationally recognized credit rating agency, or such entity or political corporation has
103 an issuer or general credit rating, in one of the two highest categories, without regard to any
104 gradation within such categories, from at least one nationally recognized credit rating agency;
105 and

106 (c) As of the date of such agreement, such entity or political corporation shall have
107 complied with subdivision (3) of this subsection;

108 (3) Prior to entering into any agreements pursuant to subdivision (1) or (2) of this
109 subsection, the governing body of the entity or political corporations entering into such
110 agreements shall have adopted a written policy governing such agreements. Such policy shall
111 be prepared by integrating the recommended practices published by the Government Finance
112 Officers Association or comparable nationally recognized professional organization and shall
113 provide guidance with respect to the permitted purposes, authorization process, mitigation of risk
114 factors, ongoing oversight responsibilities, market disclosure, financial strategy, and any other
115 factors in connection with such agreements determined to be relevant by the governing body of
116 such entity or political corporation. Such entity or political corporation may enter into such
117 agreements at such times and such agreements may contain such payment, security, default,

118 remedy, and other terms and conditions as shall be consistent with the written policy adopted
119 under this subdivision and as may be approved by the governing body of such entity or other
120 obligated party, including any rating by any nationally recognized rating agency and any other
121 criteria as may be appropriate;

122 (4) Nothing in this subsection shall be applied or interpreted to authorize any such entity
123 or political corporation to enter into any such agreement for investment purposes or to diminish
124 or alter the special or general power any such entity or political corporation may otherwise have
125 under any other provisions of law including the special or general power of any interstate
126 transportation authority.

127 **9. The state treasurer shall make available to municipalities, political subdivisions,**
128 **or districts listed under subsection 1 of this section relevant information regarding debt**
129 **issuance and bidding processes, including best practices resources published by a national**
130 **association of government finance officers on debt issuance, to aid such entities with the**
131 **process of issuing debt and awarding bonds to the best bidder.**

137.556. 1. Notwithstanding the provisions of section 137.555, any county of the second
2 class which now has or may hereafter have more than one hundred thousand inhabitants, and any
3 county of the first class not having a charter form of government, shall expend not less than
4 twenty-five percent of the moneys accruing to it from the county's special road and bridge tax
5 levied upon property situated within the limits of any city, town or village within the county for
6 the repair and improvement of existing roads, streets and bridges within the city, town or village
7 from which such moneys accrued, except that any county of the ~~second~~ **first** classification with
8 more than ~~sixty-five~~ **fifty** thousand but fewer than ~~seventy-five~~ **seventy** thousand inhabitants
9 shall not be required to expend such moneys as prescribed in this section.

10 2. The city council or other governing body of the city, town or village shall designate
11 the roads, streets and bridges to be repaired and improved and shall specify the kinds and types
12 of materials to be used.

13 3. The county commission may make and supervise the improvements or the city, town
14 or village, with the consent and approval of the county commission, may provide for the repairs
15 and improvement by private contract and, in either case, the county commission shall pay the
16 costs thereof out of any funds available under the provisions of this section.

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