

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Bill No. 302, Page 3, Section 68.075, Line 53, by
2 inserting after all of said section and line the following:

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4 "108.170. 1. Notwithstanding any other provisions of any law or charter to the contrary,
5 any issue of bonds, notes, or other evidences of indebtedness, including bonds, notes, or other
6 evidences of indebtedness payable solely from revenues derived from any revenue-producing
7 facility, hereafter issued under any law of this state by any county, city, town, village, school
8 district, educational institution, drainage district, levee district, nursing home district, hospital
9 district, library district, road district, fire protection district, water supply district, sewer district,
10 housing authority, land clearance for redevelopment authority, special authority created under
11 section 64.920, authority created pursuant to the provisions of chapter 238, or other municipality,
12 political subdivision or district of this state shall be negotiable, may be issued in bearer form or
13 registered form with or without coupons to evidence interest payable thereon, may be issued in any
14 denomination, and may bear interest at a rate not exceeding ten percent per annum, and may be
15 sold, at any sale, at the best price obtainable, not less than ninety-five percent of the par value
16 thereof, anything in any proceedings heretofore had authorizing such bonds, notes, or other
17 evidence of indebtedness, or in any law of this state or charter provision to the contrary
18 notwithstanding. Such issue of bonds, notes, or other evidence of indebtedness may bear interest at
19 a rate not exceeding fourteen percent per annum if sold at public sale after giving reasonable notice
20 of such sale, at the best price obtainable, not less than ninety-five percent of the par value thereof;
21 provided, that such bonds, notes, or other evidence of indebtedness may be sold to any agency or
22 corporate or other instrumentality of the state of Missouri or of the federal government at private
23 sale at a rate not exceeding fourteen percent per annum. Any political subdivision that maintains a
24 credit rating by a nationally recognized bond rating agency of A, AA, or AAA issuing more than ten
25 million dollars debt in a calendar year shall issue such debt through a competitive process unless the
26 political subdivision employs the services of a municipal advisor, at which point the political
27 subdivision may use a negotiated or competitive process. A municipal advisor shall not be allowed
28 to profit financially or otherwise, either directly or indirectly, from the underwriter of a negotiated
29 bond issuance.

30 2. Notwithstanding the provisions of subsection 1 of this section to the contrary, the sale of
31 bonds, notes, or other evidence of indebtedness issued by the state board of public buildings created
32 under section 8.010, the state board of fund commissioners created under section 33.300, any port
33 authority created under section 68.010, the bi-state metropolitan development district authorized
34 under section 70.370, any special business district created under section 71.790, any county, as
35 defined in section 108.465, exercising the powers granted by sections 108.450 to 108.470, the
36 industrial development board created under section 100.265, any planned industrial expansion

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1 authority created under section 100.320, the higher education loan authority created under section
2 173.360, the Missouri housing development commission created under section 215.020, the state
3 environmental improvement and energy resources authority created under section 260.010, the
4 agricultural and small business development authority created under section 348.020, any industrial
5 development corporation created under section 349.035, or the health and educational facilities
6 authority created under section 360.020 shall, with respect to the sales price, manner of sale and
7 interest rate, be governed by the specific sections applicable to each of these entities.

8 3. Any person who is engaged as a municipal advisor by a political corporation or
9 subdivision with respect to a particular issue of securities shall be independent of the underwriter of
10 that issue of securities. For the purposes of this section, "municipal advisor" shall mean a person
11 registered as a municipal advisor under the rules of the United States Securities and Exchange
12 Commission, and "independent" shall have the same meaning as defined by the rules of the United
13 States Securities and Exchange Commission. In determining the individuals or entities that may
14 serve as a municipal advisor, nothing in this section shall be construed to be more restrictive than
15 the definition of a municipal advisor as established by the United States Securities and Exchange
16 Commission.

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

24 [4.] 5. Notwithstanding other provisions of this section or law, industrial development
25 revenue bonds may be sold at private sale and bear interest at a rate not exceeding fourteen percent
26 per annum at the best price obtainable, not less than ninety-five percent of the par value thereof.

27 [5.] 6. Notwithstanding other provisions in subsection 1 of this section to the contrary,
28 revenue bonds issued for airport purposes by any constitutional charter city in this state which now
29 has or may hereafter acquire a population of more than three hundred thousand but less than six
30 hundred thousand inhabitants, according to the last federal decennial census, may bear interest at a
31 rate not exceeding fourteen percent per annum if sold at public sale after giving reasonable notice, at
32 the best price obtainable, not less than ninety-five percent of the par value thereof.

33 [6.] 7. For purposes of the interest rate limitations set forth in this section, the interest rate
34 on bonds, notes or other evidence of indebtedness described in this section means the rate at which
35 the present value of the debt service payments on an issue of bonds, notes or other evidence of
36 indebtedness, discounted to the date of issuance, equals the original price at which such bonds, notes
37 or other evidence of indebtedness are sold by the issuer. Interest on bonds, notes or other evidence
38 of indebtedness may be paid periodically at such times as shall be determined by the governing
39 body of the issuer and may be compounded in accordance with section 408.080.

40 [7.] 8. Notwithstanding any provision of law or charter to the contrary:

41 (1) Any entity referenced in subsection 1 or 2 of this section and any other political
42 corporation of the state which entity or political corporation has an annual operating budget for the
43 current year exceeding twenty-five million dollars may, in connection with managing the cost to
44 such entity or political corporation of purchasing fuel, electricity, natural gas, and other
45 commodities used in the ordinary course of its lawful operations, enter into agreements providing
46 for fixing the cost of such commodity, including without limitation agreements commonly referred
47 to as hedges, futures, and options; provided that as of the date of such agreement, such entity or
48 political corporation shall have complied with subdivision (3) of this subsection; and further

1 provided that no eligible school, as defined in section 393.310, shall be authorized by this
2 subsection to enter into such agreements in connection with the purchase of natural gas while the
3 tariffs required under section 393.310 are in effect;

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

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

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

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

21 (3) Prior to entering into any agreements pursuant to subdivision (1) or (2) of this
22 subsection, the governing body of the entity or political corporations entering into such agreements
23 shall have adopted a written policy governing such agreements. Such policy shall be prepared by
24 integrating the recommended practices published by the Government Finance Officers Association
25 or comparable nationally recognized professional organization and shall provide guidance with
26 respect to the permitted purposes, authorization process, mitigation of risk factors, ongoing
27 oversight responsibilities, market disclosure, financial strategy, and any other factors in connection
28 with such agreements determined to be relevant by the governing body of such entity or political
29 corporation. Such entity or political corporation may enter into such agreements at such times and
30 such agreements may contain such payment, security, default, remedy, and other terms and
31 conditions as shall be consistent with the written policy adopted under this subdivision and as may
32 be approved by the governing body of such entity or other obligated party, including any rating by
33 any nationally recognized rating agency and any other criteria as may be appropriate;

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

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

44
45 Further amend said bill by amending the title, enacting clause, and intersectional references
46 accordingly.