

SECOND REGULAR SESSION

HOUSE BILL NO. 1813

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MONACO, JOHNSON (90) (Co-sponsors) AND BYRD.

Read 1st time February 6, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4540L.011

AN ACT

To repeal section 108.240, RSMo, and to enact in lieu thereof one new section relating to duties of the state auditor in validating certain bonds.

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

Section A. Section 108.240, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 108.240, to read as follows:

108.240. 1. Before any general obligation bearer bond or general obligation registered bond, hereafter issued by any county, township, city, town, village or school district or special road district or fire protection district or by virtue of the provisions of chapters 243, 245, 248, and sections 242.010 to 242.690, RSMo, for any purpose whatever, shall obtain validity or be negotiated:

(1) If such bonds are in bearer form, such bonds shall first be presented to the state auditor, [who shall register the same in a book or books, provided for that purpose, in the same manner as state bonds are now registered, and] who, other provisions of law notwithstanding, shall certify by manual or facsimile endorsement of such bonds that all conditions of the laws have been complied with in its issue, if that be the case, and also that the conditions of the contract, under which they were ordered to be issued, have also been complied with and the evidence of that fact shall be filed and preserved by the auditor. The state auditor may endorse bearer bonds with his **or her** facsimile signature in lieu of manual signature after filing [his] **the state auditor's** manual signature, certified by [him] **the state auditor** under oath, with the secretary of state; and

(2) If such bonds are in registered form, the proceedings relating to the issuance of such

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

17 registered bonds shall first be presented to the state auditor, who shall examine the same and
18 shall issue a certificate that such proceedings comply with all conditions of the laws, if that be
19 the case, and also that the conditions of the contract, under which they were ordered to be issued,
20 have also been complied with, and the evidence of these facts shall be filed and preserved by the
21 auditor. The state auditor shall also [record] **maintain** the following information [in a book or
22 books provided for that purpose, to wit]: the name of the issuer of the bonds; the amount
23 thereof; the maturity dates thereof; the interest rates thereon; and the provisions with respect to
24 prepayment, if any.

25 2. Such bearer bonds after receiving the said certificate of the auditor as herein provided
26 and such registered bonds after the issuance of the said certificate as herein provided shall
27 thereafter be held in every action, suit or proceeding in which their validity is, or may be, brought
28 into question, prima facie, valid and binding obligations, and in every action brought to enforce
29 collection of such bonds, the certificate of such auditor, or a duly certified copy thereof, shall be
30 admitted and received in evidence of the validity of such bonds, together with the coupons
31 thereto attached if any; provided, the only defense which can be offered against the validity of
32 such bonds shall be for forgery or fraud. But this section shall not be construed to give validity
33 to any such bonds as may be issued in excess of the limit fixed by the constitution, or contrary
34 to its provisions, but all such bonds shall, to the extent of such excess, be held void; and
35 provided further, that the remedy of injunction shall also lie at the instance of any taxpayer of
36 the respective county, city, town, village, township or school district or special road district or
37 fire protection district or drainage district or levy district to prevent the registration of any bonds,
38 alleged to be illegally issued or funded.