

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE SUBSTITUTE NO. 2
FOR
SENATE BILL NO. 1191

1 AN ACT

2 To repeal section 8.010, RSMo, and to enact
3 in lieu thereof twenty-five new sections
4 relating to the tobacco settlement financing
5 authority act, with an emergency clause.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
7 AS FOLLOWS:

8 Section A. Section 8.010, RSMo, is repealed and twenty-five
9 new sections enacted in lieu thereof, to be known as sections
10 8.010, 8.500, 8.505, 8.510, 8.515, 8.520, 8.525, 8.530, 8.535,
11 8.540, 8.545, 8.550, 8.552, 8.555, 8.557, 8.560, 8.565, 8.570,
12 8.572, 8.575, 8.580, 8.585, 8.590, 8.592, and 8.595, to read as
13 follows:

14 8.010. 1. The governor, attorney general, speaker of the
15 house of representatives or speaker of the house designee,
16 president pro tempore of the senate or president pro tempore
17 designee, and lieutenant governor constitute the board of public
18 buildings. The governor is chairman and the lieutenant governor,

1 secretary. The board shall constitute a body corporate and
2 politic. The board has general supervision and charge of the
3 public property of the state at the seat of government and other
4 duties imposed on it by law.

5 2. The commissioner of administration shall provide staff
6 support to the board.

7 8.500. Sections 8.500 to 8.565 shall be known and may be
8 cited as the "Tobacco Settlement Financing Authority Act".

9 8.505. As used in sections 8.500 to 8.565, the following
10 terms mean:

11 (1) "Authority", the tobacco settlement financing authority
12 created by section 8.510;

13 (2) "Board", the governing board of the authority;

14 (3) "Bonds", bonds, notes, and other obligations and
15 financing arrangements issued or entered into by the authority
16 pursuant to sections 8.500 to 8.565;

17 (4) "Master settlement agreement", the master settlement
18 agreement as defined in section 196.1000, RSMo;

19 (5) "Net proceeds", the amount of proceeds remaining
20 following each sale of bonds which are not required by the
21 authority to establish and fund reserve funds, to fund
22 capitalized interest on the bonds, and to pay the costs of
23 issuance and other expenses and fees directly related to the
24 authorization and issuance of bonds;

25 (6) "Program plan", the tobacco settlement program to

1 provide funds for budget purposes to fund one-time expenditures,
2 short-term revenue shortfalls, and capital projects of any kind;

3 (7) "Sales agreement", any agreement authorized pursuant to
4 sections 8.500 to 8.565 in which the state provides for the sale
5 of a portion of the state's share to the authority;

6 (8) "State's share", all payments required to be made by
7 tobacco product manufacturers to the state, and the state's
8 rights to receive such payments, under the master settlement
9 agreement;

10 (9) "Tax-exempt bonds", bonds issued by the authority that
11 are accompanied by a written opinion of bond counsel to the
12 authority that the interest on such bonds is excluded from the
13 gross income of the recipients for federal income tax purposes;

14 (10) "Taxable bonds", bonds issued by the authority that
15 are not accompanied by a written opinion of bond counsel to the
16 authority that the interest on such bonds is excluded from the
17 gross income of the recipients for federal income tax purposes;
18 and

19 (11) "Tobacco securitization settlement trust fund", the
20 tobacco securitization settlement trust fund created by section
21 8.550.

22 8.510. 1. There is hereby created the "Tobacco Settlement
23 Financing Authority", which shall constitute a body corporate and
24 politic. The staff of the office of administration shall also
25 serve as staff of the authority under the supervision of the

1 commissioner of administration.

2 2. The purposes of the authority include all of the
3 following:

4 (1) To implement and administer the securitization of a
5 portion of the state's share as provided in sections 8.500 to
6 8.565;

7 (2) To enter into sales agreements;

8 (3) To issue bonds and enter into funding options,
9 consistent with sections 8.500 to 8.565, including refunding and
10 refinancing its debt and obligations;

11 (4) To sell, pledge, or assign, as security or
12 consideration, that a portion of the state's share sold to the
13 authority pursuant to a sales agreement, to provide for and
14 secure the issuance and repayment of its bonds;

15 (5) To invest funds available under sections 8.500 to
16 8.565;

17 (6) To enter into agreements with the state for the
18 distribution of amounts due the state under any sales agreement;
19 and

20 (7) To refund and refinance the authority's debts and
21 obligations, and to manage its funds, obligations, and
22 investments as necessary and if consistent with its purposes.

23 3. The authority shall not create any obligation of the
24 state or any political subdivision of the state within the
25 meaning of any constitutional or statutory debt limitation. The

1 authority shall not undertake any activities other than those
2 required to implement sections 8.500 to 8.565.

3 4. The authority shall not pledge the credit or taxing
4 power of the state or any political subdivision of the state, or
5 make its debts payable out of any moneys except those of the
6 authority specifically pledged for their payment.

7 5. The authority shall not pledge or make its debts payable
8 out of the moneys deposited in the tobacco securitization
9 settlement trust fund.

10 8.515. Sections 8.500 to 8.565 shall not restrict or limit
11 the powers that the authority has under any other law of the
12 state, but is cumulative as to any such powers. A proceeding,
13 notice, or approval is not required for the creation of the
14 authority or the issuance of bonds, debt obligations or any
15 instrument as security, except as provided in sections 8.500 to
16 8.565.

17 8.520. The powers of the authority are vested in and shall
18 be exercised by a board consisting of five members: the
19 governor, the lieutenant governor, the attorney general,
20 president pro tem of the senate, and speaker of the house of
21 representatives. The treasurer of the state may serve as an ex
22 officio member of the authority but shall not have the power to
23 vote. Three members of the board constitute a quorum. The
24 members shall elect a chairperson, vice chairperson, treasurer,
25 and secretary, annually, and other officers as the members

1 determine necessary. Meetings of the board shall be held at the
2 call of the chairperson or when a majority of the members so
3 requests. The members of the board shall not receive
4 compensation by reason of their membership on the board.

5 8.525. Members of the board and persons acting on the
6 authority's behalf, while acting within the scope of their
7 employment or agency, are not subject to personal liability
8 resulting from carrying out the powers and duties conferred on
9 them under sections 8.500 to 8.565.

10 8.530. The authority has all the general powers to the
11 extent necessary to carry out its purposes and duties and to
12 exercise its specific powers to the extent necessary, including
13 but not limited to all of the following powers:

14 (1) The power to issue its bonds and to enter into other
15 funding options as provided in sections 8.500 to 8.565;

16 (2) The power to sue and be sued in its own name;

17 (3) The power to make and execute agreements, contracts,
18 and other instruments, with any public or private person, in
19 accordance with sections 8.500 to 8.565;

20 (4) The power to hire and compensate legal counsel,
21 financial advisors, investment bankers, and other persons as
22 necessary to fulfill its purposes, following the solicitation of
23 qualifications for such services and the evaluation thereof by
24 the authority;

25 (5) The power to invest or deposit moneys of or held by the

1 authority in such deposits or investments as the state may
2 invest, and in obligations of states and their political
3 subdivisions that are rated in one of the two highest rating
4 categories by a nationally recognized bond rating agency;

5 (6) The power to create funds and accounts necessary to
6 carry out its purposes;

7 (7) The power to procure insurance, other credit
8 enhancements, and other financing arrangements, and to execute
9 instruments and contracts and to enter into agreements convenient
10 or necessary to facilitate financing arrangements of the
11 authority and to fulfill the purposes of the authority under
12 sections 8.500 to 8.565, including but not limited to such
13 arrangements, instruments, contracts, and agreements as municipal
14 bond insurance, liquidity facilities, forward purchase
15 agreements, interest rate swaps, exchange or cap or floor
16 agreements, and letters of credit;

17 (8) The power to accept appropriations from public
18 entities;

19 (9) The power to adopt rules, consistent with sections
20 8.500 to 8.565, as the board determines necessary;

21 (10) The power to acquire, own, hold, administer, and
22 dispose of personal property;

23 (11) The power to determine, in connection with the
24 issuance of bonds, and subject to the sales agreement, the terms
25 and other details of any financing, and the method of

1 implementation of the financing;

2 (12) The power to make all expenditures which are incident
3 and necessary to carry out its purposes and powers; and

4 (13) The power to perform any act not inconsistent with
5 federal or state law necessary to carry out the purposes of the
6 authority.

7 8.535. 1. (1) The governor or the governor's designee
8 shall be authorized to sell and assign to the authority, pursuant
9 to one or more sales agreements, not to exceed thirty percent of
10 the state's share to implement sections 8.500 to 8.565; provided,
11 the net proceeds of bonds issued to implement sections 8.500 to
12 8.565 shall not exceed six hundred million dollars. The attorney
13 general shall assist the governor in the preparation,
14 modification and review of all documentation as may be necessary
15 to effect such a sale and to implement the provisions of sections
16 8.500 to 8.565.

17 (2) Any sales agreement shall be consistent with sections
18 8.500 to 8.565. The terms and conditions of the sale established
19 in such sales agreement may include but are not limited to any of
20 the following:

21 (a) A requirement that the state enforce and pay the
22 expenses of enforcing the provisions of the master settlement
23 agreement that require payment of the state's share that has been
24 sold to the authority under a sales agreement which obligation
25 shall constitute a material covenant of the state;

1 (b) A requirement that the state not agree to any amendment
2 of the master settlement agreement that materially and adversely
3 affects the authority's ability to receive the state's share that
4 has been sold to the authority under a sales agreement;

5 (c) A statement that the net proceeds from the sale of
6 bonds shall be deposited in the tobacco securitization settlement
7 trust fund established under section 8.550 and that in no event
8 shall the amounts in the trust fund be available or be applied
9 for payment of bonds or any claim against the authority or any
10 debt or obligation of the authority; and

11 (d) An agreement that the effective date of the sale is the
12 date of receipt of the bond proceeds by the authority.

13 2. Any sales made under this section shall be irrevocable
14 during the time when bonds are outstanding under sections 8.500
15 to 8.565, and shall be a part of the contractual obligation owed
16 to the bondholders. The sale shall constitute and be treated as
17 a true sale and absolute transfer of the property so transferred
18 and not as a pledge or other security interest for any borrowing.
19 The characterization of such a sale as an absolute transfer shall
20 not be negated or adversely affected by the fact that only a
21 portion of the state's share is being sold, or by the state's
22 acquisition or retention of an ownership interest in the residual
23 assets.

24 3. On or after the effective date of such sale, the state
25 shall not have any right, title, or interest in the portion of

1 the master settlement agreement sold and such portion shall be
2 the property of the authority and not the state, and shall be
3 owned, received, held, and disbursed by the authority or its
4 trustee or assignee, and not the state.

5 4. On or before the effective date of the sale, the state
6 shall notify the escrow agent or its assignee under the master
7 settlement agreement of the sale and shall instruct the escrow
8 agent or its assignee that subsequent to that date, all payments
9 constituting the portion sold shall be made directly to the
10 authority.

11 5. The authority shall report to board of public buildings
12 on or before the date of the sale, advising it of the status of
13 the sale, its terms, and conditions.

14 8.540. Subject to the receipt of written approval of the
15 board of public buildings, the authority may issue taxable bonds
16 or tax-exempt bonds to provide for the implementation of sections
17 8.500 to 8.565 and may proceed with a securitization to maximize
18 the transference of benefits and risks associated with the master
19 settlement agreement.

20 8.545. 1. The net proceeds from bonds issued by the
21 authority shall be deposited in the tobacco securitization
22 settlement trust fund and applied to the governmental purposes
23 provided in section 8.550 hereof. The net proceeds from such
24 bonds may be used to implement sections 8.500 to 8.565 and carry
25 out the program plan. In connection with the issuance of bonds

1 and subject to the terms of the sales agreement, the authority
2 shall determine the terms and other details of the financing and
3 the method of implementation of sections 8.500 to 8.565. Bonds
4 issued pursuant to this section may be secured by a pledge of the
5 authority's interest in any sales agreement and any other sources
6 available to the authority with the exception of moneys in the
7 tobacco securitization settlement trust fund. The authority
8 shall also have the power to issue refunding bonds, including
9 advance refunding bonds, for the purpose of refunding previously
10 issued bonds, and shall have the power to issue any other types
11 of bonds, debt obligations, and financing arrangements necessary
12 to fulfill the purposes of sections 8.500 to 8.565, including but
13 not limited to the issuance of debt obligations with a maturity
14 of not more than one year from the date of issue for the purpose
15 of preserving any expenditure of moneys from the state general
16 revenue fund for reimbursement from the proceeds of any bonds to
17 be issued pursuant to sections 8.500 to 8.565. The state may
18 transfer to the authority funds designated in the state's budget
19 for such expenditure for the purpose of securing such debt
20 obligations. Such debt obligations may also be secured by a
21 covenant of the authority to issue bonds under sections 8.500 to
22 8.565. The purpose for the issuance of such debt obligations and
23 the transfer of such moneys shall be to maximize the utilization
24 of tax-exempt bonds by the authority.

25 2. The authority may issue its bonds in principal amounts

1 which, in the opinion of the authority, are necessary to provide
2 sufficient funds for achievement of its purposes, the payment of
3 interest on its bonds, the establishment of reserves to secure
4 the bonds, the costs of issuance of its bonds, and all other
5 expenditures of the authority incident to and necessary to carry
6 out its purposes or powers. The bonds are investment securities
7 and negotiable instruments within the meaning of and for the
8 purposes of the uniform commercial code.

9 3. Bonds issued by the authority are special obligations of
10 the authority payable solely and only out of the moneys, assets,
11 or revenues pledged by the authority and are not a general
12 obligation or indebtedness of the authority or an obligation or
13 indebtedness of the state or any political subdivision of the
14 state. The authority shall not pledge the credit or taxing power
15 of the state or any political subdivision of the state, or create
16 a debt or obligation of the state, or make its debts payable out
17 of any moneys except those of the authority specifically pledged
18 to such purpose, and shall exclude from any such pledge those
19 moneys deposited in the tobacco securitization settlement trust
20 fund.

21 4. Bonds issued by the authority shall state on their face
22 that they are special obligations payable both as to principal
23 and interest solely out of the assets of the authority pledged
24 for their purpose and do not constitute an indebtedness of the
25 state or any political subdivision of the state; are secured

1 solely by and payable solely from assets of the authority pledged
2 for such purpose; constitute neither a general, legal, or moral
3 obligation of the state or any of its political subdivisions; and
4 that the state has no obligation or intention to satisfy any
5 deficiency or default of any payment of the bonds.

6 5. Any amount pledged by the authority to be received under
7 the master settlement agreement shall be valid and binding at the
8 time the pledge is made. Amounts so pledged and then or
9 thereafter received by the authority shall immediately be subject
10 to the lien of such pledge without any physical delivery thereof
11 or further act. The lien of any such pledge shall be valid and
12 binding as against all parties having claims of any kind against
13 the authority, whether such parties have notice of the lien.
14 Notwithstanding any other provision to the contrary, the
15 resolution of the authority or any other instrument by which a
16 pledge is created need not be recorded or filed to perfect such
17 pledge.

18 6. The bonds shall comply with all of the following:

19 (1) The bonds shall be in a form, issued in denominations,
20 executed in a manner, and payable over terms, not to exceed
21 forty-five years, and with rights of redemption, as the board
22 prescribes in the resolution authorizing their issuance;

23 (2) The bonds shall be fully negotiable instruments under
24 the laws of the state. The sale of bonds issued pursuant to this
25 section may be completed on a negotiated or competitive basis,

1 but in no event shall such bonds be sold for less than ninety-
2 five percent of the par value thereof, plus accrued interest;

3 (3) The aggregate costs of issuance of any bonds or other
4 obligations issued by the authority (excluding insurance or other
5 credit enhancement) shall not exceed one and one-half percent of
6 the aggregate principal amount of the bonds, if the aggregate
7 principal amount is equal to or greater than three hundred
8 million dollars, or two percent of the aggregate principal amount
9 of the bonds, if the aggregate principal amount is less than
10 three hundred million dollars. The authority shall not procure
11 insurance or other credit enhancement for the bonds unless the
12 underwriter or the authority's financial advisor certifies that
13 the present value of the premium paid for such insurance or
14 credit enhancement is less than the present value of the interest
15 expected to be saved as a result of the insurance or credit
16 enhancement; and

17 (4) The bonds shall be subject to the terms, conditions,
18 and covenants providing for the payment of the principal,
19 redemption premiums, if any, interest which may be fixed or
20 variable during any period the bonds are outstanding, and other
21 terms, conditions, covenants, and protective provisions
22 safeguarding payment, not inconsistent with sections 8.500 to
23 8.565 and as determined by resolution of the board authorizing
24 their issuance.

25 7. All banks, bankers, trust companies, savings banks and

1 institutions, building and loan associations, savings and loan
2 associations, investment companies, insurance companies and
3 associations, and all executors, administrators, guardians,
4 trustees, and other fiduciaries legally may invest any sinking
5 funds, moneys or other funds belonging to them or within their
6 control in any bonds issued pursuant to sections 8.500 to 8.565.
7 Interest on the authority's bonds shall be exempt from Missouri
8 taxation in the state of Missouri for all purposes except the
9 state estate tax.

10 8. Following the approval of the board of public buildings,
11 bonds may be issued by the authority pursuant to the provisions
12 of sections 8.500 to 8.565 pursuant to a resolution adopted by
13 the affirmative vote of two-thirds of the members of the board
14 and no other proceedings shall be required therefor. However, a
15 resolution authorizing the issuance of bonds may delegate to an
16 officer of the authority the power to negotiate and fix the
17 details of an issue of bonds by an appropriate certificate of the
18 authorized officer.

19 9. The state reserves the right at any time to alter,
20 amend, repeal, or otherwise change the structure, organization,
21 programs, or activities of the authority, including the power to
22 terminate the authority, except that a law shall not be enacted
23 that impairs any obligation made pursuant to a sales agreement or
24 any contract entered into by the authority with or on behalf of
25 the holders of the bonds.

1 8.550. 1. A tobacco securitization settlement trust fund
2 is established, separate and apart from all other public moneys
3 or funds of the state, under the control of the authority. The
4 fund shall consist of moneys paid to the authority and not
5 pledged to the payment of bonds or otherwise obligated or any
6 other moneys deposited to the fund by the authority. Such moneys
7 shall include but are not limited to payments received from the
8 master settlement agreement which are not pledged to the payment
9 of bonds or which are subsequently released from a pledge to the
10 payment of any bonds; payments which, in accordance with any
11 sales agreement with the state, are to be paid to the state and
12 not pledged to the bonds, including that portion of the proceeds
13 of any bonds designated for purchase of a portion of the state's
14 share, which are designated for deposit in the fund, together
15 with all interest, dividends, and rents on the bonds; and all
16 securities or investment income and other assets acquired by and
17 through the use of the moneys belonging to the fund and any other
18 moneys deposited in the fund. Moneys in the fund are to be used
19 solely and only as provided in this section, and shall not be
20 used for any other purpose. Such moneys shall not be available
21 for the payment of any claim against the authority or any debt or
22 obligation of the authority.

23 2. There shall be established within the tobacco
24 securitization settlement trust fund a "qualified tax-exempt
25 expenditure account" and a "taxable expenditure account". The

1 net proceeds of all tax-exempt bonds shall be deposited in the
2 qualified tax-exempt expenditure account. The net proceeds of
3 all taxable bonds shall be deposited in the taxable expenditure
4 account. Moneys deposited in the qualified tax-exempt
5 expenditure account shall be used to pay or reimburse the state
6 for expenditures which are permissible under federal tax law
7 governing tax-exempt bonds. Upon such reimbursement or use such
8 moneys shall be transferred by the authority to the state
9 treasurer for deposit in the state general revenue fund and
10 applied as provided in subsection 4 of this section or to such
11 other fund as may be provided by law. Moneys deposited in the
12 taxable expenditure account shall, upon direction of the
13 authority, be transferred to the state treasurer for deposit in
14 the state general revenue fund or to such other fund as may be
15 provided by law.

16 3. For the purpose of maximizing the amount of tax-exempt
17 bonds to be issued, the governor or an authorized designee may
18 evidence in writing the state's intent to finance any state
19 expenditure from the proceeds of bonds either by directly funding
20 such expenditure or through reimbursement of amounts originally
21 funded from another source. An allocation of proceeds of bonds
22 to finance any expenditure originally funded from another source
23 may be evidenced by a written statement signed by the governor or
24 an authorized designee. Upon such allocation, the amount
25 allocated shall be deposited to the general revenue fund of the

1 state and thereafter may be appropriated for any purpose. The
2 treasurer of the authority shall act as custodian and trustee of
3 the tobacco securitization settlement trust fund and shall
4 administer the fund as directed by the authority. The treasurer
5 of the authority shall do all of the following: hold, invest and
6 disburse funds; sell any securities or other property held by the
7 fund and reinvest the proceeds as directed by the authority, when
8 deemed advisable by the authority for the protection of the fund
9 or the preservation of the value of the investment; subscribe, at
10 the direction of the authority, for the purchase of securities
11 for future delivery in anticipation of future income; and pay for
12 securities, as directed by the authority, upon the receipt of the
13 purchasing entity's paid statement or paid confirmation of
14 purchase. Any sale of securities or other property held by the
15 fund under this subsection shall only be made with the advice of
16 the board in the manner and to the extent provided in sections
17 8.500 to 8.565 with regard to the purchase of investments.

18 4. All moneys paid to or deposited in the fund are
19 available to the authority to be used in accordance with sections
20 8.500 to 8.565, including but not limited to all of the
21 following:

22 (1) For payment of amounts due to the state pursuant to the
23 terms of the sales agreements entered into between the state and
24 the authority;

25 (2) For purposes of paying or reimbursing the state for

1 expenditures which are permissible under federal tax law
2 governing tax-exempt bonds; provided, such moneys are transferred
3 at the time of such payment or reimbursement to the state
4 treasurer for deposit in the state general revenue fund and used
5 by the state treasurer solely to pay the costs of implementing
6 the program plan;

7 (3) For transfer to the state general revenue fund for the
8 payment of the costs of implementing the program plan;

9 (4) To make interim transfers to the state as provided in
10 subsection 5 of this section; and

11 (5) For payment of any other costs other than the payment
12 of bonds approved by the authority to implement sections 8.500 to
13 8.565.

14 5. Prior to disbursement of the moneys in the tobacco
15 securitization settlement trust fund in accordance with
16 subsection 4 of this section, the authority shall have the power
17 to transfer moneys in the fund to the state general revenue fund
18 for the purposes of funding the program plan on an interim basis,
19 provided the state agrees to reimburse the tobacco securitization
20 settlement trust fund before the date such moneys are expected to
21 be expended by the authority.

22 6. No more than two hundred million dollars of the net
23 proceeds of bonds authorized by sections 8.500 to 8.565 may be
24 applied to the payment of the costs of the program plan during
25 any fiscal year; provided, amounts not so applied during a prior

1 fiscal year may be carried over and applied to costs of
2 implementing the program plan during the next successive fiscal
3 year.

4 8.552. Moneys of the authority, except as otherwise
5 provided in sections 8.500 to 8.565 or specified in a trust
6 indenture or resolution pursuant to which the bonds are issued,
7 shall be paid to the authority and shall be deposited in such
8 manner as shall be determined by the authority. The moneys shall
9 be withdrawn on the order of the authority or its designee. All
10 moneys of the authority or moneys held by the authority shall be
11 invested and held in the name of the authority, whether they are
12 held for the benefit, security, or future payment to holders of
13 bonds or to the state.

14 8.555. The authority and contracts entered into by the
15 authority in carrying out its public and essential governmental
16 functions are exempt from the laws of the state which provide for
17 competitive bids.

18 8.557. The authority shall submit to the general assembly,
19 annually, a report covering its operations and accomplishments;
20 receipts and expenditures, assets and liabilities, a schedule of
21 its bonds outstanding and any other information the authority
22 deems necessary.

23 8.560. Prior to the date which is three hundred sixty-six
24 days after which the authority no longer has any bonds
25 outstanding, the authority is prohibited from filing a voluntary

1 petition pursuant to chapter 9, RSMo, of the federal bankruptcy
2 code or such corresponding chapter or section as may, from time
3 to time, be in effect, and a public official or organization,
4 entity, or other person shall not authorize the authority to be
5 or become a debtor pursuant to chapter 9, RSMo, or any successor
6 or corresponding chapter or sections during such periods. The
7 provisions of this section shall be part of any contractual
8 obligation owed to the holders of bonds issued under sections
9 8.500 to 8.565 and shall not subsequently be modified by state
10 law during the period of the contractual obligation.

11 8.565. The authority shall dissolve no later than two years
12 from the date of final payment of all outstanding bonds and the
13 satisfaction of all outstanding obligations of the authority,
14 except to the extent necessary to remain in existence to fulfill
15 any outstanding covenants or provisions with bondholders or third
16 parties made in accordance with sections 8.500 to 8.565. Upon
17 dissolution of the authority, all assets of the authority shall
18 be transferred to the state and shall be deposited in the state's
19 general revenue fund, and the authority shall execute any
20 necessary assignments or instruments, including any assignment of
21 any right, title, or ownership to the state for receipt of
22 payments under the master settlement agreement.

23 8.570. The board of public buildings may issue bonds
24 payable from not more than thirty percent of the state's share;
25 provided, the net proceeds of bonds issued to implement sections

1 8.500 to 8.565 shall not exceed six hundred million dollars and
2 the maximum amount of the state's share sold by the authority
3 pursuant to section 8.535 and by the board of public buildings
4 pursuant to this section shall collectively not exceed thirty
5 percent of the state's share. The proceeds from bonds issued by
6 the board of public buildings under this section may be deposited
7 directly to the general revenue fund or deposited to the tobacco
8 bond proceeds fund hereby created and then transferred to the
9 general revenue fund. Repayment of any bonds issued pursuant to
10 this section may be made solely from such portion of the state's
11 share, an appropriation specifically authorized for such purpose
12 or from any appropriation from the state's share for any other
13 purpose.

14 8.572. Any bonds issued by the board of public buildings
15 pursuant to sections 8.570 to 8.590 shall not be deemed to be an
16 indebtedness of the state of Missouri or of the board of public
17 buildings, or of the individual members of the board of public
18 buildings, and shall not be deemed to be an indebtedness within
19 the meaning of any constitutional or statutory limitation upon
20 the incurring of indebtedness.

21 8.575. Bonds issued pursuant to the provisions of sections
22 8.570 to 8.590 shall be of such denomination or denominations,
23 shall bear such rate or rates of interest not to exceed fifteen
24 percent per annum, and shall mature at such time or times within
25 forty-five years from the date thereof, as the board of public

1 buildings determines. The bonds may be either serial bonds or
2 term bonds. The sale of bonds issued pursuant to this section
3 may be completed on a negotiated or competitive basis, but in no
4 event shall such bonds be sold for less than ninety-five percent
5 of the par value thereof, and accrued interest. The bonds, when
6 issued and sold, shall be negotiable instruments within the
7 meaning of the law merchant and the negotiable instruments law,
8 and the interest thereon shall be exempt from income taxes
9 pursuant to the laws of the state.

10 8.580. 1. Bonds issued by the board of public buildings
11 pursuant to the provisions of sections 8.570 to 8.590 may be
12 refunded, in whole or in part, at any time whenever the board of
13 public buildings determines that such a refunding is in the best
14 interest of the state or the board of public buildings.

15 2. For the purpose of refunding any bonds issued hereunder,
16 including refunding bonds, the board of public buildings may make
17 and issue refunding bonds in the amount necessary to pay off and
18 redeem the bonds to be refunded together with unpaid and past due
19 interest thereon and any premium which may be due under the terms
20 of the bonds, together also with the cost of issuing the
21 refunding bonds, and may sell the same in like manner as is
22 herein provided for the sale of bonds being refunded. Refunding
23 bonds issued pursuant to sections 8.500 to 8.590 shall be payable
24 in not more than forty years from the date thereof and shall bear
25 interest at a rate not to exceed fifteen percent per annum.

1 3. The refunding bonds shall be payable from the same
2 sources as were pledged to the payment of the bonds refunded
3 thereby and in the discretion of the board of public buildings,
4 may be payable from any other sources which pursuant to sections
5 8.500 to 8.590 may be pledged to the payment of revenue bonds
6 issued hereunder. Bonds of two or more issues may be refunded by
7 a single issue of refunding bonds.

8 8.585. The board of public buildings may prescribe the form
9 details and incidents of the bonds, and make the covenants that
10 in its judgment are advisable or necessary properly to secure the
11 payment thereof; but the form, details, incidents and covenants
12 shall not be inconsistent with any of the provisions of sections
13 8.570 to 8.590. Such bonds may have the seal of the board of
14 public buildings impressed thereon or affixed thereto or
15 imprinted or otherwise reproduced thereon. If such bonds shall
16 be authenticated by the bank or trust company acting as registrar
17 for such bonds by the manual signature of a duly authorized
18 officer or employee thereof, the duly authorized officers of the
19 board of public buildings executing and attesting such bonds, may
20 all do so by facsimile signature of public officials law,
21 sections 105.273 to 105.278, RSMo, when duly authorized by
22 resolution of the board of public buildings and the provisions of
23 section 108.175, RSMo, shall not apply to such bonds. The holder
24 or holders of any bond or bonds issued hereunder or of any
25 coupons representing interest accrued thereon may, by proper

1 civil action either at law or in equity, compel the board of
2 public buildings to perform all duties imposed upon it and also
3 to enforce the performance of any and all other covenants made by
4 the board of public buildings in the issuance of the bonds.

5 8.590. Bonds may be issued pursuant to the provisions of
6 sections 8.580 to 8.598 pursuant to a resolution adopted by the
7 affirmative vote of two-thirds of the members of the board of
8 public buildings and no other proceedings shall be required
9 therefor.

10 8.592. The board of public buildings shall have the power
11 to issue notes with a maturity of not more than one year from the
12 date of issue for the purpose of preserving any expenditure of
13 moneys from the state general revenue fund for reimbursement from
14 the proceeds of any bonds issued pursuant to sections 8.500 to
15 8.565. The state may transfer to the board of public buildings
16 funds designated in the state's budget for such expenditure for
17 the purpose of securing such notes. The purpose for the issuance
18 of such notes and the transfer of such moneys shall be to
19 maximize the utilization of tax-exempt bonds by the tobacco
20 settlement financing authority.

21 8.595. Sections 8.500 to 8.590, being deemed necessary for
22 the public health, welfare, peace and safety shall be liberally
23 construed to effect its purpose.

24 Section B. Because immediate action is necessary to ensure
25 a balanced state budget, section A of this act is deemed

1 necessary for the immediate preservation of the public health,
2 welfare, peace and safety, and is hereby declared to be an
3 emergency act within the meaning of the constitution, and section
4 A of this act shall be in full force and effect on May 17, 2002,
5 or upon its passage and approval by the governor, whichever later
6 occurs.