

HCS HB 783 -- SCHOOL FACILITIES AND EQUIPMENT

SPONSOR: Diehl

COMMITTEE ACTION: Voted "Do Pass" by the Committee on General Laws by a vote of 13 to 0.

Currently, a school board cannot lease a building to be used as a school when the district school is unused. This substitute makes an exception for leases entered into under Section 177.088, RSMo.

Currently, a school district board, community college board, or college or university board for an institution organized under Chapter 174 may enter into an agreement with a not-for-profit corporation when acquiring, constructing, extending, or remodeling sites, buildings, facilities, furnishings, and equipment. The substitute repeals the requirement that it be an agreement with a not-for-profit corporation.

The substitute repeals the provision allowing the governing board to refinance any lease purchase agreement for the purpose of payment on any lease with a corporation for sites, buildings, facilities, furnishing, or equipment which the corporation has acquired or constructed.

PROPOSERS: Supporters say that the bill is designed to cleanup and modernize statutes and allow school districts to use lease financing to refurbish buildings for school district use. Currently, if a school is unoccupied, a leaseback transaction is not permitted. The bill will allow the transaction which will be useful for school districts in being able to utilize all their facilities.

Testifying for the bill were Representative Diehl; Lewis, Rice and Fingersh, LLC; and George K. Baum.

OPPOSERS: There was no opposition voiced to the committee.