

HB 1345 -- BOND ISSUANCE

SPONSOR: Diehl

REVENUE BONDS (Sections 8.420 & 8.665, RSMo)

Currently, the State Board of Public Buildings is authorized to issue revenue bonds up to a certain amount. This bill lowers the revenue bond cap limits for projects other than higher education projects from \$1,175 million to \$775 million and from \$375 million to \$210 million. The bill requires any such revenue bonds issued due to an increase in cap space above the limit in place on August 27, 2014, to have a maturity date within 20 years of issuance. Any revenue bonds issued for higher education projects due to an increase in cap space occurring on August 28, 2014, must mature within 10 years, except that up to \$40 million in bonds may mature up to 40 years after issuance.

RENOVATION BONDS (Sections 8.950 - 8.962)

This bill authorizes the State Board of Public Buildings to issue a new type of bond called a renovation bond. Renovation bonds may only be issued for the renovation and repair of state owned buildings. The bonds will be serviced with monies from the Facilities Maintenance Reserve Fund. The total amount of bonds that may be issued is \$500 million. The Committee on Legislative Research must approve projects before bonds may be issued.

The renovation bonds will not be considered an indebtedness of the state. The bonds may not bear interest above 10% per year and must mature within 10 years. The bonds may be refunded under certain circumstances. The refunding bonds may not bear interest in excess of 6% per year and must mature within 10 years.