

SECOND REGULAR SESSION

SENATE BILL NO. 884

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Read 1st time January 14, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4594S.02I

AN ACT

To repeal sections 246.070 and 246.160, RSMo, and to enact in lieu thereof two new sections relating to levee and drainage districts.

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

Section A. Sections 246.070 and 246.160, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 246.070 and 246.160, to read as follows:

246.070. 1. Whenever authorized by the owners of two-thirds of the acreage in any drainage or levee district heretofore or hereafter organized or reorganized under any of the drainage or levee laws of this state at a meeting called for the purpose and in the manner set out in section 246.090, by ballot wherein each acre owner shall be entitled to one vote, the board of supervisors may issue tax anticipation warrants bearing not to exceed six percent interest per annum, which shall be payable from one to not exceeding four years from date of issuance, both interest and principal payable out of the maintenance fund of the district.

2. In addition to the procedure provided in subsection 1 of this section, the board of supervisors of a levee or drainage district [in a county which has been declared a disaster area by declaration of the President of the United States during 1993 or 1995] **within whose boundaries a flood disaster has occurred**, may elect to issue tax anticipation notes following a public meeting **held during or within three hundred sixty-five days of the end of such flood disaster** for which notice has been given of at least two weeks in a newspaper meeting the requirements of subsection 2 of section 246.090[,] and after vote of the landowners of the district. Notwithstanding the provisions of

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

19 subsection 2 of section 246.090 to the contrary, the board may issue the notes
20 following a vote of at least two-thirds of the votes cast by landowners present at
21 the public meeting in favor of issuing the notes. The notes may be issued by the
22 board bearing an interest rate not to exceed six percent per annum, which shall
23 be payable from one to not more than four years from the date of issuance.

24 3. In addition to the procedures provided in subsections 1 and 2 of this
25 section, the board of supervisors of any levee or drainage district [in a county in
26 this state which has been declared a disaster area by declaration of the President
27 of the United States during 1993 or 1995] **within whose boundaries a flood**
28 **disaster has occurred**, may, upon a vote of the majority of the members of the
29 board at a public meeting **held during or within three hundred sixty-five**
30 **days of the end of such flood disaster** of which public notice has been given
31 of at least two weeks, borrow funds for the use of the district and may issue
32 negotiable notes in evidence thereof, payable out of anticipated revenues to be
33 derived from assessments, benefits, or other levee or drainage district revenues,
34 for any year or immediately following year in which the notes are issued. The
35 notes may be issued at any time and from time to time[,] and shall be issued
36 according to law unless otherwise provided in this section. Notes issued pursuant
37 to this subsection shall be issued by the board bearing an interest rate not to
38 exceed six percent per annum, which shall be payable from one year from the date
39 of issuance. A separate note shall be issued to evidence the borrowing for the
40 benefit of the district and, if applicable, any funds of the district. All revenues
41 raised by levee districts or drainage districts shall not be considered as taxes
42 pursuant to the laws of this state.

43 4. Notwithstanding the provisions of section 246.080 or other statutory
44 provisions regarding the issuance of tax anticipation notes to the contrary, the
45 aggregate outstanding principal amount of the notes issued under the provisions
46 of subsection 2 or 3 of this section in any period subject to this section for the use
47 of the levee or drainage district may be up to but shall not exceed the amount
48 necessary **for emergency protective measures and** to repair levees damaged
49 by a [natural] **flood** disaster that occurred [in 1993 or 1995,] **within the**
50 **preceding five years** including, but not limited to, the amount necessary to
51 secure federal matching funds for the levee or drainage district. No amount of
52 tax anticipation notes issued by a levee or drainage district shall be included in
53 any debt ceiling computation required by current law except that the district
54 [may] **shall** not issue more than the amount necessary **for emergency**

55 **protective measures and** to repair levees damaged by a [natural] **flood**
56 disaster that occurred [in 1993 or 1995,] **within the preceding five years**
57 including, but not limited to, the amount necessary to secure federal matching
58 funds for the levee or drainage district.

59 5. The clerk or secretary of the board, or if none, the presiding officer of
60 the board, shall certify on the back of each note that the note is issued pursuant
61 to authority granted in this section[,] and list the aggregate principal amount of
62 all prior notes issued against the district which are unpaid at the date of the
63 note's issuance.

64 6. [Authority to issue notes pursuant to subsection 2 or 3 of this section
65 shall terminate January 1, 1998] **For the purposes of this section, the term**
66 **"flood disaster" means any of the following:**

67 **(1) Reaching flood stage designation, as defined or otherwise**
68 **determined by the United States Geological Survey;**

69 **(2) Determination of an emergency under the Flood Control and**
70 **Coastal Emergencies Act, 33 U.S.C. Section 701n; or**

71 **(3) Declaration of a major disaster under the Robert T. Stafford**
72 **Disaster Relief and Emergency Assistance Act, 42 U.S.C. Section 5121,**
73 **et seq., as amended.**

246.160. 1. The board of supervisors of any drainage or levee district
2 heretofore organized or that may be hereafter organized in any circuit court or
3 the county commission of any drainage or levee district heretofore organized or
4 that may be hereafter organized in any county commission of this state, whether
5 said original district has been reorganized in whole or in part, or whether said
6 district in whole or in part has elected to be reorganized under sections 242.010
7 to 242.690, or the board of directors of any district organized or reorganized under
8 sections 245.285 to 245.545, whenever in the judgment of such board or court or
9 county commission, as the case may be, it is advisable and for the best interest
10 of the landowners of any such district, may, unless a majority of the owners
11 owning a majority of the acres of land within said district shall, at the hearing
12 herein provided for, object to said proceedings, from time to time as may be
13 necessary, to refund all or any part of its bond indebtedness by taking up and
14 exchanging such of its outstanding bonds as the holders thereof may be willing
15 to surrender, and issue in lieu thereof new bonds of such district payable at such
16 longer time, not exceeding forty years from their date, as such district may
17 determine and the holders of the outstanding bonds are willing to accept.

18 2. [Such refunding bonds shall not exceed in the aggregate the amount of
19 bonds refunded thereby and they shall bear interest at a rate not exceeding the
20 same rate as the bonds refunded, which interest shall be payable semiannually
21 and said refunding bonds when issued may be exchanged for the outstanding
22 bonds, if the holders thereof so agree, or said refunding bonds may be sold for not
23 less than ninety-five cents on the dollar and accrued interest, and the proceeds
24 of the sale of said bonds shall be used solely in the payment of the outstanding
25 bonds and the cost, expense and discount incident to the issuing of such
26 refunding bonds.] **In no such case shall such refunding bonds exceed the
27 amount determined by the board of supervisors to be necessary to pay
28 or provide for the payment of the principal of the outstanding bonds to
29 be refunded, together with:**

30 **(1) The interest accrued thereon to the date of such refunding**
31 **bonds;**

32 **(2) The interest to accrue thereon to the date of maturity or**
33 **redemption of such bonds to be refunded;**

34 **(3) Any premium which may be due under the terms of such**
35 **bonds to be refunded; and**

36 **(4) Any amounts necessary for the payment of costs and expenses**
37 **related to issuing such refunding bonds and to fund a debt service**
38 **reserve fund for the bonds.**

39 **All such refunding bonds shall bear interest at such rates as the board**
40 **of supervisors shall provide, which rates of interest may exceed the**
41 **rates of interest on the bonds being refunded but shall not exceed the**
42 **maximum legal rate established by section 108.170. The interest on**
43 **such refunding bonds shall be payable semiannually. Such refunding**
44 **bonds, when issued, may be exchanged for the outstanding bonds, if the**
45 **holders thereof so agree, or such refunding bonds may be sold for not**
46 **less than ninety-five cents on the dollar plus accrued interest. The**
47 **proceeds of the sale of such refunding bonds shall be used solely in the**
48 **payment or redemption of the outstanding bonds, the cost expense and**
49 **discount incident to the issuance of the refunding bonds, and to fund**
50 **a debt service reserve fund.**

51 3. In the event refunding bonds are issued, any landowner shall have the
52 right at any time within two weeks after the order providing for their issue is
53 made in which to pay the full amount of uncollected principal tax or assessment
54 chargeable to his land for the payment of bonds proposed to be refunded and his

55 lands shall thereby be released from the tax or assessment for the payment of the
56 refunding bonds[,] but shall remain subject to additional taxes, if any, that may
57 be levied by such district pursuant to law. Unless and until refunding bonds
58 shall have been authorized and issued, the rate of tax or assessment or amount
59 of assessment applicable to the bonds to be refunded shall not be reduced.

60 4. Notice shall be given by such board or court or county commission to
61 the landowners, persons, and corporations owning any interest in any lands or
62 other property assessed in said district of its intention to refund said bonds by
63 inserting a notice in a weekly newspaper published in each county in which the
64 lands in said district may lie; there shall be two insertions of said notice in said
65 weekly paper or papers, the last insertion to be not less than five days prior to
66 the hearing; such hearing to be held before such board or court or county
67 commission, as the case may be, at such convenient place as may be designated
68 by such board or court or county commission.

69 5. The notice to all parties interested will be sufficient if substantially in
70 the following form:

71 All persons or corporations interested in lands or other property
72 lying in _____ district, take notice.

73 That _____ district desires to refund all or part of its outstanding
74 bonded indebtedness and that at _____ in the city of _____ on the
75 _____ day of _____, 20_____, any landowner or other person or
76 corporation having an interest in any land or property in said
77 district may appear before the board of trustees (or supervisors or
78 directors, as the case may be) of said district (or before the county
79 commission of _____ County, as the case may be), and show any
80 cause why said refunding should not be done, and you are further
81 notified that if a majority of the owners owning a majority of the
82 acres of land in said district object to such refunding, the said
83 refunding shall be abandoned. You will further take notice that
84 unless such refunding shall be abandoned, any landowner will have
85 the right at any time within two weeks after the making of the
86 order providing for the issuing of refunding bonds by said board or
87 court or commission, if any such order be made within which to pay
88 the full amount of uncollected principal tax or assessment
89 chargeable to his land or any tract thereof for the payment of bonds
90 proposed to be refunded, and any tract on which such tax or

91 assessment shall be paid will be released from any tax or
92 assessment for the payment of such refunding bonds, but shall
93 remain subject to additional taxes, if any, that may be levied by
94 such district pursuant to law. Of which you will take due notice
95 and govern yourselves accordingly.

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98 6. When the bonds of any such district are refunded pursuant to the
99 authority hereby conferred, the collection of the corresponding installment of
100 taxes or assessments for the payment of the original bonds shall be deferred for
101 a like period. It shall be the duty of the district issuing such refunding bonds to
102 make proper provisions for their payment in like manner as is required in the
103 case of the issuance of original bonds by the act under which such district is or
104 shall be incorporated, and the holder of such refunding bonds shall have the same
105 rights as are given the holders of bonds under the act or acts under which such
106 districts are respectively incorporated. Any landowner failing to avail himself of
107 the privilege conferred by this section of paying in full the unpaid principal tax
108 or assessment against his **or her** land shall not be heard to complain by reason
109 of additional interest to be collected from his lands by reason of the extension of
110 the bonds. Taxes or assessments levied for the payment of refunding bonds shall
111 be secured by the same lien as other taxes of such district.

112 7. No proceedings shall be required for the issuance of refunding bonds
113 other than those provided by this section, and all powers necessary to be
114 exercised by such district in order to carry out the provisions of this section are
115 hereby conferred upon such districts. The powers conferred by this section may
116 be exercised by any drainage or levee district heretofore or hereafter organized
117 under any law in this state and shall apply to bonds of such districts whether
118 heretofore or hereafter issued; provided further, that in the event any district
119 shall avail itself of the provisions of this section and desires to issue refunding
120 bonds extending beyond the charter life of said district, the issuing of said bonds
121 shall automatically extend the charter life of such district for a period of twenty
122 years beyond the date of the last maturing refunding bond so issued.

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