

Answer by letter-Wieler

February 9, 1970

OPINION LETTER NO. 162

Mr. Gene Sally, Director
Department of Community Affairs
Jefferson State Office Building
Jefferson City, Missouri 65101



Dear Mr. Sally:

This is in response to your request for a supplement to Opinion Letter No. 512, written to you on December 19, 1969, in which this office expressed the opinion that a municipal housing authority, organized under the provisions of Chapter 99 of the Revised Statutes of Missouri, is included under the provisions of House Bill No. 2 of the First Extraordinary Session of the 75th General Assembly and that bonds issued by said authority may be sold at not less than ninety-five percent of par and may bear interest at a rate not exceeding eight percent if sold at public sale pursuant to the notice qualifications of Section 99.150, subsection 2, RSMo 1959.

In your latest letter, you raise the following questions:

- "1. 'May a municipal housing authority sell bonds to the Federal Government at private sale at a rate in excess of 6% but less than 8% under the provisions of Section 99.150 (2), RSMo 1959 since said housing authorities are given broad powers under Section 99.210, RSMo 1959 to secure federal assistance?'
- "2. 'Are land clearance for redevelopment authorities, organized under the provisions of Section 99.300 to 99.660, RSMo 1959, included under the provisions of House Bill No. 2, First Extraordinary Session of the Seventy-fifth General Assembly?'"

Mr. Gene Sally

With respect to your first question, it is our opinion that a municipal housing authority cannot sell bonds to the federal government at private sale at a rate in excess of six percent but less than eight percent. Although Section 99.210, RSMo 1959, generally provides that a municipal authority may do any and all things necessary or desirable to secure the financial aid or cooperation of the federal government in the undertaking, construction, maintenance or operation of any housing project by such authority, this does not supersede or take precedence over Section 99.150, RSMo 1959, which specifically deals with the bonds of a municipal housing authority and the interest rates thereon. Prior to the passage of House Bill No. 2, Section 99.150 provided that municipal housing authority bonds could not bear interest at a rate exceeding six percent. As noted in Opinion Letter No. 512, Section 99.150, RSMo 1959, was repealed to the extent that it was in conflict with House Bill No. 2 with respect to the interest rate on municipal housing authority bonds. House Bill No. 2 clearly requires that bonds bearing an interest rate in excess of six percent must be sold at public sale after giving reasonable notice of such sale.

With respect to your second question, it is our opinion that land clearance for redevelopment authorities, organized under the provisions of Section 99.300 to 99.660, RSMo 1959, are included under the provisions of House Bill No. 2, First Extraordinary Session of the 75th General Assembly. The reasoning used to determine that municipal housing authorities are included under the provisions of House Bill No. 2 in Opinion Letter No. 512 is sufficient to govern this matter by analogy. Section 99.420, RSMo 1959, provides that a land clearance for redevelopment authority shall ". . . constitute a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this law, . . ." This comes within the meaning of the terms "municipality, political subdivision or district of this state" as used in House Bill No. 2, and, therefore, it is our view that House Bill No. 2 was meant to apply to land clearance for redevelopment authorities as well as the other political subdivisions listed in the body of said bill.

Also, using the same reasoning that we used in Opinion Letter No. 512, it is our opinion that Section 99.490, RSMo 1959, was repealed by implication to the extent that the provisions thereof are inconsistent with the provisions of House Bill No. 2. Therefore, it is our view that a land clearance for redevelopment authority organized under the provisions of Chapter 99 of the Revised Statutes of Missouri, is included under the provisions of House Bill No. 2 of the First Extraordinary Session of the 75th General Assembly and bonds issued by said authority may be sold at not less than ninety-five percent of par and may bear interest at a rate not exceeding

Mr. Gene Sally

eight percent if sold at public sale pursuant to the notice qualification of Section 99.490, RSMo 1959.

Yours very truly,

JOHN C. DANFORTH
Attorney General