



OFFICES OF THE

ATTORNEY GENERAL OF MISSOURI

JEFFERSON CITY

July 20, 1973

JOHN C. DANFORTH
ATTORNEY GENERAL

OPINION LETTER NO. 245

Mr. Henry Maddox, Director
Division of Commerce and
Industrial Development
Post Office Box 118
Jefferson City, Missouri 65101

Dear Mr. Maddox:

This letter is issued in response to your request for an opinion as to whether or not the Planned Industrial Expansion Authority of the City of St. Louis may lawfully issue bonds at an interest rate exceeding six percent but not exceeding eight percent annually.

The Planned Industrial Expansion Authority of St. Louis City exists pursuant to Sections 100.300 to 100.620, RSMo 1969 (Laws 1967, Section 1, Page 172). Section 100.390, RSMo 1969, provides that "An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions" Section 100.440, RSMo 1969, authorizes an authority to issue bonds at interest rates not exceeding six percent per annum.

This would seem to preclude the issuing of bonds by a Planned Industrial Expansion Authority at interest rates exceeding six percent. However, Section 108.170, sub. 1, RSMo Supp. 1971, which, as amended, became effective December 29, 1970, provides as follows:

"1. Other provisions of law to the contrary notwithstanding, any and all bonds including revenue bonds hereafter issued under any law of this state by any county, city, town, village, school district, educational institution, drainage district, levee district, nursing home district, hospital district, library district, road district, fire protection district, water

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supply district, sewer district, housing authority, land clearance for redevelopment authority, special authority created under section 64.920, RSMo, authority created pursuant to the provisions of chapter 238, RSMo, or other municipality, political subdivision or district of this state shall be negotiable and may bear interest at a rate not exceeding six percent per annum, and may be sold, at any sale pursuant to any law applicable thereto, at the best price obtainable, not less than ninety-five percent of the par value thereof, anything in any proceedings heretofore had authorizing such bonds or in any law of this state to the contrary notwithstanding. Such aforementioned bonds may bear interest at a rate not exceeding eight percent per annum if sold at public sale after giving reasonable notice of such sale, at the best price obtainable, not less than ninety-five percent of the par value thereof; provided, that such bonds may be sold to the federal government at private sale at a rate not exceeding eight percent per annum. Industrial development revenue bonds may be sold at private sale and bear interest at a rate not exceeding eight percent per annum if sold pursuant to any law applicable thereto, at the best price obtainable, not less than ninety-five percent of the par value thereof."

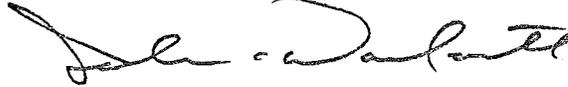
It has already been determined by the Missouri Supreme Court that this particular statute, dealing specifically with interest rates on bonds issued by public bodies, repealed by implication any earlier legislation dealing with interest rates on bonds issued by a particular public body. See Edwards v. St. Louis County, 429 S.W.2d 718 (Mo. banc 1968). The only question remaining is whether the Planned Industrial Expansion Authority of the City of St. Louis falls within the entities mentioned in Section 108.170.

We note that the language of Section 108.170, sub. 1, is very extensive, covering not only specific entities but all municipalities, political subdivisions or districts of the state. The term "municipality" has a broader meaning than city or town. Under Missouri case law, it includes bodies public or essentially governmental in character and function. See St. Louis Housing Authority v. City of St. Louis, 361 Mo. 1170, 239 S.W.2d 289, 294 (banc 1951). In view of the language of Section 100.390, RSMo 1969, it is our opinion that a Planned Industrial Expansion Authority is a "municipality" as that term is used in Section 108.170.

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Therefore, the bonds of such an authority may be sold pursuant to Section 108.170, RSMo Supp. 1971, and may bear interest at a rate not exceeding eight percent per annum.

Yours very truly,

A handwritten signature in cursive script, appearing to read "John C. Danforth".

JOHN C. DANFORTH
Attorney General