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Honorable Kenneth J. Rothman  
Speaker of the House  
Room 308, State Capitol Building  
Jefferson City, Missouri 65101

Dear Speaker Rothman:

Since the beginning of this session, this office has received several inquiries concerning proposed legislation involving the transfer of state property to private not-for-profit organization. By law, this office is required to approve the instrument of conveyance.

The legislation generally contains language concerning the consideration for such conveyance. Some of the language has referred to a consideration of "one dollar and other good and valuable consideration."

In light of Article III, Section 38a, Missouri Constitution, this office has raised questions concerning such conveyances which reflect on their face inadequate consideration. This office cannot approve such conveyances. A few legislators have questioned the propriety of my position. However, my view is simply that if the consideration is inadequate it violates the constitutional provisions and I cannot in good conscience approve the same.

What is adequate consideration? A myth appears to be building in the legislature that the consideration must be five hundred dollars for such conveyances. This is simply not true. The consideration must reflect on the face of the instrument of conveyance the real value of the property. In one case it happened

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to be five hundred dollars. However, this amount should not be used as a guideline. Further, the stated consideration must be collected and deposited to general revenue.

It should be noted that I am only referring to private not-for-profit corporations and not to municipalities. State property can be conveyed, by appropriate legislation, to a municipality without consideration.

I will work with members of the House and Senate in resolving any difficulties they may have with language which they propose for bills in connection with the conveyance of state property.

I am sending copies of this letter to Legislative Research and to each legislator.

Very truly yours,



JOHN ASHCROFT  
Attorney General

cc: Legislative Research  
All Senators and Representatives