### Rules of Department of Economic Development

**Division 80—Economic Development Programs**  
**Chapter 2—Municipal Bonds for Industrial Development**

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CHAPTER 2—MUNICIPAL BONDS FOR INDUSTRIAL DEVELOPMENT

4 CSR 80-2.010 Municipal Bonding for Industrial Development
(Rescinded May 30, 2019)


St. Louis County v. Village of Champ, 438 SW2d 205 (Mo. App. 1969). Public policy of the state now favors more ambitious industrial development by municipalities.

Many municipalities, particularly smaller and medium size cities and towns, have successfully used the revenue bond industrial development scheme to effectively compete in attracting manufacturing and industrial development which had theretofore been unfeasible.

Municipal annexation must be reasonable, necessary or convenient and where sole purpose is to finance industrial development by revenue bond, industrial development scheme, annexation is not reasonable, although such is not alone objectionable where other valid reasons exist.


Legislative provisions requiring public works to be awarded upon a public letting to the lowest responsible bidder are intended to secure unrestricted competition among bidders, eliminate fraud and favoritism and avoid undue and excessive costs which would otherwise be imposed on taxpayers.

Ordinarily, statute requiring competitive bidding on public improvements is applicable only to contracts where the city itself assures an obligation or indebtedness.

Third-class municipality not required to let contracts by competitive bidding to lowest and best bidder where project financed by industrial revenue bonds.

Op. Atty. Gen. No. 380, Jeffrey, 11-14-68. A city of the fourth class under a lease agreement pursuant to industrial development revenue bond issues need not follow the procedure of competitive bidding for the construction of the proposed facility thereunder, and that under section 100.200, RSMo (1969), any purchase options entered into in compliance with the statutes and approved by the Division of Commerce and Industrial Development need not be further approved at the time of their actual exercise.


Legislative provisions requiring public works to be awarded upon a public letting to the lowest responsible bidder are intended to secure unrestricted competition among bidders, eliminate fraud and favoritism and avoid undue and excessive costs which would otherwise be imposed on taxpayers.

Ordinarily, statute requiring competitive bidding on public improvements is applicable only to contracts where the city itself assures an obligation or indebtedness.

A third-class municipality is not required to let contracts by competitive bidding to lowest and best bidder where the project is financed by industrial revenue bonds.

Op. Atty. Gen. No. 134, Maddox, 2-8-71. A municipality which issues and sells industrial development revenue bonds incurs no liability to pay for the revenue bonds other than the responsibility to apply the revenue received from the project for which the bonds were sold to retiring the bonds.

Op. Atty. Gen. No. 380, Jeffrey, 11-14-68. A city of the fourth class under a lease agreement pursuant to industrial development revenue bond issues need not follow the procedure of competitive bidding for the construction of the proposed facility thereunder, and that under section 100.200, RSMo (1969), any purchase options entered into in compliance with the statutes and approved by the Division of Commerce and Industrial Development need not be further approved at the time of their actual exercise.