

STATE PARK BOARD:

State Park Board is not authorized to enter into privately negotiated option agreement for sale of revenue bonds.

BONDS:

April 7, 1960



Mr. Joseph Jaeger, Jr.
Director of Parks
Missouri State Park Board
Jefferson City, Missouri

Dear Mr. Jaeger:

This refers to your letter of March 25, 1960, requesting an opinion from this office relating to the sale of revenue bonds of the Missouri State Park Board, which letter reads as follows:

"Reference is made to paragraph 4, section 253.260, Mo. R.S. 1957, pertaining to the sale of revenue bonds. Following is said paragraph:

"4. The bonds, when issued, shall be sold at public sale for the best price obtainable after giving such reasonable notice of the sale as the state park board may determine except that no bonds shall be sold for less than ninety-five per cent of their par value, and accrued interest.

"On October 5, 1959, the Missouri State Park Board called for a public sale for revenue bonds in the principal amount of \$250,000 for Montauk State Park, Dent County. At that time there were no bidders for this revenue bond issue. I should now like to request your legal opinion as to whether or not the

Mr. Joseph Jaeger, Jr.

Missouri State Park Board can sell this particular revenue bond issue on 'option' to an interested party."

Paragraph 4, Section 253.260, RSMo Cumulative Supplement 1957, quoted in your letter, requires that revenue bonds issued by the Missouri State Park Board "shall be sold at public sale." The pertinent statutory provisions contain no exception to this requirement except that paragraph 5 of the same section provides that such bonds may be sold to the United States or to any of its agencies or instrumentalities without public sale.

We assume that when you inquire whether the Missouri State Park Board may sell the revenue bond issue mentioned in your letter to an interested party on option, you have reference to the authority of the board to enter into a privately negotiated agreement with some individual under which such individual would have the right to purchase the bonds at a stated price within a specified period and the board would be required to sell the bonds to him if he should elect to exercise such option.

The sale of the bonds pursuant to such an option agreement would not be a public sale of the bonds and, in view of the statutory requirement that the bonds shall be sold at public sale, it is our opinion that the Missouri State Park Board has no authority to enter into such an agreement.

CONCLUSION

It is the opinion of this office that the Missouri State Park Board has no authority to enter into a privately negotiated option agreement under which an individual would have the right to purchase revenue bonds issued by the board at a stated price and within a specified period and the board would be required to sell the bonds if such individual elected to exercise his option.

The foregoing opinion, which I hereby approve, was

Mr. Joseph Jaeger, Jr.

prepared by my assistant, John C. Baumann.

Very truly yours,

John M. Dalton
Attorney General

JCB:lc