## SECOND REGULAR SESSION [TRULY AGREED TO AND FINALLY PASSED] [C O R R E C T E D] HOUSE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR

## **SENATE BILL NO. 810**

91ST GENERAL ASSEMBLY 2002

2809L.07T

## AN ACT

To repeal sections 8.231, 470.270, 640.651, 640.653, 660.100, 660.105, 660.110, 660.115, 660.120, 660.122, 660.135, 660.136, and 660.285, RSMo, and to enact in lieu thereof fifteen new sections relating to supplemental assistance payments for the elderly and disabled.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 8.231, 470.270, 640.651, 640.653, 660.100, 660.105, 660.110, 660.115, 660.120, 660.122, 660.135, 660.136, and 660.285, RSMo, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 8.231, 8.235, 470.270, 640.651, 640.653, 660.100, 660.105, 660.110, 660.115, 660.122, 660.135, 660.136, 660.285, 660.690, and 1, to read as follows:

8.231. 1. For purposes of this section, the following terms shall mean:

(1) "Energy cost savings measure", a training program or facility alteration designed to reduce energy consumption or operating costs, and may include one or more of the following:

(a) Insulation of the building structure or systems within the building;

(b) Storm windows or doors, caulking or weather stripping, multiglazed windows or doors, heat absorbing or heat reflective glazed and coated window or door systems, additional glazing reductions in glass area, or other window and door system modifications that reduce energy consumption;

- (c) Automated or computerized energy control system;
- (d) Heating, ventilating or air conditioning system modifications or replacements;

(e) Replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(f) Indoor air quality improvements to increase air quality that conforms to the applicable state or local building code requirements;

(g) Energy recovery systems;

(h) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(i) Any life safety measures that provide long-term operating cost reductions and are in compliance with state and local codes; [or]

(j) Building operation programs that reduce the operating costs; or

## (k) Any life safety measures related to compliance with the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., that provide long-term operating cost reductions and are in compliance with state and local codes;

(2) "Governmental unit", a state government agency, department, institution, college, university, technical school, legislative body or other establishment or official of the executive, judicial or legislative branches of this state authorized by law to enter into contracts, including all local political subdivisions such as counties, municipalities, public school districts or public service or special purpose districts;

(3) "Guaranteed energy cost savings contract", a contract for the implementation of one or more such measures. The contract shall provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time and the energy cost savings are guaranteed to the extent necessary to make payments for the systems. Guaranteed energy cost savings contracts shall be considered public works contracts to the extent that they provide for capital improvements to existing facilities;

(4) "Operational savings", expenses eliminated and future replacement expenditures avoided as a result of new equipment installed or services performed;

(5) "Qualified provider", a person or business experienced in the design, implementation and installation of energy cost savings measures;

(6) "Request for proposals" or "RFP", a negotiated procurement.

2. No governmental unit shall enter into a guaranteed energy cost savings contract until competitive proposals therefor have been solicited by the means most likely to reach those contractors interested in offering the required services, including but not limited to direct mail solicitation, electronic mail and public announcement on bulletin boards, physical or electronic. The request for proposal shall include the following:

- (1) The name and address of the governmental unit;
- (2) The name, address, title and phone number of a contact person;
- (3) The date, time and place where proposals shall be received;
- (4) The evaluation criteria for assessing the proposals; and
- (5) Any other stipulations and clarifications the governmental unit may require.

3. The governmental unit shall award a contract to the qualified provider that provides the lowest and best proposal which meets the needs of the unit if it finds that the amount it would spend on the energy cost savings measures recommended in the proposal would not exceed the amount of energy or operational savings, or both, within a ten-year period from the date installation is complete, if the recommendations in the proposal are followed.

The governmental unit shall have the right to reject any and all bids.

4. The guaranteed energy cost savings contract shall include a written guarantee of the qualified provider that either the energy or operational cost savings, or both, will meet or exceed the costs of the energy cost savings measures, adjusted for inflation, within ten years. The qualified provider shall reimburse the governmental unit for any shortfall of guaranteed energy cost savings on an annual basis. The guaranteed energy cost savings contract may provide for payments over a period of time, not to exceed ten years, subject to appropriation of funds therefor.

5. The governmental unit shall include in its annual budget and appropriations measures for each fiscal year any amounts payable under guaranteed energy savings contracts during that fiscal year.

6. A governmental unit may use designated funds for any guaranteed energy cost savings contract including purchases using installment payment contracts or lease purchase agreements, so long as that use is consistent with the purpose of the appropriation.

7. Notwithstanding any provision of this section to the contrary, a not-for-profit corporation incorporated pursuant to chapter 355, RSMo, and operating primarily for educational purposes in cooperation with public or private schools shall be exempt from the provisions of this section.

8.235. 1. Notwithstanding subsection 3 of section 8.231 and section 34.040, RSMo, the division of design and construction is hereby authorized to contract for guaranteed energy cost savings contracts by selecting a bid for proposal from a contractor or team of contractors using the following criteria:

(1) The specialized experience and technical competence of the firm or team with respect to the type of services required;

(2) The capacity and capability of the firm or team to perform the work in question, including specialized services, within the time limitations fixed for the

completion of the project; and

(3) The past record of performance of the firm or team with respect to such factors as control of costs, quality of work and ability to meet schedules.

2. Each guaranteed energy cost saving contract, authorized pursuant to this section, shall reduce the estimated energy consumption by a minimum of twelve percent or reduce the cost of energy and related savings by a minimum of twelve percent.

3. The guaranteed energy cost saving contract shall otherwise be in accordance with the provisions of section 8.231.

4. The division of design and construction is authorized to use this procurement process for eight projects.

470.270. After the owner, his **or her** assignee, personal representative, grantee, heirs, devisees or other successors, entitled to any moneys, refund of rates or premiums or effects by reason of any litigation concerning rates, refunds, refund of premiums, fares or charges collected by any person or corporation in the state of Missouri for any service rendered or to be rendered in said state, or for any contract of insurance on property in this state, or under any contract of insurance performed or to be performed in said state, which moneys, refund of rates or premiums or effects have been paid into or deposited in connection with any cause in any court of the state of Missouri or in connection with any cause in any United States court, or so paid into the custody of any depositary, clerk, custodian, or other officer of such court, whether the same be afterwards transferred and deposited in the United States treasury or not, shall be and remain unknown, or the whereabouts of such person or persons shall be and has been unknown, for the period heretofore, or hereafter, of five successive years, or such moneys, refund of rates or premiums or effects remain unclaimed for the period heretofore, or hereafter, of five successive years, from the time such moneys or property are ordered repaid or distributed by such courts, such moneys or property shall be escheatable to the state of Missouri, and may be escheated to the state of Missouri in the manner herein provided, with all interest and earnings actually accrued thereon to the date of the judgment and decree for the escheat of the same; except that all refunds of rates generated by the refund of natural gas or electric rates shall be transferred to the utilicare stabilization fund created pursuant to section 660.136, RSMo, with the exception of lawsuits in which the state of Missouri is a party, if the moneys that result from a refund of rates remains unclaimed after five years from the date when such rates are ordered repaid, with all interest from such refunded rates that is earned from the date such rates are ordered repaid to escheat to the state as otherwise provided in sections 470.270 to 470.350. The provisions of this section notwithstanding, this state may elect to take custody of such unclaimed property by instituting a proceeding pursuant to section 447.575, RSMo.

640.651. As used in sections 640.651 to 640.686, the following terms mean:

(1) "Applicant", any school, hospital, small business, local government or other energy-using sector or entity authorized by the department through administrative rule, which submits an application for loans on financial assistance to the department;

(2) "Application cycle", the period of time each year, as determined by the department, that the department shall accept and receive applications seeking loans or financial assistance under the provisions of sections 640.651 to 640.686;

(3) "Authority", the environmental improvement and energy resources authority;

(4) "Borrower", a recipient of loan or other financial assistance program funds subsequent to the execution of loan or financial assistance documents with the department or other applicable parties provided that a building owned by the state or an agency thereof **other than a state college or state university**, shall not be eligible for loans or financial assistance pursuant to sections 640.651 to 640.686;

(5) "Building", including initial installation in a new building, any applicant-owned and -operated structure, group of closely situated structural units that are centrally metered or served by a central utility plant, or an eligible portion thereof, which includes a heating or cooling system, or both;

(6) "Department", the department of natural resources;

(7) "Energy conservation loan account", an account to be established on the books of a borrower for purposes of tracking information related to the receipt or expenditure of the loan funds or financial assistance, and to be used to receive and remit energy cost savings for purposes of making payments on the loan or financial assistance;

(8) "Energy conservation measure" or "ECM", an installation or modification of an installation in a building or replacement or modification to an energy-consuming process or system which is primarily intended to maintain or reduce energy consumption and reduce energy costs, or allow the use of an alternative or renewable energy source;

(9) "Energy conservation project" or "project", the design, acquisition, installation, and implementation of one or more energy conservation measures;

(10) "Energy cost savings" or "savings", the value, in terms of dollars, that has or is estimated to accrue from energy savings or avoided costs due to implementation of an energy conservation project;

(11) "Estimated simple payback", the estimated cost of a project divided by the estimated energy cost savings;

(12) "Fund", the energy set-aside program fund established in section 640.665;

(13) "Hospital", a facility as defined in subsection 2 of section 197.020, RSMo, including any medical treatment or related facility controlled by a hospital board;

(14) "Hospital board", the board of directors having general control of the property and

affairs of the hospital facility;

(15) "Loan agreement", a document agreed to by the borrower's school, hospital or corporate board, principals of a business, the governing body of a local government or other authorized officials and the department or other applicable parties and signed by the authorized official thereof, that details all terms and requirements under which the loan is issued or other financial assistance granted, and describes the terms under which the loan or financial assistance repayment shall be made;

(16) "Payback score", a numeric value derived from the review of an application, calculated as prescribed by the department, which may include an estimated simple payback or life-cycle costing method of economic analysis and used solely for purposes of ranking applications for the selection of loan and financial assistance recipients within the balance of program funds available;

(17) "Project cost", all costs determined by the department to be directly related to the implementation of an energy conservation project, and, for initial installation in a new building, shall include the incremental cost of a high-efficiency system;

(18) ["Repayment period", unless otherwise negotiated as required under section 640.660, the period in years required to repay a loan or financial assistance as determined by the projects' estimated simple payback or life-cycle costing analysis, and rounded to the next year in cases where the estimated simple payback or life-cycle costing analysis is in a fraction of a year;

(19)] "School", an institution operated by a **state college or state university**, public agency, political subdivision or a public or private nonprofit organization tax exempt under section 501(c)(3) of the Internal Revenue Code which:

(a) Provides, and is legally authorized to provide, elementary education or secondary education, or both, on a day or residential basis;

(b) Provides and is legally authorized to provide a program of education beyond secondary education, on a day or residential basis; admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate; is accredited by a nationally recognized accrediting agency or association; and provides an educational program for which it awards a bachelor's degree or higher degree or provides not less than a two-year program which is acceptable for full credit toward such a degree at any institution which meets the preceding requirements and which provides such a program; or

(c) Provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation; provides and is legally authorized to provide a program of education beyond secondary education, on a day or residential basis; admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate; and is accredited by a nationally recognized accrediting

agency or association;

[(20)] **(19)** "School board", the board of education having general control of the property and affairs of any school as defined in this section;

[(21)] (20) "Technical assistance report", a specialized engineering report that identifies and specifies the quantity of energy savings and related energy cost savings that are likely to result from the implementation of one or more energy conservation measures;

[(22)] (21) "Unobligated balance", that amount in the fund that has not been dedicated to any projects at the end of each state fiscal year.

640.653. 1. An application for loan funds or other financial assistance may be submitted to the department for the purpose of financing all or a portion of the costs incurred in implementing an energy conservation project. The application shall be accompanied by a technical assistance report. The application and the technical assistance report shall be in such form and contain such information, financial or otherwise, as prescribed by the department. This section shall not preclude any applicant or borrower from joining in a cooperative project with any other local government or with any state or federal agency or entity in an energy conservation project; provided that, all other requirements of sections 640.651 to 640.686 are met.

2. Eligible applications shall be assigned a payback score derived from the application review performed by the department. Applications shall be selected for loans and financial assistance beginning with the lowest payback score and continuing in ascending order to the highest payback score until all available program funds have been obligated within any given application cycle. The selection criteria may be applied per sector or entity to assure equity pursuant to section 640.674. In no case shall a loan or financial assistance be made to finance an energy project with a payback score of less than six months or more than [eight years] ten years or eighty percent of the expected useful life of the energy conservation **measures when the expected useful life exceeds ten years**. Repayment periods are to be determined by the department. Applications may be approved for loans or financial assistance only in those instances where the applicant has furnished the department information satisfactory to assure that the project cost will be recovered through energy cost savings during the repayment period of the loan or financial assistance. In no case shall a loan or financial assistance be made to an applicant unless the approval of the governing board or body of the applicant to the loan agreement is obtained and a written certification of such approval is provided, where applicable.

3. The department shall approve or disapprove all applications for loans or financial assistance which are sent by certified or registered mail or hand delivered and received by the department's division of energy on, or prior to, the ninetieth day following the date of application cycle closing. Any applications which are not acted upon by the department by such date shall be deemed to be approved as submitted.

4. The department of elementary and secondary education shall be provided a summary of all proposed public elementary and secondary school projects for review within fifteen days from the application deadline. Once projects have been reviewed and selected for loans or financial assistance by the department, the department of elementary and secondary education shall have thirty days to certify that those projects selected for loans or financial assistance are consistent with related state programs for public education facilities.

5. The department of health and senior services shall be provided a summary of all proposed hospital projects for review within fifteen days from the application deadline. Once projects have been reviewed and selected for loans or financial assistance by the department of natural resources, the department of health and senior services shall have thirty days to certify that those projects selected for loans or financial assistance are consistent with related health requirements for hospital facilities.

6. The coordinating board for higher education shall be provided a summary of all proposed public higher education facility projects for review within fifteen days from the application deadline. Once projects have been reviewed and selected for loans and financial assistance by the department, the coordinating board for higher education shall have thirty days to certify that those projects selected for loans or financial assistance are consistent with related state programs for education facilities.

660.100. 1. The department of social services is directed to establish a plan for providing financial assistance to elderly households, disabled households and qualified individual households for the payment of charges for the primary or secondary heating or cooling source for the household. This plan shall be known as "Utilicare".

2. For purposes of sections 660.100 to 660.136, the term "elderly" shall mean having reached the age of sixty-five and the term "disabled" shall mean totally and permanently disabled or blind and receiving federal Social Security disability benefits, federal supplemental security income benefits, veterans administration benefits, state blind pension pursuant to sections 209.010 to 209.160, RSMo, state aid to blind persons pursuant to section 209.240, RSMo, or state supplemental payments pursuant to section 208.030, RSMo. For the purposes of sections 660.100 to 660.136, but not for the purpose of determining "eligible subscribers" pursuant to subdivision (4) of section 660.138, the term "qualified individual household" shall mean a household in which:

(1) One or more residents of the state of Missouri reside and whose combined household income is less than or equal to one hundred and [ten] fifty percent of the current federal poverty level or sixty percent of the state median income for the relevant household; and

(2) While the Federal Low Income Home Energy Assistance Program remains in effect, the household is also determined to be eligible for assistance under such program and related state programs of the Missouri department of social services. 660.105. Every qualified individual household for which an application is made, and every applicant household in which the head of the household or spouse is elderly or disabled and the income for the prior calendar year does not exceed one hundred and [ten] **fifty** percent of the current federal poverty level **or sixty percent of the state median income**, shall be an "eligible household" and shall be entitled to receive assistance under the utilicare program if moneys have been appropriated by the general assembly to the utilicare stabilization fund established pursuant to section 660.136. "Income" shall be as defined in section 135.010, RSMo.

660.110. The department of social services shall be responsible for coordination of all federal heating assistance programs [as well as] **into** the utilicare program and shall provide plans for the implementation and administration of these programs. [Except as otherwise provided in sections 660.100 to 660.136, the utilicare program shall be administered in the same manner as the Federal Low Income Emergency Assistance Program.] The department may contract with local not-for-profit community agencies which render energy assistance pursuant to affiliation or contract with the United States Community Service Administration or another federal agency to distribute the federal moneys [and], to administer the federal heating and cooling assistance programs in accordance with the plan developed by the department[. The department may contract with local not-for-profit community agencies which render energy assistance pursuant to affiliation or contract with the United States Community Service Administration or another federal agency] **and** to provide certain administrative services in connection with the utilicare program which may include the processing of utilicare applications and any other service which the department deems practical. Insofar as possible, within the provisions of federal law and regulations, all payments made from funds available from the Crude Oil Windfall Profit Tax Act of 1980 and other federal sources shall be made directly to energy suppliers in a manner similar to payments made under the state utilicare program.

660.115. 1. For each eligible household, an amount not exceeding [one hundred fifty] **six hundred** dollars for each fiscal year may be paid from the utilicare stabilization fund to the primary or secondary heating source supplier, or both, including suppliers of heating fuels, such as gas, electricity, wood, coal, propane and heating oil. For each eligible household, an amount not exceeding [one hundred fifty] **six hundred** dollars for each fiscal year may be paid from the utilicare stabilization fund to the primary or secondary cooling source supplier, or both[.]; **provided that the respective shares of overall funding previously received by primary and secondary heating and cooling source suppliers on behalf of their customers shall be substantially maintained.** [Notwithstanding any other provision of sections 610.100 to 660.136 to the contrary, the amount paid from the utilicare stabilization fund for cooling assistance in any single cooling season shall not exceed the lesser of five percent of the total amount appropriated by the general assembly to the fund for the most recent fiscal year or five hundred thousand dollars.]

2. For an eligible household, other than a household located in publicly owned or subsidized housing, an adult boarding facility, an intermediate care facility, a residential care facility or a skilled nursing facility, whose members rent their dwelling and do not pay a supplier directly for the household's primary or secondary heating or cooling source, utilicare payments shall be paid directly to the head of the household, except that total payments shall not exceed eight percent of the household's annual rent or one hundred dollars, whichever is less.

660.122. [Notwithstanding any other provision of sections 660.100 to 660.136 to the contrary,] Funds appropriated under the authority of sections 660.100 to 660.136 may be used to pay the expenses of reconnecting or maintaining service to households that have had their primary or secondary heating or cooling source disconnected or service discontinued because of their failure to pay their bill. Any qualified household or other household which has as its head a person who is elderly or disabled, as defined in section 660.100, shall be eligible for assistance under this section if the income for the household is no more than one hundred [ten] fifty percent of the current federal poverty level **or sixty percent of the state median income** and if moneys have been appropriated by the general assembly to the utilicare stabilization fund established pursuant to section 660.136. Payments under this section shall be made directly to the primary or secondary heating or cooling source supplier. Any primary or secondary heating or cooling source supplier subject to the supervision and regulation of the public service commission shall, at any time during the period of the cold weather rule specified in the cold weather rule as established and as amended by the public service commission, reconnect and provide services to each household eligible for assistance under this section in compliance with the terms of such cold weather rule. All home energy suppliers receiving funds under this section shall provide service to eligible households consistent with their contractual agreements with the department of social services. [Notwithstanding the above, the division of family services shall only utilize general revenue funds appropriated in conjunction with this chapter after such time as the division has obligated all federal emergency funds available for the purposes enumerated above.

660.135. 1. Not more than five million dollars from state general revenue shall be appropriated by the general assembly to the utilicare stabilization fund established pursuant to section 660.136 for the support of the utilicare program established by sections 660.100 to 660.136 for any fiscal year, except in succeeding years the amount of state funds may be increased by a percentage which reflects the national cost-of-living index or seven percent, whichever is lower.

2. The department of social services may, in coordination with the department of natural resources, apply a portion of the funds appropriated annually by the general assembly to the utilicare stabilization fund established pursuant to section 660.136 to the low income weatherization assistance program of the department of natural resources; provided that any

project financed with such funds shall [have a full energy savings payback period of no greater than ten years] **be consistent with federal guidelines for the Weatherization Assistance Program for Low-Income Persons as authorized by 42 U.S.C. 6861**.

660.136. **1.** The "Utilicare Stabilization Fund" is hereby created in the state treasury to support the provisions of sections 660.100 to 660.136. **Funds for the utilicare program may come from state, federal or other sources including funds received by this state from the federal government under the provisions of the Community Opportunities Accountability and Training and Educational Services Act of 1998 (Title III, Section 301-309, Public Law 93.568), together with any interest or other earnings on the principal of this fund. Except as provided in subsection 3, moneys in the utilicare stabilization fund [that are not required to meet or augment the utilicare funding requirements of the state in any fiscal year shall be invested by the state treasurer in the same manner as other surplus funds are invested. Interest, dividends and moneys earned on such investments shall be credited to the utilicare stabilization fund. Such fund may also receive gifts, grants, contributions, appropriations and funds or benefits from any other source or sources, and make investments of the unexpended balances thereof] shall be used for the purposes established in the Federal Low Income Home Energy Assistance Program and sections 660.100 to 660.136.** 

2. The provisions of section 33.080, RSMo, to the contrary notwithstanding, money in this fund shall not be transferred and placed to the credit of general revenue until the amount in the fund at the end of the biennium exceeds two times the amount of the appropriation from the fund for the preceding fiscal year. The amount, if any, in the fund, which shall lapse, is that amount in the fund which exceeds the appropriate multiple of the appropriations from the fund for the preceding fiscal year. Moneys in the utilicare fund not needed currently for the purposes designated in sections 660.100 to 660.136, may be invested by the state treasurer in the manner that other moneys of the state are authorized by law to be invested. All interest, income and returns from moneys of the utilicare stabilization fund shall be deposited in the state treasury to the credit of the utilicare stabilization fund.

3. When the utilicare stabilization fund receives a transfer pursuant to section 470.270, RSMo, the moneys from that transfer shall be held in the fund for one full year after the date of transfer and shall be used to pay for heating or cooling assistance as provided in sections 660.100 to 660.136. Any moneys remaining at the end of that year shall be deposited in the state treasury to the credit of the general revenue fund of the state.

660.285. **1.** If the director determines after an investigation that an eligible adult is unable to give consent to receive protective services and presents a likelihood of serious physical

harm, the director may initiate proceedings pursuant to chapter 202, RSMo, or chapter 475, RSMo, if appropriate.

2. In order to expedite adult guardianship and conservatorship cases, the department may retain, within existing funding sources of the department, legal counsel on a case-by-case basis.

660.690. In order to protect the community spouse of an individual living in a residential care facility I or residential care facility II, as defined in section 198.006, RSMo, from impoverishment and to prevent premature placement in a more expensive, more restrictive environment, the division of family services shall comply with the provisions of subsection 6 of section 208.010, RSMo, when determining the eligibility for benefits pursuant to section 208.030, RSMo.

Section 1. Notwithstanding any provision of section 89.020, RSMo, to the contrary, the legislative body of all cities, towns, and villages is hereby prohibited from passing any zoning law, ordinance, or code that would prevent any entity organized pursuant to Section 501(c)(3) of the Internal Revenue Code that owns or operates a retail business engaged in the practice of reselling donated goods from operating a business establishment within any area where any other business engaged in retail sales is permitted to operate; provided that at least eighty percent of all revenue generated by such entity is used to fund the charitable purpose of the organization.

[660.120. 1. Funds for the utilicare program may come from state, federal, or other sources.

2. Any household which is eligible to receive both federal assistance and utilicare assistance in paying for its primary or secondary heating or cooling source may receive utilicare assistance only as follows: In the event that the federal assistance available to such household is less than the total benefits available to the household under the provisions of section 660.115, then the household may receive utilicare assistance only in an amount equal to the amount of the difference between the federal assistance available in paying for its primary or secondary heating or cooling source and the total benefits available to such household under the provisions of section 660.115.]

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