

FIRST REGULAR SESSION

SENATE BILL NO. 334

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SIFTON.

Read 1st time February 18, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

1667S.011

AN ACT

To repeal section 393.190, RSMo, and to enact in lieu thereof one new section relating to approval by the public service commission for the sale or transfer of a water or sewer utility.

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

Section A. Section 393.190, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 393.190, to read as follows:

393.190. 1. No gas corporation, electrical corporation, water corporation
2 or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or
3 otherwise dispose of or encumber the whole or any part of its franchise, works or
4 system, necessary or useful in the performance of its duties to the public, nor by
5 any means, direct or indirect, merge or consolidate such works or system, or
6 franchises, or any part thereof, with any other corporation, person or public
7 utility, without having first secured from the commission an order authorizing it
8 so to do. Every such sale, assignment, lease, transfer, mortgage, disposition,
9 encumbrance, merger or consolidation made other than in accordance with the
10 order of the commission authorizing same shall be void. The permission and
11 approval of the commission to the exercise of a franchise or permit under this
12 chapter, or the sale, assignment, lease, transfer, mortgage or other disposition or
13 encumbrance of a franchise or permit under this section shall not be construed
14 to revive or validate any lapsed or invalid franchise or permit, or to enlarge or
15 add to the powers or privileges contained in the grant of any franchise or permit,
16 or to waive any forfeiture. Any person seeking any order under this subsection
17 authorizing the sale, assignment, lease, transfer, merger, consolidation or other
18 disposition, direct or indirect, of any gas corporation, electrical corporation, water
19 corporation, or sewer corporation, shall, at the time of application for any such

20 order, file with the commission a statement, in such form, manner and detail as
21 the commission shall require, as to what, if any, impact such sale, assignment,
22 lease, transfer, merger, consolidation, or other disposition will have on the tax
23 revenues of the political subdivisions in which any structures, facilities or
24 equipment of the corporations involved in such disposition are located. The
25 commission shall send a copy of all information obtained by it as to what, if any,
26 impact such sale, assignment, lease, transfer, merger, consolidation or other
27 disposition will have on the tax revenues of various political subdivisions to the
28 county clerk of each county in which any portion of a political subdivision which
29 will be affected by such disposition is located. Nothing in this subsection
30 contained shall be construed to prevent the sale, assignment, lease or other
31 disposition by any corporation, person or public utility of a class designated in
32 this subsection of property which is not necessary or useful in the performance
33 of its duties to the public, and any sale of its property by such corporation, person
34 or public utility shall be conclusively presumed to have been of property which
35 is not useful or necessary in the performance of its duties to the public, as to any
36 purchaser of such property in good faith for value.

37 2. No such corporation shall directly or indirectly acquire the stock or
38 bonds of any other corporation incorporated for, or engaged in, the same or a
39 similar business, or proposing to operate or operating under a franchise from the
40 same or any other municipality; neither shall any street railroad corporation
41 acquire the stock or bonds of any electrical corporation, unless, in either case,
42 authorized so to do by the commission. Save where stock shall be transferred or
43 held for the purpose of collateral security, no stock corporation of any description,
44 domestic or foreign, other than a gas corporation, electrical corporation, water
45 corporation, sewer corporation or street railroad corporation, shall, without the
46 consent of the commission, purchase or acquire, take or hold, more than ten
47 percent of the total capital stock issued by any gas corporation, electrical
48 corporation, water corporation or sewer corporation organized or existing under
49 or by virtue of the laws of this state, except that a corporation now lawfully
50 holding a majority of the capital stock of any gas corporation, electrical
51 corporation, water corporation or sewer corporation may, with the consent of the
52 commission, acquire and hold the remainder of the capital stock of such gas
53 corporation, electrical corporation, water corporation or sewer corporation, or any
54 portion thereof.

55 3. **No person, public utility, or other corporation shall, without**

56 **the consent of the commission, purchase or acquire, take, or hold fifty**
57 **percent or more of the total capital stock issued by any sewer or water**
58 **corporation that regularly provides service to eight thousand or fewer**
59 **customers.**

60 4. Nothing herein contained shall be construed to prevent the holding of
61 stock heretofore lawfully acquired, or to prevent upon the surrender or exchange
62 of said stock pursuant to a reorganization plan, the purchase, acquisition, taking
63 or holding of a proportionate amount of stock of any new corporation organized
64 to take over, at foreclosure or other sale, the property of any corporation whose
65 stock has been thus surrendered or exchanged. Every contract, assignment,
66 transfer or agreement for transfer of any stock by or through any person or
67 corporation to any corporation in violation of any provision of this chapter shall
68 be void and of no effect, and no such transfer or assignment shall be made upon
69 the books of any such gas corporation, electrical corporation, water corporation
70 or sewer corporation or shall be recognized as effective for any purpose.

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Bill

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