

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE BILL NO. 618
100TH GENERAL ASSEMBLY

4059H.06C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 67.5122, 144.030, 393.1009, 393.1012, 393.1015, 442.404, 523.262, 610.021, 620.2451, and 620.2459, RSMo, and to enact in lieu thereof fourteen new sections relating to utilities.

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

Section A. Sections 67.5122, 144.030, 393.1009, 393.1012, 393.1015, 442.404, 523.262, 610.021, 620.2451, and 620.2459, RSMo, are repealed and fourteen new sections enacted in lieu thereof, to be known as sections 144.030, 393.1009, 393.1012, 393.1015, 393.1900, 442.404, 523.262, 610.021, 620.2451, 620.2459, 640.141, 640.142, 640.144, and 640.145, to read as follows:

144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other state of the United States, or between this state and any foreign country, and any retail sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States of America, and such retail sales of tangible personal property which the general assembly of the state of Missouri is prohibited from taxing or further taxing by the constitution of this state.

2. There are also specifically exempted from the provisions of the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of
15 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be
16 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide
22 registration law, sections 281.220 to 281.310, which are to be used in connection with the growth
23 or production of crops, fruit trees or orchards applied before, during, or after planting, the crop
24 of which when harvested will be sold at retail or will be converted into foodstuffs which are to
25 be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in
27 manufacturing, processing, compounding, mining, producing or fabricating become a component
28 part or ingredient of the new personal property resulting from such manufacturing, processing,
29 compounding, mining, producing or fabricating and which new personal property is intended to
30 be sold ultimately for final use or consumption; and materials, including without limitation,
31 gases and manufactured goods, including without limitation slagging materials and firebrick,
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting
33 with or by becoming, in whole or in part, component parts or ingredients of steel products
34 intended to be sold ultimately for final use or consumption;

35 (3) Materials, replacement parts and equipment purchased for use directly upon, and for
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock
37 or aircraft engaged as common carriers of persons or property;

38 (4) Replacement machinery, equipment, and parts and the materials and supplies solely
39 required for the installation or construction of such replacement machinery, equipment, and
40 parts, used directly in manufacturing, mining, fabricating or producing a product which is
41 intended to be sold ultimately for final use or consumption; and machinery and equipment, and
42 the materials and supplies required solely for the operation, installation or construction of such
43 machinery and equipment, purchased and used to establish new, or to replace or expand existing,
44 material recovery processing plants in this state. For the purposes of this subdivision, a "material
45 recovery processing plant" means a facility that has as its primary purpose the recovery of
46 materials into a usable product or a different form which is used in producing a new product and
47 shall include a facility or equipment which are used exclusively for the collection of recovered
48 materials for delivery to a material recovery processing plant but shall not include motor vehicles
49 used on highways. For purposes of this section, the terms motor vehicle and highway shall have

50 the same meaning pursuant to section 301.010. For the purposes of this subdivision, subdivision
51 (5) of this subsection, and section 144.054, as well as the definition in subdivision (9) of
52 subsection 1 of section 144.010, the term "product" includes telecommunications services and
53 the term "manufacturing" shall include the production, or production and transmission, of
54 telecommunications services. The preceding sentence does not make a substantive change in the
55 law and is intended to clarify that the term "manufacturing" has included and continues to
56 include the production and transmission of "telecommunications services", as enacted in this
57 subdivision and subdivision (5) of this subsection, as well as the definition in subdivision (9) of
58 subsection 1 of section 144.010. The preceding two sentences reaffirm legislative intent
59 consistent with the interpretation of this subdivision and subdivision (5) of this subsection in
60 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002) and
61 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and
62 accordingly abrogates the Missouri supreme court's interpretation of those exemptions in *IBM*
63 *Corporation v. Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the extent inconsistent
64 with this section and *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo.
65 banc 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc
66 2005). The construction and application of this subdivision as expressed by the Missouri
67 supreme court in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001);
68 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and
69 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby
70 affirmed. Material recovery is not the reuse of materials within a manufacturing process or the
71 use of a product previously recovered. The material recovery processing plant shall qualify
72 under the provisions of this section regardless of ownership of the material being recovered;

73 (5) Machinery and equipment, and parts and the materials and supplies solely required
74 for the installation or construction of such machinery and equipment, purchased and used to
75 establish new or to expand existing manufacturing, mining or fabricating plants in the state if
76 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
77 which is intended to be sold ultimately for final use or consumption. The construction and
78 application of this subdivision as expressed by the Missouri supreme court in *DST Systems, Inc.*
79 *v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v. Director*
80 *of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and *Southwestern Bell Tel. Co. v. Director of*
81 *Revenue*, 182 S.W.3d 226 (Mo. banc 2005), is hereby affirmed;

82 (6) Tangible personal property which is used exclusively in the manufacturing,
83 processing, modification or assembling of products sold to the United States government or to
84 any agency of the United States government;

85 (7) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

86 (8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and
87 other machinery, equipment, replacement parts and supplies used in producing newspapers
88 published for dissemination of news to the general public;

89 (9) The rentals of films, records or any type of sound or picture transcriptions for public
90 commercial display;

91 (10) Pumping machinery and equipment used to propel products delivered by pipelines
92 engaged as common carriers;

93 (11) Railroad rolling stock for use in transporting persons or property in interstate
94 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or
95 more or trailers used by common carriers, as defined in section 390.020, in the transportation of
96 persons or property;

97 (12) Electrical energy used in the actual primary manufacture, processing, compounding,
98 mining or producing of a product, or electrical energy used in the actual secondary processing
99 or fabricating of the product, or a material recovery processing plant as defined in subdivision
100 (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical
101 energy so used exceeds ten percent of the total cost of production, either primary or secondary,
102 exclusive of the cost of electrical energy so used or if the raw materials used in such processing
103 contain at least twenty-five percent recovered materials as defined in section 260.200. There
104 shall be a rebuttable presumption that the raw materials used in the primary manufacture of
105 automobiles contain at least twenty-five percent recovered materials. For purposes of this
106 subdivision, "processing" means any mode of treatment, act or series of acts performed upon
107 materials to transform and reduce them to a different state or thing, including treatment necessary
108 to maintain or preserve such processing by the producer at the production facility;

109 (13) Anodes which are used or consumed in manufacturing, processing, compounding,
110 mining, producing or fabricating and which have a useful life of less than one year;

111 (14) Machinery, equipment, appliances and devices purchased or leased and used solely
112 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies
113 solely required for the installation, construction or reconstruction of such machinery, equipment,
114 appliances and devices;

115 (15) Machinery, equipment, appliances and devices purchased or leased and used solely
116 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies
117 solely required for the installation, construction or reconstruction of such machinery, equipment,
118 appliances and devices;

119 (16) Tangible personal property purchased by a rural water district;

120 (17) All amounts paid or charged for admission or participation or other fees paid by or
121 other charges to individuals in or for any place of amusement, entertainment or recreation, games

122 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a
123 municipality or other political subdivision where all the proceeds derived therefrom benefit the
124 municipality or other political subdivision and do not inure to any private person, firm, or
125 corporation, provided, however, that a municipality or other political subdivision may enter into
126 revenue-sharing agreements with private persons, firms, or corporations providing goods or
127 services, including management services, in or for the place of amusement, entertainment or
128 recreation, games or athletic events, and provided further that nothing in this subdivision shall
129 exempt from tax any amounts retained by any private person, firm, or corporation under such
130 revenue-sharing agreement;

131 (18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical
132 equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the
133 federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including
134 the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids
135 and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed
136 pharmacist only upon a lawful prescription of a practitioner licensed to administer those items,
137 including samples and materials used to manufacture samples which may be dispensed by a
138 practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home
139 respiratory equipment and accessories including parts, and hospital beds and accessories and
140 ambulatory aids including parts, and all sales or rental of manual and powered wheelchairs
141 including parts, and stairway lifts, Braille writers, electronic Braille equipment and, if purchased
142 or rented by or on behalf of a person with one or more physical or mental disabilities to enable
143 them to function more independently, all sales or rental of scooters including parts, and reading
144 machines, electronic print enlargers and magnifiers, electronic alternative and augmentative
145 communication devices, and items used solely to modify motor vehicles to permit the use of such
146 motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription
147 drugs to individuals with disabilities, and drugs required by the Food and Drug Administration
148 to meet the over-the-counter drug product labeling requirements in 21 CFR 201.66, or its
149 successor, as prescribed by a health care practitioner licensed to prescribe;

150 (19) All sales made by or to religious and charitable organizations and institutions in
151 their religious, charitable or educational functions and activities and all sales made by or to all
152 elementary and secondary schools operated at public expense in their educational functions and
153 activities;

154 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
155 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,
156 including fraternal organizations which have been declared tax-exempt organizations pursuant
157 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or

158 charitable functions and activities and all sales made to eleemosynary and penal institutions and
159 industries of the state, and all sales made to any private not-for-profit institution of higher
160 education not otherwise excluded pursuant to subdivision (19) of this subsection or any
161 institution of higher education supported by public funds, and all sales made to a state relief
162 agency in the exercise of relief functions and activities;

163 (21) All ticket sales made by benevolent, scientific and educational associations which
164 are formed to foster, encourage, and promote progress and improvement in the science of
165 agriculture and in the raising and breeding of animals, and by nonprofit summer theater
166 organizations if such organizations are exempt from federal tax pursuant to the provisions of the
167 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any
168 fair conducted by a county agricultural and mechanical society organized and operated pursuant
169 to sections 262.290 to 262.530;

170 (22) All sales made to any private not-for-profit elementary or secondary school, all sales
171 of feed additives, medications or vaccines administered to livestock or poultry in the production
172 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
173 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
174 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
175 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
176 defined in section 142.028, natural gas, propane, and electricity used by an eligible new
177 generation cooperative or an eligible new generation processing entity as defined in section
178 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and
179 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed
180 additives" means tangible personal property which, when mixed with feed for livestock or
181 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term
182 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted
183 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark
184 the application of pesticides and herbicides for the production of crops, livestock or poultry. As
185 used in this subdivision, the term "farm machinery and equipment" means new or used farm
186 tractors and such other new or used farm machinery and equipment and repair or replacement
187 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary
188 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,
189 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,
190 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and
191 one-half of each purchaser's purchase of diesel fuel therefor which is:

192 (a) Used exclusively for agricultural purposes;

193 (b) Used on land owned or leased for the purpose of producing farm products; and

194 (c) Used directly in producing farm products to be sold ultimately in processed form or
195 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
196 ultimately in processed form at retail;

197 (23) Except as otherwise provided in section 144.032, all sales of metered water service,
198 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil
199 for domestic use and in any city not within a county, all sales of metered or unmetered water
200 service for domestic use:

201 (a) "Domestic use" means that portion of metered water service, electricity, electrical
202 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not
203 within a county, metered or unmetered water service, which an individual occupant of a
204 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility
205 service through a single or master meter for residential apartments or condominiums, including
206 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.
207 Each seller shall establish and maintain a system whereby individual purchases are determined
208 as exempt or nonexempt;

209 (b) Regulated utility sellers shall determine whether individual purchases are exempt or
210 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file
211 with and approved by the Missouri public service commission. Sales and purchases made
212 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf
213 of the occupants of residential apartments or condominiums through a single or master meter,
214 including service for common areas and facilities and vacant units, shall be considered as sales
215 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales
216 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility
217 service rate classification and the provision of service thereunder shall be conclusive as to
218 whether or not the utility must charge sales tax;

219 (c) Each person making domestic use purchases of services or property and who uses any
220 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day
221 of the fourth month following the year of purchase, and without assessment, notice or demand,
222 file a return and pay sales tax on that portion of nondomestic purchases. Each person making
223 nondomestic purchases of services or property and who uses any portion of the services or
224 property so purchased for domestic use, and each person making domestic purchases on behalf
225 of occupants of residential apartments or condominiums through a single or master meter,
226 including service for common areas and facilities and vacant units, under a nonresidential utility
227 service rate classification may, between the first day of the first month and the fifteenth day of
228 the fourth month following the year of purchase, apply for credit or refund to the director of
229 revenue and the director shall give credit or make refund for taxes paid on the domestic use

230 portion of the purchase. The person making such purchases on behalf of occupants of residential
231 apartments or condominiums shall have standing to apply to the director of revenue for such
232 credit or refund;

233 (24) All sales of handicraft items made by the seller or the seller's spouse if the seller or
234 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such
235 sales do not constitute a majority of the annual gross income of the seller;

236 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4071, 4081,
237 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue
238 shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes on such
239 excise taxes;

240 (26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne
241 vessels which are used primarily in or for the transportation of property or cargo, or the
242 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,
243 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while
244 it is afloat upon such river;

245 (27) All sales made to an interstate compact agency created pursuant to sections 70.370
246 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such
247 agency as provided pursuant to the compact;

248 (28) Computers, computer software and computer security systems purchased for use
249 by architectural or engineering firms headquartered in this state. For the purposes of this
250 subdivision, "headquartered in this state" means the office for the administrative management
251 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

252 (29) All livestock sales when either the seller is engaged in the growing, producing or
253 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering
254 or leasing of such livestock;

255 (30) All sales of barges which are to be used primarily in the transportation of property
256 or cargo on interstate waterways;

257 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other
258 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
259 products or in any material recovery processing plant as defined in subdivision (4) of this
260 subsection;

261 (32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or
262 herbicides used in the production of crops, aquaculture, livestock or poultry;

263 (33) Tangible personal property and utilities purchased for use or consumption directly
264 or exclusively in the research and development of agricultural/biotechnology and plant genomics
265 products and prescription pharmaceuticals consumed by humans or animals;

- 266 (34) All sales of grain bins for storage of grain for resale;
- 267 (35) All sales of feed which are developed for and used in the feeding of pets owned by
268 a commercial breeder when such sales are made to a commercial breeder, as defined in section
269 273.325, and licensed pursuant to sections 273.325 to 273.357;
- 270 (36) All purchases by a contractor on behalf of an entity located in another state,
271 provided that the entity is authorized to issue a certificate of exemption for purchases to a
272 contractor under the provisions of that state's laws. For purposes of this subdivision, the term
273 "certificate of exemption" shall mean any document evidencing that the entity is exempt from
274 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.
275 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's
276 exemption certificate as evidence of the exemption. If the exemption certificate issued by the
277 exempt entity to the contractor is later determined by the director of revenue to be invalid for any
278 reason and the contractor has accepted the certificate in good faith, neither the contractor or the
279 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result
280 of use of the invalid exemption certificate. Materials shall be exempt from all state and local
281 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible
282 personal property which is used in fulfilling a contract for the purpose of constructing, repairing
283 or remodeling facilities for the following:
- 284 (a) An exempt entity located in this state, if the entity is one of those entities able to issue
285 project exemption certificates in accordance with the provisions of section 144.062; or
- 286 (b) An exempt entity located outside the state if the exempt entity is authorized to issue
287 an exemption certificate to contractors in accordance with the provisions of that state's law and
288 the applicable provisions of this section;
- 289 (37) All sales or other transfers of tangible personal property to a lessor who leases the
290 property under a lease of one year or longer executed or in effect at the time of the sale or other
291 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections
292 238.010 to 238.100;
- 293 (38) Sales of tickets to any collegiate athletic championship event that is held in a facility
294 owned or operated by a governmental authority or commission, a quasi-governmental agency,
295 a state university or college or by the state or any political subdivision thereof, including a
296 municipality, and that is played on a neutral site and may reasonably be played at a site located
297 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
298 is not located on the campus of a conference member institution participating in the event;
- 299 (39) All purchases by a sports complex authority created under section 64.920, and all
300 sales of utilities by such authority at the authority's cost that are consumed in connection with
301 the operation of a sports complex leased to a professional sports team;

302 (40) All materials, replacement parts, and equipment purchased for use directly upon,
303 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants,
304 and aircraft accessories;

305 (41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or
306 similar places of business for use in the normal course of business and money received by a
307 shooting range or similar places of business from patrons and held by a shooting range or similar
308 place of business for redistribution to patrons at the conclusion of a shooting event;

309 (42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as
310 defined in section 306.010;

311 (43) Any new or used aircraft sold or delivered in this state to a person who is not a
312 resident of this state or a corporation that is not incorporated in this state, and such aircraft is not
313 to be based in this state and shall not remain in this state more than ten business days subsequent
314 to the last to occur of:

315 (a) The transfer of title to the aircraft to a person who is not a resident of this state or a
316 corporation that is not incorporated in this state; or

317 (b) The date of the return to service of the aircraft in accordance with 14 CFR 91.407 for
318 any maintenance, preventive maintenance, rebuilding, alterations, repairs, or installations that
319 are completed contemporaneously with the transfer of title to the aircraft to a person who is not
320 a resident of this state or a corporation that is not incorporated in this state;

321 (44) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers
322 pulled by such motor vehicles, that are actually used in the normal course of business to haul
323 property on the public highways of the state, and that are capable of hauling loads commensurate
324 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment
325 purchased for use directly upon, and for the repair and maintenance or manufacture of such
326 vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the
327 meaning as ascribed in section 390.020;

328 (45) All internet access or the use of internet access regardless of whether the tax is
329 imposed on a provider of internet access or a buyer of internet access. For purposes of this
330 subdivision, the following terms shall mean:

331 (a) "Direct costs", costs incurred by a governmental authority solely because of an
332 internet service provider's use of the public right-of-way. The term shall not include costs that
333 the governmental authority would have incurred if the internet service provider did not make
334 such use of the public right-of-way. Direct costs shall be determined in a manner consistent with
335 generally accepted accounting principles;

336 (b) "Internet", computer and telecommunications facilities, including equipment and
337 operating software, that comprises the interconnected worldwide network that employ the

338 transmission control protocol or internet protocol, or any predecessor or successor protocols to
339 that protocol, to communicate information of all kinds by wire or radio;

340 (c) "Internet access", a service that enables users to connect to the internet to access
341 content, information, or other services without regard to whether the service is referred to as
342 telecommunications, communications, transmission, or similar services, and without regard to
343 whether a provider of the service is subject to regulation by the Federal Communications
344 Commission as a common carrier under 47 U.S.C. Section 201, et seq. For purposes of this
345 subdivision, internet access also includes: the purchase, use, or sale of communications services,
346 including telecommunications services as defined in section 144.010, to the extent the
347 communications services are purchased, used, or sold to provide the service described in this
348 subdivision or to otherwise enable users to access content, information, or other services offered
349 over the internet; services that are incidental to the provision of a service described in this
350 subdivision, when furnished to users as part of such service, including a home page, electronic
351 mail, and instant messaging, including voice-capable and video-capable electronic mail and
352 instant messaging, video clips, and personal electronic storage capacity; a home page electronic
353 mail and instant messaging, including voice-capable and video-capable electronic mail and
354 instant messaging, video clips, and personal electronic storage capacity that are provided
355 independently or that are not packed with internet access. As used in this subdivision, internet
356 access does not include voice, audio, and video programming or other products and services,
357 except services described in this paragraph or this subdivision, that use internet protocol or any
358 successor protocol and for which there is a charge, regardless of whether the charge is separately
359 stated or aggregated with the charge for services described in this paragraph or this subdivision;

360 (d) "Tax", any charge imposed by the state or a political subdivision of the state for the
361 purpose of generating revenues for governmental purposes and that is not a fee imposed for a
362 specific privilege, service, or benefit conferred, except as described as otherwise under this
363 subdivision, or any obligation imposed on a seller to collect and to remit to the state or a political
364 subdivision of the state any gross retail tax, sales tax, or use tax imposed on a buyer by such a
365 governmental entity. The term tax shall not include any franchise fee or similar fee imposed or
366 authorized under section 67.1830 or 67.2689; Section 622 or 653 of the Communications Act
367 of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573; or any other fee related to obligations
368 of telecommunications carriers under the Communications Act of 1934, 47 U.S.C. Section 151,
369 et seq., except to the extent that:

370 a. The fee is not imposed for the purpose of recovering direct costs incurred by the
371 franchising or other governmental authority from providing the specific privilege, service, or
372 benefit conferred to the payer of the fee; or

373 b. The fee is imposed for the use of a public right-of-way based on a percentage of the
374 service revenue, and the fee exceeds the incremental direct costs incurred by the governmental
375 authority associated with the provision of that right-of-way to the provider of internet access
376 service.

377

378 Nothing in this subdivision shall be interpreted as an exemption from taxes due on goods or
379 services that were subject to tax on January 1, 2016; and

380 **(46) All purchases by a Missouri company of solar photovoltaic energy distributed**
381 **generation systems and all purchases of supplies used directly to make improvements to**
382 **such systems, provided that such systems:**

383 **(a) Allow for energy storage;**

384 **(b) Include advanced or smart meter inverter capacity; and**

385 **(c) Allow for utility scale projects greater than twenty megawatts.**

386

387 **For purposes of this subdivision, the term "Missouri company" shall mean any**
388 **corporation or other business organization that is registered with the secretary of state, has**
389 **at least one physical office located in this state, and employs at least three residents of this**
390 **state in full-time positions.**

391 3. Any ruling, agreement, or contract, whether written or oral, express or implied,
392 between a person and this state's executive branch, or any other state agency or department,
393 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this
394 state despite the presence of a warehouse, distribution center, or fulfillment center in this state
395 that is owned or operated by the person or an affiliated person shall be null and void unless it is
396 specifically approved by a majority vote of each of the houses of the general assembly. For
397 purposes of this subsection, an "affiliated person" means any person that is a member of the same
398 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of
399 1986, as amended, as the vendor or any other entity that, notwithstanding its form of
400 organization, bears the same ownership relationship to the vendor as a corporation that is a
401 member of the same controlled group of corporations as defined in Section 1563(a) of the
402 Internal Revenue Code, as amended.

393.1009. As used in sections 393.1009 to 393.1015, the following terms mean:

2 (1) "Appropriate pretax revenues", the revenues necessary to produce net operating
3 income equal to:

4 (a) The gas corporation's weighted cost of capital multiplied by the net original cost of
5 eligible infrastructure system replacements, including recognition of accumulated deferred

6 income taxes and accumulated depreciation associated with eligible infrastructure system
7 replacements which are included in a currently effective ISRS; and

8 (b) Recover state, federal, and local income or excise taxes applicable to such income;
9 and

10 (c) Recover all other ISRS costs;

11 (2) "Commission", the Missouri public service commission;

12 (3) "Eligible infrastructure system replacements", gas utility plant projects that:

13 (a) Do not increase revenues by directly connecting the infrastructure replacement to new
14 customers;

15 (b) Are in service and used and useful;

16 (c) Were not included in the gas corporation's rate base in its most recent general rate
17 case; and

18 (d) Replace or extend the useful life of an existing infrastructure;

19 (4) "Gas corporation", every corporation, company, association, joint stock company or
20 association, partnership and person, their lessees, trustees or receivers appointed by any court
21 whatsoever, owning, operating, controlling, or managing any gas plant operating for public use
22 under privilege, license, or franchise now or hereafter granted by the state or any political
23 subdivision, county, or municipality thereof as defined in section 386.020;

24 (5) "Gas utility plant projects" ~~may~~ **shall** consist only of the following:

25 (a) Mains, valves, service lines, regulator stations, vaults, and other pipeline system
26 components installed to comply with state or federal safety requirements as replacements for
27 existing facilities that have worn out or are in deteriorated condition **or that can no longer be**
28 **installed under currently applicable safety requirements or any cast iron or steel facilities**
29 **including any connected or associated facilities that, regardless of their material, age, or**
30 **condition, are replaced as part of a qualifying replacement project in a manner that adds**
31 **no incremental cost to a project compared to tying into or reusing existing facilities;**

32 (b) Main relining projects, service line insertion projects, joint encapsulation projects,
33 and other similar projects extending the useful life or enhancing the integrity of pipeline system
34 components undertaken to comply with state or federal safety requirements; and

35 (c) Facilities relocations required due to construction or improvement of a highway,
36 road, street, public way, or other public work by or on behalf of the United States, this state, a
37 political subdivision of this state, or another entity having the power of eminent domain provided
38 that the costs related to such projects have not been reimbursed to the gas corporation;

39 (6) "ISRS", infrastructure system replacement surcharge;

40 (7) "ISRS costs", depreciation expense and property taxes that will be due within twelve
41 months of the ISRS filing;

42 (8) "ISRS revenues", revenues produced through an ISRS exclusive of revenues from
43 all other rates and charges.

393.1012. 1. Notwithstanding any provisions of chapter 386 and this chapter to the
2 contrary, beginning August 28, 2003, a gas corporation providing gas service may file a petition
3 and proposed rate schedules with the commission to establish or change ISRS rate schedules that
4 will allow for the adjustment of the gas corporation's rates and charges to provide for the
5 recovery of costs for eligible infrastructure system replacements. The commission may not
6 approve an ISRS to the extent it would produce total annualized ISRS revenues below the lesser
7 of one million dollars or one-half of one percent of the gas corporation's base revenue level
8 approved by the commission in the gas corporation's most recent general rate proceeding. The
9 commission may not approve an ISRS to the extent it would produce total annualized ISRS
10 revenues exceeding ten percent of the gas corporation's base revenue level approved by the
11 commission in the gas corporation's most recent general rate proceeding. An ISRS and any
12 future changes thereto shall be calculated and implemented in accordance with the provisions
13 of sections 393.1009 to 393.1015. ISRS revenues shall be subject to a refund based upon a
14 finding and order of the commission to the extent provided in subsections 5 and 8 of section
15 ~~[393.1009]~~ **393.1015**.

16 2. The commission shall not approve an ISRS for any gas corporation that has not had
17 a general rate proceeding decided or dismissed by issuance of a commission order within the past
18 three years, unless the gas corporation has filed for or is the subject of a new general rate
19 proceeding.

20 3. In no event shall a gas corporation collect an ISRS for a period exceeding three years
21 unless the gas corporation has filed for or is the subject of a new general rate proceeding;
22 provided that the ISRS may be collected until the effective date of new rate schedules established
23 as a result of the new general rate proceeding, or until the subject general rate proceeding is
24 otherwise decided or dismissed by issuance of a commission order without new rates being
25 established.

26 **4. In order for a gas corporation to file a petition with the commission to establish**
27 **or change an ISRS, such corporation shall, by July 1, 2021, develop and file with the**
28 **commission a pre-qualification process for contractors seeking to participate in competitive**
29 **bidding to install ISRS-eligible gas utility plant projects. Under the pre-qualification**
30 **process, the gas corporation may specify certain eligibility requirements typically accepted**
31 **by the industry, including but not limited to, experience, performance criteria, safety**
32 **policies, and insurance or indemnification requirements to be met by any contractor**
33 **seeking to participate in competitive bidding to install ISRS-eligible gas utility plant**
34 **projects. Contractors that meet the pre-qualification criteria set by the gas corporation**

35 shall be eligible to participate in the competitive bidding process for installing ISRS-
36 eligible gas utility plant projects, with the winning bid awarded to the contractor making
37 the overall lowest and best bid, as defined in subsection 2 of section 34.010. The gas
38 corporation shall file, by January 1, 2022, a verified statement with the commission
39 confirming that it has in place a pre-qualification process for the competitive bidding of
40 ISRS-eligible gas utility plant projects, and that such process conforms with the
41 requirements of this section. The commission shall have the authority to verify the
42 statement to ensure compliance with this section. After January 1, 2022, the gas
43 corporation shall submit with each petition filing to establish or change an ISRS a verified
44 statement confirming that it is using a competitive bidding process for no less than twenty-
45 five percent of the combined external installation expenditures made by the gas
46 corporation's operating units in Missouri for installing ISRS-eligible gas utility plant
47 projects, and that such process conforms with the requirements set forth in this section.
48 The commission shall have the authority to verify the statement to ensure compliance with
49 this section. Nothing in this section shall be construed as requiring any gas corporation to
50 use a pre-qualified contractor or competitive bidding process in the case of an emergency
51 project, or to terminate any existing contract with a contractor prior to its expiration;
52 provided however, that the use of any preexisting contract for the installation of ISRS-
53 eligible gas utility plant projects shall not qualify as fulfilling the twenty-five percent
54 requirement set forth in this section beyond December 31, 2022. For contractors not
55 qualifying through the competitive bid process, the gas corporation, upon request from the
56 contractor, shall provide information from the process in which the contractor can be
57 informed as to how to be better positioned to qualify for such bid opportunities in the
58 future.

59 5. By December 31, 2023, and annually thereafter, the commission shall submit a
60 report to the general assembly on the effects of subsection 4 of this section, including gas
61 corporation compliance, potential legislative action regarding subsection 4 of this section,
62 the costs of installing ISRS-eligible gas utility plant projects prior to the implementation
63 of subsection 4 of this section compared to after the implementation of subsection 4 of this
64 section, and any other information regarding the processes established under subsection
65 4 of this section that the commission deems necessary.

393.1015. 1. (1) At the time that a gas corporation files a petition with the commission
2 seeking to establish or change an ISRS, it shall submit proposed ISRS rate schedules and its
3 supporting documentation regarding the calculation of the proposed ISRS with the petition, and
4 shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules,
5 and its supporting documentation.

6 (2) Upon the filing of a petition, and any associated rate schedules, seeking to establish
7 or change an ISRS, the commission shall publish notice of the filing.

8 2. (1) When a petition, along with any associated proposed rate schedules, is filed
9 pursuant to the provisions of sections 393.1009 to 393.1015, the commission shall conduct an
10 examination of the proposed ISRS.

11 (2) The staff of the commission may examine information of the gas corporation to
12 confirm that the underlying costs are in accordance with the provisions of sections 393.1009 to
13 393.1015, and to confirm proper calculation of the proposed charge, and may submit a report
14 regarding its examination to the commission not later than [~~sixty~~] **ninety** days after the petition
15 is filed. No other revenue requirement or ratemaking issues may be examined in consideration
16 of the petition or associated proposed rate schedules filed pursuant to the provisions of sections
17 393.1009 to 393.1015.

18 (3) The commission may hold a hearing on the petition and any associated rate schedules
19 and shall issue an order to become effective not later than one hundred [~~twenty~~] **eighty** days after
20 the petition is filed.

21 (4) If the commission finds that a petition complies with the requirements of sections
22 393.1009 to 393.1015, the commission shall enter an order authorizing the corporation to impose
23 an ISRS that is sufficient to recover appropriate pretax revenue, as determined by the
24 commission pursuant to the provisions of sections 393.1009 to 393.1015.

25 3. A gas corporation may effectuate a change in its rate pursuant to the provisions of this
26 section no more often than two times every twelve months.

27 4. In determining the appropriate pretax revenue, the commission shall consider only the
28 following factors:

29 (1) The current state, federal, and local income tax or excise rates;

30 (2) The gas corporation's actual regulatory capital structure as determined during the
31 most recent general rate proceeding of the gas corporation;

32 (3) The actual cost rates for the gas corporation's debt and preferred stock as determined
33 during the most recent general rate proceeding of the gas corporation;

34 (4) The gas corporation's cost of common equity as determined during the most recent
35 general rate proceeding of the gas corporation;

36 (5) The current property tax rate or rates applicable to the eligible infrastructure system
37 replacements;

38 (6) The current depreciation rates applicable to the eligible infrastructure system
39 replacements; and

40 (7) In the event information pursuant to subdivisions (2), (3), and (4) of this subsection
41 is unavailable and the commission is not provided with such information on an agreed-upon

42 basis, the commission shall refer to the testimony submitted during the most recent general rate
43 proceeding of the gas corporation and use, in lieu of any such unavailable information, the
44 recommended capital structure, recommended cost rates for debt and preferred stock, and
45 recommended cost of common equity that would produce the average weighted cost of capital
46 based upon the various recommendations contained in such testimony.

47 5. (1) The monthly ISRS charge may be calculated based on a reasonable estimate of
48 billing units in the period in which the charge will be in effect, which shall be conclusively
49 established by dividing the appropriate pretax revenues by the customer numbers reported by the
50 gas corporation in the annual report it most recently filed with the commission pursuant to
51 subdivision (6) of section 393.140, and then further dividing this quotient by twelve. Provided,
52 however, that the monthly ISRS may vary according to customer class and may be calculated
53 based on customer numbers as determined during the most recent general rate proceeding of the
54 gas corporation so long as the monthly ISRS for each customer class maintains a proportional
55 relationship equivalent to the proportional relationship of the monthly customer charge for each
56 customer class.

57 (2) At the end of each twelve-month calendar period the ISRS is in effect, the gas
58 corporation shall reconcile the differences between the revenues resulting from an ISRS and the
59 appropriate pretax revenues as found by the commission for that period and shall submit the
60 reconciliation and a proposed ISRS adjustment to the commission for approval to recover or
61 refund the difference, as appropriate, through adjustments of an ISRS charge.

62 6. (1) A gas corporation that has implemented an ISRS pursuant to the provisions of
63 sections 393.1009 to 393.1015 shall file revised rate schedules to reset the ISRS to zero when
64 new base rates and charges become effective for the gas corporation following a commission
65 order establishing customer rates in a general rate proceeding that incorporates in the utility's
66 base rates subject to subsections 8 and 9 of this section eligible costs previously reflected in an
67 ISRS.

68 (2) Upon the inclusion in a gas corporation's base rates subject to subsections 8 and 9
69 of this section of eligible costs previously reflected in an ISRS, the gas corporation shall
70 immediately thereafter reconcile any previously unreconciled ISRS revenues as necessary to
71 ensure that revenues resulting from the ISRS match as closely as possible the appropriate pretax
72 revenues as found by the commission for that period.

73 7. A gas corporation's filing of a petition or change to an ISRS pursuant to the provisions
74 of sections 393.1009 to 393.1015 shall not be considered a request for a general increase in the
75 gas corporation's base rates and charges.

76 8. Commission approval of a petition, and any associated rate schedules, to establish or
77 change an ISRS pursuant to the provisions of sections 393.1009 to 393.1015 shall in no way be

78 binding upon the commission in determining the ratemaking treatment to be applied to eligible
79 infrastructure system replacements during a subsequent general rate proceeding when the
80 commission may undertake to review the prudence of such costs. In the event the commission
81 disallows, during a subsequent general rate proceeding, recovery of costs associated with eligible
82 infrastructure system replacements previously included in an ISRS, the gas corporation shall
83 offset its ISRS in the future as necessary to recognize and account for any such overcollections.

84 9. Nothing in this section shall be construed as limiting the authority of the commission
85 to review and consider infrastructure system replacement costs along with other costs during any
86 general rate proceeding of any gas corporation.

87 10. Nothing contained in sections 393.1009 to 393.1015 shall be construed to impair in
88 any way the authority of the commission to review the reasonableness of the rates or charges of
89 a gas corporation, including review of the prudence of eligible infrastructure system
90 replacements made by a gas corporation, pursuant to the provisions of section 386.390.

91 11. The commission shall have authority to promulgate rules for the implementation of
92 sections 393.1009 to 393.1015, but only to the extent such rules are consistent with, and do not
93 delay the implementation of, the provisions of sections 393.1009 to 393.1015. Any rule or
94 portion of a rule, as that term is defined in section 536.010, that is created under the authority
95 delegated in this section shall become effective only if it complies with and is subject to all of
96 the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
97 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter
98 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
99 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
100 August 28, 2003, shall be invalid and void.

101 **12. If a gas corporation's ISRS includes unlawful and unreasonable charges as**
102 **determined in a final court ruling and from which no appeal is taken, subject to**
103 **commission approval, the gas corporation shall refund every current customer of the gas**
104 **corporation who paid such charges before the gas corporation may file for a new ISRS.**
105 **Customers who are no longer serviced by the gas corporation but who paid such charges**
106 **may apply to the gas corporation for a refund within two years of the ruling.**

107 **13. The provisions of sections 393.1009 to 393.1015 shall expire on August 28, 2029.**

393.1900. 1. Notwithstanding any provision of law to the contrary, during any state
2 **of emergency declared due to a pandemic, outbreak of contagious illness, or increased**
3 **health threat to the public, the discontinuance of gas or electric service to residential users,**
4 **including all residential tenants of apartment buildings, for nonpayment of bills if gas or**
5 **electricity is used as a heating or cooling source at such residence shall be prohibited.**

6 **2. The public service commission may promulgate all necessary rules and**
7 **regulations for the administration of this section. Any rule or portion of a rule, as that**
8 **term is defined in section 536.010, that is created under the authority delegated in this**
9 **section shall become effective only if it complies with and is subject to all of the provisions**
10 **of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are**
11 **nonseverable, and if any of the powers vested with the general assembly pursuant to**
12 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**
13 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
14 **proposed or adopted after August 28, 2020, shall be invalid and void.**

442.404. 1. As used in this section, the following terms shall mean:

2 (1) "Homeowners' association", a nonprofit corporation or unincorporated association
3 of homeowners created under a declaration to own and operate portions of a planned community
4 or other residential subdivision that has the power under the declaration to assess association
5 members to pay the costs and expenses incurred in the performance of the association's
6 obligations under the declaration or tenants-in-common with respect to the ownership of
7 common ground or amenities of a planned community or other residential subdivision. This term
8 shall not include a condominium unit owners' association as defined and provided for in
9 subdivision (3) of section 448.1-103 or a residential cooperative;

10 (2) "Political signs", any fixed, ground-mounted display in support of or in opposition
11 to a person seeking elected office or a ballot measure excluding any materials that may be
12 attached;

13 **(3) "Solar panel or solar collector", a device used to collect and convert solar**
14 **energy into electricity or thermal energy including, but not limited to, photovoltaic cells or**
15 **panels or solar thermal systems.**

16 2. **(1)** No deed restrictions, covenants, or similar binding agreements running with the
17 land shall prohibit or have the effect of prohibiting the display of political signs.

18 ~~[3-]~~ **(2)** A homeowners' association has the authority to adopt reasonable rules, subject
19 to any applicable statutes or ordinances, regarding the time, size, place, number, and manner of
20 display of political signs.

21 ~~[4-]~~ **(3)** A homeowners' association may remove a political sign without liability if such
22 sign is placed within the common ground, threatens the public health or safety, violates an
23 applicable statute or ordinance, is accompanied by sound or music, or if any other materials are
24 attached to the political sign. Subject to the foregoing, a homeowners' association shall not
25 remove a political sign from the property of a homeowner or impose any fine or penalty upon
26 the homeowner unless it has given such homeowner three days after providing written notice to
27 the homeowner, which notice shall specifically identify the rule and the nature of the violation.

28 **3. (1) No deed restrictions, covenants, or similar binding agreements running with**
29 **the land shall limit or prohibit, or have the effect of limiting or prohibiting, the installation**
30 **of solar panels or solar collectors on the rooftop of any property or structure.**

31 **(2) A homeowners' association may adopt reasonable rules, subject to any**
32 **applicable statutes or ordinances, regarding the placement of solar panels or solar**
33 **collectors to the extent that those rules do not prevent the installation of the device, impair**
34 **the functioning of the device, restrict the use of the device, or adversely affect the cost or**
35 **efficiency of the device.**

36 **(3) The provisions of this subsection shall apply only with regard to rooftops that**
37 **are owned, controlled, and maintained by the owner of the property or structure.**

 523.262. 1. Except as set forth in subsection 2 of this section, the power of eminent
2 domain shall only be vested in governmental bodies or agencies whose governing body is elected
3 or whose governing body is appointed by elected officials or in an urban redevelopment
4 corporation operating pursuant to a redevelopment agreement with the municipality for a
5 particular redevelopment area, which agreement was executed prior to or on December 31, 2006.

6 2. A private utility company, public utility, rural electric cooperative, municipally owned
7 utility, pipeline, railroad or common carrier shall have the power of eminent domain as may be
8 granted pursuant to the provisions of other sections of the revised statutes of Missouri. For the
9 purposes of this section, the term "common carrier" shall not include motor carriers, contract
10 carriers, or express companies. Where a condemnation by such an entity results in a displaced
11 person, as defined in section 523.200, the provisions of subsections 3 and 6 to 10 of section
12 523.205 shall apply unless the condemning entity is subject to the relocation assistance
13 provisions of the federal Uniform Relocation Assistance Act.

14 3. Any entity with the power of eminent domain and pursuing the acquisition of property
15 for the purpose of constructing a power generation facility after December 31, 2006, after
16 providing notice in a newspaper of general circulation in the county where the facility is to be
17 constructed, shall conduct a public meeting disclosing the purpose of the proposed facility prior
18 to making any offer to purchase property in pursuit thereof or, alternatively, shall provide the
19 property owner with notification of the identity of the condemning authority and the proposed
20 purpose for which the condemned property shall be used at the time of making the initial offer.

21 **4. (1) Notwithstanding the provisions of subsection 2 of this section, no entity shall**
22 **have the power of eminent domain under the provisions of this section for the purpose of**
23 **constructing above-ground merchant lines.**

24 **(2) For the purpose of this subsection, the following terms mean:**

25 **(a) "Merchant line", a high-voltage direct current electric transmission line that**
26 **does not provide for the erection of electric substations at intervals of less than fifty miles,**

27 **which substations are necessary to accommodate both the purchase and sale to persons**
28 **located in this state of electricity generated or transmitted by such entity; and**

29 **(b) "Entity", a utility company that does not provide service to end-use customers**
30 **or provide retail service in Missouri, or does not collect its costs to provide service under**
31 **a regional transmission organization tariff, regardless of whether it has received a**
32 **certificate of convenience and necessity from the public service commission under section**
33 **393.170.**

34 **(3) This subsection shall not apply to any rural electric cooperative organized or**
35 **operating under the provisions of chapter 394, or to any corporation organized on a**
36 **nonprofit or a cooperative basis as described in subsection 1 of section 394.200, or to any**
37 **electrical corporation operating under a cooperative business plan as described in**
38 **subsection 2 of section 393.110.**

610.021. Except to the extent disclosure is otherwise required by law, a public
2 governmental body is authorized to close meetings, records and votes, to the extent they relate
3 to the following:

4 (1) Legal actions, causes of action or litigation involving a public governmental body
5 and any confidential or privileged communications between a public governmental body or its
6 representatives and its attorneys. However, any minutes, vote or settlement agreement relating
7 to legal actions, causes of action or litigation involving a public governmental body or any agent
8 or entity representing its interests or acting on its behalf or with its authority, including any
9 insurance company acting on behalf of a public government body as its insured, shall be made
10 public upon final disposition of the matter voted upon or upon the signing by the parties of the
11 settlement agreement, unless, prior to final disposition, the settlement agreement is ordered
12 closed by a court after a written finding that the adverse impact to a plaintiff or plaintiffs to the
13 action clearly outweighs the public policy considerations of section 610.011, however, the
14 amount of any moneys paid by, or on behalf of, the public governmental body shall be disclosed;
15 provided, however, in matters involving the exercise of the power of eminent domain, the vote
16 shall be announced or become public immediately following the action on the motion to
17 authorize institution of such a legal action. Legal work product shall be considered a closed
18 record;

19 (2) Leasing, purchase or sale of real estate by a public governmental body where public
20 knowledge of the transaction might adversely affect the legal consideration therefor. However,
21 any minutes, vote or public record approving a contract relating to the leasing, purchase or sale
22 of real estate by a public governmental body shall be made public upon execution of the lease,
23 purchase or sale of the real estate;

- 24 (3) Hiring, firing, disciplining or promoting of particular employees by a public
25 governmental body when personal information about the employee is discussed or recorded.
26 However, any vote on a final decision, when taken by a public governmental body, to hire, fire,
27 promote or discipline an employee of a public governmental body shall be made available with
28 a record of how each member voted to the public within seventy-two hours of the close of the
29 meeting where such action occurs; provided, however, that any employee so affected shall be
30 entitled to prompt notice of such decision during the seventy-two-hour period before such
31 decision is made available to the public. As used in this subdivision, the term "personal
32 information" means information relating to the performance or merit of individual employees;
- 33 (4) The state militia or national guard or any part thereof;
- 34 (5) Nonjudicial mental or physical health proceedings involving identifiable persons,
35 including medical, psychiatric, psychological, or alcoholism or drug dependency diagnosis or
36 treatment;
- 37 (6) Scholastic probation, expulsion, or graduation of identifiable individuals, including
38 records of individual test or examination scores; however, personally identifiable student records
39 maintained by public educational institutions shall be open for inspection by the parents,
40 guardian or other custodian of students under the age of eighteen years and by the parents,
41 guardian or other custodian and the student if the student is over the age of eighteen years;
- 42 (7) Testing and examination materials, before the test or examination is given or, if it
43 is to be given again, before so given again;
- 44 (8) Welfare cases of identifiable individuals;
- 45 (9) Preparation, including any discussions or work product, on behalf of a public
46 governmental body or its representatives for negotiations with employee groups;
- 47 (10) Software codes for electronic data processing and documentation thereof;
- 48 (11) Specifications for competitive bidding, until either the specifications are officially
49 approved by the public governmental body or the specifications are published for bid;
- 50 (12) Sealed bids and related documents, until the bids are opened; and sealed proposals
51 and related documents or any documents related to a negotiated contract until a contract is
52 executed, or all proposals are rejected;
- 53 (13) Individually identifiable personnel records, performance ratings or records
54 pertaining to employees or applicants for employment, except that this exemption shall not apply
55 to the names, positions, salaries and lengths of service of officers and employees of public
56 agencies once they are employed as such, and the names of private sources donating or
57 contributing money to the salary of a chancellor or president at all public colleges and
58 universities in the state of Missouri and the amount of money contributed by the source;
- 59 (14) Records which are protected from disclosure by law;

60 (15) Meetings and public records relating to scientific and technological innovations in
61 which the owner has a proprietary interest;

62 (16) Records relating to municipal hotlines established for the reporting of abuse and
63 wrongdoing;

64 (17) Confidential or privileged communications between a public governmental body
65 and its auditor, including all auditor work product; however, all final audit reports issued by the
66 auditor are to be considered open records pursuant to this chapter;

67 (18) Operational guidelines, policies and specific response plans developed, adopted, or
68 maintained by any public agency responsible for law enforcement, public safety, first response,
69 or public health for use in responding to or preventing any critical incident which is or appears
70 to be terrorist in nature and which has the potential to endanger individual or public safety or
71 health. Financial records related to the procurement of or expenditures relating to operational
72 guidelines, policies or plans purchased with public funds shall be open. When seeking to close
73 information pursuant to this exception, the public governmental body shall affirmatively state
74 in writing that disclosure would impair the public governmental body's ability to protect the
75 security or safety of persons or real property, and shall in the same writing state that the public
76 interest in nondisclosure outweighs the public interest in disclosure of the records;

77 (19) Existing or proposed security systems and structural plans of real property owned
78 or leased by a public governmental body, and information that is voluntarily submitted by a
79 nonpublic entity owning or operating an infrastructure to any public governmental body for use
80 by that body to devise plans for protection of that infrastructure, the public disclosure of which
81 would threaten public safety:

82 (a) Records related to the procurement of or expenditures relating to security systems
83 purchased with public funds shall be open;

84 (b) When seeking to close information pursuant to this exception, the public
85 governmental body shall affirmatively state in writing that disclosure would impair the public
86 governmental body's ability to protect the security or safety of persons or real property, and shall
87 in the same writing state that the public interest in nondisclosure outweighs the public interest
88 in disclosure of the records;

89 (c) Records that are voluntarily submitted by a nonpublic entity shall be reviewed by the
90 receiving agency within ninety days of submission to determine if retention of the document is
91 necessary in furtherance of a state security interest. If retention is not necessary, the documents
92 shall be returned to the nonpublic governmental body or destroyed;

93 (20) The portion of a record that identifies security systems or access codes or
94 authorization codes for security systems of real property;

95 (21) Records that identify the configuration of components or the operation of a
96 computer, computer system, computer network, or telecommunications network, and would
97 allow unauthorized access to or unlawful disruption of a computer, computer system, computer
98 network, or telecommunications network of a public governmental body. This exception shall
99 not be used to limit or deny access to otherwise public records in a file, document, data file or
100 database containing public records. Records related to the procurement of or expenditures
101 relating to such computer, computer system, computer network, or telecommunications network,
102 including the amount of moneys paid by, or on behalf of, a public governmental body for such
103 computer, computer system, computer network, or telecommunications network shall be open;

104 (22) Credit card numbers, personal identification numbers, digital certificates, physical
105 and virtual keys, access codes or authorization codes that are used to protect the security of
106 electronic transactions between a public governmental body and a person or entity doing business
107 with a public governmental body. Nothing in this section shall be deemed to close the record
108 of a person or entity using a credit card held in the name of a public governmental body or any
109 record of a transaction made by a person using a credit card or other method of payment for
110 which reimbursement is made by a public governmental body;

111 (23) Records submitted by an individual, corporation, or other business entity to a public
112 institution of higher education in connection with a proposal to license intellectual property or
113 perform sponsored research and which contains sales projections or other business plan
114 information the disclosure of which may endanger the competitiveness of a business; ~~and~~

115 (24) Records relating to foster home or kinship placements of children in foster care
116 under section 210.498; **and**

117 **(25) Individually identifiable customer usage and billing records for customers of**
118 **a municipally owned utility, unless the records are requested by the customer or**
119 **authorized for release by the customer, except that a municipally owned utility shall make**
120 **available to the public the customer's name, billing address, location of service, and dates**
121 **of service provided for any commercial service account.**

620.2451. Grants awarded under sections 620.2450 to 620.2458 shall fund the
2 acquisition and installation of retail broadband internet service at speeds of at least twenty-five
3 megabits per-second download and three megabits per-second upload, but that is scalable to
4 higher speeds. **The department shall maintain a record of all federal grants awarded to**
5 **entities for the purposes of providing, maintaining, and expanding rural broadband in the**
6 **state of Missouri. In cases in which funds have been awarded by a federal agency but later**
7 **retained, withheld, or otherwise not distributed to the original grant recipient due to**
8 **failure to meet performance standards or other criteria, the department shall seek to have**
9 **the funds awarded to another eligible, qualified Missouri broadband provider.**

620.2459. Pursuant to section 23.253 of the Missouri sunset act:

2 (1) The provisions of the new program authorized under sections 620.2450, 620.2451,
3 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall sunset
4 automatically three years after August 28, [~~2018~~] **2027**, unless reauthorized by an act of the
5 general assembly; and

6 (2) If such program is reauthorized, the program authorized under sections 620.2450,
7 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 shall
8 sunset automatically six years after the effective date of the reauthorization of sections 620.2450,
9 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458; and

10 (3) Sections 620.2450, 620.2451, 620.2452, 620.2453, 620.2454, 620.2455, 620.2456,
11 620.2457, and 620.2458 shall terminate on September first of the calendar year immediately
12 following the calendar year in which the program authorized under sections 620.2450, 620.2451,
13 620.2452, 620.2453, 620.2454, 620.2455, 620.2456, 620.2457, and 620.2458 is sunset.

**640.141. Sections 640.141 to 640.145 shall be known as the "Water Safety and
2 Security Act". For the purposes of these sections, the term "community water system"
3 shall mean a public water system as defined in section 640.102 that serves at least fifteen
4 service connections and is operated on a year-round basis or regularly serves at least
5 twenty-five residents on a year-round basis.**

**640.142. 1. Within twelve months of the effective date of this section, each
2 community water system shall create a plan that establishes policies and procedures for
3 identifying and mitigating cyber risk. The plan shall include risk assessments and
4 implementation of appropriate controls to mitigate identified cyber risks.**

**5 2. Community water systems that do not use an internet-connected control system
6 are exempt from the provisions of this section.**

**7 3. The provisions of this section shall not apply to any state parks, cities with a
8 population of more than thirty thousand inhabitants, a county with a charter form of
9 government and with more than six hundred thousand but fewer than seven hundred
10 thousand inhabitants, a county with a charter form of government and with more than
11 nine hundred fifty thousand inhabitants, or a public service commission regulated utility
12 with more than thirty thousand customers.**

**640.144. 1. All community water systems shall be required to create a valve
2 inspection program that includes:**

3 (1) Inspection of all valves every ten years;

4 (2) Scheduled repair or replacement of broken valves; and

5 **(3) Within five years of the effective date of this section, identification of each shut**
 6 **off valve location using a geographic information system or an alternative physical**
 7 **mapping system that accurately identifies the location of each valve.**

8 **2. All community water systems shall be required to create a hydrant inspection**
 9 **program that includes:**

10 **(1) Annual testing of every hydrant in the community water system;**

11 **(2) Scheduled repair or replacement of broken hydrants;**

12 **(3) A plan to flush every hydrant and dead-end main;**

13 **(4) Maintenance of records of inspections, tests, and flushings for six years; and**

14 **(5) Within five years of the effective date of this section, identification of each**
 15 **hydrant location using a geographic information system or an alternative physical**
 16 **mapping system that accurately identifies the location of each hydrant.**

17 **3. The provisions of this section shall not apply to any state parks, cities with a**
 18 **population of more than thirty thousand inhabitants, a county with a charter form of**
 19 **government and with more than six hundred thousand but fewer than seven hundred**
 20 **thousand inhabitants, a county with a charter form of government and with more than**
 21 **nine hundred fifty thousand inhabitants, or a public service commission regulated utility**
 22 **with more than thirty thousand customers.**

640.145. 1. Community water systems shall submit a report upon request of the
 2 **department of natural resources that shall certify compliance with all regulations**
 3 **regarding:**

4 **(1) Water quality sampling, testing, and reporting;**

5 **(2) Hydrant and valve inspections under section 640.144; and**

6 **(3) Cyber security plans and policies, if required under section 640.142.**

7 **2. The provisions of this section shall not apply to any state parks, cities with a**
 8 **population of more than thirty thousand inhabitants, a county with a charter form of**
 9 **government and with more than six hundred thousand but fewer than seven hundred**
 10 **thousand inhabitants, a county with a charter form of government and with more than**
 11 **nine hundred fifty thousand inhabitants, or a public service commission regulated utility**
 12 **with more than thirty thousand customers.**

~~[67.5122. Sections 67.5110 to 67.5122 shall expire on January 1, 2021,~~
 2 ~~except that for small wireless facilities already permitted or collocated on~~
 3 ~~authority poles prior to such date, the rate set forth in section 67.5116 for~~
 4 ~~collocation of small wireless facilities on authority poles shall remain effective~~
 5 ~~for the duration of the permit authorizing the collocation.]~~

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