

Journal of the Senate

FIRST REGULAR SESSION

SIXTY-FIRST DAY—WEDNESDAY, MAY 5, 2021

The Senate met pursuant to adjournment.

Senator Bernskoetter in the Chair.

Senator Burlison offered the following prayer:

Dear God, we thank You for the life that we have, we thank You that we are Your creation, we thank You for the breathe that you breath into mankind. We thank You that we were created in Your image, we thank You for the why, the destiny, the reason that is well beyond just simply living that You give us. You give each and everyone of us some purpose and we thank You for that. Be with this body as we continue these last few days, help us to be mindful of the people that we serve and help us to do so humbly in knowing that while we are flawed individuals, that we have something greater to aspire to, to look forward to, Your Son Jesus name. Amen.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

The Journal of the previous day was read and approved.

The following Senators were present during the day's proceedings:

Present—Senators

Arthur	Bean	Beck	Bernskoetter	Brattin	Brown	Burlison
Cierpiot	Crawford	Eigel	Eslinger	Gannon	Hegeman	Hoskins
Hough	Koenig	Luetkemeyer	May	Moon	Mosley	O'Laughlin
Onder	Razer	Rehder	Riddle	Rizzo	Roberts	Schatz
Schupp	Washington	White	Wieland	Williams—33		

Absent—Senators—None

Absent with leave—Senator Rowden—1

Vacancies—None

RESOLUTIONS

Senator Arthur offered Senate Resolution No. 369, regarding Rhiannon Kay Lewis, Kansas City, which was adopted.

Senator Bernskoetter offered Senate Resolution No. 370, regarding Mary Spencer, Jefferson City, which

was adopted.

REFERRALS

President Pro Tem Schatz referred **HCS** for **HB 649**, with **SCS**, and **HB 554**, with **SCS**, to the Committee on Governmental Accountability and Fiscal Oversight.

CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Schatz appointed the following conference committee to act with a like committee from the House on **SS No. 2** for **SCS** for **HCS** for **HB 271**: Senators Crawford, Bernskoetter, Rowden, Schupp and Razer.

President Pro Tem Schatz appointed the following conference committee to act with a like committee from the House on **SB 37**, as amended: Senators Bernskoetter, Bean, Hoskins, Beck and Razer.

President Pro Tem Schatz appointed the following conference committee to act with a like committee from the House on **SS No. 2** for **SCS** for **HB 273**: Senators Riddle, Eslinger, Brattin, Arthur and Razer.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SB 226**, entitled:

An Act to repeal section 144.080, RSMo, and to enact in lieu thereof two new sections relating to sales tax.

With House Amendment Nos. 1, 2, 3, 4, House Amendment No. 1 to House Amendment No. 5, House Amendment No. 5, as amended, House Amendment Nos. 6, 7, House Amendment No. 2 to House Amendment No. 8, House Amendment No. 3 to House Amendment No. 8, and House Amendment No. 8, as amended.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Bill No. 226, Page 1, In the Title, Line 2-3, by deleting the words “sales tax” and inserting in lieu thereof the word “taxation”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Bill No. 226, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

“143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer’s federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer’s federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer’s federal tax liability pursuant to Public

Law 116-136, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations

of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan; and
- (i) Livestock Gross Margin Insurance Plan; [and]

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist; **and**

(12) For taxpayers authorized to conduct business under Article XIV of the Constitution of Missouri, the amount that would have been deducted from the computation of the taxpayer's federal taxable income if such a deduction were not disallowed under 26 U.S.C. Section 280E, as in effect on January 1, 2021, because of the status of marijuana as a controlled substance under federal law.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall

provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Bill No. 226, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

“32.110. Any business firm which engages in the activities of providing physical revitalization, economic development, job training or education for individuals, community services, or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if the director of the department of economic development annually approves the proposal of the business firm; except that, no proposal shall be approved which does not have the endorsement of the agency of local government within the area in which the business firm is engaging in such activities which has adopted an overall community or neighborhood development plan that the proposal is consistent with such plan. The proposal shall set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be contributed to the program and the plans for implementing the program. If, in the opinion of the director of the department of economic development, a business firm's contribution can more consistently with the purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood organization as defined in subdivision (13) of section 32.105, tax credits may be allowed as provided in section 32.115. The director of the department of economic development is hereby authorized

to promulgate rules and regulations for establishing criteria for evaluating such proposals by business firms for approval or disapproval and for establishing priorities for approval or disapproval of such proposals by business firms with the assistance and approval of the director of the department of revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not exceed fourteen million dollars in fiscal year 1999 [and] ; twenty-six million dollars in fiscal year 2000, and [any subsequent] **each** fiscal year **ending on or before June 30, 2021; and thirty million dollars in each fiscal year beginning on or after July 1, 2021**, except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to the provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal funding.

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:

- (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
- (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;
- (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
- (4) The tax on other financial institutions in chapter 148;
- (5) The corporation franchise tax in chapter 147;
- (6) The state income tax in chapter 143; and
- (7) The annual tax on gross receipts of express companies in chapter 153.

2. For proposals approved pursuant to section 32.110:

(1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed during the taxable year by the business firm or, in the case of a financial institution, where applicable, during the relevant income period in programs approved pursuant to section 32.110;

(2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy percent may be allowed for contributions to programs where activities fall within the scope of special program priorities as defined with the approval of the governor in regulations promulgated by the director of the department of economic development;

(3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for contributions to programs located in any community shall be equal to seventy percent of the total amount contributed where such community is a city, town or village which has fifteen thousand or less inhabitants as of the last decennial census and is located in a county which is either located in:

- (a) An area that is not part of a standard metropolitan statistical area;
- (b) A standard metropolitan statistical area but such county has only one city, town or village which has more than fifteen thousand inhabitants; or
- (c) A standard metropolitan statistical area and a substantial number of persons in such county derive their income from agriculture.

Such community may also be in an unincorporated area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined federal and state

tax savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

(4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall not exceed four million dollars in fiscal year 1999 [and], six million dollars in fiscal year 2000, **and ten million dollars in fiscal year 2022** and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of the total amount contributed. Regulations establishing special program priorities are to be promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed [thirty-two] **thirty-six** million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

(5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons.

3. For proposals approved pursuant to section 32.111:

(1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530 by a business firm. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by business firms. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year.

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112.

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

(1) "CASA", an entity which receives funding from the court-appointed special advocate fund established under section 476.777, including an association based in this state, affiliated with a national association, organized to provide support to entities receiving funding from the court-appointed special advocate fund;

(2) "Child advocacy centers", the regional child assessment centers listed in subsection 2 of section 210.001, including an association based in this state, affiliated with a national association, and organized to provide support to entities listed in subsection 2 of section 210.001;

(3) “Contribution”, the amount of donation to a qualified agency;

(4) “Crisis care center”, entities contracted with this state which provide temporary care for children whose age ranges from birth through seventeen years of age whose parents or guardian are experiencing an unexpected and unstable or serious condition that requires immediate action resulting in short-term care, usually three to five continuous, uninterrupted days, for children who may be at risk for child abuse, neglect, or in an emergency situation;

(5) “Department”, the department of revenue;

(6) “Director”, the director of the department of revenue;

(7) “Qualified agency”, CASA, child advocacy centers, or a crisis care center;

(8) “Tax liability”, the tax due under chapter 143 other than taxes withheld under sections 143.191 to 143.265.

2. For all tax years beginning on or after January 1, 2013, a tax credit may be claimed in an amount equal to up to fifty percent of a verified contribution to a qualified agency and shall be named the champion for children tax credit. The minimum amount of any tax credit issued shall not be less than fifty dollars and shall be applied to taxes due under chapter 143, excluding sections 143.191 to 143.265. A contribution verification shall be issued to the taxpayer by the agency receiving the contribution. Such contribution verification shall include the taxpayer’s name, Social Security number, amount of tax credit, amount of contribution, the name and address of the agency receiving the credit, and the date the contribution was made. The tax credit provided under this subsection shall be initially filed for the year in which the verified contribution is made.

3. The cumulative amount of the tax credits redeemed shall not exceed one million dollars for all fiscal years ending on or before June 30, 2019[, and] ; one million five hundred thousand dollars for all fiscal years beginning on or after July 1, 2019, **and ending on or before June 30, 2021; and three million dollars for all fiscal years beginning on or after July 1, 2021.** The amount available shall be equally divided among the three qualified agencies: CASA, child advocacy centers, or crisis care centers, to be used towards tax credits issued. In the event tax credits claimed under one agency do not total the allocated amount for that agency, the unused portion for that agency will be made available to the remaining agencies equally. In the event the total amount of tax credits claimed for any one agency exceeds the amount available for that agency, the amount redeemed shall and will be apportioned equally to all eligible taxpayers claiming the credit under that agency.

4. Prior to December thirty-first of each year, each qualified agency shall apply to the department of social services in order to verify their qualified agency status. Upon a determination that the agency is eligible to be a qualified agency, the department of social services shall provide a letter of eligibility to such agency. No later than February first of each year, the department of social services shall provide a list of qualified agencies to the department of revenue. All tax credit applications to claim the champion for children tax credit shall be filed between July first and April fifteenth of each fiscal year. A taxpayer shall apply for the champion for children tax credit by attaching a copy of the contribution verification provided by a qualified agency to such taxpayer’s income tax return.

5. Any amount of tax credit which exceeds the tax due or which is applied for and otherwise eligible for issuance but not issued shall not be refunded but may be carried over to any subsequent tax year, not to

exceed a total of five years.

6. Tax credits may not be assigned, transferred or sold.

7. (1) In the event a credit denial, due to lack of available funds, causes a balance-due notice to be generated by the department of revenue, or any other redeeming agency, the taxpayer will not be held liable for any penalty or interest, provided the balance is paid, or approved payment arrangements have been made, within sixty days from the notice of denial.

(2) In the event the balance is not paid within sixty days from the notice of denial, the remaining balance shall be due and payable under the provisions of chapter 143.

8. The department may promulgate such rules or regulations as are necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

9. Pursuant to section 23.253, of the Missouri sunset act:

(1) The program authorized under this section shall be reauthorized as of December 31, 2019, and shall expire on December 31, 2025, unless reauthorized by the general assembly; and

(2) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(3) The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to redeem tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem such credits.

10. Beginning on March 29, 2013, any verified contribution to a qualified agency made on or after January 1, 2013, shall be eligible for tax credits as provided by this section.

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject to the limitations provided under the provisions of [subsection] **subsections 3 and 4** of this section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed the Missouri low-income housing tax credit, if the commission issues an eligibility statement for that project. **The amount of Missouri low-income housing tax credits allocated with respect to a qualified project shall be available to a taxpayer each year for five consecutive tax years beginning with the tax year in which a qualified project is placed into service.**

2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri low-income housing tax credit available to a project shall be such amount as the commission shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the federal low-income housing tax credit for a qualified Missouri project, for a federal tax period, and such amount shall be subtracted from the amount of state tax otherwise due for the same tax period.

3. For all fiscal years beginning on or after July 1, 2021, the aggregate amount of tax credits

authorized in a fiscal year for projects not financed through tax-exempt bond issuance shall not exceed eighty million dollars.

4. For all fiscal years ending on or before June 30, 2021, no more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance. For all fiscal years beginning on or after July 1, 2021, no more than two million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance.

[4.] **5.** The Missouri low-income housing tax credit shall be taken against the taxes and in the order specified pursuant to section 32.115. The credit authorized by this section shall not be refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be carried back to any of the taxpayer's three prior taxable years or carried forward to any of the taxpayer's five subsequent taxable years.

[5.] **6.** All or any portion of Missouri tax credits issued in accordance with the provisions of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify to the director the amount of credit allocated to each taxpayer. The owner of the project shall provide to the director appropriate information so that the low-income housing tax credit can be properly allocated.

[6.] **7.** In the event that recapture of Missouri low-income housing tax credits is required pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided in this section shall include the proportion of the state credit required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of credit previously allocated to such taxpayer.

[7.] **8.** The director of the department may promulgate rules and regulations necessary to administer the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

9. To aid in awarding credits under this section, the commission shall establish an evaluation rubric and score applicants for qualified Missouri projects against the rubric. The evaluation rubric shall include a component and score for applications that provide documentation to the commission demonstrating the applicant received competitive bids for the tax credits. The commission may authorize a preference for minority groups or women as part of a point system or rubric. The commission shall publish the rubric before it accepts applications and shall publish the scored rubric for each application.

135.365. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the program authorized under sections 135.350 to 135.363 shall automatically sunset on December thirty-first six years after August 28, 2021, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under sections 135.350 to 135.363 shall automatically sunset on December thirty-first six years after the effective date of the reauthorization of sections 135.350 to 135.363;

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 135.350 to 135.363 is sunset; and

(4) The provisions of this section shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized on or before the date the program authorized under sections 135.350 to 135.363 expires or a taxpayer's ability to redeem such tax credits.

135.460. 1. This section and sections 620.1100 and 620.1103 shall be known and may be cited as the "Youth Opportunities and Violence Prevention Act".

2. As used in this section, the term "taxpayer" shall include corporations as defined in section 143.441 or 143.471, any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, and individuals, individual proprietorships and partnerships.

3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, chapter 147, chapter 148, or chapter 153 in an amount equal to thirty percent for property contributions and fifty percent for monetary contributions of the amount such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed two hundred thousand dollars per taxable year, per taxpayer, **for each fiscal year ending on or before June 30, 2021, and five hundred thousand dollars per tax year, per taxpayer, for each fiscal year beginning on or after July 1, 2021**; except as otherwise provided in subdivision (5) of subsection 5 of this section. The department of economic development shall prescribe the method for claiming the tax credits allowed in this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536. The provisions of this section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over the next five succeeding tax periods.

5. The tax credit allowed by this section may only be claimed for monetary or property contributions to public or private programs authorized to participate pursuant to this section by the department of economic development and may be claimed for the development, establishment, implementation, operation, and expansion of the following activities and programs:

(1) An adopt-a-school program. Components of the adopt-a-school program shall include donations for school activities, seminars, and functions; school-business employment programs; and the donation of property and equipment of the corporation to the school;

(2) Expansion of programs to encourage school dropouts to reenter and complete high school or to complete a graduate equivalency degree program;

(3) Employment programs. Such programs shall initially, but not exclusively, target unemployed youth

living in poverty and youth living in areas with a high incidence of crime;

(4) New or existing youth clubs or associations;

(5) Employment/internship/apprenticeship programs in business or trades for persons less than twenty years of age, in which case the tax credit claimed pursuant to this section shall be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten thousand dollars per person **for each fiscal year ending on or before June 30, 2021, and twenty thousand dollars per person for each fiscal year beginning on or after July 1, 2021;**

(6) Mentor and role model programs;

(7) Drug and alcohol abuse prevention training programs for youth;

(8) Donation of property or equipment of the taxpayer to schools, including schools which primarily educate children who have been expelled from other schools, or donation of the same to municipalities, or not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth violence prevention as authorized by the department;

(9) Not-for-profit, private or public youth activity centers;

(10) Nonviolent conflict resolution and mediation programs;

(11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the specific activities provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually submit a report to the Missouri general assembly listing the organizations participating, services offered and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, partnership, limited liability company described in section 347.015, cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471;

(2) The partners of the partnership;

(3) The members of the limited liability company; and

(4) Individual members of the cooperative or marketing enterprise.

Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.

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

(1) “Contribution”, a donation of cash, stock, bonds, other marketable securities, or real property;

(2) “Department”, the department of social services;

(3) “Diaper bank”, a nonprofit entity located in this state established and operating primarily for the purpose of collecting or purchasing disposable diapers or other hygiene products for infants, children, or incontinent adults and that regularly distributes such diapers or other hygiene products through two or more schools, health care facilities, governmental agencies, or other nonprofit entities for eventual distribution to individuals free of charge;

(4) “Tax credit”, a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 148 or 153;

(5) “Taxpayer”, a person, firm, partner in a firm, corporation, or shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed under chapter 143; an insurance company paying an annual tax on its gross premium receipts in this state; any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148; an express company that pays an annual tax on its gross receipts in this state under chapter 153; an individual subject to the state income tax under chapter 143; or any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. For all fiscal years beginning on or after July 1, 2019, a taxpayer shall be allowed to claim a tax credit against the taxpayer’s state tax liability in an amount equal to fifty percent of the amount of such taxpayer’s contributions to a diaper bank.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer’s state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per tax year. However, any tax credit that cannot be claimed in the tax year the contribution was made may be carried over only to the next subsequent tax year. No tax credit issued under this section shall be assigned, transferred, or sold.

4. Except for any excess credit that is carried over under subsection 3 of this section, no taxpayer shall be allowed to claim a tax credit unless the taxpayer contributes at least one hundred dollars to one or more diaper banks during the tax year for which the credit is claimed.

5. The department shall determine, at least annually, which entities in this state qualify as diaper banks. The department may require of an entity seeking to be classified as a diaper bank any information which is reasonably necessary to make such a determination. The department shall classify an entity as a diaper bank if such entity satisfies the definition under subsection 1 of this section.

6. The department shall establish a procedure by which a taxpayer can determine if an entity has been classified as a diaper bank.

7. Diaper banks may decline a contribution from a taxpayer.

8. The cumulative amount of tax credits that may be claimed by all the taxpayers contributing to diaper banks [in any one] **for each fiscal year ending on or before June 30, 2021**, shall not exceed five hundred thousand dollars. **The cumulative amount of tax credits that may be claimed by all the taxpayers contributing to diaper banks for each fiscal year beginning on or after July 1, 2021, shall not exceed two million dollars.** Tax credits shall be issued in the order contributions are received. If the amount of tax

credits redeemed in a tax year is less than [five hundred thousand dollars] **the cumulative amount allowed under this subsection**, the difference shall be added to the cumulative limit created under this subsection for the next fiscal year and carried over to subsequent fiscal years until claimed.

9. The department shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the department, the cumulative amount of tax credits are equally apportioned among all entities classified as diaper banks. If a diaper bank fails to use all, or some percentage to be determined by the department, of its apportioned tax credits during this predetermined period of time, the department may reapportion such unused tax credits to diaper banks that have used all, or some percentage to be determined by the department, of their apportioned tax credits during this predetermined period of time. The department may establish multiple periods each fiscal year and reapportion accordingly. To the maximum extent possible, the department shall establish the procedure described under this subsection in such a manner as to ensure that taxpayers can claim as many of the tax credits as possible, up to the cumulative limit created under subsection 8 of this section.

10. Each diaper bank shall provide information to the department concerning the identity of each taxpayer making a contribution and the amount of the contribution. The department shall provide the information to the department of revenue. The department shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

11. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the program authorized under this section shall automatically sunset on December thirty-first six years after August 28, 2018, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first six years after the effective date of the reauthorization of this section;

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(4) The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to issue tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem such tax credits.

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

(1) "Contribution", a donation of cash, stock, bonds, or other marketable securities, or real property;

(2) "Director", the director of the department of social services;

(3) "Pregnancy resource center", a nonresidential facility located in this state:

(a) Established and operating primarily to provide assistance to women and families with crisis pregnancies or unplanned pregnancies by offering pregnancy testing, counseling, emotional and material support, and other similar services or by offering services as described under subsection 2 of section 188.325, to encourage and assist such women and families in carrying their pregnancies to term; and

(b) Where childbirths are not performed; and

(c) Which does not perform, induce, or refer for abortions and which does not hold itself out as performing, inducing, or referring for abortions; and

(d) Which provides direct client services at the facility, as opposed to merely providing counseling or referral services by telephone; and

(e) Which provides its services at no cost to its clients; and

(f) When providing medical services, such medical services must be performed in accordance with Missouri statute; and

(g) Which is exempt from income taxation pursuant to the Internal Revenue Code of 1986, as amended;

(4) “State tax liability”, in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, excluding sections 143.191 to 143.265 and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, excluding sections 143.191 to 143.265 and related provisions;

(5) “Taxpayer”, a person, firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, or an individual subject to the state income tax imposed by the provisions of chapter 143, or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. (1) Beginning on March 29, 2013, any contribution to a pregnancy resource center made on or after January 1, 2013, shall be eligible for tax credits as provided by this section.

(2) For all tax years beginning on or after January 1, 2007, and ending on or before December 31, 2020, a taxpayer shall be allowed to claim a tax credit against the taxpayer’s state tax liability in an amount equal to fifty percent of the amount such taxpayer contributed to a pregnancy resource center. For all tax years beginning on or after January 1, 2021, a taxpayer shall be allowed to claim a tax credit against the taxpayer’s state tax liability in an amount equal to seventy percent of the amount such taxpayer contributed to a pregnancy resource center.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer’s state tax liability for the tax year for which the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per tax year **for each fiscal year ending on or before June 30, 2021, and one hundred thousand dollars per tax year for each fiscal year beginning on or after July 1, 2021.** However, any tax credit that cannot be claimed in the tax year the contribution was made may be carried over only to the next succeeding tax year. No tax credit issued under this section shall be assigned, transferred, or sold.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer’s contribution or contributions to a pregnancy resource center or centers in such taxpayer’s tax year has a value of at least one hundred dollars.

5. The director shall determine, at least annually, which facilities in this state may be classified as

pregnancy resource centers. The director may require of a facility seeking to be classified as a pregnancy resource center whatever information which is reasonably necessary to make such a determination. The director shall classify a facility as a pregnancy resource center if such facility meets the definition set forth in subsection 1 of this section.

6. The director shall establish a procedure by which a taxpayer can determine if a facility has been classified as a pregnancy resource center. Pregnancy resource centers shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to pregnancy resource centers in any one fiscal year shall not exceed two million dollars for all fiscal years ending on or before June 30, 2014, and two million five hundred thousand dollars for all fiscal years beginning on or after July 1, 2014, and ending on or before June 30, 2019, and three million five hundred thousand dollars for all fiscal years beginning on or after July 1, 2019, and ending on or before June 30, 2021. For all fiscal years beginning on or after July 1, 2021, there shall be no limit imposed on the cumulative amount of tax credits that may be claimed by all taxpayers contributing to pregnancy resource centers under the provisions of this section. Tax credits shall be issued in the order contributions are received. If the amount of tax credits redeemed in a fiscal year is less than the cumulative amount authorized under this subsection, the difference shall be carried over to a subsequent fiscal year or years and shall be added to the cumulative amount of tax credits that may be authorized in that fiscal year or years.

7. For all fiscal years ending on or before June 30, 2021, the director shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director, the cumulative amount of tax credits are equally apportioned among all facilities classified as pregnancy resource centers. If a pregnancy resource center fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those pregnancy resource centers that have used all, or some percentage to be determined by the director, of their apportioned tax credits during this predetermined period of time. The director may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. Each pregnancy resource center shall provide information to the director concerning the identity of each taxpayer making a contribution to the pregnancy resource center who is claiming a tax credit pursuant to this section and the amount of the contribution. The director shall provide the information to the director of revenue. The director shall be subject to the confidentiality and penalty provisions of section 32.057 relating to the disclosure of tax information.

9. The provisions of section 23.253 shall not apply to this section.

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

(1) “Local food pantry”, any food pantry that is:

(a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(b) Distributing emergency food supplies to Missouri low-income people who would otherwise not have access to food supplies in the area in which the taxpayer claiming the tax credit under this section resides;

(2) “Local homeless shelter”, any homeless shelter that is:

(a) Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(b) Providing temporary living arrangements, in the area in which the taxpayer claiming the tax credit under this section resides, for individuals and families who otherwise lack a fixed, regular, and adequate nighttime residence and lack the resources or support networks to obtain other permanent housing;

(3) “Local soup kitchen”, any soup kitchen that is:

(a) Exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and

(b) Providing prepared meals through an established congregate feeding operation to needy, low-income persons including, but not limited to, homeless persons in the area in which the taxpayer claiming the tax credit under this section resides;

(4) “Taxpayer”, an individual, a firm, a partner in a firm, corporation, or a shareholder in an S corporation doing business in this state and subject to the state income tax imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.

2. (1) Beginning on March 29, 2013, any donation of cash or food made to a local food pantry on or after January 1, 2013, unless such food is donated after the food’s expiration date, shall be eligible for tax credits as provided by this section.

(2) Beginning on August 28, 2018, any donation of cash or food made to a local soup kitchen or local homeless shelter on or after January 1, 2018, unless such food is donated after the food’s expiration date, shall be eligible for a tax credit as provided under this section.

(3) Any taxpayer who makes a donation that is eligible for a tax credit under this section shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the value of the donations made to the extent such amounts that have been subtracted from federal adjusted gross income or federal taxable income are added back in the determination of Missouri adjusted gross income or Missouri taxable income before the credit can be claimed. Each taxpayer claiming a tax credit under this section shall file an affidavit with the income tax return verifying the amount of their contributions. The amount of the tax credit claimed shall not exceed the amount of the taxpayer’s state tax liability for the tax year that the credit is claimed and shall not exceed two thousand five hundred dollars per taxpayer claiming the credit. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer’s three subsequent tax years. No tax credit granted under this section shall be transferred, sold, or assigned. No taxpayer shall be eligible to receive a credit pursuant to this section if such taxpayer employs persons who are not authorized to work in the United States under federal law. No taxpayer shall be able to claim more than one credit under this section for a single donation.

3. The cumulative amount of tax credits under this section which may be allocated to all taxpayers contributing to a local food pantry, local soup kitchen, or local homeless shelter [in any one] **for each** fiscal year **ending on or before June 30, 2021**, shall not exceed one million seven hundred fifty thousand dollars. **The cumulative amount of tax credits under this section that may be allocated to all taxpayers contributing to a local food pantry, local soup kitchen, or local homeless shelter for each fiscal year**

beginning on or after July 1, 2021, shall not exceed four million dollars. The director of revenue shall establish a procedure by which the cumulative amount of tax credits is apportioned among all taxpayers claiming the credit by April fifteenth of the fiscal year in which the tax credit is claimed. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

4. Any local food pantry, local soup kitchen, or local homeless shelter may accept or reject any donation of food made under this section for any reason. For purposes of this section, any donations of food accepted by a local food pantry, local soup kitchen, or local homeless shelter shall be valued at fair market value, or at wholesale value if the taxpayer making the donation of food is a retail grocery store, food broker, wholesaler, or restaurant.

5. The department of revenue shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

6. Under section 23.253 of the Missouri sunset act:

(1) The program authorized under this section shall be reauthorized as of August 28, 2018, and shall expire on December 31, 2026, unless reauthorized by the general assembly; and

(2) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and

(3) The provisions of this subsection shall not be construed to limit or in any way impair a taxpayer's ability to redeem tax credits authorized on or before the date the program authorized under this section expires.

135.679. 1. This section shall be known and may be cited as the "Qualified Beef Tax Credit Act".

2. As used in this section, the following terms mean:

(1) "Agricultural property", any real and personal property, including but not limited to buildings, structures, improvements, equipment, and livestock, that is used in or is to be used in this state by residents of this state for:

(a) The operation of a farm or ranch; and

(b) Grazing, feeding, or the care of livestock;

(2) "Authority", the agricultural and small business development authority established in chapter 348;

(3) "Backgrounded", any additional weight at the time of the first qualifying sale, before being finished, above the established baseline weight;

(4) "Baseline weight", the average weight in the immediate past two years of all beef animals sold that are thirty months of age or younger, categorized by sex. Baseline weight for qualified beef animals that are

physically out-of-state but whose ownership is retained by a resident of this state shall be established by the average transfer weight in the immediate past two years of all beef animals that are thirty months of age or younger and that are transferred out-of-state but whose ownership is retained by a resident of this state, categorized by sex. The established baseline weight shall be effective for a period of three years. If the taxpayer is a qualifying beef animal producer with fewer than two years of production, the baseline weight shall be established by the available average weight in the immediate past year of all beef animals sold that are thirty months of age or younger, categorized by sex. If the qualifying beef animal producer has no previous production, the baseline weight shall be established by the authority;

(5) “Finished”, the period from backgrounded to harvest;

(6) “Qualifying beef animal”, any beef animal that is certified by the authority, that was born in this state after August 28, 2008, that was raised and backgrounded or finished in this state by the taxpayer, excluding any beef animal more than thirty months of age as verified by certified written birth records;

(7) “Qualifying sale”, the first time a qualifying beef animal is sold in this state after the qualifying beef animal is backgrounded, and a subsequent sale if the weight of the qualifying beef animal at the time of the subsequent sale is greater than the weight of the qualifying beef animal at the time of the first qualifying sale of such beef animal;

(8) “Tax credit”, a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 147;

(9) “Taxpayer”, any individual or entity who:

(a) Is subject to the tax imposed in chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 147;

(b) In the case of an individual, is a resident of this state as verified by a 911 address or in the absence of a 911 system, a physical address; and

(c) Owns or rents agricultural property and principal place of business is located in this state.

3. (1) For all tax years beginning on or after January 1, 2009, but ending on or before December 31, 2021, a taxpayer shall be allowed a tax credit for the first qualifying sale and for a subsequent qualifying sale of all qualifying beef animals.

(2) The tax credit amount for the first qualifying sale shall be ten cents per pound for qualifying sale weights under six hundred pounds and twenty-five cents per pound for qualifying sale weights of six hundred pounds or greater, shall be based on the backgrounded weight of all qualifying beef animals at the time of the first qualifying sale, and shall be calculated as follows:

(a) If the qualifying sale weight is under six hundred pounds, the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than one hundred pounds above the baseline weight; or

(b) If the qualifying sale weight is six hundred pounds or greater, the qualifying sale weight minus the baseline weight multiplied by twenty-five cents, as long as the qualifying sale weight is equal to or greater than one hundred pounds above the baseline weight.

(3) The tax credit amount for each subsequent qualifying sale shall be ten cents per pound for qualifying sale weights under six hundred pounds and twenty-five cents per pound for qualifying sale weights of six

hundred pounds or greater, shall be based on the backgrounded weight of all qualifying beef animals at the time of the subsequent qualifying sale, and shall be calculated as follows:

(a) If the qualifying sale weight is under six hundred pounds, the qualifying sale weight minus the baseline weight multiplied by ten cents, as long as the qualifying sale weight is equal to or greater than one hundred pounds above the baseline weight; or

(b) If the qualifying sale weight is six hundred pounds or greater, the qualifying sale weight minus the baseline weight multiplied by twenty-five cents, as long as the qualifying sale weight is equal to or greater than one hundred pounds above the baseline weight.

The authority may waive no more than twenty-five percent of the one-hundred-pound weight gain requirement, but any such waiver shall be based on a disaster declaration issued by the U.S. Department of Agriculture.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the tax year in which the qualifying sale of the qualifying beef occurred, but any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year may be carried forward to any of the taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim shall not exceed fifteen thousand dollars per year. No taxpayer shall be allowed to claim tax credits under this section for more than three years. The amount of tax credits that may be issued to all eligible applicants claiming tax credits authorized in this section and section 135.686 [in a calendar] **for each fiscal year ending on or before June 30, 2021**, shall not exceed two million dollars. **The amount of tax credits that may be issued to all eligible applicants claiming tax credits authorized in this section and section 135.686 for each fiscal year beginning on or after July 1, 2021, shall not exceed four million dollars.** Tax credits shall be issued on an as-received application basis until the calendar year limit is reached. Any credits not issued in any calendar year shall expire and shall not be issued in any subsequent years.

5. To claim the tax credit allowed under this section, the taxpayer shall submit to the authority an application for the tax credit on a form provided by the authority and any application fee imposed by the authority. The application shall be filed with the authority at the end of each calendar year in which a qualified sale was made and for which a tax credit is claimed under this section. The application shall include any certified documentation and information required by the authority. All required information obtained by the authority shall be confidential and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and the qualified sale meet all criteria required by this section and approval is granted by the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credit certificates issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same rights in the tax credit as the original taxpayer. Whenever a tax credit certificate is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit certificate or the value of the tax credit.

6. Any information provided under this section shall be confidential information, to be shared with no one except state and federal animal health officials, except as provided in subsection 5 of this section.

7. The authority shall, at least annually, submit a report to the Missouri general assembly reviewing the costs and benefits of the program established under this section.

8. The authority may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

9. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

135.686. 1. This section shall be known and may be cited as the “Meat Processing Facility Investment Tax Credit Act”.

2. As used in this section, the following terms mean:

(1) “Authority”, the agricultural and small business development authority established in chapter 348;

(2) “Meat processing facility”, any commercial plant, as defined under section 265.300, at which livestock are slaughtered or at which meat or meat products are processed for sale commercially and for human consumption;

(3) “Meat processing modernization or expansion”, constructing, improving, or acquiring buildings or facilities, or acquiring equipment for meat processing including the following, if used exclusively for meat processing and if acquired and placed in service in this state during tax years beginning on or after January 1, 2017, but ending on or before December 31, [2021] **2027**:

(a) Building construction including livestock handling, product intake, storage, and warehouse facilities;

(b) Building additions;

(c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste facilities;

(d) Livestock intake and storage equipment;

(e) Processing and manufacturing equipment including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and valves;

(f) Packaging and handling equipment including sealing, bagging, boxing, labeling, conveying, and product movement equipment;

(g) Warehouse equipment including storage and curing racks;

(h) Waste treatment and waste management equipment including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;

(i) Computer software and hardware used for managing the claimant’s meat processing operation including software and hardware related to logistics, inventory management, production plant controls, and temperature monitoring controls; and

(j) Construction or expansion of retail facilities or the purchase or upgrade of retail equipment for the commercial sale of meat products if the retail facility is located at the same location as the meat processing facility;

(4) “Tax credit”, a credit against the tax otherwise due under chapter 143, excluding withholding tax

imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;

(5) “Taxpayer”, any individual or entity who:

(a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or the tax imposed under chapter 147;

(b) In the case of an individual, is a resident of this state as verified by a 911 address or, in the absence of a 911 system, a physical address; and

(c) Owns a meat processing facility located in this state;

(6) “Used exclusively”, used to the exclusion of all other uses except for use not exceeding five percent of total use.

3. For all tax years beginning on or after January 1, 2017, but ending on or before December 31, [2021] **2027**, a taxpayer shall be allowed a tax credit for meat processing modernization or expansion related to the taxpayer’s meat processing facility. The tax credit amount shall be equal to twenty-five percent of the amount the taxpayer paid in the tax year for meat processing modernization or expansion.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer’s state tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing modernization or expansion expenses were paid, but any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year may be carried forward to any of the taxpayer’s four subsequent tax years. The total amount of tax credits that any taxpayer may claim shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the meat processing facility, each person may claim a credit under this section in proportion to his or her ownership interest; except that, the aggregate amount of the credits claimed by all persons who own and operate the meat processing facility shall not exceed seventy-five thousand dollars per year. The amount of tax credits authorized in this section and section 135.679 [in a calendar] **for each fiscal year ending on or before June 30, 2021**, shall not exceed two million dollars. **The amount of tax credits that may be issued to all eligible applicants claiming tax credits authorized in this section and section 135.679 for each fiscal year beginning on or after July 1, 2021, shall not exceed four million dollars.** Tax credits shall be issued on an as-received application basis until the calendar year limit is reached. Any credits not issued in any calendar year shall expire and shall not be issued in any subsequent year.

5. To claim the tax credit allowed under this section, the taxpayer shall submit to the authority an application for the tax credit on a form provided by the authority and any application fee imposed by the authority. The application shall be filed with the authority at the end of each calendar year in which a meat processing modernization or expansion project was completed and for which a tax credit is claimed under this section. The application shall include any certified documentation, proof of meat processing modernization or expansion, and any other information required by the authority. All required information obtained by the authority shall be confidential and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and the meat processing modernization or expansion meet all criteria required by this section and approval is granted by the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credit certificates issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same rights in the tax credit as the original taxpayer. If a tax credit certificate is assigned, transferred, sold, or

otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit certificate and the value of the tax credit.

6. Any information provided under this section shall be confidential information, to be shared with no one except state and federal animal health officials, except as provided in subsection 5 of this section.

7. The authority shall promulgate rules establishing a process for verifying that a facility's modernization or expansion for which tax credits were allowed under this section has in fact expanded the facility's production within three years of the issuance of the tax credit and if not, the authority shall promulgate through rulemaking a process by which the taxpayer shall repay the authority an amount equal to that of the tax credit allowed.

8. The authority shall, at least annually, submit a report to the Missouri general assembly reviewing the costs and benefits of the program established under this section.

9. The authority may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void.

10. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.”; and

Further amend said bill, Page 3, Section 144.142, Line 26, by inserting after all of said section and line the following:

“348.505. 1. As used in this section, “state tax liability”, any state tax liability incurred by a taxpayer under the provisions of chapters 143, 147, and 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions.

2. Any eligible lender under the family farm livestock loan program under section 348.500 shall be entitled to receive a tax credit equal to one hundred percent of the amount of interest waived by the lender under section 348.500 on a qualifying loan for the first year of the loan only. The tax credit shall be evidenced by a tax credit certificate issued by the agricultural and small business development authority and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the interest on a qualified loan is waived by the lender under section 348.500. No lender may receive a tax credit under this section unless such person presents a tax credit certificate to the department of revenue for payment of such state tax liability. The amount of the tax credits that may be issued to all eligible lenders claiming tax credits authorized in this section [in a] **for each fiscal year ending on or before June 30, 2021**, shall not exceed three hundred thousand dollars. **The amount of the tax credits that may be issued to all eligible lenders claiming tax credits authorized in this section for each fiscal year beginning on or after July 1, 2021, shall not exceed two million dollars.**

3. The agricultural and small business development authority shall be responsible for the administration and issuance of the certificate of tax credits authorized by this section. The authority shall issue a certificate of tax credit at the request of any lender. Each request shall include a true copy of the loan documents, the name of the lender who is to receive a certificate of tax credit, the type of state tax liability against which the tax credit is to be used, and the amount of the certificate of tax credit to be issued to the lender based

on the interest waived by the lender under section 348.500 on the loan for the first year.

4. The Missouri department of revenue shall accept a certificate of tax credit in lieu of other payment in such amount as is equal to the lesser of the amount of the tax or the remaining unused amount of the credit as indicated on the certificate of tax credit, and shall indicate on the certificate of tax credit the amount of tax thereby paid and the date of such payment.

5. The following provisions shall apply to tax credits authorized under this section:

(1) Tax credits claimed in a taxable year may be claimed on a quarterly basis and applied to the estimated quarterly tax of the lender;

(2) Any amount of tax credit which exceeds the tax due, including any estimated quarterly taxes paid by the lender under subdivision (1) of this subsection which results in an overpayment of taxes for a taxable year, shall not be refunded but may be carried over to any subsequent taxable year, not to exceed a total of three years for which a tax credit may be taken for a qualified family farm livestock loan;

(3) Notwithstanding any provision of law to the contrary, a lender may assign, transfer or sell tax credits authorized under this section, with the new owner of the tax credit receiving the same rights in the tax credit as the lender. For any tax credits assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed by the lender with the authority specifying the name and address of the new owner of the tax credit and the value of such tax credit; and

(4) Notwithstanding any other provision of this section to the contrary, any commercial bank may use tax credits created under this section as provided in section 148.064 and receive a net tax credit against taxes actually paid in the amount of the first year's interest on loans made under this section. If such first year tax credits reduce taxes due as provided in section 148.064 to zero, the remaining tax credits may be carried over as otherwise provided in this section and utilized as provided in section 148.064 in subsequent years.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Bill No. 226, Page 1, Section A, Line 2, by inserting after said section and line the following:

“144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and the taxes imposed thereby, the definition of “retail sale” or “sale at retail” shall not be construed to include any of the following:

(1) The transfer by one corporation of substantially all of its tangible personal property to another corporation pursuant to a merger or consolidation effected under the laws of the state of Missouri or any other jurisdiction;

(2) The transfer of tangible personal property incident to the liquidation or cessation of a taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except to the extent any transfer is made in the ordinary course of the taxpayer's trade or business;

(3) The transfer of tangible personal property to a corporation solely in exchange for its stock or securities;

(4) The transfer of tangible personal property to a corporation by a shareholder as a contribution to the capital of the transferee corporation;

(5) The transfer of tangible personal property to a partnership solely in exchange for a partnership interest therein;

(6) The transfer of tangible personal property by a partner as a contribution to the capital of the transferee partnership;

(7) The transfer of tangible personal property by a corporation to one or more of its shareholders as a dividend, return of capital, distribution in the partial or complete liquidation of the corporation or distribution in redemption of the shareholder's interest therein;

(8) The transfer of tangible personal property by a partnership to one or more of its partners as a current distribution, return of capital or distribution in the partial or complete liquidation of the partnership or of the partner's interest therein;

(9) The transfer of reusable containers used in connection with the sale of tangible personal property contained therein for which a deposit is required and refunded on return;

(10) The purchase by persons operating eating or food service establishments, of items of a nonreusable nature which are furnished to the customers of such establishments with or in conjunction with the retail sales of their food or beverage. Such items shall include, but not be limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks and toothpicks;

(11) The purchase by persons operating hotels, motels or other transient accommodation establishments, of items of a nonreusable nature which are furnished to the guests in the guests' rooms of such establishments and such items are included in the charge made for such accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and other toiletries and food or confectionery items offered to the guests without charge;

(12) The transfer of a manufactured home other than:

(a) A transfer which involves the delivery of the document known as the "Manufacturer's Statement of Origin" to a person other than a manufactured home dealer, as defined in section 700.010, for purposes of allowing such person to obtain a title to the manufactured home from the department of revenue of this state or the appropriate agency or officer of any other state;

(b) A transfer which involves the delivery of a "Reposessed Title" to a resident of this state if the tax imposed by sections 144.010 to 144.525 was not paid on the transfer of the manufactured home described in paragraph (a) of this subdivision;

(c) The first transfer which occurs after December 31, 1985, if the tax imposed by sections 144.010 to 144.525 was not paid on any transfer of the same manufactured home which occurred before December 31, 1985; [or]

(13) Charges for initiation fees or dues to:

(a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations operating under the lodge system a substantial part of the activities of which are devoted to religious, charitable, scientific, literary, educational or fraternal purposes;

(b) Posts or organizations of past or present members of the Armed Forces of the United States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization substantially all of the members of which are past or present members of the Armed Forces of the United States or who are cadets, spouses, widows, or widowers of past or present members of the Armed Forces of the United States, no part of the net earnings of which inures to the benefit of any private shareholder or individual; or

(c) Nonprofit organizations exempt from taxation under Section 501(c)(7) of the Internal Revenue Code of 1986, as amended[.]; **or**

(14) The purchase by a grocery store of food that is intended for resale but that cannot be resold because of theft or because the food has become spoiled and would not be safe for consumption.

2. The assumption of liabilities of the transferor by the transferee incident to any of the transactions enumerated in the above subdivisions (1) to (8) of subsection 1 of this section shall not disqualify the transfer from the exclusion described in this section, where such liability assumption is related to the property transferred and where the assumption does not have as its principal purpose the avoidance of Missouri sales or use tax.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 5

Amend House Amendment No. 5 to House Committee Substitute for Senate Bill No. 226, Page 1, Line 1, by inserting after the number “226,” the following:

“Page 1, Section A, Line 2 by inserting after all of said section and line the following:

“135.305. A Missouri wood energy producer shall be eligible for a tax credit on taxes otherwise due under chapter 143, except sections 143.191 to 143.261, as a production incentive to produce processed wood products in a qualified wood-producing facility using Missouri forest product residue. The tax credit to the wood energy producer shall be five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a tax credit against the tax otherwise due. No new tax credits, provided for under sections 135.300 to 135.311, shall be authorized after June 30, [2020] **2027**. In no event shall the aggregate amount of all tax credits allowed under sections 135.300 to 135.311 exceed six million dollars in any given fiscal year. There shall be no tax credits authorized under sections 135.300 to 135.311 unless an appropriation is made for such tax credits.

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

(1) “Department”, the Missouri department of revenue;

(2) “Higher ethanol blend”, a fuel capable of being dispensed directly into motor vehicle fuel tanks for consumption that is comprised of at least fifteen percent but not more than eighty-five percent ethanol;

(3) “Retail dealer”, a person that owns or operates a retail service station;

(4) “Retail service station”, a location from which higher ethanol blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

2. For all tax years beginning on or after January 1, 2022, a retail dealer that sells higher ethanol

blend at such retail dealer's retail service station shall be allowed a tax credit to be taken against the retail dealer's state income tax liability. The amount of the credit shall equal five cents per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered pumps at the retail dealer's retail service station during the tax year in which the tax credit is claimed. Tax credits authorized pursuant to this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the taxpayer's state tax liability, the difference shall not be refundable, but may be carried forward to any of the five subsequent tax years. The total amount of tax credits authorized pursuant to this section for any given fiscal year shall not exceed four million dollars.

3. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143 after reduction for all other credits allowed thereon. The department may require any documentation it deems necessary to implement the provisions of this section.

4. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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

(1) The provisions of this section shall automatically sunset on December 31, 2027, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

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

(1) "Biodiesel blend", a blend of diesel fuel and biodiesel fuel between five percent and twenty percent for on-road and off-road diesel-fueled vehicle use. Biodiesel blend shall comply with the ASTM International specification D7467-19, or the most recent specifications;

(2) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the ASTM International specification D6751-19, or the most recent specification, for Biodiesel Fuel (B100) or (B99) Blend Stock for Distillate Fuels. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section, unless the palm oil is contained within waste oil and grease collected within the United States;

(3) "Department", the Missouri department of revenue;

(4) "Retail dealer", a person that owns or operates a retail service station;

(5) “Retail service station”, a location from which biodiesel blend is sold to the general public and is dispensed directly into motor vehicle fuel tanks for consumption.

2. For all tax years beginning on or after January 1, 2022, a retail dealer that sells a biodiesel blend at a retail service station shall be allowed a tax credit to be taken against the retail dealer’s state income tax liability. The amount of the tax credit shall be as follows:

(1) Two cents per gallon of biodiesel blend of at least five percent but not more than ten percent sold by a retail dealer at a retail service station during the tax year for which the tax credit is claimed; or

(2) Five cents per gallon of biodiesel blend in excess of ten percent sold by a retail dealer at a retail service station during the tax year for which the tax credit is claimed.

Tax credits authorized pursuant to this section shall not be transferred, sold, or assigned. If the amount of the tax credit exceeds the taxpayer’s state tax liability, the difference shall be refundable. The total amount of tax credits authorized pursuant to this section for any given fiscal year shall not exceed twenty million dollars.

3. In the event the total amount of tax credits claimed under this section exceeds the amount of available tax credits, the tax credits shall be apportioned equally to all eligible retail dealers claiming the credit by April fifteenth of the fiscal year in which the tax credit is claimed.

4. The tax credit allowed by this section shall be claimed by such taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143 after reduction for all other credits allowed thereon. The department may require any documentation it deems necessary to implement the provisions of this section.

5. The department may work with the division of weights and measures within the department of agriculture to validate that the biodiesel blend a retail dealer claims for the tax credit authorized under this section contains a sufficient percentage of biodiesel fuel.

6. The department shall promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

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

(1) The provisions of this section shall automatically sunset on December 31, 2027, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

135.686. 1. This section shall be known and may be cited as the “Meat Processing Facility Investment Tax Credit Act”.

2. As used in this section, the following terms mean:

(1) “Authority”, the agricultural and small business development authority established in chapter 348;

(2) “Meat processing facility”, any commercial plant, as defined under section 265.300, at which livestock are slaughtered or at which meat or meat products are processed for sale commercially and for human consumption;

(3) “Meat processing modernization or expansion”, constructing, improving, or acquiring buildings or facilities, or acquiring equipment for meat processing including the following, if used exclusively for meat processing and if acquired and placed in service in this state during tax years beginning on or after January 1, 2017, but ending on or before December 31, [2021] **2027**:

(a) Building construction including livestock handling, product intake, storage, and warehouse facilities;

(b) Building additions;

(c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste facilities;

(d) Livestock intake and storage equipment;

(e) Processing and manufacturing equipment including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, cooking equipment, pipes, motors, pumps, and valves;

(f) Packaging and handling equipment including sealing, bagging, boxing, labeling, conveying, and product movement equipment;

(g) Warehouse equipment including storage and curing racks;

(h) Waste treatment and waste management equipment including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;

(i) Computer software and hardware used for managing the claimant’s meat processing operation including software and hardware related to logistics, inventory management, production plant controls, and temperature monitoring controls; and

(j) Construction or expansion of retail facilities or the purchase or upgrade of retail equipment for the commercial sale of meat products if the retail facility is located at the same location as the meat processing facility;

(4) “Tax credit”, a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;

(5) “Taxpayer”, any individual or entity who:

(a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or the tax imposed under chapter 147;

(b) In the case of an individual, is a resident of this state as verified by a 911 address or, in the absence of a 911 system, a physical address; and

(c) Owns a meat processing facility located in this state;

(6) “Used exclusively”, used to the exclusion of all other uses except for use not exceeding five percent of total use.

3. For all tax years beginning on or after January 1, 2017, but ending on or before December 31, [2021] **2027**, a taxpayer shall be allowed a tax credit for meat processing modernization or expansion related to the taxpayer’s meat processing facility. The tax credit amount shall be equal to twenty-five percent of the amount the taxpayer paid in the tax year for meat processing modernization or expansion.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer’s state tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing modernization or expansion expenses were paid, but any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year may be carried forward to any of the taxpayer’s four subsequent tax years. The total amount of tax credits that any taxpayer may claim shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the meat processing facility, each person may claim a credit under this section in proportion to his or her ownership interest; except that, the aggregate amount of the credits claimed by all persons who own and operate the meat processing facility shall not exceed seventy-five thousand dollars per year. The amount of tax credits authorized in this section and section 135.679 in a calendar year shall not exceed two million dollars. Tax credits shall be issued on an as-received application basis until the calendar year limit is reached. Any credits not issued in any calendar year shall expire and shall not be issued in any subsequent year.

5. To claim the tax credit allowed under this section, the taxpayer shall submit to the authority an application for the tax credit on a form provided by the authority and any application fee imposed by the authority. The application shall be filed with the authority at the end of each calendar year in which a meat processing modernization or expansion project was completed and for which a tax credit is claimed under this section. The application shall include any certified documentation, proof of meat processing modernization or expansion, and any other information required by the authority. All required information obtained by the authority shall be confidential and not disclosed except by court order, subpoena, or as otherwise provided by law. If the taxpayer and the meat processing modernization or expansion meet all criteria required by this section and approval is granted by the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credit certificates issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit certificate shall have the same rights in the tax credit as the original taxpayer. If a tax credit certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit certificate and the value of the tax credit.

6. Any information provided under this section shall be confidential information, to be shared with no one except state and federal animal health officials, except as provided in subsection 5 of this section.

7. The authority shall promulgate rules establishing a process for verifying that a facility’s modernization or expansion for which tax credits were allowed under this section has in fact expanded the facility’s production within three years of the issuance of the tax credit and if not, the authority shall promulgate through rulemaking a process by which the taxpayer shall repay the authority an amount equal to that of the tax credit allowed.

8. The authority shall, at least annually, submit a report to the Missouri general assembly reviewing the costs and benefits of the program established under this section.

9. The authority may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void.

10. This section shall not be subject to the Missouri sunset act, sections 23.250 to 23.298.

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes levied the preceding year, based upon the total assessed valuation of the railroad and street railway companies and the total property taxes levied upon the railroad and street railway companies. It shall determine total property taxes levied from reports prescribed by the commission from the railroad and street railway companies. Total taxes levied shall not include revenues from the surtax on subclass three real property.

2. The commission shall report its determination of average property tax rate for the preceding year, together with the taxable distributable assessed valuation of each freight line company for the current year to the director no later than October first of each year.

3. Taxes on property of such freight line companies shall be collected at the state level by the director on behalf of the counties and other local public taxing entities and shall be distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon the distributable assessed valuation attributable to Missouri of each freight line company, using the average tax rate for the preceding year of the railroad and street railway companies certified by the commission. Such tax shall be due and payable on or before December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

4. (1) As used in this subsection, the following terms mean:

(a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve a freight line company's qualified rolling stock;

(b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the tax levied under this section.

(2) For all taxable years beginning on or after January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied under this section for the applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses incurred during the calendar year immediately preceding the tax year for which the credit under this section is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under this section for the tax year for which the credit is claimed.

(3) A freight line company may apply for the credit by submitting to the commission an application in the form prescribed by the state tax commission.

(4) Subject to appropriation, the state shall reimburse, on an annual basis, any political subdivision of this state for any decrease in revenue due to the provisions of this subsection.

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

(1) The program authorized under **subsection 4 of** this section shall expire on August 28, [2020] **2027**; and

(2) **Subsection 4 of** this section shall terminate on September 1, [2021] **2028**.”; and

Further amend said bill,”; and

Further amend said amendment, Page 2, Line 23, by deleting all of said line and inserting in lieu thereof the following:

“hundred thousand persons and not in excess of nine hundred thousand persons.

348.436. The provisions of sections 348.430 to 348.436 shall expire December 31, [2021] **2027**.”; and”;

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 5

Amend House Committee Substitute for Senate Bill No. 226, Page 3, Section 144.142, Line 26, by inserting after all of said section and line the following:

“167.151. 1. The school board of any district, in its discretion, may admit to the school pupils not entitled to free instruction and prescribe the tuition fee to be paid by them, except as provided in sections 167.121, 167.131, 167.132, and 167.895.

2. Orphan children, children with only one parent living, and children whose parents do not contribute to their support—if the children are between the ages of six and twenty years and are unable to pay tuition—may attend the schools of any district in the state in which they have a permanent or temporary home without paying a tuition fee.

3. **(1) For all school years ending on or before June 30, 2022**, any person who pays a school tax in any other district than that in which [he] **the person** resides may send [his] **the person’s** children to any public school in the district in which the tax is paid and receive as a credit on the amount charged for tuition the amount of the school tax paid to the district; except that any person who owns real estate of which eighty acres or more are used for agricultural purposes and upon which [his] **the person’s** residence is situated may send [his] **the person’s** children to public school in any school district in which a part of such real estate, contiguous to that upon which [his] **the person’s** residence is situated, lies and shall not be charged tuition therefor; so long as thirty-five percent of the real estate is located in the school district of choice. The school district of choice shall count the children in its average daily attendance for the purpose of distribution of state aid through the foundation formula.

(2) For all school years beginning on or after July 1, 2022, any person who owns residential real property or agricultural real property and pays a school tax in any district other than the district in which the person resides may send any of the person’s children to a public school in any district in which the person pays such school tax. The school district or public school of choice shall count a child attending under this subdivision in its average daily attendance for the purpose of distribution of state aid through the foundation formula.

4. **(1) For all school years ending on or before June 30, 2022**, any owner of agricultural land who, [pursuant to] **under subdivision (1) of** subsection 3 of this section, has the option of sending [his] **such person’s** children to the public schools of more than one district shall exercise such option as provided in

this [subsection] **subdivision**. Such person shall send written notice to all school districts involved specifying to which school district [his] **the** children will attend by June thirtieth in which such a school year begins. If notification is not received, such children shall attend the school in which the majority of [his] **the person's** property lies. Such person shall not send any of [his] **such person's** children to the public schools of any district other than the one to which [he] **such person** has sent notice pursuant to this [subsection] **subdivision** in that school year or in which the majority of [his] **such person's** property lies without paying tuition to such school district.

(2) For all school years beginning on or after July 1, 2022, any owner of real property who elects to exercise the option provided in subdivision (2) of subsection 3 of this section shall exercise such option as provided in this subdivision. Such person shall send written notice to all school districts involved specifying which school district each child will attend thirty days prior to enrollment. When providing such notice, the person shall present proof of the person's payment of at least three thousand dollars of school taxes levied on the real property within such school district and ownership of the real property for no less than three years. Such proof may be determined by taking the school taxes paid on the most recent property tax receipt multiplied by the years of property ownership. If a school district to which the person wishes to send a child does not receive the notification required under this subdivision, the child shall attend school in the district in which the person resides. Such person shall not send a child to the public schools of any district in which the person does not reside other than the district to which such person has sent notice under this subdivision relating to the particular child for that school year.

5. If a pupil is attending school in a district other than the district of residence and the pupil's parent is teaching in the school district or is a regular employee of the school district which the pupil is attending, then the district in which the pupil attends school shall allow the pupil to attend school upon payment of tuition in the same manner in which the district allows other pupils not entitled to free instruction to attend school in the district. The provisions of this subsection shall apply only to pupils attending school in a district which has an enrollment in excess of thirteen thousand pupils and not in excess of fifteen thousand pupils and which district is located in a county [of the first classification] with a charter form of government which has a population in excess of six hundred thousand persons and not in excess of nine hundred thousand persons.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 6

Amend House Committee Substitute for Senate Bill No. 226, Page 3, Section 144.142, Line 26, by inserting after all of said section and line the following:

“144.813. In addition to all other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, all sales of class III medical devices described in section 513(a)(a)(C) of the Federal Food, Drug, and Cosmetic Act as codified in 21 U.S.C. 360(c)(1)(C) that use electric fields for the purposes of the treatment of cancer including components and repair parts and the disposable or single patient use supplies required for the use of such devices.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 7

Amend House Committee Substitute for Senate Bill No. 226, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

“143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due pursuant to sections 143.005 to 143.998 for the amount of any income tax imposed for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax pursuant to sections 143.005 to 143.998. For purposes of this subsection, the phrase “income tax imposed” shall be that amount of tax before any income tax credit allowed by such other state or the District of Columbia if the other state or the District of Columbia authorizes a reciprocal benefit for residents of this state.

2. The credit provided pursuant to this section shall not exceed an amount which bears the same ratio to the tax otherwise due pursuant to sections 143.005 to 143.998 as the amount of the taxpayer’s Missouri adjusted gross income derived from sources in the other taxing jurisdiction bears to the taxpayer’s Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of more than one other taxing jurisdiction is imposed on the same item of income, the credit shall not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to the item were deemed to be of a single jurisdiction.

3. **(1)** For the purposes of this section, in the case of an S corporation, each resident S shareholder shall be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder’s pro rata share of any net income tax paid by the S corporation to a state which does not measure the income of shareholders on an S corporation by reference to the income of the S corporation or where a composite return and composite payments are made in such state on behalf of the S shareholders by the S corporation.

(2) A resident S shareholder shall be eligible for a credit issued pursuant to this section in an amount equal to the shareholder’s pro rata share of any income tax imposed pursuant to chapter 143 on income derived from sources in another state of the United States, or a political subdivision thereof, or the District of Columbia, and which is subject to tax pursuant to chapter 143 but is not subject to tax in such other jurisdiction.

4. For purposes of subsection 3 of this section, in the case of an S corporation that is a bank chartered by a state, the Office of Thrift Supervision, or the comptroller of currency, each Missouri resident S shareholder of such out-of-state bank shall qualify for the shareholder’s pro rata share of any net tax paid, including a bank franchise tax based on the income of the bank, by such S corporation where bank payment of taxes are made in such state on behalf of the S shareholders by the S bank to the extent of the tax paid.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2 TO HOUSE AMENDMENT NO. 8

Amend House Amendment No. 8 to House Committee Substitute for Senate Bill No. 226, Page 1, Line 4, by inserting immediately before the phrase “139.305” on said line the following:

“137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor’s deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor’s city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor’s books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor’s plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location

thereof. As used in this subdivision, the word “comparable” means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the City of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than [fifty] **two hundred** hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; and

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial classification number cited in subdivision (7) of section 135.200, twenty-five percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. (1) All subclasses of real property, as such subclasses are established in Section 4(b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

(a) For real property in subclass (1), nineteen percent;

(b) For real property in subclass (2), twelve percent; and

(c) For real property in subclass (3), thirty-two percent.

(2) A taxpayer may apply to the county assessor, or, if not located within a county, then the assessor of such city, for the reclassification of such taxpayer’s real property if the use or purpose of such real property is changed after such property is assessed under the provisions of this chapter. If the assessor determines that such property shall be reclassified, he or she shall determine the assessment under this subsection based on the percentage of the tax year that such property was classified in each subclassification.

6. Manufactured homes, as defined in section 700.010, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. For purposes of this section, a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. The assessor shall not use a value that is greater than the average trade-in value in determining the true value of the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two years old or newer from a vehicle's model year, the assessor may use a value other than average without performing a physical inspection of the motor vehicle. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon

the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

13. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

15. The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 14 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

16. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and information requested, except such books, records, and information as are by law declared confidential in nature, including individually identifiable information regarding a specific taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall mean all real property that is in use or

readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3 TO
HOUSE AMENDMENT NO. 8

Amend House Amendment No. 8 to House Committee Substitute for Senate Bill No. 226, Page 1, Line 33, by deleting all of said line and inserting in lieu thereof the following:

“other taxing jurisdiction or to property tax liabilities owned on tangible personal property.

144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and the taxes imposed thereby, the definition of “retail sale” or “sale at retail” shall not be construed to include any of the following:

(1) The transfer by one corporation of substantially all of its tangible personal property to another corporation pursuant to a merger or consolidation effected under the laws of the state of Missouri or any other jurisdiction;

(2) The transfer of tangible personal property incident to the liquidation or cessation of a taxpayer’s trade or business, conducted in proprietorship, partnership or corporate form, except to the extent any transfer is made in the ordinary course of the taxpayer’s trade or business;

(3) The transfer of tangible personal property to a corporation solely in exchange for its stock or securities;

(4) The transfer of tangible personal property to a corporation by a shareholder as a contribution to the capital of the transferee corporation;

(5) The transfer of tangible personal property to a partnership solely in exchange for a partnership interest therein;

(6) The transfer of tangible personal property by a partner as a contribution to the capital of the transferee partnership;

(7) The transfer of tangible personal property by a corporation to one or more of its shareholders as a dividend, return of capital, distribution in the partial or complete liquidation of the corporation or distribution in redemption of the shareholder’s interest therein;

(8) The transfer of tangible personal property by a partnership to one or more of its partners as a current distribution, return of capital or distribution in the partial or complete liquidation of the partnership or of the partner’s interest therein;

(9) The transfer of reusable containers used in connection with the sale of tangible personal property contained therein for which a deposit is required and refunded on return;

(10) The purchase by persons operating eating or food service establishments, of items of a nonreusable nature which are furnished to the customers of such establishments with or in conjunction with the retail sales of their food or beverage. Such items shall include, but not be limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks and toothpicks;

(11) The purchase by persons operating hotels, motels or other transient accommodation establishments, of items of a nonreusable nature which are furnished to the guests in the guests' rooms of such establishments and such items are included in the charge made for such accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and other toiletries and food or confectionery items offered to the guests without charge;

(12) The transfer of a manufactured home other than:

(a) A transfer which involves the delivery of the document known as the "Manufacturer's Statement of Origin" to a person other than a manufactured home dealer, as defined in section 700.010, for purposes of allowing such person to obtain a title to the manufactured home from the department of revenue of this state or the appropriate agency or officer of any other state;

(b) A transfer which involves the delivery of a "Repossessed Title" to a resident of this state if the tax imposed by sections 144.010 to 144.525 was not paid on the transfer of the manufactured home described in paragraph (a) of this subdivision;

(c) The first transfer which occurs after December 31, 1985, if the tax imposed by sections 144.010 to 144.525 was not paid on any transfer of the same manufactured home which occurred before December 31, 1985; [or]

(13) Charges for initiation fees or dues to:

(a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations operating under the lodge system a substantial part of the activities of which are devoted to religious, charitable, scientific, literary, educational or fraternal purposes;

(b) Posts or organizations of past or present members of the Armed Forces of the United States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization substantially all of the members of which are past or present members of the Armed Forces of the United States or who are cadets, spouses, widows, or widowers of past or present members of the Armed Forces of the United States, no part of the net earnings of which inures to the benefit of any private shareholder or individual; or

(c) Nonprofit organizations exempt from taxation under Section 501(c)(7) of the Internal Revenue Code of 1986, as amended[.]; **or**

(14) The purchase by a retailer of products that are intended for resale but that cannot be resold because of theft or because the product is damaged and cannot be resold.

2. The assumption of liabilities of the transferor by the transferee incident to any of the transactions enumerated in the above subdivisions (1) to (8) of subsection 1 of this section shall not disqualify the transfer from the exclusion described in this section, where such liability assumption is related to the property transferred and where the assumption does not have as its principal purpose the avoidance of Missouri sales or use tax."; and"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 8

Amend House Committee Substitute for Senate Bill No. 226, Page 1, Section A, Line 2, by inserting after all of said section and line the following:

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

(1) “Real property”, any real property that is not residential property, as such term is defined in section 137.016;

(2) “Restrictive order”, any city-wide or county-wide ordinance or order imposed by a city or county that prohibits or otherwise restricts the use of a taxpayer’s real property, including, but not limited to, occupancy restrictions. Such term shall not include any ordinance or order prohibiting or restricting the use of a taxpayer’s real property due to a violation of a public health or safety code.

2. Notwithstanding any provision of law to the contrary, beginning January 1, 2021, any taxpayer who is a resident of a city or county that imposes one or more restrictive orders for a combined total in excess of fifteen days during a calendar year shall receive a credit on property taxes owed on such affected real property.

3. The amount of the credit authorized by this section shall be a percentage of the property tax liability that is equal to the percentage of the calendar year that the taxpayer was subject to restrictions on the use of his or her real property, provided that the first fifteen total combined days that restrictive orders are in effect during a calendar year shall not count toward the calculation of the tax credit pursuant to this subsection.

4. (1) A taxpayer eligible for a credit pursuant to this section shall timely pay all property tax owed prior to any credit applied pursuant to this section, and shall, no later than December thirty-first, submit a written statement to the city or county requesting the amount of property tax owed to such taxpayer. The city or county shall, by no later than thirty days following the receipt of such a statement, issue a refund to the taxpayer for the amount of property tax owed to such taxpayer pursuant to this section.

(2) Notwithstanding the provisions of this section to the contrary, a taxpayer receiving a tax credit pursuant to this section that leases or rents all or a portion of his or her affected real property to one or more other taxpayers shall distribute such tax credit on a pro rata basis to the taxpayers who are current on all lease or rental payments owed to the taxpayer receiving the credit pursuant to this section.

5. The provisions of this section shall only apply to real property tax liabilities owed to a city or county imposing a restrictive order, and shall not apply to property tax liabilities owed to any other taxing jurisdiction or to property tax liabilities owed on tangible personal property.”; and

Further amend said bill, Page 3, Section 144.142, Line 26, by inserting after all of said section and line the following:

“Section B. Because of the importance of property tax relief, the enactment of section 139.305 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of section 139.305 of this act shall be in full force and effect upon its passage and approval.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Emergency Clause Adopted.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: The Speaker of the House of Representatives has appointed the following committee to act with a like committee from the Senate on **SS#2** for **SCS** for **HCS** for **HB 271**, as amended. Representatives: Wiemann, Chipman, Taylor (139), McCreery, Baringer.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SS** for **SB 141**, entitled:

An Act to repeal sections 393.135, 393.170, 393.1025, 394.120, and 523.262, RSMo, and to enact in lieu thereof eight new sections relating to utilities.

With House Amendment Nos. 1, 2, 3, 4, 5, 6, House Amendment No. 1 to House Amendment No. 7, House Amendment No. 7, as amended, House Amendment No. 1 to House Amendment No. 8, and House Amendment No. 8, as amended.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Pages 1-3, Section 386.895, Lines 1-57, by deleting all of said lines and inserting in lieu thereof the following:

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

(1) “Biogas”, a mixture of carbon dioxide and hydrocarbons, primarily methane gas, released from the biological decomposition of organic materials;

(2) “Biomass”, has the meaning given the term “qualified biomass” in section 142.028;

(3) “Gas corporation”, the same as defined in section 386.020;

(4) “Qualified investment”, any capital investment in renewable natural gas infrastructure incurred by a gas corporation for the purpose of providing natural gas service under a renewable natural gas program;

(5) “Renewable energy sources”, hydroelectric, geothermal, solar photovoltaic, wind, tidal, wave, biomass, or biogas energy sources;

(6) “Renewable natural gas”, any of the following products processed to meet pipeline quality standards or transportation fuel grade requirements:

(a) Biogas that is upgraded to meet natural gas pipeline quality standards such that it may blend with, or substitute for, geologic natural gas;

(b) Hydrogen gas; or

(c) Methane gas derived from any combination of:

a. Biogas;

b. Hydrogen gas or carbon oxides derived from renewable energy sources; or

c. Waste carbon dioxide;

(7) “Renewable natural gas infrastructure”, all equipment and facilities for the production,

processing, pipeline interconnection, and distribution of renewable natural gas to be furnished to Missouri customers.

2. The commission shall adopt rules for gas corporations to offer a voluntary renewable natural gas program. Rules adopted by the commission under this section shall include:

(1) Rules for reporting requirements; and

(2) Rules for establishing a process for gas corporations to fully recover incurred costs that are prudent, just, and reasonable associated with a renewable natural gas program. Such recovery shall not be permitted until the project is operational and produces renewable natural gas for customer use.

3. A filing by a gas corporation pursuant to the renewable natural gas program created in subsection 2 of this section shall include, but is not limited to:

(1) A proposal to procure a total volume of renewable natural gas over a specific period; and

(2) Identification of the qualified investments that the gas corporation may make in renewable natural gas infrastructure.

4. A gas corporation may from time to time revise the filing submitted to the commission under this section no more than one time per year.

5. Any costs incurred by a gas corporation for a qualified investment that are prudent, just, and reasonable may be recovered by means of an automatic rate adjustment clause.

6. When a gas corporation makes a qualified investment in the production of renewable natural gas, the costs associated with such qualified investment shall include the cost of capital established by the commission in the gas corporation's most recent general rate case.

7. On or before January 1, 2023, the division of energy within the department of natural resources shall provide to the chair of the public service commission, the speaker of the house of representatives, the president pro tempore of the senate, the chair of the senate committee on commerce, consumer protection, energy, and the environment, and the chair of the house of representatives utility committee, a report on the renewable natural gas program established under this section. Such report shall include, but not be limited to, the following:

(1) The number of projects submitted for the renewable natural gas program and the number of projects approved for the renewable natural gas program;

(2) The number of projects that are operational, and the costs, projected and actual, of such projects and other key metrics the division of energy deems important;

(3) The volume of renewable natural gas produced in the state through projects that were approved by the renewable natural gas program as well as the percentage of renewable natural gas produced in relation to the total volume of natural gas sold in the state;

(4) The environmental benefits of renewable natural gas, including but not limited to greenhouse gas reduction as a result of the production of renewable natural gas;

(5) The economic benefits of the renewable natural gas program, including but not limited to local employment, value-added production for the agricultural sector, and other economic development;

and

(6) Any economic benefits or other costs to ratepayers.

8. Rules adopted by the commission under this section shall not prohibit an affiliate of a gas corporation from making a capital investment in a biogas production project if the affiliate is not a public utility as defined in section 386.020.

9. The public service commission may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

10. Pursuant to section 23.253 of the Missouri sunset act, this section and any rules enacted under this section shall expire nine years from the date the renewable natural gas program is established, unless reauthorized by the general assembly; provided that any rate adjustment authorized by this section shall continue so long as the renewable natural gas program remains in operation and produces renewable natural gas for customer use.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 1, Section 67.309, Line 6, by inserting after all of said section and line the following:

“91.025. 1. As used in this section, the following terms mean:

(1) “Municipally owned or operated electric power system”, a system for the distribution of electrical power and energy to the inhabitants of a municipality which is owned and operated by the municipality itself, whether operated under authority pursuant to this chapter or under a charter form of government;

(2) “Permanent service”, electrical service provided through facilities which have been permanently installed on a structure and which are designed to provide electric service for the structure’s anticipated needs for the indefinite future, as contrasted with facilities installed temporarily to provide electrical service during construction. Service provided temporarily shall be at the risk of the electrical supplier and shall not be determinative of the rights of the provider or recipient of permanent service;

(3) “Structure” or “structures”, an agricultural, residential, commercial, industrial or other building or a mechanical installation, machinery or apparatus at which retail electric energy is being delivered through a metering device which is located on or adjacent to the structure and connected to the lines of an electrical corporation, rural electric cooperative, municipally owned or operated electric power system, or joint municipal utility commission. Such terms shall include any contiguous or adjacent additions to or expansions of a particular structure. Nothing in this section shall be construed to confer any right on an electric supplier to serve new structures on a particular tract of land because it was serving an existing structure on that tract.

2. Once a municipally owned or operated electrical system, or its predecessor in interest, lawfully commences supplying retail electric energy to a structure through permanent service facilities, it shall have the right to continue serving such structure, and other suppliers of electrical energy shall not have the right to provide service to the structure except as might be otherwise permitted in the context of municipal annexation, pursuant to section 386.800 or pursuant to a territorial agreement approved under section 394.312. The public service commission, upon application made by a customer, may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential, and the commission is hereby given jurisdiction over municipally owned or operated electric systems to accomplish the purpose of this section. The commission's jurisdiction under this section is limited to public interest determinations and excludes questions as to the lawfulness of the provision of service, such questions being reserved to courts of competent jurisdiction. Except as provided in this section, nothing in this section shall be construed as otherwise conferring upon the commission jurisdiction over the service, rates, financing, accounting or management of any such municipally owned or operated electrical system, and nothing in this section, section 393.106, and section 394.315 shall affect the rights, privileges or duties of any municipality to form or operate municipally owned or operated electrical systems. Nothing in this section shall be construed to make lawful any provision of service which was unlawful prior to July 11, 1991. Nothing in this section shall be construed to make unlawful the continued lawful provision of service to any structure which may have had a different supplier in the past, if such a change in supplier was lawful at the time it occurred.

3. Notwithstanding the provisions of this section and sections 393.106, 394.080, and 394.315 to the contrary, in the event that a retail electric supplier is providing service to a structure located within a city, town, or village that has ceased to be a rural area, and such structure is demolished and replaced by a new structure, such retail electric service supplier may provide permanent service to the new structure upon the request of the owner of the new structure.

386.800. 1. No municipally owned electric utility may provide electric energy at retail to any structure located outside the municipality's corporate boundaries after July 11, 1991, unless:

(1) The structure was lawfully receiving permanent service from the municipally owned electric utility prior to July 11, 1991; [or]

(2) The service is provided pursuant to an approved territorial agreement under section 394.312;

(3) The service is provided pursuant to lawful municipal annexation and subject to the provisions of this section; or

(4) The structure is located in an area which was previously served by an electrical corporation regulated under chapter 386, and chapter 393, and the electrical corporation's authorized service territory was contiguous to or inclusive of the municipality's previous corporate boundaries, and the electrical corporation's ownership or operating rights within the area were acquired in total by the municipally owned electrical system prior to July 11, 1991. In the event that a municipally owned electric utility in a city with a population of more than one hundred twenty-five thousand located in a county of the first class not having a charter form of government and not adjacent to any other county of the first class desires to serve customers beyond the authorized service territory in an area which was previously served by an electrical corporation regulated under the provisions of chapter 386, and chapter 393, as provided in this subdivision, **in the absence of an approved territorial agreement under section 394.312**, the municipally owned utility shall apply to the public service commission for an order assigning nonexclusive service territories

and concurrently shall provide written notice of the application to other electric service suppliers with electric facilities located in or within one mile outside of the boundaries of the proposed expanded service territory. The proposed service area shall be contiguous to the authorized service territory which was previously served by an electrical corporation regulated under the provisions of chapter 386, and chapter 393, as a condition precedent to the granting of the application. The commission shall have one hundred twenty days from the date of application to grant or deny the requested order. The commission, **after a hearing**, may grant the order upon a finding that granting of the applicant's request is not detrimental to the public interest. In granting the applicant's request the commission shall give due regard to territories previously granted to **or served by** other electric service suppliers **and the wasteful duplication of electric service facilities.**

2. Any municipally owned electric utility may extend, pursuant to lawful annexation, its **electric** service territory to include [any structure located within a newly annexed area which has not received permanent service from another supplier within ninety days prior to the effective date of the annexation] **areas where another electric supplier currently is not providing permanent service to a structure. If a rural electric cooperative has existing electric service facilities with adequate and necessary service capability located in or within one mile outside the boundaries of the area proposed to be annexed, a majority of the existing developers, landowners, or prospective electric customers in the area proposed to be annexed may, anytime within forty five days prior to the effective date of the annexation, submit a written request to the governing body of the annexing municipality to invoke mandatory good faith negotiations under section 394.312 to determine which electric service supplier is best suited to serve all or portions of the newly annexed area. In such negotiations the following factors shall be considered, at a minimum:**

- (1) The preference of landowners and prospective electric customers;**
- (2) The rates, terms and conditions of service of the electric service suppliers;**
- (3) The economic impact on the electric service suppliers;**
- (4) Each electric service supplier's operational ability to serve all or portions of the annexed area within three years of the date the annexation becomes effective;**
- (5) Avoiding the wasteful duplication of electric facilities;**
- (6) Minimizing unnecessary encumbrances on the property and landscape within the area to be annexed; and**
- (7) Preventing the waste of materials and natural resources.**

If the municipally owned electric utility and rural electric cooperative are unable to negotiate a territorial agreement pursuant to section 394.312 within forty five days, then they may submit proposals to those submitting the original written request, whose preference shall control, section 394.080 to the contrary notwithstanding, and the governing body of the annexing municipality shall not reject the petition requesting annexation based on such preference. This subsection shall not apply to municipally-owned property in any newly annexed area.

3. In the event an electrical corporation rather than a municipally owned electric utility lawfully is providing electric service in the municipality, all the provisions of subsection 2 shall apply equally as if the electrical corporation were a municipally owned electric utility, except that if the electrical

corporation and the rural electric cooperative are unable to negotiate a territorial agreement pursuant to section 394.312 within forty five days, then either electric supplier may file an application with the commission for an order determining which electric supplier should serve, in whole or in part, the area to be annexed. The application shall be made pursuant to the rules and regulations of the commission governing applications for certificates of public convenience and necessity. The commission after the opportunity for hearing shall make its determination after consideration of the factors set forth in subdivisions (1) through (7) of subsection 2 of this section, and section 394.080 to the contrary notwithstanding, may grant its order upon a finding that granting of the applicant's request is not detrimental to the public interest. The commission shall issue its decision by report and order no later than one hundred twenty days from the date of the application unless otherwise ordered by the commission for good cause shown. Review of such commission decisions shall be governed by sections 386.500 to 386.550. If the applicant is a rural electric cooperative, the commission shall charge to the rural electric cooperative the appropriate fees as set forth in subsection 9 of this section.

[3.] 4. When a municipally owned electric utility desires to extend its service territory to include any structure located within a newly annexed area which has received permanent service from another **electric service** supplier within ninety days prior to the effective date of the annexation, it shall:

(1) Notify by publication in a newspaper of general circulation the record owner of said structure, and notify in writing any affected electric **service** supplier and the public service commission, within sixty days after the effective date of the annexation its desire to extend its service territory to include said structure; and

(2) Within six months after the effective date of the annexation receive the approval of the municipality's governing body to begin negotiations pursuant to section 394.312 with [any] **the** affected electric **service** supplier.

[4.] 5. Upon receiving approval from the municipality's governing body pursuant to subsection 3 of this section, the municipally owned electric utility and the affected electric **service** supplier shall meet and negotiate in good faith the terms of the territorial agreement and any transfers or acquisitions, including, as an alternative, granting the affected electric **service** supplier a franchise or authority to continue providing service in the annexed area. In the event that the affected electric **service** supplier does not provide wholesale electric power to the municipality, if the affected electric **service** supplier so desires, the parties [shall] **may** also negotiate, consistent with applicable law, regulations and existing power supply agreements, for power contracts which would provide for the purchase of power by the municipality from the affected electric **service** supplier for an amount of power equivalent to the loss of any sales to customers receiving permanent service at structures within the annexed areas which are being sought by the municipally owned electric utility. The parties shall have no more than one hundred eighty days from the date of receiving approval from the municipality's governing body within which to conclude their negotiations and file their territorial agreement with the commission for approval under the provisions of section 394.312. The time period for negotiations allowed under this subsection may be extended for a period not to exceed one hundred eighty days by a mutual agreement of the parties and a written request with the public service commission.

[5.] 6. For purposes of this section, the term "fair and reasonable compensation" shall mean the following:

(1) The present-day reproduction cost, new, of the properties and facilities serving the annexed areas, less depreciation computed on a straight-line basis; and

(2) An amount equal to the reasonable and prudent cost of detaching the facilities in the annexed areas and the reasonable and prudent cost of constructing any necessary facilities to reintegrate the system of the affected electric **service** supplier outside the annexed area after detaching the portion to be transferred to the municipally owned electric utility; and

(3) [Four] **Two** hundred percent of gross revenues less gross receipts taxes received by the affected electric **service** supplier from the twelve-month period preceding the approval of the municipality's governing body under the provisions of subdivision (2) of subsection [3] **4** of this section, normalized to produce a representative usage from customers at the subject structures in the annexed area; and

(4) Any federal, state and local taxes which may be incurred as a result of the transaction, including the recapture of any deduction or credit; and

(5) Any other costs reasonably incurred by the affected electric supplier in connection with the transaction.

[6.] **7.** In the event the parties are unable to reach an agreement under subsection [4] **5** of this section, within sixty days after the expiration of the time specified for negotiations, the municipally owned electric utility **or the affected electric service supplier** may apply to the commission for an order assigning exclusive service territories within the annexed area and a determination of the fair and reasonable compensation amount to be paid to the affected electric **service** supplier under subsection [5] **6** of this section. Applications shall be made and notice of such filing shall be given to all affected parties pursuant to the rules and regulations of the commission governing applications for certificates of public convenience and necessity. Unless otherwise ordered by the commission for good cause shown, the commission shall rule on such applications not later than one hundred twenty days after the application is properly filed with the secretary of the commission. The commission shall hold evidentiary hearings to assign service territory between **the** affected electric **service** suppliers inside the annexed area and to determine the amount of compensation due any affected electric **service** supplier for the transfer of plant, facilities or associated lost revenues between electric **service** suppliers in the annexed area. The commission shall make such determinations based on findings of what best serves the public interest and shall issue its decision by report and order. Review of such commission decisions shall be governed by sections 386.500 to 386.550. The payment of compensation and transfer of title and operation of the facilities shall occur within ninety days after the order and any appeal therefrom becomes final unless the order provides otherwise.

[7.] **8.** In reaching its decision under subsection [6] **7** of this section, the commission shall consider the following factors:

(1) Whether the acquisition or transfers sought by the municipally owned electric utility within the annexed area from the affected electric **service** supplier are, in total, in the public interest, including **the preference of the owner of any affected structure**, consideration of rate disparities between the competing electric **service** suppliers, and issues of unjust rate discrimination among customers of a single electric **service** supplier if the rates to be charged in the annexed areas are lower than those charged to other system customers; and

(2) The fair and reasonable compensation to be paid by the municipally owned electric utility, to the affected electric **service** supplier with existing system operations within the annexed area, for any proposed

acquisitions or transfers; and

(3) Any effect on system operation, including, but not limited to, loss of load and loss of revenue; and

(4) Any other issues upon which the municipally owned electric utility and the affected electric **service** supplier might otherwise agree, including, but not limited to, the valuation formulas and factors contained in subsections [4,] 5, 6 and [6] 7, of this section, even if the parties could not voluntarily reach an agreement thereon under those subsections.

[8.] **9.** The commission is hereby given all necessary jurisdiction over municipally owned electric utilities and rural electric cooperatives to carry out the purposes of this section consistent with other applicable law; provided, however, the commission shall not have jurisdiction to compel the transfer of customers or structures with a connected load greater than one thousand kilowatts. The commission shall by rule set appropriate fees to be charged on a case-by-case basis to municipally owned electric utilities and rural electric cooperatives to cover all necessary costs incurred by the commission in carrying out its duties under this section. **Nothing in this section shall be construed as otherwise conferring upon the public service commission jurisdiction over the service, rates, financing, accounting, or management of any rural electric cooperative or municipally-owned electric utility, except as provided in this section.**

10. Notwithstanding sections 394.020 and 394.080 to the contrary, a rural electric cooperative may provide electric service within the corporate boundaries of a municipality if such service is provided:

(1) Pursuant to subsections 2 through 9 of this section; and

(2) Such service is conditioned upon the execution of the appropriate territorial and municipal franchise agreements, which may include a nondiscriminatory requirement, consistent with other applicable law, that the rural electric cooperative collect and remit a sales tax based on the amount of electricity sold by the rural electric cooperative within the municipality.”; and

Further amend said bill, Page 3, Section 386.895, Line 57, by inserting after all of said section and line the following:

“393.106. 1. As used in this section, the following terms mean:

(1) “Permanent service”, electrical service provided through facilities which have been permanently installed on a structure and which are designed to provide electric service for the structure’s anticipated needs for the indefinite future, as contrasted with facilities installed temporarily to provide electrical service during construction. Service provided temporarily shall be at the risk of the electrical supplier and shall not be determinative of the rights of the provider or recipient of permanent service;

(2) “Structure” or “structures”, an agricultural, residential, commercial, industrial or other building or a mechanical installation, machinery or apparatus at which retail electric energy is being delivered through a metering device which is located on or adjacent to the structure and connected to the lines of an electrical supplier. Such terms shall include any contiguous or adjacent additions to or expansions of a particular structure. Nothing in this section shall be construed to confer any right on an electric supplier to serve new structures on a particular tract of land because it was serving an existing structure on that tract.

2. Once an electrical corporation or joint municipal utility commission, or its predecessor in interest, lawfully commences supplying retail electric energy to a structure through permanent service facilities, it shall have the right to continue serving such structure, and other suppliers of electrical energy shall not have the right to provide service to the structure except as might be otherwise permitted in the context of

municipal annexation, pursuant to section 386.800 and section 394.080, or pursuant to a territorial agreement approved under section 394.312. The public service commission, upon application made by an affected party, may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential. The commission's jurisdiction under this section is limited to public interest determinations and excludes questions as to the lawfulness of the provision of service, such questions being reserved to courts of competent jurisdiction. Except as provided in this section, nothing contained herein shall affect the rights, privileges or duties of existing corporations pursuant to this chapter. Nothing in this section shall be construed to make lawful any provision of service which was unlawful prior to July 11, 1991. Nothing in this section shall be construed to make unlawful the continued lawful provision of service to any structure which may have had a different supplier in the past, if such a change in supplier was lawful at the time it occurred. However, those customers who had cancelled service with their previous supplier or had requested cancellation by May 1, 1991, shall be eligible to change suppliers as per previous procedures. No customer shall be allowed to change electric suppliers by disconnecting service between May 1, 1991, and July 11, 1991.

3. Notwithstanding the provisions of this section and sections 91.025, 394.080, and 394.315 to the contrary, in the event that a retail electric supplier is providing service to a structure located within a city, town, or village that has ceased to be a rural area, and such structure is demolished and replaced by a new structure, such retail electric service supplier may provide permanent service to the new structure upon the request of the owner of the new structure.”; and

Further amend said bill, Page 5, Section 393.1250, Line 41, by inserting after all of said section and line the following:

“394.020. In this chapter, unless the context otherwise requires,

(1) “Member” means each incorporator of a cooperative and each person admitted to and retaining membership therein, and shall include a husband and wife admitted to joint membership;

(2) “Person” includes any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision or agency thereof, or any body politic; and

(3) “Rural area” shall be deemed to mean any area of the United States not included within the boundaries of any city, town or village having a population in excess of [fifteen] **sixteen** hundred inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof. **The number of inhabitants specified in this subdivision shall be increased by six percent every ten years after each decennial census beginning in 2030.”; and**

Further amend said bill, Page 7, Section 394.120, Line 38, by inserting after all of said section and line the following:

“394.315. 1. As used in this section, the following terms mean:

(1) “Permanent service”, electrical service provided through facilities which have been permanently installed on a structure and which are designed to provide electric service for the structure's anticipated needs for the indefinite future, as contrasted with facilities installed temporarily to provide electrical service during construction. Service provided temporarily shall be at the risk of the electrical supplier and shall not be determinative of the rights of the provider or recipient of permanent service;

(2) “Structure” or “structures”, an agricultural, residential, commercial, industrial or other building or

a mechanical installation, machinery or apparatus at which retail electric energy is being delivered through a metering device which is located on or adjacent to the structure and connected to the lines of an electrical supplier. Such terms shall include any contiguous or adjacent additions to or expansions of a particular structure. Nothing in this section shall be construed to confer any right on [a rural electric cooperative] **an electric supplier** to serve new structures on a particular tract of land because it was serving an existing structure on that tract.

2. Once a rural electric cooperative, or its predecessor in interest, lawfully commences supplying retail electric energy to a structure through permanent service facilities, it shall have the right to continue serving such structure, and other suppliers of electrical energy shall not have the right to provide service to the structure except as might be otherwise permitted in the context of municipal annexation, pursuant to section 386.800 and section 394.080, or pursuant to a territorial agreement approved under section 394.312. The public service commission, upon application made by an affected party, may order a change of suppliers on the basis that it is in the public interest for a reason other than a rate differential, and the commission is hereby given jurisdiction over rural electric cooperatives to accomplish the purpose of this section. The commission's jurisdiction under this section is limited to public interest determinations and excludes questions as to the lawfulness of the provision of service, such questions being reserved to courts of competent jurisdiction. Except as provided herein, nothing in this section shall be construed as otherwise conferring upon the commission jurisdiction over the service, rates, financing, accounting or management of any such cooperative, and except as provided in this section, nothing contained herein shall affect the rights, privileges or duties of existing cooperatives pursuant to this chapter. Nothing in this section shall be construed to make lawful any provision of service which was unlawful prior to July 11, 1991. Nothing in this section shall be construed to make unlawful the continued lawful provision of service to any structure which may have had a different supplier in the past, if such a change in supplier was lawful at the time it occurred. However, those customers who had cancelled service with their previous supplier or had requested cancellation by May 1, 1991, shall be eligible to change suppliers as per previous procedures. No customer shall be allowed to change electric suppliers by disconnecting service between May 1, 1991, and July 11, 1991.

3. Notwithstanding the provisions of this section and sections 91.025, 393.106, and 394.080 to the contrary, in the event that a retail electric supplier is providing service to a structure located within a city, town, or village that has ceased to be a rural area, and such structure is demolished and replaced by a new structure, such retail electric service supplier may provide permanent service to the new structure upon the request of the owner of the new structure.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 1, Section 67.309, Line 1, by inserting after the number “**67.309**” the number “**1.**”; and

Further amend said bill, page, and section, Line 6, by inserting after said line the following:

“2. For purposes of this section, utility services shall include natural gas, propane gas, electricity, and any other form of energy provided to an end user customer.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 8, Section 523.262, Line 40, by inserting after all of said section and line the following:

“640.136. 1. **Any public water system, as defined in section 640.102, or public water supply district, as described in chapter 247, that intends to start or stop fluoridation of its water supply on a continuing basis shall seek and receive information about the impact of public water fluoridation from the local health department.**

2. Any public water system or public water supply district that receives information under subsection 1 of this section shall notify the department of natural resources and the department of health and senior services in order to certify that the public water system or public water supply district has sought and received information about the impact of public water fluoridation from the local health department prior to submitting notification of the public water system’s or public water supply district’s intention to start or stop public water fluoridation on a continuing basis. Any public water system, as defined in section 640.102, or public water supply district, as defined in chapter 247, which intends to [make modifications to] **start or stop** fluoridation of its water supply **on a continuing basis** shall notify the department of natural resources, the department of health and senior services, and its customers of its intentions at least ninety days prior to any vote on the matter. The public water system or public water supply district shall notify its customers via radio, television, newspaper, regular mail, electronic means, or any combination of notification methods to most effectively notify customers at least ninety days prior to any meeting at which the vote will occur. Any public water system or public water supply district that violates the notification requirements of this section shall return the fluoridation of its water supply to its previous level until proper notification is provided under the provisions of this section.

[2.] **3. In the case of an investor-owned water system, the entity calling for the discussion of modifications to fluoridation shall be responsible for the provisions of this section and all costs associated with compliance.”; and**

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 5

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 4, Section 393.170, Line 32, by inserting after all of said section and line the following:

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

(1) “Electrical corporation”, the same meaning given to the term in section 386.020, but shall not include an electrical corporation as described in subsection 2 of section 393.110;

(2) “Facility”, a:

(a) Facility whose primary industry is the [smelting] **processing** of [aluminum and] primary metals[, Standard Industrial Classification Code 3334];

(b) Facility whose primary industry is the production or fabrication of steel, North American Industrial Classification System 331110; or

(c) Facility with a new or incremental increase in load equal to or in excess of a monthly demand of fifty megawatts.

2. Notwithstanding section 393.130 or any other provision of law to the contrary, the public service commission shall have the authority to approve a special rate, outside a general rate proceeding, that is not based on the electrical corporation's cost of service for a facility if:

(1) The commission determines, but for the authorization of the special rate the facility would not commence operations, the special rate is in the interest of the state of Missouri when considering the interests of the customers of the electrical corporation serving the facility, considering the incremental cost of serving the facility to receive the special rate, and the interests of the citizens of the state generally in promoting economic development, improving the tax base, providing employment opportunities in the state, and promoting such other benefits to the state as the commission may determine are created by approval of the special rate;

(2) After approval of the special rate, the commission allocates in each general rate proceeding of the electrical corporation serving the facility the reduced revenues from the special rate as compared to the revenues that would have been generated at the rate the facility would have paid without the special rate to the electrical corporation's other customers through a uniform percentage adjustment to all components of the base rates of all customer classes; and

(3) The commission approves a tracking mechanism meeting the requirements of subsection 3 of this section.

3. Any commission order approving a special rate authorized by this section to provide service to a facility in the manner specified under subsection 4 of this section shall establish, as part of the commission's approval of a special rate, a tracking mechanism to track changes in the net margin experienced by the electrical corporation serving the facility with the tracker to apply retroactively to the date the electrical corporation's base rates were last set in its last general rate proceeding concluded prior to June 14, 2017. The commission shall ensure that the changes in net margin experienced by the electrical corporation between the general rate proceedings as a result of serving the facility are calculated in such a manner that the electrical corporation's net income is neither increased nor decreased. The changes in net margin shall be deferred to a regulatory liability or regulatory asset, as applicable, with the balance of such regulatory asset or liability to be included in the revenue requirement of the electrical corporation in each of its general rate proceedings through an amortization of the balance over a reasonable period until fully returned to or collected from the electrical corporation's customers.

4. Notwithstanding the provisions of section 393.170, an electrical corporation is authorized to provide electric service to a facility at a special rate for the new or incremental load authorized by the commission:

(1) Under a rate schedule reflecting the special rate approved by the commission; or

(2) If the facility is located outside the electrical corporation's certificated service territory, the facility shall be treated as if it is in the electrical corporation's certified service territory, subject to a commission-approved rate schedule incorporating the special rate under the contract.

5. To receive a special rate, the electrical corporation serving the facility, or facility if the facility is located outside of the electrical corporation's certified service territory, shall file a written application with the commission specifying the requested special rate and any terms or conditions proposed by the facility respecting the requested special rate and provide information regarding how the requested special rate meets the criteria specified in subdivision (1) of subsection 2 of this section. A special rate provided for by this section shall be effective for no longer than ten years from the date such special rate is authorized. The

commission may impose such conditions, including but not limited to any conditions in a memorandum of understanding between the facility and the electrical corporation, on the special rate as it deems appropriate so long as it otherwise complies with the provisions of this section.

6. Any entity which has been granted a special rate under this section may reapply to the commission for a special rate under this section.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 6

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 3, Section 393.135, Line 6, by inserting after all of said section and line the following:

“393.137. 1. [This section applies to electrical corporations that do not have a general rate proceeding pending before the commission as of the later of February 1, 2018, or June 1, 2018.

2.] For purposes of this section, the following terms shall mean:

(1) “Commission”, the public service commission;

(2) “**Tax legislation**”, **additions, deletions, or amendments to the Internal Revenue Code, Title 26 of the United States Code, to the Missouri income tax code, or regulations adopted under chapter 143;**

(3) [“Electrical corporation”, the same as] “**Utility**”, **an electrical corporation, gas corporation, water corporation, or sewer corporation, as defined in section 386.020[, but].** “**Utility**” shall not include an electrical corporation as described in subsection 2 of section 393.110.

[3. If the rates of any electrical corporation to which this section applies have not already been adjusted to reflect the effects of the federal 2017 Tax Cut and Jobs Act, Pub. L. No. 115-97, 94 Stat. 2390, the commission shall have one time authority that shall be exercised within ninety days of June 1, 2018, to adjust such electrical corporation’s rates prospectively so that the income tax component of the revenue requirement used to set such an electrical corporation’s rates is based upon the provisions of such federal act without considering any other factor as otherwise required by section 393.270. The commission shall also require electrical corporations to which this section applies, as provided for under subsection 1 of this section, to defer to a regulatory asset the financial impact of such federal act on the electrical corporation for the period of January 1, 2018, through the date the electrical corporation’s rates are adjusted on a one-time basis as provided for in the immediately preceding sentence. The amounts deferred under this subsection shall be included in the revenue requirement used to set the electrical corporation’s rates in its subsequent general rate proceeding through an amortization over a period determined by the commission.]

2. If the United States Congress or general assembly enacts tax legislation that, had it been effective when the utility’s base rates were last set, would have resulted in a lower income tax component of the revenue requirement used to last set such base rates, the commission shall have the authority to, within one hundred eighty days of the enacted date of the subject tax legislation, enter an order adjusting such utility’s base rates prospectively so that the income tax component of the revenue requirement used to set such utility’s base rates is based upon the provisions of such tax legislation without considering any other factor as otherwise required by section 393.270. As part of its exercise of such authority, the commission shall also require the utility to defer to a regulatory liability an amount equal to the difference between what the income tax component of the revenue requirement last used to set its base rates was under the law at that time and what the income tax

component of the revenue requirement would have been had such tax legislation been in effect at that time. The deferral period shall commence with the date such tax legislation would have resulted in a lower income tax component of such revenue requirement last used to set the utility's base rates and continue through the date the utility's base rates are next adjusted. The amounts deferred under this subsection shall be included in the revenue requirement used to set the utility's base rates in its subsequent general rate proceedings through amortization over a period of up to three years, as determined by the commission.

[4.] **3.** Upon good cause shown by [the electrical corporation] **a utility**, the commission may, as an alternative to requiring a [one-time] rate change and deferral under subsection [3] **2** of this section, allow a deferral **to a regulatory liability**, in whole or in part, of [such federal act's financial impacts to a regulatory asset starting January 1, 2018,] **the amounts that would have been reflected in a base rate reduction under subsection 2 of this section. The deferral period shall commence on the date such tax legislation would have resulted in a lower income tax component and continue** through the effective date of new rates in such [electrical corporation's] **utility's** next general rate proceeding. The deferred amounts shall be included in the revenue requirement used to set the [electrical corporation's] **utility's** rates in its subsequent general rate proceeding through an amortization over a period determined by the commission.

4. If the United States Congress or general assembly enacts tax legislation that, had it been in effect when the utility's base rates were last set, would have resulted in a higher income tax component of the revenue requirement used to last set such base rates, the utility shall be entitled, by giving notice to the commission within one hundred eighty days of the enacted date of such tax legislation, to defer to a regulatory asset an amount equal to the difference between what the income tax component of the revenue requirement used to last set its base rates was under the law at that time and what the income tax component of the revenue requirement would have been had such tax legislation been in effect at that time. The deferral period shall commence on the date such tax legislation would have resulted in a higher income tax component of such revenue requirement last used to set the utility's base rates and continue through the date the utility's base rates are next adjusted as provided for in this subsection. The amounts deferred under this subsection shall be included in the revenue requirement used to set the utility's rates in its subsequent general rate proceedings through amortization over a period of up to three years, as determined by the commission, without considering any other factor as otherwise required by section 393.270.

5. If the tax legislation that either reduces or increases the utility's income tax component, under subsection 2 or 4 of this section, does so at a point in time other than beginning with its effective date, or does so in multiple stages at different points in time, the commission order in subsection 1 of this section and the utility's notice in subsection 4 of this section shall be deemed to apply to the first point in time when the income tax component would have been changed and to subsequent changes in such income tax component arising from such tax legislation without the necessity of the commission issuing a subsequent order or the utility providing a subsequent notice, as the case may be. Each such change shall require a separate base rate change, deferral, and amortization period, as applicable.

6. If the United States Congress or general assembly has, prior to the effective date of this section, enacted tax legislation that either reduces or increases the utility's income tax component the one-hundred-eighty-day period in subsection 2 and 4 of this section shall commence on the effective date of this section.

7. Notwithstanding any other provision of this section to the contrary, the commission’s authority to adjust utility rates and require deferrals regarding reductions in the income tax component of a utility’s revenue requirement under subsections 2 and 3 of this section, and utility authority to defer and recover increases in the income tax component under subsection 4 of this section, shall not exist unless the addition, deletion, or amendment to tax legislation results in a difference in the income tax component of the utility’s revenue requirement, calculated in accordance with subsection 2 or 4 of this section, as applicable, that is greater than an amount in excess of two-tenths of one percent of such utility’s operating revenues reported to the commission in such utility’s annual report for the calendar year preceding the calendar year in which such difference is calculated.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 7

Amend House Amendment No. 7 to House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 1, Line 6, by deleting said line and inserting in lieu thereof the following:

the provision of satellite or streaming video service.

247.200. 1. The district shall have the right to lay its mains in public highways, roads, streets and alleys included in the district, but the same shall be done under reasonable rules and regulations of governmental bodies having jurisdiction of such public places. This shall apply to maintenance and repair jobs. In the construction of ditches, laying of mains, filling of ditches after mains are laid, connection of service pipes and repairing of lines, due regard must be taken of the rights of the public in its use of thoroughfares and the equal rights of other utilities thereto.

2. No district shall require a secondary deposit from commercial property owners. For the purposes of this subsection, a commercial property is a property that is zoned for commercial use by the zoning authority that has jurisdiction over the property.

3. If a water meter has been removed from a property or if services to a property have been discontinued, no future charges shall be made to the customer for service to that property. Any charges made after service is discontinued or the water meter is removed shall be credited to the customer and applied toward any future charges to such customer by the district.

247.285. 1. No metropolitan water supply district shall require a secondary deposit from commercial property owners. For the purposes of this subsection, a commercial property is a property that is zoned for commercial use by the zoning authority that has jurisdiction over the property.

2. If a water meter has been removed from a property or if services to a property have been discontinued, no future charges shall be made to the customer for service to that property. Any charges made after service is discontinued or the water meter is removed shall be credited to the customer and applied toward any future charges to such customer by the metropolitan water supply district.”; and”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 7

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 1, Section

67.309, Line 6, by inserting after all of said section and line the following:

“67.2680. The state or any other political subdivision shall not impose any new tax, license, or fee in addition to any tax, license, or fee already authorized on or before August 28, 2021, upon the provision of satellite or streaming video service.”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 1 TO
HOUSE AMENDMENT NO. 8

Amend House Amendment No. 8 to House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 1, Line 4, by deleting all of said line and inserting in lieu thereof the following:

“620.2456. 1. The department of economic development shall not award any grant to an otherwise eligible grant applicant where funding from the Connect America Fund has been awarded, where high-cost support from the federal Universal Service Fund has been received by rate of return carriers, or where any other federal funding has been awarded which did not require any matching-fund component, **unless the proposed project area has a proven lack of coverage or adequate broadband internet coverage**, for any portion of the proposed project area, nor shall any grant money be used to serve any retail end user that already has access to wireline or fixed wireless broadband internet service of speeds of at least twenty-five megabits per-second download and three megabits per-second upload.

2. No grant awarded under sections 620.2450 to 620.2458, when combined with any federal, state, or local funds, shall fund more than fifty percent of the total cost of a project.

3. No single project shall be awarded grants under sections 620.2450 to 620.2458 whose cumulative total exceeds five million dollars.

4. The department of economic development shall endeavor to award grants under sections 620.2450 to 620.2458 to qualified applicants in all regions of the state.

5. An award granted under sections 620.2450 to 620.2458 shall not:

(1) Require an open access network;

(2) Impose rates, terms, and conditions that differ from what a provider offers in other areas of its service area;

(3) Impose any rate, service, or any other type of regulation beyond speed requirements set forth in section 620.2451; or

(4) Impose an unreasonable time constraint on the time to build the service.

6. If a grant recipient fails to establish the speed requirements set forth in section 620.2451, then the grant recipient shall return all grant moneys to the department.

Section 1. No political subdivision of this state shall adopt or enforce an ordinance,”; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 8

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 141, Page 8, Section 523.262, Line 40, by inserting after all of said section and line the following:

“Section 1. No political subdivision of this state shall adopt or enforce an ordinance, resolution, regulation, code, or policy that requires or has the effect of requiring the connection of a private single-family residence to public water or sewer services if that residence is already served by an existing private well or septic system unless such existing installation was installed in violation of applicable ordinances at the time of installation. Nothing in this subsection shall be construed to prohibit the enforcement of applicable health or environmental regulations of the state of Missouri.”;
and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **SS** for **SCS** for **SB 120**.

Emergency Clause Adopted.

Bill ordered enrolled.

REPORTS OF STANDING COMMITTEES

On behalf of Senator Rowden, Chairman of the Committee on Rules, Joint Rules, Resolutions and Ethics, Senator Schatz submitted the following reports:

Mr. President: Your Committee on Rules, Joint Rules, Resolutions and Ethics, to which were referred **HCS** for **SCS** for **SB 49**, **HCS** for **SS** for **SCS** for **SB 71** and **HCS** for **SS** for **SB 176**, begs leave to report that it has examined the same and finds that the bills have been duly enrolled and that the printed copies furnished the Senators are correct.

Senator Hough, Chairman of the Committee on Governmental Accountability and Fiscal Oversight, submitted the following reports:

Mr. President: Your Committee on Governmental Accountability and Fiscal Oversight, to which were referred **HS** for **HB 432**, with **SCS**; **HCS** for **HJR**s **23** and **38**; **HCS** for **HJR**s **20**, **2**, **9** and **27**; **HCS** for **HB 734**, with **SCS**; **HCS** for **HB 349**; **HCS** for **HB 384**, with **SCS**; and **SS** for **SB 317**, begs leave to report that it has considered the same and recommends that the bills and joint resolutions do pass.

Also,

Mr. President: Your Committee on Governmental Accountability and Fiscal Oversight, to which was referred **HB 834**, begs leave to report that it has considered the same and recommends that the bill do pass.

THIRD READING OF SENATE BILLS

SS for **SB 317**, introduced by Senator May, entitled:

SENATE SUBSTITUTE FOR
SENATE BILL NO. 317

An Act to repeal section 454.1005, RSMo, and to enact in lieu thereof one new section relating to child support enforcement.

Was taken up.

On motion of Senator May, **SS for SB 317** was read the 3rd time and passed by the following vote:

YEAS—Senators

Arthur	Bean	Beck	Brattin	Brown	Burlison	Cierpiot
Eslinger	Gannon	Hegeman	Hough	Koenig	May	Moon
Mosley	O’Laughlin	Onder	Razer	Rehder	Rizzo	Roberts
Schatz	Schupp	Washington	White	Wieland	Williams—27	

NAYS—Senators

Bernskoetter	Crawford	Eigel	Hoskins	Luetkemeyer	Riddle—6
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Absent—Senators—None

Absent with leave—Senator Rowden—1

Vacancies—None

The President declared the bill passed.

On motion of Senator May, title to the bill was agreed to.

Senator May moved that the vote by which the bill passed be reconsidered.

Senator White moved that motion lay on the table, which motion prevailed.

PRIVILEGED MOTIONS

Senator Eigel moved that the Senate refuse to concur in **SS No. 2 for SB 26**, with **HCS**, as amended, and request the House to recede from its position or, failing to do so, grant the Senate a conference thereon, which motion prevailed.

Senator Koenig moved that the Senate refuse to concur in **SB 226**, with **HCS**, as amended, and request the House to recede from its position or, failing to do so, grant the Senate a conference thereon, which motion prevailed.

INTRODUCTION OF GUESTS

Senator O’Laughlin introduced to the Senate, Jay Reuterdaahl and Jon Reuterdaahl, La Plata.

On motion of Senator White, the Senate adjourned under the rules.

SENATE CALENDAR

 SIXTY-SECOND DAY—THURSDAY, MAY 6, 2021

FORMAL CALENDAR

HOUSE BILLS ON SECOND READING

HCS for HB 1202
 HCS for HB 682
 HB 445-McGill
 HB 395-Reedy
 HB 447-Wright

HCS for HB 814
 HCS for HB 1358
 HB 1008-Hardwick
 HB 764-Andrews

SENATE BILLS FOR PERFECTION

SB 263-Crawford, with SCS

HOUSE BILLS ON THIRD READING

- | | |
|---|--|
| 1. HCS for HB 349 (Koenig) | 14. HB 624-Richey (Arthur) |
| 2. HCS for HJRs 20, 2, 9 & 27 (Onder) | 15. HCS for HB 17 (Hegeman) |
| 3. HCS for HB 384, with SCS (Wieland) | 16. HCS for HB 734, with SCS (Cierpiot) |
| 4. HCS for HBs 85 & 310, with SCS
(Burlison) (In Fiscal Oversight) | 17. HCS for HB 66 (Koenig) |
| 5. HB 670-Houx (Moon) | 18. HB 701-Black (Onder) |
| 6. HB 488-Hicks, with SCS (Burlison) | 19. HB 139-Hudson (Burlison) |
| 7. HCS#2 for HB 69, with SCS (Bean) | 20. HB 299-Wallingford, with SCS (Eigel) |
| 8. HCS for HBs 557 & 560 (White) | 21. HS for HB 432, with SCS (White) |
| 9. HB 578-Bromley, with SCS (Brown) | 22. HCS for HB 137, with SCS
(Luetkemeyer) |
| 10. HB 687-Riley (Hough) | 23. HCS for HB 228, with SCS (O'Laughlin) |
| 11. HB 661-Ruth (Brown) | 24. HCS for HB 369 (Bernskoetter) |
| 12. HB 530 & HCS for HB 292, with SCS
(Luetkemeyer) | 25. HCS for HJRs 23 & 38 (Eslinger) |
| 13. HS for HB 297 (Rehder) | 26. HB 554-Eggleston, with SCS (Koenig)
(In Fiscal Oversight) |

- 27. HCS for HB 649, with SCS
(Bernskoetter) (In Fiscal Oversight)
- 28. HCS for HB 350

- 29. HCS for HB 402 (Mosley)
(In Fiscal Oversight)
- 30. HB 834-Wright (O'Laughlin)

INFORMAL CALENDAR

SENATE BILLS FOR PERFECTION

- SB 1-Hegeman, with SS#2 & SA 1 (pending)
- SB 3-Hegeman
- SB 7-Riddle, with SS & SA 1 (pending)
- SB 10-Schatz, with SS (pending)
- SB 11-Schatz, with SS & SA 1 (pending)
- SB 24-Eigel, with SS#2 (pending)
- SB 30-Cierpiot
- SB 39-Burlison, with SS (pending)
- SB 47-Hough
- SB 54-O'Laughlin, with SCS
- SBs 55, 23 & 25-O'Laughlin, et al, with
SCS & SS for SCS (pending)
- SB 62-Williams, with SCS
- SB 65-Rehder, with SCS
- SB 74-Bean, with SCS
- SB 92-Riddle, with SCS
- SB 94-Onder with SS, SA1 to SS & SA 1 to
SA 1 (pending)
- SB 95-Onder, with SCS
- SB 96-Hoskins, with SCS
- SB 98-Hoskins, with SCS (pending)
- SB 100-Koenig, with SCS
- SB 105-Crawford, with SCS
- SB 114-Bernskoetter
- SB 123-Hough, with SS & SA 2 (pending)
- SB 131-Luetkemeyer
- SB 132-O'Laughlin, with SCS
- SB 134-O'Laughlin and Cierpiot
- SB 137-Brattin
- SB 138-Brattin, with SCS
- SB 139-Bean
- SB 149-Onder
- SB 163-Cierpiot
- SB 168-Burlison
- SB 169-Burlison
- SB 174-Hough, with SCS
- SB 179-Luetkemeyer
- SB 182-O'Laughlin
- SB 183-O'Laughlin
- SB 184-Bean, with SCS
- SB 195-Koenig
- SB 198-Eigel, with SCS
- SB 204-Cierpiot, with SCS
- SB 206-Arthur
- SB 218-Luetkemeyer, with SCS
- SB 227-Arthur
- SB 236-Hough, with SCS
- SB 244-Onder
- SB 253-Hegeman
- SB 254-Riddle, with SCS, SS for SCS &
SA 2 (pending)
- SB 255-Riddle
- SB 265-Eslinger
- SB 282-Hegeman, with SCS
- SB 287-Crawford
- SB 291-Brown
- SB 295-Crawford, with SCS
- SB 301-Bernskoetter, with SCS &
SA 1 (pending)
- SB 306-Bernskoetter, with SCS

SB 313-Eigel	SB 437-Hoskins
SB 316-Hough	SB 459-Brattin, with SCS
SB 318-May, with SCS	SB 465-Hoskins, with SCS
SB 334-Bernskoetter	SB 466-Hoskins, with SCS
SB 343-Brown	SB 473-Brown
SB 354-Hoskins, with SCS, SS for SCS, SA 1 & point of order (pending)	SB 481-Hough, et al
SB 360-Wieland, with SCS	SB 506-Bean
SB 361-Wieland	SB 529-Cierpiot
SB 369-White	SB 547-Hoskins, with SCS
SB 370-Brown	SB 561-Gannon
SB 372-Riddle	SB 562-Schupp
SB 375-Eigel	SB 577-Riddle, with SCS
SB 383-Moon	SB 582-Eslinger
SB 390-Luetkemeyer	SB 604-Koenig, with SCS
SB 399-Eigel	SJR 2-Onder, with SCS
SB 400-Onder, with SCS	SJR 4-Koenig
SB 404-Riddle	SJR 7-Eigel
SB 408-Wieland	SJR 12-Luetkemeyer
SB 434-Washington	SJR 16-Eslinger

HOUSE BILLS ON THIRD READING

HCS for HB 59, with SCS, SS for SCS, SA 1 & SA 2 to SA 1 (pending) (Luetkemeyer)	HB 542-Shields (Burlison)
HCS#2 for HB 75 (Onder)	HB 604-Gregory (51), with SCS (Crawford)
HB 249-Ruth (Wieland)	HB 657-Trent, with SCS (Hough)
HB 333-Simmons (Onder)	HB 850-Wiemann (Eigel)
HCS for HB 529, with SCS & SS for SCS (pending) (Hoskins)	HB 948-Francis, with SCS (Hoskins)
	HCS for HBs 1083, 1085, 1050, 1035, 1036, 873 & 1097, with SS & SA 1 (pending) (Bernskoetter)

CONSENT CALENDAR

House Bills

Reported 4/15

HB 100-Sharp (36) (Washington)

HB 202-McGill (Gannon)

HB 404-Aldridge (May)

HB 449-Tate (Gannon)

HB 522-Windham (Williams)

HB 640-Morse (Bean)

HB 1053-Patterson (Onder)

HB 296-Wallingford (White)

HB 298-Wallingford (White)

HB 262-Black (137) (Eslinger)

SENATE BILLS WITH HOUSE AMENDMENTS

SS for SB 141-Bean, with HCS, as amended

BILLS IN CONFERENCE AND BILLS
CARRYING REQUEST MESSAGES

In Conference

SB 37-Bernskoetter, with HA 1, HA 2,

HA 3, HA 4, HA 5 & HA 6

HCS for HB 2, with SS for SCS (Hegeman)

HCS for HB 3, with SS for SCS (Hegeman)

HCS for HB 4, with SS for SCS (Hegeman)

HCS for HB 5, with SCS (Hegeman)

HCS for HB 6, with SCS (Hegeman)

HCS for HB 7, with SCS (Hegeman)

HCS for HB 8, with SCS (Hegeman)

HCS for HB 9, with SCS (Hegeman)

HCS for HB 10, with SS for SCS (Hegeman)

HCS for HB 11, with SS for SCS (Hegeman)

HCS for HB 12, with SCS (Hegeman)

HCS for HB 15, with SCS (Hegeman)

HCS for HB 271, with SS#2 for SCS, as
amended (Crawford)

HB 273-Hannegan, with SS#2 for SCS, as
amended (Riddle)

Requests to Recede or Grant Conference

SS#2 for SB 26-Eigel, with HCS, as
amended (Senate requests House
recede or grant conference)

SB 226-Koenig, with HCS, as amended
(Senate requests House recede or
grant conference)

RESOLUTIONS

Reported from Committee

SCR 8-Hoskins

SCR 9-Moon, with SA 1 (pending)

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