SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1734

101ST GENERAL ASSEMBLY

AN ACT
To repeal sections 44.032, 144.010, 144.030, 386.266, 386.890, 393.1400, 393.1640, 393.1655, 442.404, and 610.021, RSMo, and section 144.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, and to enact in lieu thereof fifteen new sections relating to utilities, with an effective date for a certain section.

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

Section A. Sections 44.032, 144.010, 144.030, 386.266, 386.890, 393.1400, 393.1640, 393.1655, 442.404, and 610.021, RSMo, and section 144.011 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, are repealed and fifteen new sections enacted in lieu thereof, to be known as sections 44.032, 144.010, 144.011, 144.030, 386.266, 386.885, 386.890, 393.1072, 393.1275, 393.1400, 393.1640, 393.1655, 393.1656, 442.404, and 610.021, to read as follows:

44.032. 1. (1) As used in this section, the term "rural electric cooperative" means any rural electric cooperative organized or operating under the provisions of chapter 394, any corporation organized on a nonprofit or a cooperative basis as described in subsection 1 of section 394.200, or any electrical corporation operating under a

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.
cooperative business plan as described in subsection 2 of section 393.110.

(2) The general assembly recognizes the necessity for anticipating and making advance provisions to care for the unusual and extraordinary burdens imposed by disasters or emergencies on this state [and], its political subdivisions [by disasters or emergencies], and rural electric cooperatives. To meet such situations, it is the intention of the general assembly to confer emergency powers on the governor, acting through the director, and vesting the governor with adequate power and authority within the limitation of available funds in the Missouri disaster fund to meet any such emergency or disaster.

2. There is hereby established a fund to be known as the "Missouri Disaster Fund", to which the general assembly may appropriate funds and from which funds may be appropriated annually to the state emergency management agency. The funds appropriated shall be expended during a state emergency at the direction of the governor and upon the issuance of an emergency declaration which shall set forth the emergency and shall state that it requires the expenditure of public funds to furnish immediate aid and relief. The director of the state emergency management agency shall administer the fund.

3. Expenditures may be made upon direction of the governor for emergency management, as defined in section 44.010, or to implement the state disaster plans. Expenditures may also be made to meet the matching requirements of state and federal agencies for any applicable assistance programs.

4. Assistance may be provided from the Missouri disaster fund to political subdivisions of this state
[which] and rural electric cooperatives that have suffered from a disaster to such an extent as to impose a severe financial burden exceeding the ordinary reserve capacity of the subdivision or rural electric cooperative affected. Applications for aid under this section shall be made to the state emergency management agency on such forms as may be prescribed and furnished by the agency, which forms shall require the furnishing of sufficient information to determine eligibility for aid and the extent of the financial burden incurred. The agency may call upon other agencies of the state in evaluating such applications. The director of the state emergency management agency shall review each application for aid under the provisions of this section and recommend its approval or disapproval, in whole or in part, to the governor. If approved, the governor shall determine and certify to the director of the state emergency management agency the amount of aid to be furnished. The director of the state emergency management agency shall thereupon issue [his] the director's voucher to the commissioner of administration, who shall issue [his] the commissioner's warrants therefor to the applicant.

5. When a disaster or emergency has been proclaimed by the governor or there is a national emergency, the director of the state emergency management agency, upon order of the governor, shall have authority to expend funds for the following:

(1) The purposes of sections 44.010 to 44.130 and the responsibilities of the governor and the state emergency management agency as outlined in sections 44.010 to 44.130;

(2) Employing, for the duration of the response and recovery to emergency, additional personnel and contracting
or otherwise procuring necessary appliances, supplies, equipment, and transport;

(3) Performing services for and furnishing materials and supplies to state government agencies, counties, [and] municipalities, and rural electric cooperatives with respect to performance of any duties enjoined by law upon such agencies, counties, [and] municipalities, and rural electric cooperatives which they are unable to perform because of extreme natural or man-made phenomena, and receiving reimbursement in whole or in part from such agencies, counties, [and] municipalities, and rural electric cooperatives able to pay therefor under such terms and conditions as may be agreed upon by the director of the state emergency management agency and any such agency, county, [or] municipality, or rural electric cooperative;

(4) Performing services for and furnishing materials to any individual in connection with alleviating hardship and distress growing out of extreme natural or man-made phenomena, and receiving reimbursement in whole or in part from such individual under such terms as may be agreed upon by the director of the state emergency management agency and such individual;

(5) Providing services to counties and municipalities with respect to quelling riots and civil disturbances;

(6) Repairing and restoring public infrastructure;

(7) Furnishing transportation for supplies to alleviate suffering and distress;

(8) Furnishing medical services and supplies to prevent the spread of disease and epidemics;

(9) Quelling riots and civil disturbances;
(10) Training individuals or governmental agencies for the purpose of perfecting the performance of emergency assistance duties as defined in the state disaster plans;

(11) Procurement, storage, and transport of special emergency supplies or equipment determined by the director to be necessary to provide rapid response by state government to assist counties and municipalities in impending or actual emergencies;

(12) Clearing or removing from publicly or privately owned land or water, debris and wreckage which may threaten public health or safety;

(13) Reimbursement to any urban search and rescue task force for any reasonable and necessary expenditures incurred in the course of responding to any declared emergency under this section; and

(14) Such other measures as are customarily necessary to furnish adequate relief in cases of catastrophe or disaster.

6. The governor may receive such voluntary contributions as may be made from any source to aid in carrying out the purposes of this section and shall credit the same to the Missouri disaster fund.

7. All obligations and expenses incurred by the governor in the exercise of the powers and duties vested by the provisions of this section shall be paid by the state treasurer out of available funds in the Missouri disaster fund, and the commissioner of administration shall draw warrants upon the state treasurer for the payment of such sum, or so much thereof as may be required, upon receipt of proper vouchers provided by the director of the state emergency management agency.
8. The provisions of this section shall be liberally construed in order to accomplish the purposes of sections 44.010 to 44.130 and to permit the governor to cope adequately with any emergency which may arise, and the powers vested in the governor by this section shall be construed as being in addition to all other powers presently vested in the governor and not in derogation of any existing powers.

9. Such funds as may be made available by the government of the United States for the purpose of alleviating distress from disasters may be accepted by the state treasurer and shall be credited to the Missouri disaster fund, unless otherwise specifically provided in the act of Congress making such funds available.

10. The foregoing provisions of this section notwithstanding, any expenditure or proposed series of expenditures which total in excess of one thousand dollars per project shall be approved by the governor prior to the expenditure.

144.010. 1. The following words, terms, and phrases when used in sections 144.010 to 144.525 have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such
character as to be subject to the terms of sections 144.010
to 144.525. A person is "engaging in business" in this
state for purposes of sections 144.010 to 144.525 if such
person engages in business activities within this state or
maintains a place of business in this state under section
144.605. The isolated or occasional sale of tangible
personal property, service, substance, or thing, by a person
not engaged in such business, does not constitute engaging
in business within the meaning of sections 144.010 to
144.525 unless the total amount of the gross receipts from
such sales, exclusive of receipts from the sale of tangible
personal property by persons which property is sold in the
course of the partial or complete liquidation of a
household, farm or nonbusiness enterprise, exceeds three
thousand dollars in any calendar year. The provisions of
this subdivision shall not be construed to make any sale of
property which is exempt from sales tax or use tax on June
1, 1977, subject to that tax thereafter;

(3) "Captive wildlife", includes but is not limited to
exotic partridges, gray partridge, northern bobwhite quail,
ring-necked pheasant, captive waterfowl, captive white-
tailed deer, captive elk, and captive furbearers held under
permit issued by the Missouri department of conservation for
hunting purposes. The provisions of this subdivision shall
not apply to sales tax on a harvested animal;

(4) "Gross receipts", except as provided in section
144.012, means the total amount of the sale price of the
sales at retail including any services other than charges
incident to the extension of credit that are a part of such
sales made by the businesses herein referred to, capable of
being valued in money, whether received in money or
otherwise; except that, the term gross receipts shall not
include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid. The term gross receipts shall not include usual and customary delivery charges that are stated separately from the sale price;

(5) "Instructional class", includes any class, lesson, or instruction intended or used for teaching;

(6) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as described in section 277.024, llamas, alpaca, buffalo, bison, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, honey bees, or rabbits raised in confinement for human consumption;

(7) "Motor vehicle leasing company" shall be a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit
may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

(8) "Person" includes any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the state transportation department, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

(9) "Product which is intended to be sold ultimately for final use or consumption" means tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state;

(10) "Purchaser" means a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

(11) "Research or experimentation activities" are the development of an experimental or pilot model, plant process, formula, invention or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions or research in connection with literary, historical or similar projects;

(12) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange or barter,
conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing or selling for a valuable consideration any of the substances, things and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

(13) "Sale at retail" means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such computer printouts, computer output on microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of a service and not as the sale of tangible personal property. Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term sale at retail shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events, except amounts paid for any instructional class;
(b) Sales of electricity, electrical current, water
and gas, natural or artificial, to domestic, commercial or
industrial consumers, except as provided in subdivision (12)
of subsection 1 of section 144.011;
(c) Sales of local and long distance
telecommunications service to telecommunications subscribers
and to others through equipment of telecommunications
subscribers for the transmission of messages and
conversations, and the sale, rental or leasing of all
equipment or services pertaining or incidental thereto;
(d) Sales of service for transmission of messages by
telegraph companies;
(e) Sales or charges for all rooms, meals and drinks
furnished at any hotel, motel, tavern, inn, restaurant,
eating house, drugstore, dining car, tourist camp, tourist
cabin, or other place in which rooms, meals or drinks are
regularly served to the public;
(f) Sales of tickets by every person operating a
railroad, sleeping car, dining car, express car, boat,
airplane, and such buses and trucks as are licensed by the
division of motor carrier and railroad safety of the
department of economic development of Missouri, engaged in
the transportation of persons for hire;
(14) "Seller" means a person selling or furnishing
tangible personal property or rendering services, on the
receipts from which a tax is imposed pursuant to section
144.020;
(15) The noun "tax" means either the tax payable by
the purchaser of a commodity or service subject to tax, or
the aggregate amount of taxes due from the vendor of such
commodities or services during the period for which he or
she is required to report his or her collections, as the context may require; and

(16) "Telecommunications service", for the purpose of this chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill or on records of the seller maintained in the ordinary course of business:

(a) Access to the internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services.

2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term manufactured homes shall have the same meaning given it in section 700.010.

3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".
144.011. 1. For purposes of this chapter, 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 purchase by persons operating hotels, motels,
or other transient accommodation establishments of
electricity, electrical current, water, and gas, whether
natural or artificial, which are used to heat, cool, or
provide water or power to the guests' accommodations of such
establishments, including sleeping rooms, meeting and
banquet rooms, and any other customer space rented by
guests, and which are included in the charge made for such
accommodations. Any person required to remit sales tax on
such purchases prior to August 28, 2022, shall be entitled to a refund on such taxes remitted;

(13) 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 this chapter 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 this chapter was not paid on any transfer of the same manufactured home which occurred before December 31, 1985; or

[[(13)] (14) 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.

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.

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

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

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

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

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

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility that has as its primary purpose the recovery of materials into a usable product or a different form which is used in producing a new product and shall include a facility or equipment which are used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010. For the purposes of this subdivision, subdivision (5) of this subsection, and section 144.054, as well as the definition
in subdivision (9) of subsection 1 of section 144.010, the
term "product" includes telecommunications services and the
term "manufacturing" shall include the production, or
production and transmission, of telecommunications
services. The preceding sentence does not make a
substantive change in the law and is intended to clarify
that the term "manufacturing" has included and continues to
include the production and transmission of
"telecommunications services", as enacted in this
subdivision and subdivision (5) of this subsection, as well
as the definition in subdivision (9) of subsection 1 of
section 144.010. The preceding two sentences reaffirm
legislative intent consistent with the interpretation of
this subdivision and subdivision (5) of this subsection in
Southwestern Bell Tel. Co. v. Director of Revenue, 78 S.W.3d
763 (Mo. banc 2002) and Southwestern Bell Tel. Co. v.
Director of Revenue, 182 S.W.3d 226 (Mo. banc 2005), and
accordingly abrogates the Missouri supreme court's
interpretation of those exemptions in IBM Corporation v.
Director of Revenue, 491 S.W.3d 535 (Mo. banc 2016) to the
extent inconsistent with this section and Southwestern Bell
Tel. Co. v. Director of Revenue, 78 S.W.3d 763 (Mo. banc
2002) and Southwestern Bell Tel. Co. v. Director of Revenue,
182 S.W.3d 226 (Mo. banc 2005). The construction and
application of this subdivision as expressed by the Missouri
supreme court in DST Systems, Inc. v. Director of Revenue,
43 S.W.3d 799 (Mo. banc 2001); Southwestern Bell Tel. Co. v.
Director of Revenue, 78 S.W.3d 763 (Mo. banc 2002); and
Southwestern Bell Tel. Co. v. Director of Revenue, 182
S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material
recovery is not the reuse of materials within a
manufacturing process or the use of a product previously
recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

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

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

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

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

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;
(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

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

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

(13) Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year;
(14) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices;

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

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

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation, provided, however, that a municipality or other political subdivision may enter into revenue-sharing agreements with private persons, firms, or corporations providing goods or services, including management services, in or for the place of amusement, entertainment or recreation, games or athletic events, and provided further that nothing in this subdivision shall exempt from tax any amounts retained by any private person, firm, or corporation under such revenue-sharing agreement;
(18) All sales of insulin, and all sales, rentals, repairs, and parts of durable medical equipment, prosthetic devices, and orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales or rental of medical oxygen, home respiratory equipment and accessories including parts, and hospital beds and accessories and ambulatory aids including parts, and all sales or rental of manual and powered wheelchairs including parts, and stairway lifts, Braille writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales or rental of scooters including parts, and reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by the Food and Drug Administration to meet the over-the-counter drug product labeling requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner licensed to prescribe;
(19) All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities and all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities;

(20) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not-for-profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not-for-profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

(21) All ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals, and by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530;
(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" means new or used farm tractors and such other new or used farm machinery and equipment and repair or replacement parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,
solely, and directly for producing crops, raising and
feeding livestock, fish, poultry, pheasants, chukar, quail,
or for producing milk for ultimate sale at retail, including
field drain tile, and one-half of each purchaser's purchase
of diesel fuel therefor which is:

(a) Used exclusively for agricultural purposes;
(b) Used on land owned or leased for the purpose of
producing farm products; and
(c) Used directly in producing farm products to be
sold ultimately in processed form or otherwise at retail or
in producing farm products to be fed to livestock or poultry
to be sold ultimately in processed form at retail;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(34) All sales of grain bins for storage of grain for resale;

(35) All sales of feed which are developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, and licensed pursuant to sections 273.325 to 273.357;

(36) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is
authorized to issue a certificate of exemption for purchases
to a contractor under the provisions of that state's laws.
For purposes of this subdivision, the term "certificate of
exemption" shall mean any document evidencing that the
entity is exempt from sales and use taxes on purchases
pursuant to the laws of the state in which the entity is
located. Any contractor making purchases on behalf of such
entity shall maintain a copy of the entity's exemption
certificate as evidence of the exemption. If the exemption
certificate issued by the exempt entity to the contractor is
later determined by the director of revenue to be invalid
for any reason and the contractor has accepted the
certificate in good faith, neither the contractor or the
exempt entity shall be liable for the payment of any taxes,
interest and penalty due as the result of use of the invalid
exemption certificate. Materials shall be exempt from all
state and local sales and use taxes when purchased by a
contractor for the purpose of fabricating tangible personal
property which is used in fulfilling a contract for the
purpose of constructing, repairing or remodeling facilities
for the following:

(a) An exempt entity located in this state, if the
entity is one of those entities able to issue project
exemption certificates in accordance with the provisions of
section 144.062; or

(b) An exempt entity located outside the state if the
exempt entity is authorized to issue an exemption
certificate to contractors in accordance with the provisions
of that state's law and the applicable provisions of this
section;

(37) All sales or other transfers of tangible personal
property to a lessor who leases the property under a lease
of one year or longer executed or in effect at the time of the sale or other transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections 238.010 to 238.100;

(38) Sales of tickets to any collegiate athletic championship event that is held in a facility owned or operated by a governmental authority or commission, a quasi-governmental agency, a state university or college or by the state or any political subdivision thereof, including a municipality, and that is played on a neutral site and may reasonably be played at a site located outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that is not located on the campus of a conference member institution participating in the event;

(39) All purchases by a sports complex authority created under section 64.920, and all sales of utilities by such authority at the authority's cost that are consumed in connection with the operation of a sports complex leased to a professional sports team;

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

(41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar places of business for use in the normal course of business and money received by a shooting range or similar places of business from patrons and held by a shooting range or similar place of business for redistribution to patrons at the conclusion of a shooting event;
(42) All sales of motor fuel, as defined in section 142.800, used in any watercraft, as defined in section 306.010;

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

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

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

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

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

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

(b) "Internet", computer and telecommunications facilities, including equipment and operating software, that comprises the interconnected worldwide network that employ the transmission control protocol or internet protocol, or any predecessor or successor protocols to that protocol, to communicate information of all kinds by wire or radio;

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

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

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

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

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

(46) All purchases by a Missouri company of solar photovoltaic energy equipment used to construct a solar photovoltaic energy system and all purchases of materials and supplies used directly to construct or make improvements to such systems, provided that such systems:

(a) Allow for energy storage;

(b) Include advanced or smart meter inverter capacity;

or

(c) Are projects greater than twenty megawatts.

For the purposes of this subdivision, the term "Missouri company" shall mean any corporation or other business organization that is registered with the secretary of state.

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

386.266. 1. Subject to the requirements of this section, any electrical corporation may make an application to the commission to approve rate schedules authorizing an interim energy charge, or periodic rate adjustments outside of general rate proceedings to reflect increases and decreases in its prudently incurred fuel and purchased-power costs, including transportation. The commission may, in accordance with existing law, include in such rate schedules features designed to provide the electrical corporation with incentives to improve the efficiency and cost-effectiveness of its fuel and purchased-power procurement activities.

2. Subject to the requirements of this section, any electrical, gas, or water corporation may make an application to the commission to approve rate schedules authorizing periodic rate adjustments outside of general rate proceedings to reflect increases and decreases in its
prudently incurred costs, whether capital or expense, to comply with any federal, state, or local environmental law, regulation, or rule. Any rate adjustment made under such rate schedules shall not exceed an annual amount equal to two and one-half percent of the electrical, gas, or water corporation's Missouri gross jurisdictional revenues, excluding gross receipts tax, sales tax and other similar pass-through taxes not included in tariffed rates, for regulated services as established in the utility's most recent general rate case or complaint proceeding. In addition to the rate adjustment, the electrical, gas, or water corporation shall be permitted to collect any applicable gross receipts tax, sales tax, or other similar pass-through taxes, and such taxes shall not be counted against the two and one-half percent rate adjustment cap. Any costs not recovered as a result of the annual two and one-half percent limitation on rate adjustments may be deferred, at a carrying cost each month equal to the utilities net of tax cost of capital, for recovery in a subsequent year or in the corporation's next general rate case or complaint proceeding.

3. Subject to the requirements of this section, any gas or electrical corporation may make an application to the commission to approve rate schedules authorizing periodic rate adjustments outside of general rate proceedings to adjust rates of customers in eligible customer classes to account for the impact on utility revenues of increases or decreases in residential and commercial customer usage due to variations in either weather, conservation, or both. [No electrical corporation shall make an application to the commission under this subsection if such corporation has provided notice to the commission under subsection 5 of]
section 393.1400.] For purposes of this section: for electrical corporations, "eligible customer classes" means the residential class and classes that are not demand metered; and for gas corporations, "eligible customer classes" means the residential class and the smallest general service class. As used in this subsection, "revenues" means the revenues recovered through base rates, and does not include revenues collected through a rate adjustment mechanism authorized by this section or any other provisions of law. This subsection shall apply to electrical corporations beginning January 1, 2019, and shall expire for electrical corporations on January 1, 2029. An electrical corporation may make a one-time application to the commission under this subsection if such corporation has provided notice to the commission under subsection 5 of section 393.1400, provided the corporation shall not concurrently utilize electric rate adjustments under this subsection and the deferrals set forth in subsection 5 of section 393.1400.

4. Subject to the requirements of this section, a water corporation with more than eight thousand Missouri retail customers may make an application to the commission to approve rate schedules authorizing periodic rate adjustments outside of general rate proceedings to ensure revenues billed by such water corporation for regulated services equal the revenue requirement for regulated services as established in the water corporation's most recent general rate proceeding or complaint proceeding, excluding any other commission-approved surcharges and gross receipts tax, sales tax, and other similar pass-through taxes not included in tariffed rates, due to any revenue variation resulting from increases or decreases in
residential, commercial, public authority, and sale for resale usage.

5. The commission shall have the power to approve, modify, or reject adjustment mechanisms submitted under subsections 1 to 4 of this section only after providing the opportunity for a full hearing in a general rate proceeding, including a general rate proceeding initiated by complaint. The commission may approve such rate schedules after considering all relevant factors which may affect the costs or overall rates and charges of the corporation, provided that it finds that the adjustment mechanism set forth in the schedules:

(1) Is reasonably designed to provide the utility with a sufficient opportunity to earn a fair return on equity;

(2) Includes provisions for an annual true-up which shall accurately and appropriately remedy any over- or under-collections, including interest at the utility's short-term borrowing rate, through subsequent rate adjustments or refunds;

(3) In the case of an adjustment mechanism submitted under subsections 1 and 2 of this section, includes provisions requiring that the utility file a general rate case with the effective date of new rates to be no later than four years after the effective date of the commission order implementing the adjustment mechanism. However, with respect to each mechanism, the four-year period shall not include any periods in which the utility is prohibited from collecting any charges under the adjustment mechanism, or any period for which charges collected under the adjustment mechanism must be fully refunded. In the event a court determines that the adjustment mechanism is unlawful and all moneys collected thereunder are fully refunded, the utility
shall be relieved of any obligation under that adjustment mechanism to file a rate case;

(4) In the case of an adjustment mechanism submitted under subsection 1 or 2 of this section, includes provisions for prudence reviews of the costs subject to the adjustment mechanism no less frequently than at eighteen-month intervals, and shall require refund of any imprudently incurred costs plus interest at the utility's short-term borrowing rate.

6. Once such an adjustment mechanism is approved by the commission under this section, it shall remain in effect until such time as the commission authorizes the modification, extension, or discontinuance of the mechanism in a general rate case or complaint proceeding.

7. Any amounts charged under any adjustment mechanism approved by the commission under this section shall be separately disclosed on each customer bill.

8. The commission may take into account any change in business risk to the corporation resulting from implementation of the adjustment mechanism in setting the corporation's allowed return in any rate proceeding, in addition to any other changes in business risk experienced by the corporation.

9. In the event the commission lawfully approves an incentive- or performance-based plan, such plan shall be binding on the commission for the entire term of the plan. This subsection shall not be construed to authorize or prohibit any incentive- or performance-based plan.

10. Prior to August 28, 2005, for subsections 1 to 3 of this section, and upon August 28, 2018, for subsection 4 of this section, the commission shall have the authority to promulgate rules under the provisions of chapter 536 as it
deems necessary, to govern the structure, content and
operation of such rate adjustments, and the procedure for
the submission, frequency, examination, hearing and approval
of such rate adjustments. Any electrical, gas, or water
corporation may apply for any adjustment mechanism under
this section whether or not the commission has promulgated
any such rules.

11. Nothing contained in this section shall be
construed as affecting any existing adjustment mechanism,
rate schedule, tariff, incentive plan, or other ratemaking
mechanism currently approved and in effect.

12. Each of the provisions of this section is
severable. In the event any provision or subsection of this
section is deemed unlawful, all remaining provisions shall
remain in effect.

13. The provisions of subsections 1 to 3 of this
section shall take effect on January 1, 2006, and the
commission shall have previously promulgated rules to
implement the application process for any rate adjustment
mechanism under subsections 1 to 3 of this section prior to
the commission issuing an order for any such rate adjustment.

14. The public service commission shall appoint a task
force, consisting of all interested parties, to study and
make recommendations on the cost recovery and implementation
of conservation and weatherization programs for electrical
and gas corporations.

15. (1) Each public utility operating under a
mechanism proposed and approved under subsection 3 of this
section shall quarterly file a surveillance monitoring,
consisting of five parts. Each part, except the rate-base
quantifications report, shall contain information for the
last twelve-month period and the last quarter data for total
company electric operations and Missouri jurisdictional
operations. Rate-base quantifications shall contain only
information for the ending date of the period being reported.

(2) Part one of the surveillance monitoring report
shall be the rate-base quantifications report. The
quantification of rate-base items in part one shall be
consistent with the methods or procedures used in the most
recent rate proceeding unless otherwise specified. The
report shall consist of specific rate-base quantifications
of:

(a) Plant in service;
(b) Reserve for depreciation;
(c) Materials and supplies;
(d) Cash working capital;
(e) Fuel inventory, if applicable;
(f) Prepayments;
(g) Other regulatory assets;
(h) Customer advances;
(i) Customer deposits;
(j) Accumulated deferred income taxes;
(k) Any other item included in the electrical
corporation's rate base in its most recent rate proceeding;
(l) Net operating income from part three; and
(m) Calculation of the overall return on rate base.

(3) Part two of the surveillance monitoring report
shall be the capitalization quantifications report, which
shall consist of specific capitalization quantifications of:
(a) Common stock equity (net);
(b) Preferred stock, par or stated value outstanding;
(c) Long-term debt, including current maturities;
(d) Short-term debt; and
(e) Weighted cost of capital, including component costs.

(4) Part three of the surveillance monitoring report shall be the income statement, which shall consist of an income statement containing specific quantification of:

(a) Operating revenues to include sales to industrial, commercial, and residential customers, sales for resale, and other components of total operating revenues;

(b) Operating and maintenance expenses for fuel expense, production expenses, purchased power energy and capacity, if applicable;

(c) Transmission expenses;

(d) Distribution expenses;

(e) Customer accounts expenses;

(f) Customer service and information expenses;

(g) Sales expenses;

(h) Administrative and general expenses;

(i) Depreciation, amortization, and decommissioning expense;

(j) Taxes other than income taxes;

(k) Income taxes; and

(l) Quantification of heating degree and cooling degree days, actual and normal.

(5) Part four of the surveillance monitoring report shall be the jurisdictional allocation factor report, which shall consist of a listing of jurisdictional allocation factors for the rate base, capitalization quantification reports, and income statement.

(6) Part five of the surveillance monitoring report shall be the financial data notes, which shall consist of notes to financial data including, but not limited to:

(a) Out of period adjustments;
(b) Specific quantification of material variances between actual and budget financial performance;
(c) Material variances between current twelve-month period and prior twelve-month period revenue;
(d) Expense level of items ordered by the commission to be tracked under the order establishing the rate adjustment mechanism;
(e) Budgeted capital projects; and
(f) Events that materially affect debt or equity surveillance components.

(7) This subsection shall expire on January 1, 2029.

386.885. 1. There is hereby established the "Task Force on Distributed Energy Resources and Net Metering", which shall be composed of the following members:
   (1) Two members of the senate, with one appointed by the president pro tempore of the senate and one appointed by the minority floor leader of the senate;
   (2) Two members of the house of representatives, with one appointed by the speaker of the house of representatives and one appointed by the minority floor leader of the house of representatives;
   (3) The director of the division of energy, or his or her designee, to serve as a member and to provide technical assistance to the task force;
   (4) The chair of the public service commission, or his or her designee, to serve as a member and to provide technical assistance;
   (5) The director of the office of public counsel, or his or her designee, to serve as a member and to provide technical assistance;
   (6) A representative from each of the three segments of the retail electric energy industry appointed by the
president pro tempore of the senate from the respective
nominees submitted by the statewide associations of the
investor-owned electric utilities, rural electric
cooperatives, and municipally-owned electric utilities;

(7) One representative of the retail distributed
energy resources industry appointed by the chair of the
public service commission;

(8) One representative from an organization that
advocates for policy supporting renewable energy development
appointed by the chair of the public service commission; and

(9) One representative from an organization that
advocates for the interests of low-income utility customers
appointed by the chair of the public service commission.

2. The task force shall conduct public hearings and
research, and shall compile a report for delivery to the
general assembly by no later than December 31, 2023. Such
report shall include information on the following:

(1) A distributed energy resources study, which shall
include a value of solar study along with the practical and
economic benefits, challenges, and drawbacks of increased
distributed energy generation in the state;

(2) Potential legislation regarding community solar as
operated by nonutility entities and the fair and equitable
setting of rates between distributed generation and
nondistributed generation consumers; and

(3) Potential legislation, including but not limited
to changes to the net metering and easy connection act, if
any, that would promote the overall public interest.

3. The task force shall meet within thirty days after
its creation and shall organize by selecting a chairperson
and vice chairperson, one of whom shall be a member of the
senate and the other a member of the house of
representatives. Thereafter, the task force may meet as
often as necessary in order to accomplish the tasks assigned
to it. A majority of the task force shall constitute a
quorum, and a majority vote of such quorum shall be required
for any action.

4. The staff of house research and senate research
shall provide necessary clerical, research, fiscal, and
legal services to the task force, as the task force may
request.

5. The division of energy shall oversee the
distributed energy resources study to be selected and
conducted by an independent and objective expert with input
from the members of the task force. The cost of such study
shall be paid for through funds available from federal and
state grants applied for by the division of energy. The
division of energy shall establish procedures for the
submission and nonpublic disclosure of confidential and
proprietary information.

6. The members of the task force shall serve without
compensation, but may be reimbursed for any actual and
necessary expenses incurred in the performance of the task
force's official duties.

7. This section shall expire on December 31, 2023, or
at the conclusion of the task force's work, whichever is
sooner.

386.890. 1. This section shall be known and may be
cited as the "Net Metering and Easy Connection Act".

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

(1) "Avoided fuel cost", the current average cost of
fuel for the entity generating electricity, as defined by
the governing body with jurisdiction over any municipal
electric utility, rural electric cooperative as provided in chapter 394, or electrical corporation as provided in this chapter;

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

(3) "Customer-generator", the owner or operator of a qualified electric energy generation unit which:
   (a) Is powered by a renewable energy resource;
   (b) Has an electrical generating system with a capacity of not more than one hundred kilowatts;
   (c) Is located on a premises owned, operated, leased, or otherwise controlled by the customer-generator;
   (d) Is interconnected and operates in parallel phase and synchronization with a retail electric supplier and has been approved by said retail electric supplier;
   (e) Is intended primarily to offset part or all of the customer-generator's own electrical energy requirements;
   (f) Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities; and
   (g) Contains a mechanism that automatically disables the unit and interrupts the flow of electricity back onto the supplier's electricity lines in the event that service to the customer-generator is interrupted;

(4) "Department", the department of [economic development] natural resources;

(5) "Net metering", using metering equipment sufficient to measure the difference between the electrical energy supplied to a customer-generator by a retail electric
supplier and the electrical energy supplied by the customer-generator to the retail electric supplier over the applicable billing period;

(6) "Renewable energy resources", electrical energy produced from wind, solar thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen produced by one of the above-named electrical energy sources, and other sources of energy that become available after August 28, 2007, and are certified as renewable by the department;

(7) "Retail electric supplier" or "supplier", any municipally owned electric utility operating under chapter 91, electrical corporation regulated by the commission under this chapter, or rural electric cooperative operating under chapter 394 that provides retail electric service in this state. An electrical corporation that operates under a cooperative business plan as described in subsection 2 of section 393.110 shall be deemed to be a rural electric cooperative for purposes of this section.

3. A retail electric supplier shall:

(1) Make net metering available to customer-generators on a first-come, first-served basis until the total rated generating capacity of net metering systems equals five percent of the retail electric supplier's single-hour peak load during the previous year, after which the commission for a public utility an electrical corporation or the respective governing body for other electric utilities retail electric suppliers may increase the total rated generating capacity of net metering systems to an amount above five percent. However, in a given calendar year, no retail electric supplier shall be required to approve any application for interconnection if the total
rated generating capacity of all applications for
interconnection already approved to date by said supplier in
said calendar year equals or exceeds one percent of said
supplier's single-hour peak load for the previous calendar
year;

(2) Offer to the customer-generator a tariff or
contract that is identical in electrical energy rates, rate
structure, and monthly charges to the contract or tariff
that the customer would be assigned if the customer were not
an eligible customer-generator but shall not charge the
customer-generator any additional standby, capacity,
interconnection, or other fee or charge that would not
otherwise be charged if the customer were not an eligible
customer-generator; and

(3) Disclose annually the availability of the net
metering program to each of its customers with the method
and manner of disclosure being at the discretion of the
supplier.

4. A customer-generator's facility shall be equipped
with sufficient metering equipment that can measure the net
amount of electrical energy produced or consumed by the
customer-generator. If the customer-generator's existing
meter equipment does not meet these requirements or if it is
necessary for the retail electric supplier to install
additional distribution equipment to accommodate the
customer-generator's facility, the customer-generator shall
reimburse the retail electric supplier for the costs to
purchase and install the necessary additional equipment. At
the request of the customer-generator, such costs may be
initially paid for by the retail electric supplier, and any
amount up to the total costs and a reasonable interest
charge may be recovered from the customer-generator over the
course of up to twelve billing cycles. Any subsequent meter
testing, maintenance or meter equipment change necessitated
by the customer-generator shall be paid for by the customer-
generator.

5. Consistent with the provisions in this section, the
net electrical energy measurement shall be calculated in the
following manner:

(1) For a customer-generator, a retail electric
supplier shall measure the net electrical energy produced or
consumed during the billing period in accordance with normal
metering practices for customers in the same rate class,
either by employing a single, bidirectional meter that
measures the amount of electrical energy produced and
consumed, or by employing multiple meters that separately
measure the customer-generator's consumption and production
of electricity;

(2) If the electricity supplied by the supplier
exceeds the electricity generated by the customer-generator
during a billing period, the customer-generator shall be
billed for the net electricity supplied by the supplier in
accordance with normal practices for customers in the same
rate class;

(3) If the electricity generated by the customer-
generator exceeds the electricity supplied by the supplier
during a billing period, the customer-generator shall be
billed for the appropriate customer charges for that billing
period in accordance with subsection 3 of this section and
shall be credited an amount at least equal to the avoided
fuel cost of the excess kilowatt-hours generated during the
billing period, with this credit applied to the following
billing period;
(4) Any credits granted by this subsection shall expire without any compensation at the earlier of either twelve months after their issuance or when the customer-generator disconnects service or terminates the net metering relationship with the supplier;

(5) For any rural electric cooperative under chapter 394, or [municipal] any municipally owned utility, upon agreement of the wholesale generator supplying electric energy to the retail electric supplier, at the option of the retail electric supplier, the credit to the customer-generator may be provided by the wholesale generator.

6. (1) Each qualified electric energy generation unit used by a customer-generator shall meet all applicable safety, performance, interconnection, and reliability standards established by any local code authorities, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories for distributed generation. No supplier shall impose any fee, charge, or other requirement not specifically authorized by this section or the rules promulgated under subsection 9 of this section unless the fee, charge, or other requirement would apply to similarly situated customers who are not customer-generators, except that a retail electric supplier may require that a customer-generator's system contain a switch, circuit breaker, fuse, or other easily accessible device or feature located in immediate proximity to the customer-generator's metering equipment that would allow a utility worker the ability to manually and instantly disconnect the unit from the utility's electric distribution system.

(2) For systems of ten kilowatts or less, a customer-generator whose system meets the standards and rules under
subdivision (1) of this subsection shall not be required to install additional controls, perform or pay for additional tests or distribution equipment, or purchase additional liability insurance beyond what is required under subdivision (1) of this subsection and subsection 4 of this section.

(3) For customer-generator systems of greater than ten kilowatts, the commission for [public utilities] electrical corporations and the respective governing body for other [utilities] retail electric suppliers shall, by rule or equivalent formal action by each respective governing body:

(a) Set forth safety, performance, and reliability standards and requirements; and

(b) Establish the qualifications for exemption from a requirement to install additional controls, perform or pay for additional tests or distribution equipment, or purchase additional liability insurance.

7. (1) Applications by a customer-generator for interconnection of a qualified electric energy generation unit meeting the requirements of subdivision (3) of subsection 2 of this section to the distribution system shall be accompanied by the plan for the customer-generator's electrical generating system, including but not limited to a wiring diagram and specifications for the generating unit, and shall be reviewed and responded to by the retail electric supplier within thirty days of receipt for systems ten kilowatts or less and within ninety days of receipt for all other systems. Prior to the interconnection of the qualified generation unit to the supplier's system, the customer-generator will furnish the retail electric supplier a certification from a qualified professional electrician or engineer that the installation meets the
requirements of subdivision (1) of subsection 6 of this section. If the application for interconnection is approved by the retail electric supplier and the customer-generator does not complete the interconnection within one year after receipt of notice of the approval, the approval shall expire and the customer-generator shall be responsible for filing a new application.

(2) Upon the change in ownership of a qualified electric energy generation unit, the new customer-generator shall be responsible for filing a new application under subdivision (1) of this subsection.

8. Each [commission-regulated supplier] electrical corporation shall submit an annual net metering report to the commission, and all other [nonregulated] retail electric suppliers shall submit the same report to their respective governing body and make said report available to a consumer of the supplier upon request, including the following information for the previous calendar year:

(1) The total number of customer-generator facilities;

(2) The total estimated generating capacity of its net-metered customer-generators; and

(3) The total estimated net kilowatt-hours received from customer-generators.

9. The commission shall, within nine months of January 1, 2008, promulgate initial rules necessary for the administration of this section for [public utilities] electrical corporations, which shall include regulations ensuring that simple contracts will be used for interconnection and net metering. For systems of ten kilowatts or less, the application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and
conditions. 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 under 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.

10. The governing body of a rural electric cooperative or municipal utility shall, within nine months of January 1, 2008, adopt policies establishing a simple contract to be used for interconnection and net metering. For systems of ten kilowatts or less, the application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and conditions.

11. For any cause of action relating to any damages to property or person caused by the qualified electric energy generation unit of a customer-generator or the interconnection thereof, the retail electric supplier shall have no liability absent clear and convincing evidence of fault on the part of the supplier.

12. The estimated generating capacity of all net metering systems operating under the provisions of this section shall count towards the respective retail electric supplier's accomplishment of any renewable energy portfolio target or mandate adopted by the Missouri general assembly.
13. The sale of qualified electric energy generation units to any customer-generator shall be subject to the provisions of sections 407.010 to 407.145 and sections 407.700 to 407.720. The attorney general shall have the authority to promulgate in accordance with the provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of qualified electric energy generation units. Any interested person who believes that the seller of any qualified electric energy generation unit is misrepresenting the safety or performance standards of any such systems, or who believes that any electric energy generation unit poses a danger to any property or person, may report the same to the attorney general, who shall be authorized to investigate such claims and take any necessary and appropriate actions.

14. Any costs incurred under this act by a retail electric supplier shall be recoverable in that utility's rate structure.

15. No consumer shall connect or operate [an] a qualified electric energy generation unit in parallel phase and synchronization with any retail electric supplier without written approval by said supplier that all of the requirements under subdivision (1) of subsection 7 of this section have been met. For a consumer who violates this provision, a supplier may immediately and without notice disconnect the electric facilities of said consumer and terminate said consumer's electric service.

16. The manufacturer of any qualified electric energy generation unit used by a customer-generator may be held liable for any damages to property or person caused by a defect in the qualified electric energy generation unit of a customer-generator.
17. The seller, installer, or manufacturer of any qualified electric energy generation unit who knowingly misrepresents the safety aspects of a qualified electric generation unit may be held liable for any damages to property or person caused by the qualified electric energy generation unit of a customer-generator.

393.1072. 1. There is hereby established the "Task Force on Fair, Nondiscriminatory Local Taxation Concerning Solar Energy Systems", which shall be composed of the following members:

(1) Three members of the house of representatives, with not more than two members from the same political party and each member to be appointed by the speaker of the house of representatives;

(2) Three members of the senate, with not more than two members from the same political party and each member to be appointed by the president pro tempore of the senate;

(3) Two currently elected county assessors from Missouri county governments, with one to be appointed by the speaker of the house of representatives and one to be appointed by the president pro tempore of the senate;

(4) Two representatives from the Missouri state tax commission to be appointed by the commissioners of the Missouri state tax commission;

(5) Two representatives from a statewide agricultural organization, with one to be appointed by the speaker of the house of representatives and one to be appointed by the president pro tempore of the senate;

(6) Two representatives from the private sector with experience in utility-scale solar energy development and operation, with one to be appointed by the speaker of the
house of representatives and one to be appointed by the
president pro tempore of the senate; and

(7) One member from an organization that advocates for
policy supporting solar energy appointed by the chair of the
public service commission.

2. The task force shall conduct public hearings and
research and compile a report for delivery to the general
assembly before December 31, 2022. Such report shall include
information on the following:

(1) The economic benefits and drawbacks of solar
energy systems to local communities and the state;

(2) The fair, uniform, and standardized assessment and
taxation of solar energy systems and their connected
equipment owned by a retail or wholesale provider of
electricity at the county level in all counties;

(3) Compliance with existing federal and state
programs and regulations; and

(4) Potential legislation that will provide a uniform
assessment and taxation methodology for solar energy systems
and their connected equipment owned by a retail or wholesale
provider of electricity that will be used in every county of
Missouri.

3. The task force shall meet within thirty days after
its creation and shall organize by selecting a chair and
vice chair, one of whom shall be a member of the senate and
the other a member of the house of representatives.
Thereafter, the task force may meet as often as necessary in
order to accomplish the tasks assigned to it. Meetings may
be held by telephone or video conference at the discretion
of the chair. The chair shall designate a person to keep
the records of the task force. A majority of the task force
shall constitute a quorum, and a majority vote of such
quorum shall be required for any action.

4. The staff of house research and senate research
shall provide necessary clerical, research, fiscal, and
legal services to the task force as the task force may
request.

5. The members of the task force shall serve without
compensation, but any actual and necessary expenses incurred
by the task force, its members, and any staff assigned to
the task force shall be reimbursed.

6. This section shall expire on December 31, 2022.

393.1275. 1. The provisions of section 386.020
defining words, phrases, and terms shall apply to and
determine the meaning of all such words, phrases, or terms
as used in this section.

2. Electrical corporations, gas corporations, sewer
corporations, and water corporations shall defer to a
regulatory asset or liability account any difference in
state or local property tax expenses actually incurred, and
those on which the revenue requirement used to set rates in
the corporation's most recently completed general rate
proceeding was based. The regulatory asset or liability
account balances shall be included in the revenue
requirement used to set rates through an amortization over a
reasonable period of time in such corporation's subsequent
general rate proceedings. The commission shall also adjust
the rate base used to establish the revenue requirement of
such corporation to reflect the unamortized regulatory asset
or liability account balances in such general rate
proceedings. Such expenditures deferred under the
provisions of this section are subject to commission
prudence review in the next general rate proceeding after
deferral.

393.1400. 1. For purposes of this section, the following terms shall mean:

(1) "Commission", the public service commission;

(2) "Electrical corporation", the same as defined in section 386.020, but shall not include an electrical corporation as described in subsection 2 of section 393.110;

(3) "Qualifying electric plant", all rate-base additions, except rate-base additions for new coal-fired generating units, new nuclear generating units, new natural gas units, or rate-base additions that increase revenues by allowing service to new customer premises;

(4) "Rate-base cutoff date", the date rate-base additions are accounted for in a general rate proceeding.

In the absence of a commission order that specifies the rate-base cutoff date, such date as reflected in any jointly proposed procedural schedule submitted by the parties in the applicable general rate proceeding, or as otherwise agreed to by such parties, shall be used;

(5) "Weighted average cost of capital", the return on rate base used to determine the revenue requirement in the electrical corporation's most recently completed general rate proceeding; provided, that in the absence of a commission determination of the return on rate base within the three-year period prior to August 28, [2018] 2022, the weighted average cost of capital shall be determined using the electrical corporation's actual capital structure as of December 31, [2017] 2021, excluding short-term debt, the electrical corporation's actual cost of long-term debt and preferred stock as of December 31, [2017] 2021, and a cost of common equity of nine and one-half percent.
2. (1) Notwithstanding any other provision of this chapter to the contrary, electrical corporations shall defer to a regulatory asset eighty-five percent of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility's books commencing on or after August 28, 2018, if the electrical corporation has made the election provided for by subsection 5 of this section by that date, or on the date such election is made if the election is made after August 28, 2018. In each general rate proceeding concluded after August 28, 2018, the balance of the regulatory asset as of the rate-base cutoff date shall, subject only to the cap provided for in section 393.1655 or section 393.1656, as applicable, be included in the electrical corporation's rate base without any offset, reduction, or adjustment based upon consideration of any other factor, other than as provided for in subdivision (2) of this subsection, with the regulatory asset balance arising from deferrals associated with qualifying electric plant placed in service after the rate-base cutoff date to be included in rate base in the next general rate proceeding. The expiration of this section shall not affect the continued inclusion in rate base and amortization of regulatory asset balances that arose under this section prior to such expiration.

(2) The regulatory asset balances arising under this section shall be adjusted to reflect any prudence disallowances ordered by the commission. The provisions of this section shall not be construed to affect existing law respecting the burdens of production and persuasion in general rate proceedings for rate-base additions.

(3) Parts of regulatory asset balances created under this section that are not yet being recovered through rates
shall include carrying costs at the electrical corporation's weighted average cost of capital, plus applicable federal, state, and local income or excise taxes. Regulatory asset balances arising under this section and included in rate base shall be recovered in rates through a twenty-year amortization beginning on the date new rates reflecting such amortization take effect.

3. (1) Depreciation expense deferred under this section shall account for all qualifying electric plant placed into service less retirements of plant replaced by such qualifying electric plant.

(2) Return deferred under this section shall be determined using the weighted average cost of capital applied to the change in plant-related rate base caused by the qualifying electric plant, plus applicable federal, state, and local income or excise taxes. In determining the return deferred, the electrical corporation shall account for changes in all plant-related accumulated deferred income taxes and changes in accumulated depreciation, excluding retirements.

4. Beginning February 28, 2019, and by each February twenty-eighth thereafter while the electrical corporation is allowed to make the deferrals provided for by subsection 2 of this section, electrical corporations that defer depreciation expense and return authorized under this section shall submit to the commission a five-year capital investment plan setting forth the general categories of capital expenditures the electrical corporation will pursue in furtherance of replacing, modernizing, and securing its infrastructure. The plan shall also include a specific capital investment plan for the first year of the five-year plan consistent with the level of specificity used for
annual capital budgeting purposes. For each project in the specific capital investment plan on which construction commences on or after January first of the year in which the plan is submitted, and where the cost of the project is estimated to exceed twenty million dollars, the electrical corporation shall identify all costs and benefits that can be quantitatively evaluated and shall further identify how those costs and benefits are quantified. For any cost or benefit with respect to such a project that the electrical corporation believes cannot be quantitatively evaluated, the electrical corporation shall state the reasons the cost or benefit cannot be quantitatively evaluated, and how the electrical corporation addresses such costs and benefits when reviewing and deciding to pursue such a project. No such project shall be based solely on costs and benefits that the electrical corporation believes cannot be quantitatively evaluated. Any quantification for such a project that does not produce quantified benefits exceeding the costs shall be accompanied by additional justification in support of the project. For each of the first five years that an electrical corporation is allowed to make the deferrals provided for by subsection 2 of this section, the purchase and installation of smart meters shall constitute no more than six percent of the electrical corporation's total capital expenditures during any given year under the corporation's specific capital investment plan. At least twenty-five percent of the cost of each year's capital investment plan shall be comprised of grid modernization projects, including but not limited to:

(1) Increased use of digital information and controls technology to improve reliability, security, and efficiency of the electric grid;
(2) Dynamic optimization of grid operations and resources, with full cybersecurity;

(3) Deployment and integration of distributed resources and generation, including renewable resources;

(4) Development and incorporation of demand response, demand-side resources, and energy-efficiency resources;

(5) Deployment of smart technologies (real-time, automated, interactive technologies that optimize the physical operation of appliances and consumer devices) for metering, communications, concerning grid operations and status, and distribution automation;

(6) Integration of smart appliances and devices;

(7) Deployment and integration of advanced electricity storage and peak-shaving technologies, including plug-in electric and hybrid electric vehicles, and thermal storage air conditioning;

(8) Provision of timely information and control options to consumer;

(9) Development of standards for communication and interoperability of appliances and equipment connected to the electric grid, including the infrastructure serving the grid; and

(10) Identification and lowering of unreasonable or unnecessary barriers to adoption of smart grid technologies, practices, and services.

Project specific information need not be included for the five-year period covered by the plan. Within thirty days of the filing of any capital investment plan or annual update to an existing plan, the electrical corporation shall host a public stakeholder meeting to answer questions and receive feedback about the plan. After feedback is received, the
electrical corporation shall file a notice with the commission of any modifications to the capital investment plan it has accepted. Changes to the plan, its implementation, or the level of investments made shall not constitute evidence of imprudence of the investments made under such plan. The submission of a capital investment plan under this section shall not affect in any way the commission's authority with respect to the grant or denial of a certificate of convenience and necessity under section 393.170. By February twenty-eighth following each year in which the electrical corporation submits a capital investment plan, the electrical corporation shall submit a report to the commission detailing actual capital investments made the previous year, the quantitatively evaluated benefits and costs generated by each of those investments that exceeded twenty million dollars, and any efficiencies achieved as a result of those investments.

5. This section shall only apply to any electrical corporation that has filed a notice with the commission of the electrical corporation's election to make the deferrals for which this section provides. [No electrical corporation shall file a notice with the commission under this subsection if such corporation has made an application under subsection 3 of section 386.266, and such application has been approved.] An electrical corporation may provide notice to the commission one time under this subsection if such corporation has applied to the commission under subsection 2 of section 386.266, provided the corporation shall not concurrently utilize deferrals under this subsection and the electric rate adjustments set forth in subsection 3 of section 386.266. An electrical corporation's election shall allow it to make the deferrals
provided for by subsection 2 [of this section until December 31, 2023], unless the electrical corporation requests and the commission approves the continuation of such deferrals beyond that date and approves continuation of the discounts authorized by section 393.1640 beyond that date as hereinafter provided. An electrical corporation that wishes to continue to make the deferrals provided for by subsection 2 of this section from January 1, 2024, through December 31, 2028, shall obtain the commission's approval to do so, shall be subject to the compound annual growth rate limitations set forth under section 393.1655, and shall also obtain the commission's approval to continue to provide the discounts authorized by section 393.1640 in a commission order issued on or before December 31, 2023. The commission shall have the authority to grant or deny such approval based upon the commission's evaluation of the costs and benefits of such continuation to electrical corporations and consumers, but shall not be authorized to condition such approval or otherwise modify the deferrals authorized by subsection 2 of this section, or the discounts authorized by section 393.1640. In deciding whether to extend the program for an additional five years, the commission shall develop an objective analytical framework to determine whether there is a continuing need. The commission shall make a finding about whether there is a continuing need after hearing. Failure to obtain such commission approval shall not affect deferrals made through December 31, 2023, or the regulatory and ratemaking treatment of the regulatory assets arising from such deferrals as provided for by this section] of this section until December 31, 2028. Notwithstanding the immediately preceding sentence, an electrical corporation may seek permission to continue to make the deferrals
provided for by subsection 2 of this section for an additional five years beyond December 31, 2028, by filing an application with the commission seeking such permission by December 31, 2026, which application shall be ruled upon by the commission within one hundred eighty days after its filing. In deciding whether to grant such permission to continue, the commission shall have the authority, consistent with its statutory authority outside this section, to consider such factors as in its judgment it deems necessary and may condition the permission on factors that are relevant to the deferrals authorized by subsection 2 of this section. The commission shall make the determination of whether to grant such permission to continue after a hearing. An electrical corporation making deferrals provided for by subsection 2 of this section on and after January 1, 2024, shall be subject to the revenue requirement impact cap set forth under section 393.1656. Failure to obtain such commission permission to continue shall not affect deferrals made through the date for which permission has been granted, or the regulatory and ratemaking treatment of the regulatory assets arising from such deferrals as provided for by this section.

6. The commission may take into account any change in business risk to the corporation resulting from implementation of the deferrals in setting the corporation's allowed return in any rate proceeding, in addition to any other changes in business risk experienced by the corporation.

7. This section shall expire on December 31, [2028] 2033, except that the amortization of the regulatory asset balances arising under this section shall continue to be reflected in the electrical corporation's rates and
remaining regulatory asset balances shall be included in the electrical corporation's rate base consistent with the ratemaking treatment and amortization previously approved by the commission pursuant to this section.

393.1640. 1. Subject to the limitations provided for in subsection 2 of this section, and upon proper application by an eligible customer prior to public announcement of a growth project, a new or existing account meeting the [following] criteria in this subsection shall [be considered] qualify for [qualification for] one of the [discount] discounts set forth in subdivision (1) or (2) of this subsection [if]:

(1) [The customer adds incremental load, net of any offsetting load reductions due to the termination of other accounts of the customer or an affiliate of the customer within twelve months prior to the commencement of service to the new load, with average monthly demand that is reasonably projected to be at least three hundred kilowatts with a load factor of at least fifty-five percent within two years after the date the application is submitted;]

(2) The customer receives local, regional, or state economic development incentives in conjunction with the incremental load; and

(3) The customer meets the criteria set forth in the electrical corporation's economic development rider tariff sheet, as approved by the commission, that are not inconsistent with the provisions of this subsection.] When the new load is reasonably projected to be at least three hundred kilowatts but not more than ten megawatts and have a load factor of at least forty-five percent, the discount shall equal thirty-five percent and shall apply for five years, provided that if it is expected as of the date the
discount is to commence that a thirty-five percent discount would produce revenues from the applicant's total bill that would not exceed the electrical corporation's variable cost to serve the applicant's account or accounts that are to receive the discount, the discount shall be determined so that the percentage discount, rounded to the nearest one percent, is expected, as of the date the discount percentage is determined, to provide revenues equal to one hundred twenty percent of the electrical corporation's variable cost to serve the applicant's account or accounts that are to receive the discount;

(2) When the new load is reasonably projected to be more than ten megawatts and have a load factor of at least fifty-five percent, the discount percentage, rounded to the nearest one percent, shall be determined such that the applicant's total bill is expected, as of the date the discount percentage is determined, to provide revenues equal to one hundred twenty percent of the electrical corporation's variable cost to serve the applicant's account or accounts that are to receive the discount. Such discount shall apply for ten years.

For the purposes of this section, the variable cost to serve new load for purposes of establishing a discount under this section shall be determined using (a) the energy and capacity market prices that underlie the net base energy costs reflected in the revenue requirement from the electrical corporation's most recent general rate proceeding; (b) any operations and maintenance expenses that vary with respect to the total number of customers or load served by the electrical corporation, excluding operations and maintenance expenses associated with generating
electricity; and (c) any other incremental costs to serve
the customer.

To obtain one of the discounts set forth in subdivision (1)
or (2) of this subsection, the customer's load shall be
incremental, net of any offsetting load reductions due to
the termination of other accounts of the customer or an
affiliate of the customer within twelve months prior to the
commencement of service to the new load, the customer shall
receive an economic development incentive from the local,
regional, state, or federal government, or from an agency or
program of any such government, in conjunction with the
incremental load, and the customer shall meet the criteria
set forth in the electrical corporation's economic
development rider tariff sheet, as approved by the
commission, that are not inconsistent with the provisions of
this subsection.

Unless otherwise provided for by the electrical
corporation's tariff, the applicable discount shall be a
percentage applied to all base-rate components of the bill.
[The percentage shall be fixed for each year of service
under the discount for a period of up to five years.]
Subject to the remaining provisions of this subsection, the
average of the annual discount percentages shall equal forty
percent and shall not be less than thirty percent nor more
than fifty percent in any year.] The discount shall be
applied to such incremental load from the date when the
meter has been permanently set until the date that such
incremental load no longer meets the criteria required to
qualify for the discount, as determined under the provisions
of subsection 2 of this section. An eligible customer shall
also receive a ten percent discount of all base-rate components of the bill applied to such incremental load for an additional one year [after] period beyond the [initial] period during which the applicable discount [period ends] under subdivision (1) or (2) of this subsection applies if the electrical corporation determines that the customer is taking service from an under-utilized circuit. [In no event shall a customer receive a discount under this subsection after December 31, 2028.] The electrical corporation may include in its tariff additional or alternative terms and conditions to a customer's utilization of the discount, subject to approval of such terms and conditions by the commission. The customer, on forms supplied by the electrical corporation, shall apply for the applicable discount provided for by this subsection at least ninety days prior to the date the customer requests that the incremental demand receive one of the discounts provided for by this subsection and shall enter into a written agreement with the electrical corporation reflecting the discount percentages and other pertinent details. If the incremental demand is not separately metered, the electrical corporation's determination of the incremental demand shall control. The electrical corporation shall verify the customer's incremental demand annually to determine continued qualification for the applicable discount. Notwithstanding the foregoing provisions of this subsection, the cents-per-kilowatt-hour realization resulting from application of any [such] discounted [rate] rates as calculated shall be higher than the electrical corporation's variable cost to serve such [accounts in aggregate] incremental demand and the applicable discounted rate also shall make a positive contribution to fixed costs associated
with [such] service to such incremental demand. If in a subsequent general rate proceeding the commission determines that application of [such] a discounted rate is not adequate to cover the electrical corporation's variable cost to serve [such] the accounts in question and provide a positive contribution to fixed costs then the commission shall increase the rate for those accounts prospectively to the extent necessary to do so.

2. In each general rate proceeding concluded after August 28, [2018] 2022, the [reduced level of] difference in revenues [arising from] generated by applying the [application of] discounted rates provided for by [subsection 1 of] this section and the revenues that would have been generated without such discounts shall not be imputed into the electrical corporation's revenue requirement. Instead, such revenue requirement shall be set using the revenues generated by such discounted rates and the impact of the discounts provided for by this section shall be allocated to all the electrical corporation's customer classes, including the classes with customers that qualify for discounts under this section. This increase shall be implemented through the application of a uniform percentage adjustment to the revenue requirement responsibility of all customer classes. To qualify for the discounted rates provided for in this section, [if incremental load is separately metered,] customers shall meet the applicable criteria within twenty-four months [after the date the meter is permanently set] of initially receiving discounts based on metering data for calendar months thirteen through twenty-four and annually thereafter. If such data indicates that the customer did not meet [the criteria] both of the three hundred kilowatt
and forty-five percent load factor requirements for any applicable twelve-month period, it shall thereafter no longer qualify for [the] a discounted rate. For customers receiving service under subdivision (2) of subsection 1 of this section, if after the fourth year, the demand has not exceeded ten thousand kilowatts during any twelve-month period, the customer's qualification shall revert to subdivision (1) of subsection 1 of this section. The provisions of this section do not supersede or limit the ability of an electrical corporation to continue to utilize economic development or retention tariffs previously approved by the commission that are in effect on August 28, [2018] 2022. If, however, a customer is receiving any economic development or retention-related discounts as of the date it would otherwise qualify for a discount provided for by this section, the customer shall agree to relinquish the prior discount concurrently with the date it begins to receive a discount under this section; otherwise, the customer shall not be eligible to receive any discount under this section. Customer demand existing at the time the customer begins to receive discounted rates under this section shall not constitute incremental demand. The discounted rates provided for by this section apply only to base-rate components, with the charges or credits arising from any rate adjustment mechanism authorized by law to be applied to customers qualifying for discounted rates under this section in the same manner as such rate adjustments would apply in the absence of this section.

3. For purposes of this section, "electrical corporation" shall mean the same as defined in section 386.020, but shall not include an electrical corporation as described in subsection 2 of section 393.110.
4. [This section shall expire on December 31, 2028, provided, that unless the electrical corporation has timely obtained the order provided for by subsection 5 of section 393.1400, the electrical corporation's customers shall, after December 31, 2023, no longer receive the discounts provided under this section.] An electrical corporation's authority to offer the discounts provided for by this section shall terminate on the date that such electrical corporation's authority to make the deferrals required by subsection 2 of section 393.1400 expires.

393.1655. 1. This section applies to an electrical corporation that has elected to exercise any option under section 393.1400 and that has more than two hundred thousand Missouri retail customers in 2018, and shall continue to apply to such electrical corporation until December 31, 2023[, if the commission has not issued an order approving continuation of the deferrals authorized by subsection 2 of section 393.1400, and continuation of the discounts authorized by section 393.1640 as authorized by subsection 5 of section 393.1400 with respect to the electrical corporation, or until December 31, 2028, if the commission has issued such an order with respect to the electrical corporation].

2. Notwithstanding any other provision of law and except as otherwise provided for by this section, an electrical corporation's base rates shall be held constant for a period starting on the date new base rates were established in the electrical corporation's last general rate proceeding concluded prior to the date the electrical corporation gave notice under subsection 5 of section 393.1400 and ending on the third anniversary of that date, unless a force majeure event as determined by the commission
occurs. Whether a force majeure event has occurred shall be subject to commission review and approval in a general rate proceeding, and shall not preclude the commission from reviewing the prudence of any revenue reductions or costs incurred during any proceeding to set rates. This subsection shall not affect the electrical corporation's ability to adjust its nonbase rates during the three-year period provided for in this subsection as authorized by its commission-approved rate adjustment mechanisms arising under section 386.266, 393.1030, or 393.1075, or as authorized by any other rate adjustment mechanism authorized by law.

3. This subsection shall apply to electrical corporations that have a general rate proceeding pending before the commission as of the later of February 1, 2018, or August 28, 2018. If the difference between (a) the electrical corporation's average overall rate at any point in time while this section applies to the electrical corporation, and (b) the electrical corporation's average overall rate as of the date new base rates are set in the electrical corporation's most recent general rate proceeding concluded prior to the date the electrical corporation gave notice under section 393.1400, reflects a compound annual growth rate of more than three percent, the electrical corporation shall not recover any amount in excess of such three percent as a performance penalty.

4. This section shall apply to electrical corporations that do not have a general rate proceeding pending before the commission as of the later of February 1, 2018, or August 28, 2018. If the difference between (a) the electrical corporation's average overall rate at any point in time while this section applies to the electrical corporation, and (b) the average of (i) the electrical
corporation's average overall rate as of the date new base rates are set in the electrical corporation's most recent general rate proceeding concluded prior to the date the electrical corporation gave notice under section 393.1400, and (ii) the electrical corporation's average overall rate set under section 393.137, reflects a compound annual growth rate of more than two and eighty-five hundredths percent, the electrical corporation shall not recover any amount in excess of such two and eighty-five hundredths percent as a performance penalty.

5. If a change in any rates charged under a rate adjustment mechanism approved by the commission under sections 386.266 and 393.1030 would cause an electrical corporation's average overall rate to exceed the compound annual growth rate limitation set forth in subsection 3 or 4 of this section, the electrical corporation shall reduce the rates charged under that rate adjustment mechanism in an amount sufficient to ensure that the compound annual growth rate limitation set forth in subsection 3 or 4 of this section is not exceeded due to the application of the rate charged under such mechanism and the performance penalties under such subsections are not triggered. Sums not recovered under any such mechanism because of any reduction in rates under such a mechanism pursuant to this subsection shall be deferred to and included in the regulatory asset arising under section 393.1400 or, if applicable, under the regulatory and ratemaking treatment ordered by the commission under section 393.1400, and recovered through an amortization in base rates in the same manner as deferrals under that section or order are recovered in base rates.

6. If the difference between (a) the electrical corporation's class average overall rate at any point in
time while this section applies to the electrical
corporation, and (b) the electrical corporation's class
average overall rate as of the date rates are set in the
electrical corporation's most recent general rate proceeding
concluded prior to the date the electrical corporation gave
notice under subsection 5 of section 393.1400, reflects a
compound annual growth rate of more than two percent for the
large power service rate class, the class average overall
rate shall increase by an amount so that the increase shall
equal a compound annual growth rate of two percent over such
period for such large power service rate class, with the
reduced revenues arising from limiting the large power
service class average overall rate increase to two percent
to be allocated to all the electrical corporation's other
customer classes through the application of a uniform
percentage adjustment to the revenue requirement
responsibility of all the other customer classes.

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

(1) "Average base rate", a rate calculated by dividing
the total retail revenue requirement for all the electrical
corporation's rate classes by the total sales volumes stated
in kilowatt-hours for all such rate classes used to set
rates in the applicable general rate proceeding, exclusive
of gross receipts tax, sales tax, and other similar pass-
through taxes;

(2) "Average overall rate", a rate equal to the sum of
the average base rate and the average rider rate;

(3) "Average rider rate", a rate calculated by
dividing the total of the sums to be recovered from all
customer classes under the electrical corporation's rate
adjustment mechanisms in place other than a rate adjustment
mechanism under section 393.1075 by the total sales volumes stated in kilowatt-hours for all of the electrical corporation's rate classes used to set rates under such rate adjustment mechanisms, exclusive of gross receipts tax, sales tax, and other similar pass-through taxes;

(4) "Class average base rate", a rate calculated by dividing the retail revenue requirement from the applicable general rate proceeding that is allocated to the electrical corporation's large power service rate class in that general rate proceeding, by the total sales volumes stated in kilowatt-hours for that class used to set rates in that general rate proceeding, exclusive of gross receipts tax, sales tax, and other similar pass-through taxes;

(5) "Class average overall rate", a rate equal to the sum of the class average base rate and the class average rider rate;

(6) "Class average rider rate", a rate calculated by dividing the total of the sums allocated for recovery from the large power service rate class under the electrical corporation's rate adjustment mechanisms in place other than a rate adjustment mechanism under section 393.1075 by the total sales volumes stated in kilowatt-hours for that class used to set rates under such rate adjustment mechanisms, exclusive of gross receipts tax, sales tax, and other similar pass-through taxes;

(7) "Force majeure event", an event or circumstance that occurs as a result of a weather event, an act of God, war, terrorism, or other event which threatens the financial integrity of the electrical corporation that causes a reduction in revenues, an increase in the cost of providing electrical service, or some combination thereof, and the event has an associated fiscal impact on the electrical
corporation's operations equal to three percent or greater of the total revenue requirement established in the electrical corporation's last general rate proceeding after taking into account the financial impact specified in section 393.137. Any force majeure event shall be subject to commission review and approval, and shall not preclude the commission from reviewing the prudence of any revenue reductions or costs incurred during any proceeding to set rates;

(8) "Large power service rate class", the rate class of each corporation that requires the highest minimum monthly billing demand of all of the electrical corporation's rate classes in order to qualify as a member of such rate class, and that applies to qualifying customers only if they utilize the electrical corporation's distribution system.

393.1656. 1. This section applies beginning January 1, 2024, to an electrical corporation that has elected to exercise any option under section 393.1400 and shall continue to apply to such electrical corporation until such electrical corporation's permission to make the deferrals authorized by subsection 2 of section 393.1400 expires.

2. That part of the electrical corporation's retail revenue requirement used to set the electrical corporation's base rates in each of the electrical corporation's general rate proceedings that are concluded on or after August 31, 2023, that consists of revenue requirement arising from inclusion in rate base of the section 393.1400 regulatory asset balance shall not exceed the revenue requirement impact cap. If inclusion in rate base of the full balance of the subject section 393.1400 regulatory asset would cause the electrical corporation to exceed the revenue requirement
impact cap, that part of the balance necessary to prevent
inclusion of the full balance from causing an exceedance of
the revenue requirement impact cap shall not be included in
rate base and the section 393.1400 regulatory asset balance
shall be reduced accordingly as a penalty.

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

(1) "Commission", the public service commission;
(2) "Electrical corporation", the same as defined in
section 386.020, but shall not include an electrical
corporation as described in subsection 2 of section 393.110;
(3) "Rate-base cutoff date", the date rate-base
additions are accounted for in a general rate proceeding.
In the absence of a commission order that specifies the rate-
base cutoff date, such date as reflected in any jointly
proposed procedural schedule submitted by the parties in the
applicable general rate proceeding, or as otherwise agreed
to by such parties, shall be used;
(4) "Revenue requirement impact cap", the product of
(i) one-twelfth of two and one-half percent, multiplied by
(ii) the number of months that have elapsed from the
effective date of new base rates in the electrical
corporation's most recently completed general rate
proceeding to the effective date of new base rates in the
general rate proceeding in which the cap is being applied,
with that product to be multiplied by the retail revenue
requirement used to set base rates in the electrical
corporation's most recently completed general rate
proceeding concluded prior to the general rate proceeding in
which the cap is being applied;
(5) "Subject section 393.1400 regulatory asset",
deferrals under section 393.1400 from the rate-base cutoff
date in the electrical corporation’s prior general rate proceeding to the rate-base cutoff date in the current general rate proceeding in which the cap reflected in subsection 2 of this section is being applied.

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

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

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

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

2. (1) No deed restrictions, covenants, or similar binding agreements running with the land shall prohibit or have the effect of prohibiting the display of political signs.
[3.] (2) A homeowners' association has the authority to adopt reasonable rules, subject to any applicable statutes or ordinances, regarding the time, size, place, number, and manner of display of political signs.

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

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

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

(3) The provisions of this subsection shall apply only with regard to rooftops that are owned, controlled, and maintained by the owner of the individual property or structure.
610.021. Except to the extent disclosure is otherwise required by law, a public governmental body is authorized to close meetings, records and votes, to the extent they relate to the following:

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

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

(3) Hiring, firing, disciplining or promoting of
particular employees by a public governmental body when
personal information about the employee is discussed or
recorded. However, any vote on a final decision, when taken
by a public governmental body, to hire, fire, promote or
discipline an employee of a public governmental body shall
be made available with a record of how each member voted to
the public within seventy-two hours of the close of the
meeting where such action occurs; provided, however, that
any employee so affected shall be entitled to prompt notice
of such decision during the seventy-two-hour period before
such decision is made available to the public. As used in
this subdivision, the term "personal information" means
information relating to the performance or merit of
individual employees;

(4) The state militia or national guard or any part
thereof;

(5) Nonjudicial mental or physical health proceedings
involving identifiable persons, including medical,
psychiatric, psychological, or alcoholism or drug dependency
diagnosis or treatment;

(6) Scholastic probation, expulsion, or graduation of
identifiable individuals, including records of individual
test or examination scores; however, personally identifiable
student records maintained by public educational
institutions shall be open for inspection by the parents,
guardian or other custodian of students under the age of
eighteen years and by the parents, guardian or other
custodian and the student if the student is over the age of
eighteen years;

(7) Testing and examination materials, before the test
or examination is given or, if it is to be given again,
before so given again;

(8) Welfare cases of identifiable individuals;

(9) Preparation, including any discussions or work
product, on behalf of a public governmental body or its
representatives for negotiations with employee groups;

(10) Software codes for electronic data processing and
documentation thereof;

(11) Specifications for competitive bidding, until
either the specifications are officially approved by the
public governmental body or the specifications are published
for bid;

(12) Sealed bids and related documents, until the bids
are opened; and sealed proposals and related documents or
any documents related to a negotiated contract until a
contract is executed, or all proposals are rejected;

(13) Individually identifiable personnel records,
performance ratings or records pertaining to employees or
applicants for employment, except that this exemption shall
not apply to the names, positions, salaries and lengths of
service of officers and employees of public agencies once
they are employed as such, and the names of private sources
donating or contributing money to the salary of a chancellor
or president at all public colleges and universities in the
state of Missouri and the amount of money contributed by the
source;

(14) Records which are protected from disclosure by
law;
Meetings and public records relating to scientific and technological innovations in which the owner has a proprietary interest;

Records relating to municipal hotlines established for the reporting of abuse and wrongdoing;

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

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

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

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

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

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

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

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

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

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

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

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

Section B. The repeal and reenactment of section 442.404 of this act shall be effective on January 1, 2023.