

# SENATE BILL NO. 1713

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MCCREERY.

7228S.02I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 393.190, RSMo, and to enact in lieu thereof one new section relating to certain transactions involving public utilities.

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

Section A. Section 393.190, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 393.190, to read as follows:

393.190. 1. No gas corporation, electrical corporation, water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public, nor by any means, direct or indirect, merge or consolidate such works or system, or franchises, or any part thereof, with any other corporation, person or public utility, without having first secured from the commission an order authorizing it so to do. Every such sale, assignment, lease, transfer, mortgage, disposition, encumbrance, merger or consolidation made other than in accordance with the order of the commission authorizing same shall be void. The permission and approval of the commission to the exercise of a franchise or permit under this chapter, or the sale, assignment, lease, transfer, mortgage or other disposition or encumbrance of a

18 franchise or permit under this section shall not be  
19 construed to revive or validate any lapsed or invalid  
20 franchise or permit, or to enlarge or add to the powers or  
21 privileges contained in the grant of any franchise or  
22 permit, or to waive any forfeiture. Any person seeking any  
23 order under this subsection authorizing the sale,  
24 assignment, lease, transfer, merger, consolidation or other  
25 disposition, direct or indirect, of any gas corporation,  
26 electrical corporation, water corporation, or sewer  
27 corporation, shall, at the time of application for any such  
28 order, file with the commission a statement, in such form,  
29 manner and detail as the commission shall require, as to  
30 what, if any, impact such sale, assignment, lease, transfer,  
31 merger, consolidation, or other disposition will have on the  
32 tax revenues of the political subdivisions in which any  
33 structures, facilities or equipment of the corporations  
34 involved in such disposition are located. The commission  
35 shall send a copy of all information obtained by it as to  
36 what, if any, impact such sale, assignment, lease, transfer,  
37 merger, consolidation or other disposition will have on the  
38 tax revenues of various political subdivisions to the county  
39 clerk of each county in which any portion of a political  
40 subdivision which will be affected by such disposition is  
41 located. Nothing in this subsection contained shall be  
42 construed to prevent the sale, assignment, lease or other  
43 disposition by any corporation, person or public utility of  
44 a class designated in this subsection of property which is  
45 not necessary or useful in the performance of its duties to  
46 the public, and any sale of its property by such  
47 corporation, person or public utility shall be conclusively  
48 presumed to have been of property which is not useful or

49 necessary in the performance of its duties to the public, as  
50 to any purchaser of such property in good faith for value.

51 2. No such corporation shall directly or indirectly  
52 acquire the stock or bonds of any other corporation  
53 incorporated for, or engaged in, the same or a similar  
54 business, or proposing to operate or operating under a  
55 franchise from the same or any other municipality; neither  
56 shall any street railroad corporation acquire the stock or  
57 bonds of any electrical corporation, unless, in either case,  
58 authorized so to do by the commission. Save where stock  
59 shall be transferred or held for the purpose of collateral  
60 security, no stock corporation of any description, domestic  
61 or foreign, other than a gas corporation, electrical  
62 corporation, water corporation, sewer corporation or street  
63 railroad corporation, shall, without the consent of the  
64 commission, purchase or acquire, take or hold, more than ten  
65 percent of the total capital stock issued by any gas  
66 corporation, electrical corporation, water corporation or  
67 sewer corporation organized or existing under or by virtue  
68 of the laws of this state, except that a corporation now  
69 lawfully holding a majority of the capital stock of any gas  
70 corporation, electrical corporation, water corporation or  
71 sewer corporation may, with the consent of the commission,  
72 acquire and hold the remainder of the capital stock of such  
73 gas corporation, electrical corporation, water corporation  
74 or sewer corporation, or any portion thereof.

75 3. No person, public utility, or other corporation  
76 shall purchase or acquire, take, or hold fifty percent or  
77 more of the total capital stock issued by any sewer or water  
78 corporation that regularly provides service to eight  
79 thousand or fewer customers without notifying the commission  
80 within thirty days of said acquisition.

81           4. Notwithstanding subsection 3 of this section, any  
82 sewer or water corporation that regularly provides service  
83 to eight thousand or fewer customers that is delinquent in  
84 filing its public service commission annual report or is six  
85 months or more delinquent in paying its public service  
86 commission assessment or is in violation of any other public  
87 service commission or Missouri department of natural  
88 resources rules or regulations shall not sell or transfer  
89 fifty percent or more of its total capital stock issued  
90 without the consent of the commission.

91           5. Nothing herein contained shall be construed to  
92 prevent the holding of stock heretofore lawfully acquired,  
93 or to prevent upon the surrender or exchange of said stock  
94 pursuant to a reorganization plan, the purchase,  
95 acquisition, taking or holding of a proportionate amount of  
96 stock of any new corporation organized to take over, at  
97 foreclosure or other sale, the property of any corporation  
98 whose stock has been thus surrendered or exchanged. Every  
99 contract, assignment, transfer or agreement for transfer of  
100 any stock by or through any person or corporation to any  
101 corporation in violation of any provision of this chapter  
102 shall be void and of no effect, and no such transfer or  
103 assignment shall be made upon the books of any such gas  
104 corporation, electrical corporation, water corporation or  
105 sewer corporation or shall be recognized as effective for  
106 any purpose.

107           **6. No sale, assignment, lease, transfer, mortgage,**  
108 **disposition, encumbrance, merger, or consolidation of a**  
109 **public utility, as defined in section 386.020, shall be**  
110 **permitted unless the public service commission makes a**  
111 **finding that such transaction is in the public interest.**

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