#### FIRST REGULAR SESSION

# **HOUSE BILL NO. 771**

### 101ST GENERAL ASSEMBLY

#### INTRODUCED BY REPRESENTATIVE ANDREWS.

1476H.01I

DANA RADEMAN MILLER, Chief Clerk

## **AN ACT**

To repeal sections 8.800, 8.805, 8.830, 8.843, 23.295, 30.750, 67.2835, 135.311, 135.710, 135.950, 178.585, 186.019, 290.257, 374.007, 386.040, 386.071, 386.700, 386.710, 386.890, 393.1025, 414.400, 414.406, 414.417, 414.510, 620.010, 620.035, 620.484, 620.490, 620.511, 620.512, 620.513, 640.153, 640.157, 640.160, 640.651, 640.653, 660.135, 701.500, and 701.509, RSMo, and section 167.910 as enacted by house bill no. 1606, ninety-ninth general assembly, second regular session, and section 167.910 as enacted by house bill no. 1415, ninety-ninth general assembly, second regular session, and to enact in lieu thereof forty new sections relating to the reorganization and renaming of certain state agencies.

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

Section A. Sections 8.800, 8.805, 8.830, 8.843, 23.295, 30.750, 67.2835, 135.311,

- 2 135.710, 135.950, 178.585, 186.019, 290.257, 374.007, 386.040, 386.071, 386.700, 386.710,
- 3 386.890, 393.1025, 414.400, 414.406, 414.417, 414.510, 620.010, 620.035, 620.484, 620.490,
- 4 620.511,620.512,620.513,640.153,640.157,640.160,640.651,640.653,660.135,701.500, and
- 5 701.509, RSMo, and section 167.910 as enacted by house bill no. 1606, ninety ninth general
- 6 assembly, second regular session, and section 167.910 as enacted by house bill no. 1415,
- 7 ninety-ninth general assembly, second regular session, are repealed and forty new sections
- 8 enacted in lieu thereof, to be known as sections 8.800, 8.805, 8.830, 8.843, 23.295, 30.750,
- 9 67.2835, 135.311, 135.710, 135.950, 167.910, 173.2800, 173.2805, 173.2850, 173.2855,
- 10 173.2860, 178.585, 186.019, 290.257, 374.007, 386.040, 386.071, 386.700, 386.710, 386.890,
- 11 393.1025, 414.400, 414.406, 414.417, 414.510, 620.010, 640.021, 640.153, 640.157, 640.160,
- 12 640.651, 640.653, 660.135, 701.500, and 701.509, to read as follows:

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

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8.800. As used in sections 8.800 to 8.825, the following terms mean:

- 2 (1) "Builder", the prime contractor that hires and coordinates building subcontractors or 3 if there is no prime contractor, the contractor that completes more than fifty percent of the total 4 construction work performed on the building. Construction work includes, but is not limited to, 5 foundation, framing, wiring, plumbing and finishing work;
  - (2) "Department", the department of [economic development] natural resources;
  - (3) "Designer", the architect, engineer, landscape architect, builder, interior designer or other person who performs the actual design work or is under the direct supervision and responsibility of the person who performs the actual design work;
  - (4) "District heating and cooling systems", heat pump systems which use waste heat from factories, sewage treatment plants, municipal solid waste incineration, lighting and other heat sources in office buildings or which use ambient thermal energy from sources including temperature differences in rivers to provide regional heating or cooling;
    - (5) "Division", the division of facilities management, design and construction;
- 15 (6) "Energy efficiency", the increased productivity or effectiveness of energy resources 16 use, the reduction of
- 17 energy consumption, or the use of renewable energy sources;
- 18 (7) "Gray water", all domestic wastewater from a state building except wastewater from 19 urinals, toilets, laboratory sinks, and garbage disposals;
- 20 (8) "Life cycle costs", the costs associated with the initial construction or renovation and 21 the proposed energy consumption, operation and maintenance costs over the useful life of a state 22 building or over the first twenty-five years after the construction or renovation is completed;
  - (9) "Public building", a building owned or operated by a governmental subdivision of the state, including, but not limited to, a city, county or school district;
  - (10) "Renewable energy source", a source of thermal, mechanical or electrical energy produced from solar, wind, low-head hydropower, biomass, hydrogen or geothermal sources, but not from the incineration of hazardous waste, municipal solid waste or sludge from sewage treatment facilities;
- 29 (11) "State agency", a department, commission, authority, office, college or university 30 of this state;
- 31 (12) "State building", a building owned by this state or an agency of this state;
- 32 (13) "Substantial renovation" or "substantially renovated", modifications that will affect 33 at least fifty percent of the square footage of the building or modifications that will cost at least 34 fifty percent of the building's fair market value.
  - 8.805. 1. For the first three years of each completed energy efficiency project for state buildings, to the extent that there are energy savings beyond payment of the financing obligation,

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3 required reserves and other expenses associated with project financing, one-half of the energy

- 4 savings shall be placed in the energy analyses account, created in section 8.807, and one-half
- 5 shall revert to the general revenue fund. The division, in conjunction with the department, shall
- 6 establish criteria for determining projected savings from energy efficiency projects in state
- 7 buildings. The division, in conjunction with all state agencies, shall establish criteria for
- 8 determining the actual savings which result from a specific energy efficiency project.
- 2. Beginning January 15, 1997, and annually thereafter, the office of administration and the department of [economic development] natural resources shall file a joint report to the house committee on energy and environment, the senate committee on energy and environment, or their successor committees, and the governor on the identification of, planning for and implementation of energy efficiency projects in state buildings.
  - 8.830. For purposes of sections 8.830 to 8.851, the following terms mean:
  - (1) "Department", the department of [economic development] natural resources;
  - (2) "Director", the director of the department of [economic development] natural resources;
    - (3) "Division", the division of facilities management, design and construction;
- 6 (4) "Public building", a building owned or operated by a governmental subdivision of 7 the state, including, but not limited to, a city, county or school district;
  - (5) "State building", a building owned or operated by the state, a state agency or department, a state college or a state university.
- 8.843. There is hereby established an interagency advisory committee on energy cost reduction and savings. The committee shall consist of the commissioner of administration, the director of the division of facilities management, design and construction, the director of the department of [economic development] natural resources, the director of the environmental improvement and energy resources authority, the director of the division of energy, the director of the department of transportation, the director of the department of conservation and the commissioner of higher education. The committee shall advise the department on the development of the minimum energy efficiency standard and state building energy efficiency rating system and shall assist the office of administration in implementing sections 8.833 and
- 23.295. If an employee is displaced because a program is sunset, reorganized, or continued, the state agency and the division of workforce development in the department of [economic development] higher education and workforce development shall make a reasonable effort to relocate the displaced employee.
  - 30.750. As used in sections 30.750 to 30.765, the following terms mean:

2 (1) "Eligible agribusiness", a person engaged in the processing or adding of value to agricultural products produced in Missouri;

- (2) "Eligible alternative energy consumer", an individual who wishes to borrow moneys for the purchase, installation, or construction of facilities or equipment related to the production of fuel or power primarily for the individual's own use from energy sources other than fossil fuels, including but not limited to solar, hydroelectric, wind, and qualified biomass;
- (3) "Eligible alternative energy operation", a business enterprise engaged in the production of fuel or power from energy sources other than fossil fuels, including but not limited to solar, hydroelectric, wind, and qualified biomass. Such business enterprise shall conform to the characteristics of paragraphs (a), (b), and (d) of subdivision (6) of this section;
  - (4) "Eligible beginning farmer":
- (a) For any beginning farmer who seeks to participate in the linked deposit program alone, a farmer who:
- a. Is a Missouri resident;

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- b. Wishes to borrow for a farm operation located in Missouri;
- 17 c. Is at least eighteen years old; and
  - d. In the preceding five years has not owned, either directly or indirectly, farm land greater than fifty percent of the average size farm in the county where the proposed farm operation is located or farm land with an appraised value greater than four hundred fifty thousand dollars. A farmer who qualifies as an eligible farmer under this provision may utilize the proceeds of a linked deposit loan to purchase agricultural land, farm buildings, new and used farm equipment, livestock and working capital;
  - (b) For any beginning farmer who is participating in both the linked deposit program and the beginning farmer loan program administered by the Missouri [agriculture] agricultural and small business development authority, a farmer who:
  - a. Qualifies under the definition of a beginning farmer utilized for eligibility for federal tax-exempt financing, including the limitations on the use of loan proceeds; and
- b. Meets all other requirements established by the Missouri [agriculture] agricultural and small business development authority;
- 31 (5) "Eligible facility borrower", a borrower qualified under section 30.860 to apply for 32 a reduced-rate loan under sections 30.750 to 30.765;
- 33 (6) "Eligible farming operation", any person engaged in farming in an authorized farm 34 corporation, family farm, or family farm corporation as defined in section 350.010 that has all 35 of the following characteristics:
  - (a) Is headquartered in this state;

37 (b) Maintains offices, operating facilities, or farming operations and transacts business 38 in this state:

- (c) Employs less than ten employees;
- (d) Is organized for profit;

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- 41 (7) "Eligible governmental entity", any political subdivision of the state seeking to 42 finance capital improvements, capital outlay, or other significant programs through an eligible 43 lending institution;
- 44 (8) "Eligible higher education institution", any approved public or private institution as defined in section 173.205;
  - (9) "Eligible job enhancement business", a new, existing, or expanding firm operating in Missouri, or as a condition of accepting the linked deposit, will locate a facility or office in Missouri associated with said linked deposit, which employs ten or more employees in Missouri on a yearly average and which, as nearly as possible, is able to establish or retain at least one job in Missouri for each fifty thousand dollars received from a linked deposit loan except when the applicant can demonstrate significant costs for equipment, capital outlay, or capital improvements associated with the physical expansion, renovation, or modernization of a facility or equipment. In such cases, the maximum amount of the linked deposit shall not exceed fifty thousand dollars per job created or retained plus the initial cost of the physical expansion, renovation or capital outlay;
  - (10) "Eligible lending institution", a financial institution that is eligible to make commercial or agricultural or student loans or discount or purchase such loans, is a public depository of state funds or obtains its funds through the issuance of obligations, either directly or through a related entity, eligible for the placement of state funds under the provisions of Section 15, Article IV, Constitution of Missouri, and agrees to participate in the linked deposit program;
- 62 (11) "Eligible livestock operation", any person engaged in production of livestock or 63 poultry in an authorized farm corporation, family farm, or family farm corporation as defined in 64 section 350.010;
  - (12) "Eligible locally owned business", any person seeking to establish a new firm, partnership, cooperative company, or corporation that shall retain at least fifty-one percent ownership by residents in a county in which the business is headquartered, that consists of the following characteristics:
    - (a) The county has a median population of twelve thousand five hundred or less; and
- 70 (b) The median income of residents in the county are equal to or less than the state 71 median income; or

72 (c) The unemployment rate of the county is equal to or greater than the state's 73 unemployment rate;

- (13) "Eligible marketing enterprise", a business enterprise operating in this state which is in the process of marketing its goods, products or services within or outside of this state or overseas, which marketing is designed to increase manufacturing, transportation, mining, communications, or other enterprises in this state, which has proposed its marketing plan and strategy to the department of economic development and which plan and strategy has been approved by the department for purposes of eligibility pursuant to sections 30.750 to 30.765. Such business enterprise shall conform to the characteristics of paragraphs (a), (b) and (d) of subdivision (6) of this section and also employ less than twenty-five employees;
- (14) "Eligible multitenant development enterprise", a new enterprise that develops multitenant space for targeted industries as determined by the department of economic development and approved by the department for the purposes of eligibility pursuant to sections 30.750 to 30.765;
- (15) "Eligible residential property developer", an individual who purchases and develops a residential structure of either two or four units, if such residential property developer uses and agrees to continue to use, for at least the five years immediately following the date of issuance of the linked deposit loan, one of the units as his principal residence or if such person's principal residence is located within one-half mile from the developed structure and such person agrees to maintain the principal residence within one-half mile of the developed structure for at least the five years immediately following the date of issuance of the linked deposit loan;
- (16) "Eligible residential property owner", a person, firm or corporation who purchases, develops or rehabilitates a multifamily residential structure;
- (17) "Eligible small business", a person engaged in an activity with the purpose of obtaining, directly or indirectly, a gain, benefit or advantage and which conforms to the characteristics of paragraphs (a), (b) and (d) of subdivision (6) of this section, and also employs less than one hundred employees or an eligible veteran-owned small business as defined in subdivision (19) of this section;
- (18) "Eligible student borrower", any person attending, or the parent of a dependent undergraduate attending, an eligible higher education institution in Missouri who may or may not qualify for need-based student financial aid calculated by the federal analysis called Congressional Methodology Formula pursuant to 20 U.S.C. 1078, as amended (the Higher Education Amendments of 1986);
- 105 (19) "Eligible veteran-owned small business", any business owned by an honorably 106 discharged veteran and Missouri resident who has agreed to locate his or her business in

107 Missouri for a minimum of three years and employs less than one hundred employees, a majority 108 of whom are Missouri residents;

- 109 (20) "Eligible water supply system", a water system which serves fewer than fifty 110 thousand persons and which is owned and operated by:
  - (a) A public water supply district established pursuant to chapter 247; or
  - (b) A municipality or other political subdivision; or
- (c) A water corporation;

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- and which is certified by the department of natural resources in accordance with its rules and regulations to have suffered a significant decrease in its capacity to meet its service needs as a result of drought;
- (21) "Farming", using or cultivating land for the production of agricultural crops, livestock or livestock products, forest products, poultry or poultry products, milk or dairy products, or fruit or other horticultural products;
- "Linked deposit", a certificate of deposit, or in the case of production credit associations, the subscription or purchase outright of obligations described in Section 15, Article IV, Constitution of Missouri, placed by the state treasurer with an eligible lending institution at rates otherwise provided by law in section 30.758, provided the institution agrees to lend the value of such deposit, according to the deposit agreement provided in sections 30.750 to 30.765, to eligible multitenant development enterprises, eligible small businesses, eligible alternative energy operations, eligible alternative energy consumers, eligible locally owned businesses, farming operations, eligible job enhancement businesses, eligible marketing enterprises, eligible residential property developers, eligible residential property owners, eligible governmental entities, eligible agribusinesses, eligible beginning farmers, eligible livestock operations, eligible student borrowers, eligible facility borrowers, or eligible water supply systems at below the present borrowing rate applicable to each multitenant development enterprise, small business, alternative energy operation, alternative energy consumer, farming operation, eligible job enhancement business, eligible marketing enterprise, eligible residential property developer, eligible residential property owner, eligible governmental entity, eligible agribusiness, eligible beginning farmer, eligible livestock operation, eligible student borrower, or supply system at the time of the deposit of state funds in the institution;
- 138 (23) "Market rate", the interest rate more specifically described in subsection 6 of section 30.260;
- 140 (24) "Professional forester", any individual who holds a bachelor of science degree in 141 forestry from a regionally accredited college or university with a minimum of two years of 142 professional forest management experience;

- 143 (25) "Qualified biomass", any agriculture-derived organic material or any wood-derived 144 organic material harvested in accordance with a site-specific forest management plan focused 145 on long-term forest sustainability developed by a professional forester and qualified, in 146 consultation with the conservation commission, by the agriculture and small business 147 development authority;
  - (26) "Water corporation", as such term is defined in section 386.020;
- 149 (27) "Water system", as such term is defined in section 386.020.
  - 67.2835. The director of the department of [economic development] natural resources
  - 2 is authorized to allocate the state's residual share, or any portion thereof, of the national qualified
  - 3 energy conservation bond limitation under Section 54D of the Internal Revenue Code of 1986,
  - 4 as amended, for any purposes described therein to the authority, any clean energy development
  - 5 board, the state, any political subdivision, instrumentality, or other body corporate and politic.
  - 135.311. When applying for a tax credit the wood energy producer shall make application for the credit to the division of energy of the department of [economic development] natural resources. The application shall include:
  - 4 (1) The number of tons of processed wood products produced during the preceding 5 calendar year;
  - 6 (2) The name and address of the person to whom processed products were sold and the number of tons sold to each person;
    - (3) Other information which the department of [economic development] natural resources reasonably requires. The application shall be received and reviewed by the division of energy of the department of [economic development] natural resources and the division shall certify to the department of revenue each applicant which qualifies as a wood energy-producing facility.
      - 135.710. 1. As used in this section, the following terms mean:
  - 2 (1) "Alternative fuel vehicle refueling property", property in this state owned by an eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens;
    - (2) "Alternative fuels", any motor fuel at least
  - 6 seventy percent of the volume of which consists of one or more of the following:
  - 7 (a) Ethanol;

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- 8 (b) Natural gas;
- 9 (c) Compressed natural gas, or CNG;
- 10 (d) Liquified natural gas, or LNG;
- 11 (e) Liquified petroleum gas, or LP gas, propane, or autogas;
- 12 (f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;

13 (g) Hydrogen;

- 14 (3) "Department", the department of [economic development] natural resources;
- 15 (4) "Electric vehicle recharging property", property in this state owned by an eligible applicant and used for recharging electric motor vehicles owned by such eligible applicant or private citizens;
  - (5) "Eligible applicant", a business entity or private citizen that is the owner of an electric vehicle recharging property or an alternative fuel vehicle refueling property;
  - (6) "Qualified Missouri contractor", a contractor whose principal place of business is located in Missouri and has been located in Missouri for a period of not less than five years;
  - (7) "Qualified property", an electric vehicle recharging property or an alternative fuel vehicle refueling property which, if constructed after August 28, 2014, was constructed with at least fifty-one percent of the costs being paid to qualified Missouri contractors for the:
  - (a) Fabrication of premanufactured equipment or process piping used in the construction of such facility;
    - (b) Construction of such facility; and
  - (c) General maintenance of such facility during the time period in which such facility receives any tax credit under this section.

If no qualified Missouri contractor is located within seventy-five miles of the property, the requirement that fifty-one percent of the costs shall be paid to qualified Missouri contractors shall not apply.

- 2. For all tax years beginning on or after January 1, 2015, but before January 1, 2018, any eligible applicant who installs and operates a qualified property shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or due under chapter 147 or chapter 148 for any tax year in which the applicant is constructing the qualified property. The credit allowed in this section per eligible applicant who is a private citizen shall not exceed fifteen hundred dollars or per eligible applicant that is a business entity shall not exceed the lesser of twenty thousand dollars or twenty percent of the total costs directly associated with the purchase and installation of any alternative fuel storage and dispensing equipment or any recharging equipment on any qualified property, which shall not include the following:
  - (1) Costs associated with the purchase of land upon which to place a qualified property;
  - (2) Costs associated with the purchase of an existing qualified property; or
  - (3) Costs for the construction or purchase of any structure.
- 3. Tax credits allowed by this section shall be claimed by the eligible applicant at the time such applicant files a return for the tax year in which the storage and dispensing or

recharging facilities were placed in service at a qualified property, and shall be applied against the income tax liability imposed by chapter 143, chapter 147, or chapter 148 after all other credits provided by law have been applied. The cumulative amount of tax credits which may be claimed by eligible applicants claiming all credits authorized in this section shall not exceed one million dollars in any calendar year, subject to appropriations.

- 4. If the amount of the tax credit exceeds the eligible applicant's tax liability, the difference shall not be refundable. Any amount of credit that an eligible applicant is prohibited by this section from claiming in a taxable year may be carried forward to any of such applicant's two subsequent taxable years. Tax credits allowed under this section may be assigned, transferred, sold, or otherwise conveyed.
- 5. Any qualified property, for which an eligible applicant receives tax credits under this section, which ceases to sell alternative fuel or recharge electric vehicles shall cause the forfeiture of such eligible applicant's tax credits provided under this section for the taxable year in which the qualified property ceased to sell alternative fuel or recharge electric vehicles and for future taxable years with no recapture of tax credits obtained by an eligible applicant with respect to such applicant's tax years which ended before the sale of alternative fuel or recharging of electric vehicles ceased.
- 6. The director of revenue shall establish the procedure by which the tax credits in this section may be claimed, and shall establish a procedure by which the cumulative amount of tax credits is apportioned equally among all eligible applicants claiming the credit. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that eligible applicants can claim all the tax credits possible up to the cumulative amount of tax credits available for the taxable year. No eligible applicant claiming a tax credit under this section shall be liable for any interest or penalty for filing a tax return after the date fixed for filing such return as a result of the apportionment procedure under this subsection.
- 7. Any eligible applicant desiring to claim a tax credit under this section shall submit the appropriate application for such credit with the department. The application for a tax credit under this section shall include any information required by the department. The department shall review the applications and certify to the department of revenue each eligible applicant that qualifies for the tax credit.
- 8. The department and the department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the

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general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be invalid and void.

- 9. The provisions of section 23.253 of the Missouri sunset act notwithstanding:
- (1) The provisions of the new program authorized under this section shall automatically sunset three years after December 31, 2014, unless reauthorized by an act of the general assembly; and
- (2) If such program is reauthorized, the program authorized under this section shall automatically sunset six years after the effective date of the reauthorization of this section; and
- (3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and
- (4) The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to redeem tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem such tax credits.

135.950. The following terms, whenever used in sections 135.950 to 135.970 mean:

- (1) "Average wage", the new payroll divided by the number of new jobs;
- (2) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use. The term "blighted area" shall also include any area which produces or generates or has the potential to produce or generate electrical energy from a renewable energy resource, and which, by reason of obsolescence, decadence, blight, dilapidation, deteriorating or inadequate site improvements, substandard conditions, the predominance [or] of defective or inadequate street layout, unsanitary or unsafe conditions, improper subdivision or obsolete platting, or the existence of conditions which endanger the life or property by fire or other means, or any combination of such factors, is underutilized, unutilized, or diminishes the economic usefulness of the land, improvements, or lock and dam site within such area for the production, generation, conversion, and conveyance of electrical energy from a renewable energy resource;
  - (3) "Board", an enhanced enterprise zone board established pursuant to section 135.957;
- (4) "Commencement of commercial operations" shall be deemed to occur during the first taxable year for which the new business facility is first put into use by the taxpayer in the enhanced business enterprise in which the taxpayer intends to use the new business facility;

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- 22 (5) "County average wage", the average wages in each county as determined by the 23 department for the most recently completed full calendar year. However, if the computed county 24 average wage is above the statewide average wage, the statewide average wage shall be deemed 25 the county average wage for such county for the purpose of determining eligibility. 26 department shall publish the county average wage for each county at least annually. 27 Notwithstanding the provisions of this subdivision to the contrary, for any taxpayer that in 28 conjunction with their project is relocating employees from a Missouri county with a higher 29 county average wage, such taxpayer shall obtain the endorsement of the governing body of the 30 community from which jobs are being relocated or the county average wage for their project shall 31 be the county average wage for the county from which the employees are being relocated;
  - (6) "Department", the department of [economic development] natural resources;
- "Director", the director of the department of [economic development] natural 34 resources:
  - (8) "Employee", a person employed by the enhanced business enterprise that is scheduled to work an average of at least one thousand hours per year, and such person at all times has health insurance offered to him or her, which is partially paid for by the employer;
  - (9) "Enhanced business enterprise", an industry or one of a cluster of industries that is either:
- 40 (a) Identified by the department as critical to the state's economic security and growth; 41 or
  - (b) Will have an impact on industry cluster development, as identified by the governing authority in its application for designation of an enhanced enterprise zone and approved by the department; but excluding gambling establishments (NAICS industry group 7132), retail trade (NAICS sectors 44 and 45), educational services (NAICS sector 61), religious organizations (NAICS industry group 8131), public administration (NAICS sector 92), and food and drinking places (NAICS subsector 722), however, notwithstanding provisions of this section to the contrary, headquarters or administrative offices of an otherwise excluded business may qualify for benefits if the offices serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the new jobs and investment of such headquarters operation is considered eligible for benefits under this section if the other requirements are satisfied. Service industries may be eligible only if a majority of its annual revenues will be derived from out of the state;
  - (10) "Existing business facility", any facility in this state which was employed by the taxpayer claiming the credit in the operation of an enhanced business enterprise immediately prior to an expansion, acquisition, addition, or replacement;

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(11) "Facility", any building used as an enhanced business enterprise located within an 58 enhanced enterprise zone, including the land on which the facility is located and all machinery, 59 equipment, and other real and depreciable tangible personal property acquired for use at and 60 located at or within such facility and used in connection with the operation of such facility;

- (12) "Facility base employment", the greater of the number of employees located at the facility on the date of the notice of intent, or for the twelve-month period prior to the date of the notice of intent, the average number of employees located at the facility, or in the event the project facility has not been in operation for a full twelve-month period, the average number of employees for the number of months the facility has been in operation prior to the date of the notice of intent;
- (13) "Facility base payroll", the total amount of taxable wages paid by the enhanced business enterprise to employees of the enhanced business enterprise located at the facility in the twelve months prior to the notice of intent, not including the payroll of owners of the enhanced business enterprise unless the enhanced business enterprise is participating in an employee stock ownership plan. For the purposes of calculating the benefits under this program, the amount of base payroll shall increase each year based on the consumer price index or other comparable measure, as determined by the department;
- (14) "Governing authority", the body holding primary legislative authority over a county or incorporated municipality;
- (15)"Megaproject", any manufacturing or assembling facility, approved by the department for construction and operation within an enhanced enterprise zone, which satisfies the following:
- (a) The new capital investment is projected to exceed three hundred million dollars over a period of eight years from the date of approval by the department;
- (b) The number of new jobs is projected to exceed one thousand over a period of eight years beginning on the date of approval by the department;
  - (c) The average wage of new jobs to be created shall exceed the county average wage;
- (d) The taxpayer shall offer health insurance to all new jobs and pay at least eighty percent of such insurance premiums; and
- (e) An acceptable plan of repayment, to the state, of the tax credits provided for the megaproject has been provided by the taxpayer;
- (16) "NAICS", the 1997 edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group or industry identified in this section shall include its corresponding classification in subsequent federal industry classification systems;

92 (17) "New business facility", a facility that does not produce or generate electrical energy 93 from a renewable energy resource and satisfies the following requirements:

- (a) Such facility is employed by the taxpayer in the operation of an enhanced business enterprise. Such facility shall not be considered a new business facility in the hands of the taxpayer if the taxpayer's only activity with respect to such facility is to lease it to another person or persons. If the taxpayer employs only a portion of such facility in the operation of an enhanced business enterprise, and leases another portion of such facility to another person or persons or does not otherwise use such other portions in the operation of an enhanced business enterprise, the portion employed by the taxpayer in the operation of an enhanced business enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c), and (d) of this subdivision are satisfied;
- (b) Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31, 2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding contract to transfer title to the taxpayer, or the commencement of the term of the lease to the taxpayer occurs after December 31, 2004;
- (c) If such facility was acquired by the taxpayer from another taxpayer and such facility was employed immediately prior to the acquisition by another taxpayer in the operation of an enhanced business enterprise, the operation of the same or a substantially similar enhanced business enterprise is not continued by the taxpayer at such facility; and
- (d) Such facility is not a replacement business facility, as defined in subdivision (27) of this section;
- (18) "New business facility employee", an employee of the taxpayer in the operation of a new business facility during the taxable year for which the credit allowed by section 135.967 is claimed, except that truck drivers and rail and barge vehicle operators and other operators of rolling stock for hire shall not constitute new business facility employees;
- (19) "New business facility investment", the value of real and depreciable tangible personal property, acquired by the taxpayer as part of the new business facility, which is used by the taxpayer in the operation of the new business facility, during the taxable year for which the credit allowed by 135.967 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges, tunnels, and rail yards and spurs shall not constitute new business facility investments. The total value of such property during such taxable year shall be:
  - (a) Its original cost if owned by the taxpayer; or
- (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the

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taxpayer from subrentals. The new business facility investment shall be determined by dividing by twelve the sum of the total value of such property on the last business day of each calendar month of the taxable year. If the new business facility is in operation for less than an entire taxable year, the new business facility investment shall be determined by dividing the sum of the total value of such property on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period;

- (20) "New job", the number of employees located at the facility that exceeds the facility base employment less any decrease in the number of the employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job;
- (21) "Notice of intent", a form developed by the department which is completed by the enhanced business enterprise and submitted to the department which states the enhanced business enterprise's intent to hire new jobs and request benefits under such program;
- (22) "Related facility", a facility operated by the enhanced business enterprise or a related company in this state that is directly related to the operation of the project facility;
  - (23) "Related facility base employment", the greater of:
- 145 (a) The number of employees located at all related facilities on the date of the notice of 146 intent; or
- 147 (b) For the twelve-month period prior to the date of the notice of intent, the average 148 number of employees located at all related facilities of the enhanced business enterprise or a 149 related company located in this state;
  - (24) "Related taxpayer":
  - (a) A corporation, partnership, trust, or association controlled by the taxpayer;
- 152 (b) An individual, corporation, partnership, trust, or association in control of the 153 taxpayer; or
  - (c) A corporation, partnership, trust or association controlled by an individual, corporation, partnership, trust or association in control of the taxpayer. "Control of a corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote, "control of a partnership or association" shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association, and "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

163 (25) "Renewable energy generation zone", an area which has been found, by a resolution 164 or ordinance adopted by the governing authority having jurisdiction of such area, to be a blighted 165 area and which contains land, improvements, or a lock and dam site which is unutilized or 166 underutilized for the production, generation, conversion, and conveyance of electrical energy 167 from a renewable energy resource;

- (26) "Renewable energy resource", shall include:
- 169 (a) Wind;

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- (b) Solar thermal sources or photovoltaic cells and panels;
- (c) Dedicated crops grown for energy production;
- (d) Cellulosic agricultural residues;
- (e) Plant residues;
- (f) Methane from landfills, agricultural operations, or wastewater treatment;
- (g) Thermal depolymerization or pyrolysis for converting waste material to energy;
- (h) Clean and untreated wood such as pallets;
- 177 (i) Hydroelectric power, which shall include electrical energy produced or generated by 178 hydroelectric power generating equipment, as such term is defined in section 137.010;
  - (j) Fuel cells using hydrogen produced by one or more of the renewable resources provided in paragraphs (a) to (i) of this subdivision; or
  - (k) Any other sources of energy, not including nuclear energy, that are certified as renewable by rule by the department of [economic development] natural resources;
  - (27) "Replacement business facility", a facility otherwise described in subdivision (17) of this section, hereafter referred to in this subdivision as "new facility", which replaces another facility, hereafter referred to in this subdivision as "old facility", located within the state, which the taxpayer or a related taxpayer previously operated but discontinued operating on or before the close of the first taxable year for which the credit allowed by this section is claimed. A new facility shall be deemed to replace an old facility if the following conditions are met:
  - (a) The old facility was operated by the taxpayer or a related taxpayer during the taxpayer's or related taxpayer's taxable period immediately preceding the taxable year in which commencement of commercial operations occurs at the new facility; and
  - (b) The old facility was employed by the taxpayer or a related taxpayer in the operation of an enhanced business enterprise and the taxpayer continues the operation of the same or substantially similar enhanced business enterprise at the new facility. Notwithstanding the preceding provisions of this subdivision, a facility shall not be considered a replacement business facility if the taxpayer's new business facility investment, as computed in subdivision (19) of this section, in the new facility during the tax period for which the credits allowed in section 135.967

association of school counselors;

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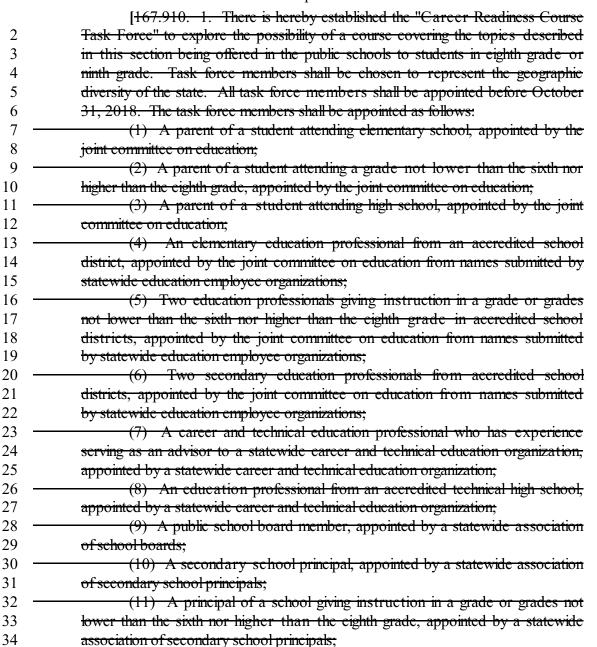
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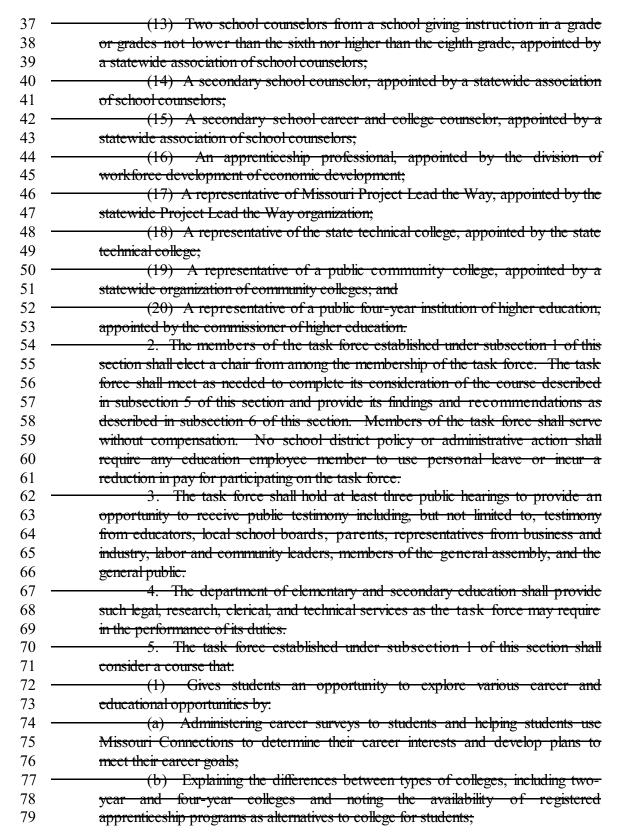
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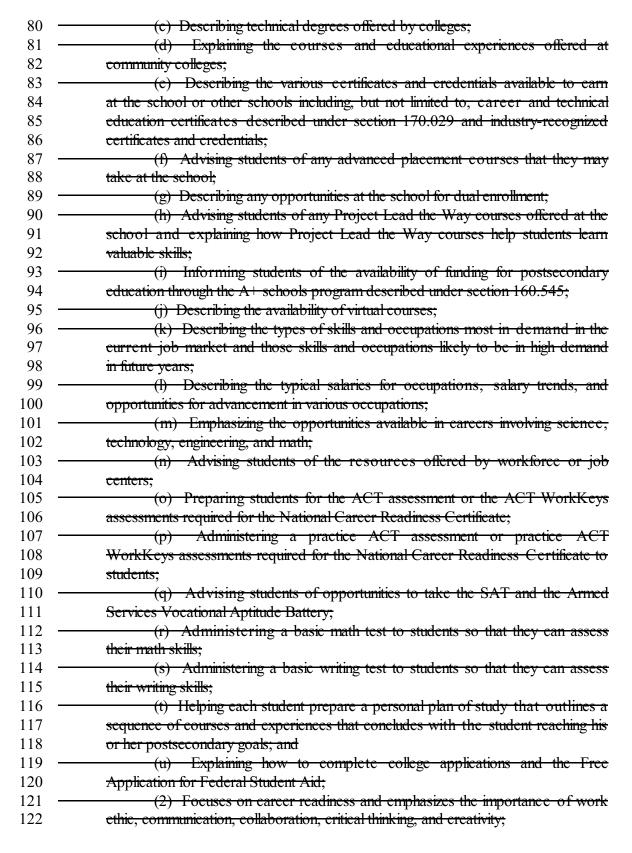
are claimed exceed one million dollars and if the total number of employees at the new facility exceeds the total number of employees at the old facility by at least two;

(28) "Same or substantially similar enhanced business enterprise", an enhanced business enterprise in which the nature of the products produced or sold, or activities conducted, are similar in character and use or are produced, sold, performed, or conducted in the same or similar manner as in another enhanced business enterprise.



(12) An elementary school counselor, appointed by a statewide





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123 (3) Demonstrates that graduation from a four-year college is not the only 124 pathway to success by describing to students at least sixteen pathways to success 125 in detail and including guest visitors who represent each pathway described. In 126 exploring how these pathways could be covered in the course, the task force shall 127 consider how instructors for the course may be able to rely on assistance from 128 Missouri's career pathways within the department of elementary and secondary 129 education: 130

- (4) Provides student loan counseling; and
  - (5) May include parent-student meetings.
- 6. Before December 1, 2019, the task force established under subsection 1 of this section shall present its findings and recommendations to the speaker of the house of representatives, the president pro tempore of the senate, the joint committee on education, and the state board of education. Upon presenting the findings and recommendations as described in this subsection, the task force shall dissolve.]

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- 167.910. 1. There is hereby established the "Career Readiness Course Task Force" to explore the possibility of a course covering the topics described in this section being offered in the public schools to students in eighth grade or ninth grade. Task force members shall be chosen to represent the geographic diversity of the state. All task force members shall be appointed before October 31, 2018. The task force members shall be appointed as follows:
- A parent of a student attending elementary school, appointed by a statewide association of parents and teachers;
- (2) A parent of a student attending a grade not lower than the sixth nor higher than the eighth grade, appointed by a statewide association of parents and teachers;
- 10 (3) A parent of a student attending high school, appointed by a statewide association of parents and teachers; 11
  - (4) An elementary education professional from an accredited school district, appointed by agreement among the Missouri State Teachers Association, the Missouri National Education Association, and the American Federation of Teachers of Missouri;
  - (5) An education professional giving instruction in a grade or grades not lower than the sixth nor higher than the eighth grade in an accredited school district, appointed by agreement among the Missouri State Teachers Association, the Missouri National Education Association, and the American Federation of Teachers of Missouri;
  - (6) A secondary education professional from an accredited school district, appointed by agreement among the Missouri State Teachers Association, the Missouri National Education Association, and the American Federation of Teachers of Missouri;

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- 22 (7) A career and technical education professional who has experience serving as an 23 advisor to a statewide career and technical education organization, appointed by a statewide 24 career and technical education organization;
- 25 (8) An education professional from an accredited technical high school, appointed by a 26 statewide career and technical education organization;
- 27 (9) A public school board member, appointed by a statewide association of school 28 boards;
- 29 (10) A secondary school principal, appointed by a statewide association of secondary 30 school principals;
  - (11) A principal of a school giving instruction in a grade or grades not lower than the sixth nor higher than the eighth grade, appointed by a statewide association of secondary school principals;
- 34 (12) An elementary school counselor, appointed by a statewide association of school 35 counselors;
- 36 (13) A school counselor from a school giving instruction in a grade or grades not lower 37 than the sixth nor higher than the eighth grade, appointed by a statewide association of school 38 counselors:
- 39 (14) A secondary school counselor, appointed by a statewide association of school 40 counselors;
- 41 (15) A secondary school career and college counselor, appointed by a statewide 42 association of school counselors;
- 43 (16) An apprenticeship professional, appointed by the division of workforce 44 development of the department of [economic development] higher education and workforce 45 development;
- 46 (17) A representative of Missouri Project Lead the Way, appointed by the statewide 47 Project Lead the Way organization;
- 48 (18) A representative of the State Technical College of Missouri, appointed by the State 49 Technical College of Missouri;
- 50 (19) A representative of a public community college, appointed by a statewide 51 organization of community colleges; and
- 52 (20) A representative of a public four-year institution of higher education, appointed by 53 the commissioner of higher education.
- 2. The members of the task force established under subsection 1 of this section shall elect a chair from among the membership of the task force. The task force shall meet as needed to complete its consideration of the course described in subsection 5 of this section and provide its findings and recommendations as described in subsection 6 of this section. Members of the

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- task force shall serve without compensation. No school district policy or administrative action shall require any education employee member to use personal leave or incur a reduction in pay for participating on the task force.
  - 3. The task force shall hold at least three public hearings to provide an opportunity to receive public testimony including, but not limited to, testimony from educators, local school boards, parents, representatives from business and industry, labor and community leaders, members of the general assembly, and the general public.
  - 4. The department of elementary and secondary education shall provide such legal, research, clerical, and technical services as the task force may require in the performance of its duties.
- 5. The task force established under subsection 1 of this section shall consider a course that:
- 70 (1) Gives students an opportunity to explore various career and educational opportunities 71 by:
- 72 (a) Administering career surveys to students and helping students use Missouri 73 Connections to determine their career interests and develop plans to meet their career goals;
  - (b) Explaining the differences between types of colleges, including two-year and four-year colleges, and noting the availability of registered apprenticeship programs as alternatives to college for students;
    - (c) Describing technical degrees offered by colleges;
      - (d) Explaining the courses and educational experiences offered at community colleges;
  - (e) Describing the various certificates and credentials available to earn at the school or other schools including, but not limited to, career and technical education certificates described under section 170.029 and industry-recognized certificates and credentials;
- 82 (f) Advising students of any advanced placement courses that they may take at the 83 school:
  - (g) Describing any opportunities at the school for dual enrollment;
- 85 (h) Advising students of any Project Lead the Way courses offered at the school and explaining how Project Lead the Way courses help students learn valuable skills;
- 87 (i) Informing students of the availability of funding for postsecondary education through 88 the A+ schools program described under section 160.545;
  - (j) Describing the availability of virtual courses;
- 90 (k) Describing the types of skills and occupations most in demand in the current job 91 market and those skills
- 92 and occupations likely to be in high demand in future years;

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93 (I) Describing the typical salaries for occupations, salary trends, and opportunities for 94 advancement in various occupations;

- 95 (m) Emphasizing the opportunities available in careers involving science, technology, 96 engineering, and math;
  - (n) Advising students of the resources offered by workforce or job centers;
- 98 (o) Preparing students for the ACT assessment or the ACT WorkKeys assessments 99 required for the National Career Readiness Certificate;
- 100 (p) Administering a practice ACT assessment or practice ACT WorkKeys assessments 101 required for the National Career Readiness Certificate to students;
  - (q) Advising students of opportunities to take the SAT and the Armed Services Vocational Aptitude Battery;
    - (r) Administering a basic math test to students so that they can assess their math skills;
- 105 (s) Administering a basic writing test to students so that they can assess their writing 106 skills;
- 107 (t) Helping each student prepare a personal plan of study that outlines a sequence of 108 courses and experiences that concludes with the student reaching his or her postsecondary goals; 109 and
- 110 (u) Explaining how to complete college applications and the Free Application for Federal 111 Student Aid;
  - (2) Focuses on career readiness and emphasizes the importance of work ethic, communication, collaboration, critical thinking, and creativity;
  - (3) Demonstrates that graduation from a four-year college is not the only pathway to success by describing to students at least sixteen pathways to success in detail and including guest visitors who represent each pathway described. In exploring how these pathways could be covered in the course, the task force shall consider how instructors for the course may be able to rely on assistance from Missouri Career Pathways within the department of elementary and secondary education;
    - (4) Provides student loan counseling; and
- 121 (5) May include parent-student meetings.
- 6. Before December 1, 2019, the task force established under subsection 1 of this section shall present its findings and recommendations to the speaker of the house of representatives, the president pro tempore of the senate, the joint committee on education, and the state board of education. Upon presenting the findings and recommendations as described in this subsection, the task force shall dissolve.
  - [620.484.] 173.2800. The provisions of the Wagner-Peyser Act (29 U.S.C.A. Sec. 49 et seq.), as amended, are hereby accepted by this state and the division of workforce development

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of the department of [economic development] higher education and workforce development

- 4 is hereby designated and constituted the agency of this state for the purposes of said act. The
- 5 division shall establish and maintain free public employment offices in such number and in such
- 6 places as may be necessary for the proper administration of this chapter and for the purposes of
- 7 performing such functions as are within the purview of the Wagner-Peyser Act.

workforce development shall promulgate rules providing for the coordination of state and federal job training resources administered by the department of economic development, including the local workforce investment areas established in the state to administer federal funds pursuant to the federal Workforce Investment Act or its successor, for the provision of assistance to businesses in this state relating to the creation of new jobs in the state. The department shall include in these rules the methods to be followed by any business engaged in the creation of new jobs in state to ensure that economically disadvantaged citizens receive opportunities for employment in the new jobs created. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

[620.511.] **173.2850.** 1. There is hereby established the "Missouri Workforce Development Board", formerly known as the Missouri workforce investment board, and hereinafter referred to as "the board" in sections [620.511 to 620.513] **173.2850 to 173.2860**.

- 2. The purpose of the board is to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the state of Missouri. The board shall be the state's advisory board pertaining to workforce preparation policy.
- 3. The board shall meet the requirements of the federal Workforce Innovation and Opportunity Act, hereinafter referred to as the "WIOA", P.L. 113-128, as amended. Should another federal law supplant the WIOA, all references in sections [620.511 to 620.513] 173.2850 to 173.2860 to the WIOA shall apply as well to the new federal law.
- 4. Composition of the board shall comply with the WIOA. Board members appointed by the governor shall be subject to the advice and consent of the senate. Consistent with the requirements of the WIOA, the governor shall designate one member of the board to be its chairperson.
- 5. Each member of the board shall serve for a term of four years, subject to the pleasure of the governor, and until a successor is duly appointed. In the event of a vacancy on the board,

the vacancy shall be filled in the same manner as the original appointment and said replacement shall serve the remainder of the original appointee's unexpired term.

- 6. Of the members initially appointed to the WIOA, formerly known as the WIA, board, one-fourth shall be appointed for a term of four years, one-fourth shall be appointed for a term of two years, and one-fourth shall be appointed for a term of one year.
- 7. WIOA board members shall receive no compensation, but shall be reimbursed for all necessary expenses actually incurred in the performance of their duties.
- 8. The department may include on its website a list of the names of the members of the board, including the names of members of local workforce development boards, along with information on how to contact such boards.

[620.512.] **173.2855.** 1. The board shall establish bylaws governing its organization, operation, and procedure consistent with sections [620.511 to 620.513] **173.2850 to 173.2860**, and consistent with the WIOA.

- 2. The board shall meet at least four times each year at the call of the chairperson.
- 3. In order to assure objective management and oversight, the board shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provisions of such programs and services. A member of the board may not vote on a matter under consideration by the board that regards the provision of services by the member or by an entity that the member represents or would provide direct financial benefit to the member or the immediate family of the member. A member of the board may not engage in any other activity determined by the governor to constitute a conflict of interest.
- 4. The composition and the roles and responsibilities of the board membership may be amended to comply with any succeeding federal or state legislative or regulatory requirements governing workforce investment activities, except that the procedure for such change shall be outlined in state rules and regulations and adopted in the bylaws of the board.
- 5. The department of [economic development] higher education and workforce development shall provide professional, technical, and clerical staff for the board.
- 6. The board may promulgate any rules and regulations necessary to administer the provisions of sections [620.511 to 620.513] 173.2850 to 173.2860. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional,

then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

[620.513.] **173.2860.** 1. The board shall assist the governor with the functions described in Section 101(d) of the WIOA, 29 U.S.C. Section 311d, and any regulations issued pursuant to the WIOA.

- 2. The board shall submit an annual report of its activities to the governor, the speaker of the house of representatives, and the president pro tem of the senate no later than January thirty-first of each year.
- 3. Nothing in sections [620.511 to 620.513] 173.2850 to 173.2860 shall be construed to require or allow the board to assume or supersede the statutory authority granted to, or impose any duties or requirements on, the state coordinating board for higher education, the governing boards of the state's public colleges and universities, the state board of education, or any local educational agencies.
  - 178.585. 1. Under rules and regulations of the state board of education, the commissioner of education, in cooperation with the director of the division of workforce development of the department of [economic development] higher education and workforce development, shall establish procedures to provide grants to public high schools, vocational-technical schools, State Technical College of Missouri, and community colleges solely for the purpose of new programs, curriculum enhancement, equipment and facilities so as to upgrade vocational and technical education in the state.
  - 2. Each vocational-technical school, community college, State Technical College of Missouri, and school district of any public high school receiving a grant authorized by this section shall have an advisory committee composed of local business persons, labor leaders, parents, senior citizens, community leaders and teachers to establish a plan to ensure that students who graduate from the vocational-technical school, community college, State Technical College of Missouri, or public high school proceed to a four-year college or high-wage job with workplace-skill development opportunities.
  - 3. The [director of the department of economic development] commissioner of higher education shall provide annually to the commissioner of education a listing of demand occupations in the state including substate projections. The listing shall include those occupations for which, in the judgment of the [director of the department of economic development] commissioner of higher education, there is a critical shortage to meet present or future employment needs necessary to the economic growth and competitiveness of the state.
  - 4. In any fiscal year, at least seventy-five percent of all moneys for the grant awards authorized by this section shall be to public high schools, vocational-technical schools, State Technical College of Missouri, or community colleges for new programs, curriculum

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24 enhancement or equipment necessary to address demand occupations identified pursuant to 25 subsection 3 of this section.

- 186.019. 1. Prior to April first of each year, starting in 1992, the information described in subdivisions (1), (2), (3) and (4) of this subsection shall be delivered in report form to the Missouri women's council, the governor's office, the secretary of the senate, and the chief clerk of the house of representatives. The information shall apply only to activities which occurred during the previous calendar year. Reports shall be required from the following:
  - (1) The department of labor and industrial relations, and the division of workforce development of the department of [economic development] higher education and workforce development, who shall assemble all available data and report on all business start-ups and business failures which are fifty-one percent or more owned by women. The reports shall distinguish, as best as possible, those businesses which are sole proprietorships, partnerships, or corporations;
  - (2) The department of economic development, who shall assemble all available data and report on financial assistance or other incentives given to all businesses which are fifty-one percent or more owned by women. The report shall contain information relating to assistance or incentives awarded for the retention of existing businesses, the expansion of existing businesses, or the start-up of new businesses;
  - (3) The department of revenue, who shall assemble all available data and report on the number, gross receipts and net income of all businesses which are fifty-one percent or more owned by women. The reports shall distinguish those businesses which are sole proprietorships, partnerships or corporations;
  - (4) The [division of purchasing] office of equal opportunity of the office of administration, who shall assemble all available data and report on businesses which are fifty-one percent or more owned by women which are recipients of contracts awarded by the state of Missouri.
  - 2. Prior to December first of each year, starting in 1990, the information described in subdivisions (1) and (2) of this subsection shall be delivered in report form to the Missouri women's council, the governor's office, the secretary of the senate, and the chief clerk
- Missouri women's council, the governor's office, the secretary of the senate, and the chief clerk of the house of representatives. The information shall apply only to activities which occurred during the previous school year. Reports shall be required from the following:
- 30 (1) The department of elementary and secondary education shall assemble all available 31 data from the Vocational and Education Data System (VEDS) on class enrollments by Instruction 32 Program Codes (CIP); by secondary and postsecondary schools; and, secondary, postsecondary, 33 and adult level classes; and by gender. This data shall also be reported by classes of traditional 34 and nontraditional occupational areas;

35 (2) The coordinating board for higher education shall assemble all available data and report on higher education degrees awarded by academic discipline; type of degree; type of school; and gender. All available data shall also be reported on salaries received upon completion of degree program and subsequent hire, as well as any data available on follow-up salaries.

- 290.257. 1. (1) In determining the prevailing wage rate, the department shall accept and consider information submitted in either paper or electronic format regarding local wage rates for construction projects that occurred during the year preceding the annual wage order to be issued, provided that information regarding local wage rates for entry-level workers and federally registered apprentices shall not be considered.
- 6 (2) (a) The prevailing wage rate for each occupational title shall be equal to the weighted average wage for that occupational title.
  - (b) For purposes of this subdivision, the following terms shall mean:
  - a. "Reported wage sum", for each occupational title, the sum of every product of each reported wage rate, which shall include fringe benefits, multiplied by the total number of reportable hours at such wage rate; and
- b. "Weighted average wage", the reported wage sum for each occupational title divided by the total number of reportable hours for that occupational title.
  - 2. The department shall annually calculate the public works contracting minimum wage in each locality. The public works contracting minimum wage shall be equal to one hundred twenty percent of the average hourly wage in a particular locality, as determined by the Missouri economic research and information center within the department of [economic development] higher education and workforce development, or any successor agency.
  - 3. A final determination of the prevailing hourly rate of wages and the public works contracting minimum wage applicable to every locality to be contained in an annual wage order shall be made annually on or before July 1, 2019, and July first of each year thereafter. The wage order shall remain in effect until superseded by a new annual wage order. The department shall, by March 10, 2019, and March tenth of each year thereafter, make an initial determination of the prevailing wage rate for each occupational title within the locality as well as an initial determination as to the public works contracting minimum wage. Objections may be filed as to any initial determination as provided in section 290.262.
  - 4. (1) If the total number of reportable hours that are paid pursuant to a collective bargaining agreement and the total number of reportable hours that are not paid pursuant to a collective bargaining agreement equal or exceed, in the aggregate, one thousand hours for any particular occupational title within a locality, workers engaged in that occupational title in such

- 31 locality shall be paid the prevailing wage rate determined by the department pursuant to this section.
- 33 (2) If the total number of reportable hours that are paid pursuant to a collective 34 bargaining agreement and the total number of reportable hours that are not paid pursuant to a 35 collective bargaining agreement do not equal or exceed, in the aggregate, one thousand hours for 36 any particular occupational title within a locality, workers engaged in that occupational title in 37 such locality shall be paid the public works contracting minimum wage.
  - 5. For purposes of this section, the term "reportable hours" shall mean hours reported by a contractor for work performed under such contractor in a particular occupational title within a particular locality.
- 41 6. (1) The different types of occupational titles to which sections 290.210 to 290.340 shall apply shall be limited to, and shall include, all of the following:
- 43 (a) Asbestos worker;
- 44 (b) Boilermaker;
- 45 (c) Bricklayer;

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- (d) Carpenter, which shall include pile driver, millwright, lather, and linoleum layer;
- 47 (e) Cement mason, which shall include plasterer;
- 48 (f) Communications technician;
- 49 (g) Electrician;
- 50 (h) Elevator constructor;
- 51 (i) Glazier;
- 52 (j) Ironworker;
- 53 (k) General laborer, including first semi-skilled laborer and second semi-skilled laborer;
- 54 (l) Mason, which shall include marble mason, marble finisher, terrazzo worker, terrazzo 55 finisher, tile setter, and tile finisher;
- 56 (m) Operating engineer, which shall include operating engineer group one, operating 57 engineer group two, operating engineer group three, operating engineer group three-A, operating 58 engineer group four, and operating engineer group five;
- 59 (n) Outside lineman, lineman operator, groundman, lineman tree trimmer, groundman 60 tree trimmer, and any combination thereof;
- 61 (o) Painter;
- (p) Plumber, which shall include pipefitter;
- 63 (q) Roofer;
- 64 (r) Sheet metal worker;
- 65 (s) Sprinkler fitter; and

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66 (t) Truck driver, which shall include truck control service driver, truck driver group one, 67 truck driver group two, truck driver group three, and truck driver group four.

- (2) Each occupational title listed in subdivision (1) of this subsection shall have the same meaning and description as given to such occupational title in 8 CSR 30-3.060.
- 374.007. 1. The revisor of statutes shall change all references in the revised statutes of Missouri from ["department of insurance", "insurance department" or "department of insurance, financial and professional regulation" to "department of insurance, financial institutions and professional registration" to "department of commerce and insurance".
  - 2. The revisor of statutes shall change all references in the revised statutes of Missouri from ["director of insurance" or "commissioner of insurance" to] "director of the department of insurance, financial institutions and professional registration" to "director of the department of commerce and insurance".
  - 386.040. **1.** A "Public Service Commission" is hereby created and established, which said public service commission shall be vested with and possessed of the powers and duties in this chapter specified, and also all powers necessary or proper to enable it to carry out fully and effectually all the purposes of this chapter.
  - 2. The public service commission with all of its powers, duties, and functions is assigned by type III transfer, as defined under the Omnibus State Reorganization Act of 1974, to the department of commerce and insurance. Nothing in the Reorganization Act of 1974 shall prevent the chair of the public service commission from presenting additional budget requests or from explaining or clarifying its budget requests to the governor or general assembly.

386.071. The public service commission may appoint and fix the compensation of a general counsel to serve at the pleasure of the commission. He or she shall be an attorney at law 2 and shall have resided in this state prior to his or her appointment. It shall be the duty of the 4 general counsel for the commission to represent and appear for the commission in all actions and proceedings involving any question under this or any other law, or under or in reference to any act, order, decision or proceeding of the commission, and if directed to do so by the commission, 7 to intervene, if possible, in any action or proceeding in which any such question is involved; to 8 commence and prosecute in the name of the state all actions and proceedings, authorized by law and directed or authorized by the commission, and to expedite in every way possible, to final 10 determination all such actions and proceedings; to advise the commission and each commissioner, when so requested, in regard to all matters in connection with the powers and 11 12 duties of the commission and the members thereof, and generally to perform all duties and 13 services as attorney and counsel to the commission which the commission may reasonably require of him or her. The public service commission is authorized to employ such staff as 14

it deems necessary for the functions performed by the general counsel other than those powers, duties, and functions relating to the representation of the public before the public service commission.

386.700. The director of the department of [economic development] commerce and insurance shall appoint a public counsel to serve at the pleasure of the director of the department. The public counsel shall be an attorney at law licensed to practice law in this state and whose salary shall be fixed by the department director within the appropriation made therefor. The powers, duties, and functions vested in the office of the public counsel are transferred by type III transfer to the department of commerce and insurance. Funding for the office of the public counsel shall be by general revenue.

- 386.710. 1. The public counsel shall have the following powers and duties:
- (1) He **or she** shall employ a staff or hire on a contract basis such employees and experts as are necessary to carry out the purposes and responsibilities of his **or her** office, and shall set their compensation within the appropriation made for that purpose;
- (2) He **or she** may represent and protect the interests of the public in any proceeding before or appeal from the public service commission;
- (3) He **or she** shall have discretion to represent or refrain from representing the public in any proceeding. He **or she** shall consider in exercising his **or her** discretion the importance and the extent of the public interest involved and whether that interest would be adequately represented without the action of his **or her** office. If the public counsel determines that there are conflicting public interests involved in a particular matter, he **or she** may choose to represent one such interest based upon the considerations of this section, to represent no interest in that matter, or to represent one interest and certify to the director of the department of [economic development] commerce and insurance that there is a significant public interest which he **or she** cannot represent without creating a conflict of interest and which will not be protected by any party to the proceeding. The director of the department shall select an attorney, to be paid from funds appropriated for this purpose, to represent that segment of the public certified to him by the public counsel as unrepresented. Nothing in this section shall be construed to limit the right of any person, firm or corporation specified in subsection 1 of section 386.390 to petition or make complaint to the commission or otherwise intervene in proceedings or other matters before the commission.
- 22 2. The public counsel shall be served with all proposed tariffs, initial pleadings, and applications, in all proceedings before the public service commission, and shall be served with a copy of all orders of the commission.
- 3. Nothing in sections 386.071, 386.150, 386.155, 386.170, 386.200, 386.330, 386.360, 386.390, 386.400, 386.410, 386.420, 386.440, 386.450, 386.480, 386.500, 386.530, 386.540,

- 27 386.600, 386.700 and 386.710, shall be construed or interpreted to mean that the public counsel
- 28 shall not have the right to appeal any and all orders of the public service commission to the
- 29 courts which right of appeal exists and has existed since the time of transfer as provided in
- 30 section 386.500.
- 4. He shall have all powers necessary or proper to carry out the duties specified in this section.
  - 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:
- 4 (1) "Avoided fuel cost", the current average cost of fuel for the entity generating 5 electricity, as defined by the governing body with jurisdiction over any municipal electric utility, 6 rural electric cooperative as provided in chapter 394, or electrical corporation as provided in this
- 7 chapter;

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- 8 (2) "Commission", the public service commission of the state of Missouri;
- 9 (3) "Customer-generator", the owner or operator of a qualified electric energy generation unit which:
- 11 (a) Is powered by a renewable energy resource;
- 12 (b) Has an electrical generating system with a capacity of not more than one hundred 13 kilowatts;
- 14 (c) Is located on a premises owned, operated, leased, or otherwise controlled by the 15 customer-generator;
- 16 (d) Is interconnected and operates in parallel phase and synchronization with a retail 17 electric supplier and has been approved by said retail electric supplier;
- 18 (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
- 24 (g) Contains a mechanism that automatically disables the unit and interrupts the flow of 25 electricity back onto the supplier's electricity lines in the event that service to the customer-26 generator is interrupted;
  - (4) "Department", the department of [economic development] natural resources;
- 28 (5) "Net metering", using metering equipment sufficient to measure the difference 29 between the electrical energy supplied to a customer-generator by a retail electric supplier and

30 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 municipal utility, electrical corporation regulated under this chapter, or rural electric cooperative under chapter 394 that provides retail electric service in this state.
  - 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 utility's single-hour peak load during the previous year, after which the commission for a public utility or the governing body for other electric utilities 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 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 customergenerator 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 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 and the governing body for other utilities 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 shall submit an annual net metering report to the commission, and all other nonregulated 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

- 137 (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, 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 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 generation units to any customer-generator shall be subject to the provisions of 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 generation units. Any interested person who believes that the seller of any electric generation unit is misrepresenting the safety or performance standards of any such systems, or who believes that any electric 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.

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173 15. No consumer shall connect or operate an electric generation unit in parallel phase 174 and synchronization with any retail electric supplier without written approval by said supplier 175 that all of the requirements under subdivision (1) of subsection 7 of this section have been met. 176 For a consumer who violates this provision, a supplier may immediately and without notice 177 disconnect the electric facilities of said consumer and terminate said consumer's electric service.

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

393.1025. As used in sections 393.1020 to 393.1030, the following terms mean:

- (1) "Commission", the public service commission;
  - (2) "Department", the department of [economic development] natural resources;
- (3) "Electric utility", any electrical corporation as defined by section 386.020;
- (4) "Renewable energy credit" or "REC", a tradeable certificate of proof that one megawatt-hour of electricity has been generated from renewable energy sources; and
- (5) "Renewable energy resources", electric energy produced from wind, solar thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic agricultural residues, plant residues, methane from landfills, from agricultural operations, or from wastewater treatment, thermal depolymerization or pyrolysis for converting waste material to energy, clean and untreated wood such as pallets, hydropower (not including pumped storage) that does not require a new diversion or impoundment of water and that has a nameplate rating of ten megawatts or less, fuel cells using hydrogen produced by one of the above-named renewable energy sources, and other sources of energy not including nuclear that become available after November 4, 2008, and are certified as renewable by rule by the department.

## 414.400. 1. As used in sections 414.400 to 414.417, the following terms mean:

(1) "Alternative fuel", any fuel, including any alcohol fuel containing eighty-five percent or more by volume of such alcohol or other such percentage not less than seventy percent if determined by the United States Department of Energy by rule to be necessary to provide for the requirements of cold start, safety, or vehicle functions, natural gas, liquefied petroleum gas, any fuel other than alcohol derived from biological materials when designated by the United States Department of Energy as an alternative fuel, and hydrogen, or any power source, including electricity, and any other fuel that the United States Department of Energy determines by final rule is substantially not petroleum and would yield substantial energy security and environmental

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benefits, used in a vehicle that complies with the standards and requirements applicable to such vehicle pursuant to sections 414.400 to 414.417 when using such fuel or power source;

- (2) "CAFE standard", the federal Corporate Average Fuel Economy standard, 15 U.S.C. Section 2002 or 40 CFR Parts 86 and 600 or 49 CFR Part 538 or proposed rule 49 CFR Part 538 until such rule is finalized;
  - (3) "Department", the department of [economic development] natural resources;
- 16 (4) "Director", the director of the department of [economic development] natural resources:
  - (5) "State agency", the same meaning as such term is defined in section 536.010;
  - (6) "Vehicle fleet", any fleet comprised of vehicles with a manufacturer's gross vehicle weight rating of not more than eight thousand five hundred pounds registered for operation on the highways of this state pursuant to chapter 301.
  - 2. The department in consultation with the commissioner of administration shall develop and implement a program to manage and progressively reduce state agency vehicle fleet fuel consumption and promote the use of alternative fuels. The program shall require state agencies to meet minimum guidelines for efficient fleet management. Such guidelines shall be updated and revised every two years and shall require the overall vehicle fleet fuel efficiency for each agency to meet or exceed the fuel efficiency that would be achieved if each vehicle in the agency's fleet met the CAFE standard. The department may promulgate rules necessary to implement such guidelines. Further, provided that suppliers or state agencies have or can reasonably be expected to have established alternative fuel refueling stations as needed, the program shall require that at least thirty percent of all motor fuel purchased annually for use in alternative fuel vehicles, calculated in gasoline gallon equivalents, to be alternative fuel by July 1, 2001. Any alternative fuel purchased by a state agency for use in vehicles not included in their vehicle fleet as defined in subsection 1 of this section, calculated in gasoline gallon equivalents, may be credited toward the annual alternative fuel purchase goal. The program shall systematically replace existing state-owned vehicles and vehicles paid for with any state money, including vehicles purchased by the university system, with vehicles manufactured, assembled or produced in the United States, as required by sections 34.350 to 34.359.
  - 3. The commissioner of administration shall identify specific vehicle models within each vehicle procurement class that meet or exceed the CAFE standard. State agencies shall identify specific vehicle models within each vehicle procurement class that have a life cycle cost which is less than or equal to the average life cycle cost of those vehicles in the class which are manufactured, assembled or produced in the United States. Life cycle costs shall include but are not limited to the original cost of the vehicle, conversion cost if applicable, costs associated with vehicle emissions to the extent that such statistics are available, and projected cost of operation,

including fuel cost and maintenance and salvage value to the extent that reliable maintenance and salvage value statistics are available. Unless a state agency submits to the department a fleet efficiency plan that complies with the minimum guidelines for energy efficiency established pursuant to subsection 2 of this section, or unless otherwise approved by the office of administration pursuant to subsection 4 of this section, all purchases of vehicles for state agency vehicle fleets shall meet the above standards.

- 4. The commissioner of administration may waive the CAFE standard requirements of subsection 3 of this section, for only those vehicles which satisfy one or more of the following conditions, for any state agency upon receipt of documentation that has been certified by the director of the state agency as satisfying one or more of the following conditions:
- 56 (1) Such vehicles are used primarily in off-road, construction, or road maintenance 57 applications;
- 58 (2) Such vehicles are regularly used in the movement of maintenance or construction 59 equipment;
  - (3) Such vehicles are trucks or utility vehicles as defined by the office of administration that are regularly used to transport trailers for the purpose of moving state equipment; or
  - (4) Such vehicles are vehicles with manufacturer-stated seating capacity exceeding that for six persons and the director of the agency has certified that the vehicle will be used to transport its rated capacity in persons and/or cargo. Agencies which are granted such waivers shall comply with the planning requirements of section 414.403.
  - 5. The purchase of all class III vehicles, as defined by the office of administration, shall be approved through the appropriations process for all departments except the highway patrol. The provisions of this subsection shall not apply to the purchase of used vehicles from the highway patrol.
  - 414.406. 1. The director of the department of [economic development] natural resources shall review each agency's vehicle fleet plan and the vehicular demands of the agency by vehicle class. The office of administration shall only purchase for an agency those vehicles which conform to the agency's plan as outlined in sections 414.400 and 414.403.
  - 2. Each state agency shall annually file a report with the director of the department of [economic development] natural resources on forms provided by the department showing its progress in achieving the requirements and goals of sections 414.400 to 414.417. The director of the department of [economic development] natural resources shall compile such information into an annual report and submit such report to the commissioner of administration, the secretary of the senate, the clerk of the house of representatives and the chairman of each committee of jurisdiction of the general assembly.

- 12 3. The director's report shall document progress in achieving the requirements and goals
- 13 of sections 414.400 to
- 14 414.417 and shall include, but not be limited to, annual fuel consumption, number of vehicles,
- 15 vehicle miles traveled, average fleet fuel economy, estimated cost savings and state use of
- 16 alternative fuels.

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- 414.417. 1. Sections 414.400 to 414.417 shall not apply to the purchase or lease of a
- 2 vehicle to be used primarily for criminal law enforcement or to the purchase or lease of a
- motorcycle, all-terrain vehicle, ambulance, or any type of vehicle for which the Environmental
- 4 Protection Agency has not published fuel economy comparisons.
- 2. Notwithstanding the provisions of sections 414.400 to 414.417, the department of natural resources [and the department of economic development] may acquire vehicles which use alternative fuels for the purposes of assessing and demonstrating either or both alternative
- 8 vehicles and alternative fuels.
  - 414.510. As used in sections 414.500 to 414.590, the following terms mean:
- 2 (1) "Council", the Missouri propane education and research council created pursuant to 3 section 414.530;
  - (2) "Director", the director of the division of energy of the department of [economic development] natural resources or the director's designee;
  - (3) "Education", any action to provide information on propane, propane use equipment, mechanical and technical practices, and propane uses to consumers and to members of the propane industry;
- 9 (4) "Manufacturers and distributors of LP-gas use equipment", any person or firm 10 engaged in the manufacturing, assembling and marketing of appliances, containers and products 11 used in the LP-gas industry, and those persons and firms in the wholesale marketing of 12 appliances, containers and products used in the LP-gas industry;
  - (5) "Marketing", any action taken by the council to present positive information about propane to the public, including paid promotional advertising;
- 15 (6) "Person", any individual, group of individuals, partnership, association, cooperative, corporation, or any other entity;
- 17 (7) "Producer", the owner of the propane at the time it is recovered at a manufacturing facility, irrespective of the state where production occurs;
- 19 (8) "Propane" includes propane, butane, mixtures, and liquefied petroleum gas as defined 20 by the National Fire Protection Association Standard 58 for the storage and handling of liquefied 21 petroleum gases;

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22 (9) "Public member", a member of the council selected from among significant users of 23 odorized propane, organizations representing significant users of odorized propane, public safety 24 officials, state propane gas regulatory officials, or voluntary standard-setting organizations;

- (10) "Qualified industry organization", the National Propane Gas Association, the Missouri Propane Gas Association, the Gas Processors Association, or a successor association;
- (11) "Research", any type of study, investigation or other activity designed to advance the image, desirability, usage, marketability, efficiency and safety of propane and propane use equipment, and to further the development of such information and products;
- (12) "Retail marketer", a business engaged primarily in the selling of propane gas, its appliances and equipment to the ultimate consumer or to retail propane dispensers;
- 32 (13) "Transporter", any person involved in the commercial transportation of propane by 33 pipeline, truck, rail or water;
- 34 (14) "Wholesaler" or "reseller", a seller of propane who is not a producer and who does 35 not sell propane to the ultimate consumer.
  - 620.010. 1. There is hereby created a "Department of Economic Development" to be headed by a director appointed by the governor, by and with the advice and consent of the senate.
- 3 All of the general provisions, definitions and powers enumerated in section 1 of the Omnibus
- 4 State Reorganization Act of 1974 shall continue to apply to this department and its divisions, 5 agencies and personnel.
- 2. [The powers, duties and functions vested in the public service commission, chapters 386, 387, 388, 389, 390, 392, 393, and others, and the administrative hearing commission, sections 621.015 to 621.198 and others, are transferred by type III transfers to the department of economic development. The director of the department is directed to provide and coordinate staff and equipment services to these agencies in the interest of facilitating the work of the bodies and achieving optimum efficiency in staff services common to all the bodies. Nothing in the Reorganization Act of 1974 shall prevent the chairman of the public service commission from presenting additional budget requests or from explaining or clarifying its budget requests to the governor or general assembly.
  - 3. The powers, duties and functions vested in the office of the public counsel are transferred by type III transfer to the department of economic development. Funding for the general counsel's office shall be by general revenue.
- 4. The public service commission is authorized to employ such staff as it deems necessary for the functions performed by the general counsel other than those powers, duties and functions relating to representation of the public before the public service commission.

21 — 5.] All the powers, duties and functions vested in the tourism commission, chapter 258 22 and others, are transferred to the "Division of Tourism", which is hereby created, by type III 23 transfer.

- [6-] 3. All the powers, duties and functions of the department of community affairs, chapter 251 and others, not otherwise assigned, are transferred by type I transfer to the department of economic development, and the department of community affairs is abolished. The director of the department of economic development may assume all the duties of the director of community affairs or may establish within the department such subunits and advisory committees as may be required to administer the programs so transferred. The director of the department shall appoint all members of such committees and heads of subunits.
- [7-] **4.** The Missouri housing development commission, chapter 215, is assigned to the department of economic development, but shall remain a governmental instrumentality of the state of Missouri and shall constitute a body corporate and politic.
- [8. All the authority, powers, duties, functions, records, personnel, property, matters pending and other pertinent vestiges of the division of manpower planning of the department of social services are transferred by a type I transfer to the "Division of Workforce Development", which is hereby created, within the department of economic development. The division of manpower planning within the department of social services is abolished. The provisions of section 1 of the Omnibus State Reorganization Act of 1974, Appendix B, relating to the manner and procedures for transfers of state agencies shall apply to the transfers provided in this section.
- 9. All the authority, powers, functions, records, personnel, property, contracts, matters pending and other pertinent vestiges of the division of employment security within the department of labor and industrial relations related to job training and labor exchange that are funded with or based upon Wagner-Peyser funds, and other federal and state workforce development programs administered by the division of employment security are transferred by a type I transfer to the division of workforce development within the department of economic development.
- 10.] 5. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
- any rule proposed or adopted after August 28, 2008, shall be invalid and void.

[620.035.] **640.021.** 1. The department of [economic development] natural resources shall be vested with the powers and duties prescribed by law and shall have the power to carry out the following activities:

- (1) Assessing the impact of national energy policies on this state's supply and use of energy and this state's public health, safety and welfare;
- (2) Consulting and cooperating with all state and federal governmental agencies, departments, boards and commissions and all other interested agencies and institutions, governmental and nongovernmental, public and private, on matters of energy research and development, management, conservation and distribution;
- (3) The monitoring and analyzing of all federal, state, local and voluntarily disclosed private sector energy research projects and voluntarily disclosed private sector energy related data and information concerning supply and consumption, in order to plan for the future energy needs of this state. All information gathered shall be maintained, revised and updated as an aid to any interested person, foundation or other organization, public or private;
- (4) Analyzing the potential for increased utilization of coal, nuclear, solar, resource recovery and reuse, landfill gas, projects to reduce and capture methane and other greenhouse gas emissions from landfills, energy efficient technologies and other energy alternatives, and making recommendations for the expanded use of alternate energy sources and technologies;
- (5) Entering into cooperative agreements with other states, political subdivisions, private entities, or educational institutions for the purpose of seeking and securing federal grants for the department and its partners in the grants;
  - (6) The development and promotion of state energy conservation programs, including:
  - (a) Public education and information in energy-related areas;
- (b) Developing energy efficiency standards for agricultural and industrial energy use and for new and existing buildings, to be promoted through technical assistance efforts by cooperative arrangements with interested public, business and civic groups and by cooperating with political subdivisions of this state;
- 28 (c) Preparing plans for reducing energy use in the event of an energy or other resource supply emergency.
- 2. No funds shall be expended to implement the provisions of this section until funds are specifically appropriated for that purpose. In order to carry out its responsibilities under this section, the department may expend any such appropriated funds by entering into agreements, contracts, grants, subgrants, or cooperative arrangements under various terms and conditions in the best interest of the state with other state, federal, or interstate agencies, political subdivisions, not-for-profit entities or organizations, educational institutions, or other entities, both public and private, to carry out its responsibilities.

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- 640.153. 1. As used in this section, the following terms mean:
- 2 (1) "Applicant", an entity that applies to the department for certification as a qualified 3 home energy auditor;
  - (2) "Department", the department of [economic development] natural resources;
- 5 (3) "Qualified home energy audit", a home energy audit conducted by an entity certified 6 by the department as a qualified home energy auditor, the purpose of which is to provide energy 7 efficiency recommendations that will reduce the energy use or the utility costs, or both, of a 8 residential or commercial building;
  - (4) "Qualified home energy auditor", an applicant who has met the certification requirements established by the department and whose certification has been approved by the department.
- 2. The department shall develop criteria and requirements for certification of qualified home energy auditors. Any applicant shall provide the department with an application, documentation, or other information as the department may require. The department may establish periodic requirements for qualified home energy auditors to maintain certification.
  - 3. The department shall provide successful applicants with written notice that the applicant meets the certification requirements.
  - 640.157. The division of energy of the department of [economic development] natural resources shall serve as a central point of coordination for activities relating to energy sustainability in the state. As such, the division of energy shall:
  - (1) Consult and cooperate with other state agencies to serve as a technical advisor on sustainability issues, including but not limited to renewable energy use and green building design and construction;
  - (2) Provide technical assistance to local governments, businesses, schools, and homeowners on sustainability issues, including but not limited to renewable energy use and green building design and construction; and
  - (3) Conduct outreach and education efforts, which may be in coordination with community action agencies, for the purpose of informing the general public about financial assistance opportunities for energy conservation, including but not limited to tax incentives.
- 640.160. 1. There is hereby created in the state treasury the "Energy Futures Fund" which shall consist of money appropriated by the general assembly or received from gifts, bequests, donations, or from the federal government. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining
- 6 in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

7 The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

- 2. Upon appropriation, the department of [economic development] natural resources may use moneys in the fund created under this section for the purposes of carrying out the provisions of section [620.035] 640.021 and sections 640.153 to 640.160 including, but not limited to, energy efficiency programs, energy studies, energy resource analyses, or energy projects. After appropriation, the department may also expend funds for the administration and management of energy responsibilities and activities associated with projects and studies funded from the energy futures fund.
  - 640.651. As used in sections 640.651 to 640.686, the following terms mean:
- (1) "Applicant", any school, hospital, small business, local government or other energyusing sector or entity authorized by the department through administrative rule, which submits an application for loans on financial
- 5 assistance to the department;

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- (2) "Application cycle", the period of time each year, as determined by the department, that the department shall accept and receive applications seeking loans or financial assistance under the provisions of sections 640.651 to 640.686;
  - (3) "Authority", the environmental improvement and energy resources authority;
- (4) "Borrower", a recipient of loan or other financial assistance program funds subsequent to the execution of loan or financial assistance documents with the department or other applicable parties provided that a building owned by the state or an agency thereof other than a state college or state university, shall not be eligible for loans or financial assistance pursuant to sections 640.651 to 640.686;
- (5) "Building", including initial installation in a new building, any applicant-owned and -operated structure, group of closely situated structural units that are centrally metered or served by a central utility plant, or an eligible portion thereof, which includes a heating or cooling system, or both;
  - (6) "Department", the department of [economic development] natural resources;
- 20 (7) "Energy conservation loan account", an account to be established on the books of a 21 borrower for purposes of tracking information related to the receipt or expenditure 22 of the loan funds or financial assistance, and to be used to receive and remit energy cost savings

for purposes of making payments on the loan or financial assistance;

(8) "Energy conservation measure" or "ECM", an installation or modification of an installation in a building or replacement or modification to an energy-consuming process or system which is primarily intended to maintain or reduce energy consumption and reduce energy costs, or allow the use of an alternative or renewable energy source;

28 (9) "Energy conservation project" or "project", the design, acquisition, installation, and 29 implementation of one or more energy conservation measures;

- (10) "Energy cost savings" or "savings", the value, in terms of dollars, that has or is estimated to accrue from energy savings or avoided costs due to implementation of an energy conservation project;
- 33 (11) "Estimated simple payback", the estimated cost of a project divided by the estimated energy cost savings;
  - (12) "Fund", the energy set-aside program fund established in section 640.665;
  - (13) "Hospital", a facility as defined in subsection 2 of section 197.020, including any medical treatment or related facility controlled by a hospital board;
  - (14) "Hospital board", the board of directors having general control of the property and affairs of the hospital facility;
  - (15) "Loan agreement", a document agreed to by the borrower's school, hospital or corporate board, principals of a business, the governing body of a local government or other authorized officials and the department or other applicable parties and signed by the authorized official thereof, that details all terms and requirements under which the loan is issued or other financial assistance granted, and describes the terms under which the loan or financial assistance repayment shall be made;
  - (16) "Payback score", a numeric value derived from the review of an application, calculated as prescribed by the department, which may include an estimated simple payback or life-cycle costing method of economic analysis and used solely for purposes of ranking applications for the selection of loan and financial assistance recipients within the balance of program funds available;
  - (17) "Project cost", all costs determined by the department to be directly related to the implementation of an energy conservation project, and, for initial installation in a new building, shall include the incremental cost of a high-efficiency system;
  - (18) "School", an institution operated by a state college or state university, public agency, political subdivision or a public or private nonprofit organization tax exempt under Section 501(c)(3) of the Internal Revenue Code which:
  - (a) Provides, and is legally authorized to provide, elementary education or secondary education, or both, on a day or residential basis;
  - (b) Provides and is legally authorized to provide a program of education beyond secondary education, on a day or residential basis; admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate; is accredited by a nationally recognized accrediting agency or association; and provides an educational program for which it awards a bachelor's degree or

higher degree or provides not less than a two-year program which is acceptable for full credit toward such a degree at any institution which meets the preceding requirements and which provides such a program; or

- (c) Provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation; provides and is legally authorized to provide a program of education beyond secondary education, on a day or residential basis; admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate; and is accredited by a nationally recognized accrediting agency or association;
- (19) "School board", the board of education having general control of the property and affairs of any school as defined in this section;
- (20) "Technical assistance report", a specialized engineering report that identifies and specifies the quantity of energy savings and related energy cost savings that are likely to result from the implementation of one or more energy conservation measures;
- (21) "Unobligated balance", that amount in the fund that has not been dedicated to any projects at the end of each state fiscal year.
- 640.653. 1. An application for loan funds or other financial assistance may be submitted to the department for the purpose of financing all or a portion of the costs incurred in implementing an energy conservation project. The application shall be accompanied by a technical assistance report. The application and the technical assistance report shall be in such form and contain such information, financial or otherwise, as prescribed by the department. This section shall not preclude any applicant or borrower from joining in a cooperative project with any other local government or with any state or federal agency or entity in an energy conservation project; provided that, all other requirements of sections 640.651 to 640.686 are met.
- 2. Eligible applications shall be assigned a payback score derived from the application review performed by the department. Applications shall be selected for loans and financial assistance beginning with the lowest payback score and continuing in ascending order to the highest payback score until all available program funds have been obligated within any given application cycle. The selection criteria may be applied per sector or entity to assure equity pursuant to section 640.674. In no case shall a loan or financial assistance be made to finance an energy project with a payback score of less than six months or more than ten years or eighty percent of the expected useful life of the energy conservation measures when the expected useful life exceeds ten years. Repayment periods are to be determined by the department. Applications may be approved for loans or financial assistance only in those instances where the applicant has furnished the department information satisfactory to assure that the project cost will be recovered through energy cost savings during the repayment period of the loan or financial assistance. In

21 no case shall a loan or financial assistance be made to an applicant unless the approval of the 22 governing board or body of the applicant to the loan agreement is obtained and a written 23 certification of such approval is provided, where applicable.

- 3. The department shall approve or disapprove all applications for loans or financial assistance which are sent by certified or registered mail or hand delivered and received by the department's division of energy on, or prior to, the ninetieth day following the date of application cycle closing. Any applications which are not acted upon by the department by such date shall be deemed to be approved as submitted.
- 4. The department of elementary and secondary education shall be provided a summary of all proposed public elementary and secondary school projects for review within fifteen days from the application deadline. Once projects have been reviewed and selected for loans or financial assistance by the department, the department of elementary and secondary education shall have thirty days to certify that those projects selected for loans or financial assistance are consistent with related state programs for public education facilities.
- 5. The department of health and senior services shall be provided a summary of all proposed hospital projects for review within fifteen days from the application deadline. Once projects have been reviewed and selected for loans or financial assistance by the department of [economic development] natural resources, the department of health and senior services shall have thirty days to certify that those projects selected for loans or financial assistance are consistent with related health requirements for hospital facilities.
- 6. The coordinating board for higher education shall be provided a summary of all proposed public higher education facility projects for review within fifteen days from the application deadline. Once projects have been reviewed and selected for loans and financial assistance by the department, the coordinating board for higher education shall have thirty days to certify that those projects selected for loans or financial assistance are consistent with related state programs for education facilities.
  - 660.135. 1. The utilicare stabilization fund for any fiscal year shall be funded, subject to appropriations, by the general assembly.
- 2. The department of social services shall, in coordination with the department of [economic development] natural resources, apply a portion of the funds appropriated annually by the general assembly to the utilicare stabilization fund established pursuant to section 660.136 to the low income weatherization assistance program of the department of [economic development] natural resources; provided that any project financed with such funds shall be consistent with federal guidelines for the Weatherization Assistance Program for Low-Income Persons as authorized by 42 U.S.C. Section 6861.

- 701.500. 1. As used in sections 701.500 to 701.515, the following terms shall mean:
- 2 (1) "Department", the department of [economic development] natural resources;
- 3 (2) "Director", the director of the department of [economic development] natural 4 resources;
- 5 (3) "Energy Star program", a joint program of the United States Environmental Protection Agency and the United States Department of Energy that identifies and promotes energy efficient products and practices.
- 8 2. The provisions of sections 701.500 to 701.515 shall apply to appliances that do not 9 have minimum energy efficiency standards required under federal law.
- 3. No person shall sell, offer for sale, or install any new product listed in subsection 2 of this section in the state unless the product meets the minimum energy efficiency standards under sections 701.500 to 701.515.
- 4. The provisions of sections 701.500 to 701.515 shall not apply to:
- 14 (1) Consumer electronics; or
- 15 (2) Products:
- 16 (a) Manufactured in the state and sold outside the state;
- 17 (b) Manufactured outside the state and sold at wholesale inside the state for final retail sale outside the state;
- 19 (c) Installed in mobile manufactured homes at the time of construction; or
- 20 (d) Designed expressly for installation and use in recreational vehicles.
  - 701.509. 1. The "Appliance Energy Efficiency Advisory Group" is hereby created. The purpose of the advisory group is to advise the department on the development and updating of the minimum energy efficiency standards for products under sections 701.500 to 701.515. The advisory group shall consist of the following eleven members who shall be appointed, in
  - 5 staggered terms, by the director:

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- 6 (1) A representative from the public service commission who is knowledgeable in energy 7 efficiency;
  - (2) A representative of the office of public counsel;
- 9 (3) A representative of an electric or natural gas utility who is knowledgeable in energy 10 efficiency;
- 11 (4) The director of the division of energy of the department of [economic development]
  12 **natural resources**, or his or her designee;
  - (5) Two representatives from the appliance manufacturing industry;
- 14 (6) Three representatives with technical knowledge in energy efficiency and appliances, 15 including but not limited to, electrical or energy engineers;
  - (7) One representative from the home construction industry; and

- 17 (8) One representative from the commercial building industry.
- 2. Each member shall serve a term of three years and may be reappointed. The advisory
- 19 group members shall serve without compensation but may be reimbursed for expenses incurred
- 20 in connection with their duties. The advisory group shall meet as needed, but not less than two
- 21 times per year. The department shall provide staff for the advisory group.

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