FIRST REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 275

102ND GENERAL ASSEMBLY

1161H.05C DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 137.122, 204.300, 204.610, 393.320, 393.1030, 393.1506, and 640.144, RSMo, and section 67.2677 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, and to enact in lieu thereof thirteen new sections relating to utilities.

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

Section A. Sections 137.122, 204.300, 204.610, 393.320, 393.1030, 393.1506, and 640.144, RSMo, and section 67.2677 as enacted by senate bills nos. 153 & 97, one hundred first general assembly, first regular session, are repealed and thirteen new sections enacted in lieu thereof, to be known as sections 67.288, 67.2677, 137.077, 137.122, 144.058, 204.300, 204.610, 393.320, 393.1030, 393.1506, 393.1645, 640.144, and 1, to read as follows:

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

(1) "Electric vehicle", any vehicle that operates, either partially or exclusively, on electrical energy from the grid or an off-board source that is stored onboard for a motive purpose;

(2) "Electric vehicle charging station", a public or private parking space that is served by battery charging station equipment that has as its primary purpose the transfer of electric energy by conductive or inductive means to a battery or other energy storage device in an electric vehicle.

2. Notwithstanding any other provision of law, any political subdivision that adopts an ordinance, resolution, regulation, code, or policy that requires installation of electric vehicle charging stations shall pay all costs associated with the installation, maintenance, and operation of the electric vehicle charging stations. No political subdivision shall adopt any ordinance, resolution, regulation, code, or policy that

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.

requires more than five electric vehicle charging stations per parking lot, or infrastructure for future installation of more than five electric vehicle charging stations per parking lot. Such ordinances, resolutions, regulations, codes, or policies shall apply only to parking lots with more than thirty parking spaces designated for parking.

3. Notwithstanding any other provision of law to the contrary, no political subdivision shall adopt any ordinance, resolution, regulation, code, or policy that requires any school or any religious organization, as described in section 210.201, to install an electric vehicle charging station.

4. Nothing in this section shall prohibit a business owner or property owner from paying for the installation, maintenance, or operation of an electric vehicle charging station.

67.2677. 1. For purposes of sections 67.2675 to 67.2714, the following terms mean:

(1) "Cable operator", as defined in 47 U.S.C. Section 522(5);

(2) "Cable system", as defined in 47 U.S.C. Section 522(7);

(3) "Franchise", an initial authorization, or renewal of an authorization, issued by a franchising entity, regardless of whether the authorization is designated as a franchise, permit, license, resolution, contract, certificate, agreement, or otherwise, that authorizes the provision of video service and any affiliated or subsidiary agreements related to such authorization;

(4) "Franchise area", the total geographic area authorized to be served by an incumbent cable operator in a political subdivision as of August 28, 2007, or, in the case of an incumbent local exchange carrier, as such term is defined in 47 U.S.C. Section 251(h), or affiliate thereof, the area within such political subdivision in which such carrier provides telephone exchange service;

(5) "Franchise entity", a political subdivision that was entitled to require franchises and impose fees on cable operators on the day before the effective date of sections 67.2675 to 67.2714, provided that only one political subdivision may be a franchise entity with regard to a geographic area;

(6) (a) "Gross revenues", limited to amounts billed to video service subscribers for the following:

a. Recurring charges for video service; and

b. Event-based charges for video service, including but not limited to pay-per-view and video-on-demand charges;

(b) "Gross revenues" do not include:

a. Discounts, refunds, and other price adjustments that reduce the amount of compensation received by an entity holding a video service authorization;

b. Uncollectibles;

c. Late payment fees;

d. Amounts billed to video service subscribers to recover taxes, fees, or surcharges imposed on video service subscribers or video service providers in connection with the provision of video services, including the video service provider fee authorized by this section;

e. Fees or other contributions for PEG or I-Net support;

f. Charges for services other than video service that are aggregated or bundled with amounts billed to video service subscribers, if the entity holding a video service authorization reasonably can identify such charges on books and records kept in the regular course of business or by other reasonable means;

g. Rental of set top boxes, modems, or other equipment used to provide or facilitate the provision of video service;

h. Service charges related to the provision of video service including, but not limited to, activation, installation, repair, and maintenance charges;

i. Administrative charges related to the provision of video service including, but not limited to, service order and service termination charges; or

j. A pro rata portion of all revenue derived from advertising, less refunds, rebates, or discounts;

(c) Except with respect to the exclusion of the video service provider fee, gross revenues shall be computed in accordance with generally accepted accounting principles;

(7) "Household", an apartment, a house, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters;

(8) "Incumbent cable operator", the cable service provider serving cable subscribers in a particular franchise area on September 1, 2007;

(9) "Low-income household", a household with an average annual household income of less than thirty-five thousand dollars;

(10) "Person", an individual, partnership, association, organization, corporation, trust, or government entity;

(11) "Political subdivision", a city, town, village, county;

(12) "Public right-of-way", the area of real property in which a political subdivision has a dedicated or acquired right-of-way interest in the real property, including the area on, below, or above the present and future streets, alleys, avenues, roads, highways, parkways, or boulevards dedicated or acquired as right-of-way and utility easements dedicated for compatible uses. The term does not include the airwaves above a right-of-way with regard to wireless telecommunications or other nonwire telecommunications or broadcast service;

(13) "Video programming", programming provided by, or generally considered comparable to programming provided by, a television broadcast station, as set forth in 47 U.S.C. Section 522(20);

(14) "Video service", the provision**, by a video service provider,** of video programming provided through wireline facilities located at least in part in the public right-of-way without regard to delivery technology, including internet protocol technology whether provided as part of a tier, on demand, or **on** a per-channel basis. This definition includes cable service as defined by 47 U.S.C. Section 522(6), but does not include any video programming provided by a commercial mobile service provider defined in 47 U.S.C. Section 332(d), or any video programming **[**~~provided solely as part of and~~**]** **accessed** via a service that enables users to access content, information, electronic mail, or other services offered over the **[**~~public~~**]** internet**, including streaming content**;

(15) "Video service authorization", the right of a video service provider or an incumbent cable operator that secures permission from the public service commission pursuant to sections 67.2675 to 67.2714, to offer video service to subscribers in a political subdivision;

(16) "Video service network", wireline facilities, or any component thereof, located at least in part in the public right-of-way that deliver video service, without regard to delivery technology, including internet protocol technology or any successor technology. The term video service network shall include cable systems;

(17) "Video service provider", any person that distributes video service through a video service network pursuant to a video service authorization;

(18) "Video service provider fee", the fee imposed under section 67.2689.

2. The repeal and reenactment of this section shall become effective August 28, 2023.

137.077. 1. (1) Beginning January 1, 2024, for purposes of assessing all real property, excluding land, or tangible personal property associated with a project that uses solar energy directly to generate electricity and that was built, or was contracted to sell power, prior to December 31, 2023, shall be considered to be de minimis in value. The assessor shall request any documentation necessary to determine the true value in money of such property.

(2) Notwithstanding the provisions of subdivision (1) of this subsection to the contrary, the tax liability actually owed for solar energy property that was built, or was contracted to sell power, prior to December 31, 2023, shall not exceed five hundred dollars per megawatt. For projects for which the land associated with such project is reclassified due to the project, the property tax liability incurred from such land shall be included in the limit established in this subdivision.

2. Nothing in this section shall be construed to prohibit an entity from engaging in a project which was originally constructed utilizing financing authorized pursuant to chapter 100 for construction, from engaging in enhanced enterprise zone agreements under sections 135.950 to 135.973 or similar tax abatement agreements authorized pursuant to state law with state or local officials, or to affect any existing enhanced enterprise zone or chapter 100 agreements.

3. Notwithstanding any provision of law to the contrary, no taxpayer shall be liable for property taxes not paid in any tax year on property that was exempted from property tax pursuant to section 137.100 during such tax year.

4. The provisions of this section shall expire on December 31, 2050.

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

(1) "Business personal property", tangible personal property which is used in a trade or business or used for production of income and which has a determinable life of longer than one year except that supplies used by a business shall also be considered business personal property, but shall not include livestock, farm machinery, grain and other agricultural crops in an unmanufactured condition, property subject to the motor vehicle registration provisions of chapter 301, property assessed under section 137.078, the property of rural electric cooperatives under chapter 394, or property assessed by the state tax commission under chapters 151, 153, and 155, section 137.022, and sections 137.1000 to 137.1030;

(2) "Class life", the class life of property as set out in the federal Modified Accelerated Cost Recovery System life tables or their successors under the Internal Revenue Code as amended;

(3) "Economic or functional obsolescence", a loss in value of personal property above and beyond physical deterioration and age of the property. Such loss may be the result of economic or functional obsolescence or both;

(4) "Original cost", the price the current owner, the taxpayer, paid for the item without freight, installation, or sales or use tax. In the case of acquisition of items of personal property as part of an acquisition of an entity, the original cost shall be the historical cost of those assets remaining in place and in use and the placed-in-service date shall be the date of acquisition by the entity being acquired;

(5) "Placed in service", property is placed in service when it is ready and available for a specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a personal activity. Even if the property is not being used, the property is in service when it is ready and available for its specific use;

(6) "Recovery period", the period over which the original cost of depreciable tangible personal property shall be depreciated for property tax purposes and shall be the same as the recovery period allowed for such property under the Internal Revenue Code.

2. To establish uniformity in the assessment of depreciable tangible personal property, each assessor shall use the standardized schedule of depreciation in this section to determine the assessed valuation of depreciable tangible personal property for the purpose of estimating the value of such property subject to taxation under this chapter.

3. For purposes of this section, and to estimate the value of depreciable tangible personal property for mass appraisal purposes, each assessor shall value depreciable tangible personal property by applying the class life and recovery period to the original cost of the property according to the following depreciation schedule. The percentage shown for the first year shall be the percentage of the original cost used for January first of the year following the year of acquisition of the property, and the percentage shown for each succeeding year shall be the percentage of the original cost used for January first of the respective succeeding year as follows:

Year	Recovery Period in Years					
	3	5	7	10	15	20
1	75.00	85.00	89.29	92.50	95.00	96.25
2	37.50	59.50	70.16	78.62	85.50	89.03
3	12.50	41.65	55.13	66.83	76.95	82.35
4	5.00	24.99	42.88	56.81	69.25	76.18
5		10.00	30.63	48.07	62.32	70.46
6			18.38	39.33	56.09	65.18
7			10.00	30.59	50.19	60.29
8				21.85	44.29	55.77
9				15.00	38.38	51.31
10					32.48	46.85
11					26.57	42.38
12					20.67	37.92
13					15.00	33.46
14						29.00
15						24.54
16						20.08
17						20.00

Depreciable tangible personal property in all recovery periods shall continue in subsequent years to have the depreciation factor last listed in the appropriate column so long as it is owned or held by the taxpayer. The state tax commission shall study and analyze the values

established by this method of assessment and in every odd-numbered year make recommendations to the joint committee on tax policy pertaining to any changes in this methodology, if any, that are warranted.

4. Such estimate of value determined under this section shall be presumed to be correct for the purpose of determining the true value in money of the depreciable tangible personal property, but such estimation may be disproved **by a taxpayer** by substantial and persuasive evidence of the true value in money under any method determined by the state tax commission to be correct, including, but not limited to, an appraisal of the tangible personal property specifically utilizing generally accepted appraisal techniques, and contained in a narrative appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice or by proof of economic or functional obsolescence or evidence of excessive physical deterioration. For purposes of appeal of the provisions of this section, the salvage or scrap value of depreciable tangible personal property may only be considered if the property is not in use as of the assessment date.

5. This section shall not apply to business personal property placed in service before January 2, 2006. Nothing in this section shall create a presumption as to the proper method of determining the assessed valuation of business personal property placed in service before January 2, 2006.

6. The provisions of this section are not intended to modify the definition of tangible personal property as defined in section 137.010.

7. (1) As of January 1, 2024, this section shall apply to all real property, placed in service at any time, that is stationary property used for transportation or storage of liquid and gaseous products including water, sewage, and natural gas that is not propane or LP gas, but not including petroleum products.

(2) To estimate the value of the real property described in this subsection, each assessor shall value such property by applying a twenty-year recovery period to the original cost of the property according to the twenty-year depreciation schedule set forth in subsection 3 of this section. Notwithstanding subsection 5 of this section, the presumption as to the proper method of determining the assessed value of such property shall apply regardless of when such property was placed in service.

(3) Each taxpayer owning real property described in this subsection shall provide to an assessor, upon written request from tax assessor received no later than January thirty-first of the applicable tax year, the original cost and year placed in service of such property summarized in a format that is substantially similar to the real property reporting and valuation forms contained in section 7.4 of the state tax commission assessor manual (revision date March 23, 2016). Such information shall be provided for each taxing district within the assessor's jurisdiction if the assessor's

written request includes a description of each taxing district that is sufficient to enable the taxpayer to provide such information and such information is available to the taxpayer. The taxpayer shall certify that the information provided to the assessor pursuant to this subsection is accurate to the best of its knowledge. All information provided to an assessor pursuant to this subsection shall be considered proprietary information and shall be accessible only to the assessor and the assessor's staff for internal use only.

144.058. In addition to other exemptions granted under this chapter, there is hereby specifically exempted from the provisions of and the computation of the tax levied, assessed, or payable under this chapter and the local sales tax law as defined in section 32.085, electrical energy and gas, whether natural, artificial, or propane; water, coal, and energy sources; chemicals, machinery, equipment, parts, and material used or consumed in connection with or to facilitate the generation, transmission, distribution, sale, or furnishing of electricity for light, heat, or power; and any conduits, ducts, or other devices, materials, apparatus, or property for containing, holding, or carrying conductors used or to be used for the transmission of electricity for light, heat, or power service to consumers. The provisions of this section shall be in addition to any other sales or use tax exemption provided by law. Any public utility, as such term is defined in section 386.020, that realizes any savings as a result of the sales tax exemption provided in this section shall provide the public service commission information on the amount of savings realized in such public utility's next general rate proceeding and shall include a statement that such savings will be passed through to the public utility's rate revenue requirement determined in the public utility's next general rate proceeding. As used in this section, savings realized shall be calculated as the difference between sales tax incurred and sales tax expense included in current rates.

204.300. 1. In all counties except counties of the first classification which have a charter form of government and which contain all or any portion of a city with a population of three hundred fifty thousand or more inhabitants, the governing body of the county, by resolution, order, or ordinance, shall appoint five trustees, the majority of whom shall reside within the boundaries of the district. In the event the district extends into any county bordering the county in which the greater portion of the district lies, the presiding commissioner or other chief executive officer of the adjoining county shall be an additional member of the appointed board of trustees. **Subject to the provisions of section 105.454,** the trustees may be paid reasonable compensation by the district for their services**[**~~; except that, any compensation schedule shall be approved by resolution of the board of trustees~~**] outside their duties as trustees. Each trustee of the board may receive an attendance fee not to exceed one hundred dollars for attending each regularly called board meeting, or special**

meeting, but shall not be paid for attending more than two meetings in any calendar month, except that in a county of the first classification, a trustee shall not be paid for attending more than four meetings in any calendar month. However, no trustee shall be paid more than one attendance fee if such trustee attends more than one board meeting in a calendar week. Each trustee of the board shall be reimbursed for his or her actual expenditures in the performance of his or her duties on behalf of the district. The board of trustees shall be responsible for the control and operation of the sewer district. The term of each board member shall be five years; except that, members of the governing body of the county sitting upon the board shall not serve beyond the expiration of their term as members of such governing body of the county. The first board of trustees shall be appointed for terms ranging from one to five years so as to establish one vacancy per year thereafter. If the governing body of the county with the right of appointment under this section fails to appoint a trustee to fill a vacancy on the board within sixty days after receiving written notice from the common sewer district of the existence of such vacancy, then the vacancy may be filled by a majority of the remaining members then in office of the board of trustees of such common sewer district. **Subject to the provisions of section 105.454,** the trustees may be paid reasonable compensation by the district for their services**[**~~; except that, any compensation schedule shall be approved by resolution, order, or ordinance of the governing body of the county. Any and all expenses incurred in the performance of their duties shall be reimbursed by the district~~**] outside their duties as trustees. Each trustee of the board may receive an attendance fee not to exceed one hundred dollars for attending each regularly called board meeting, or special meeting, but shall not be paid for attending more than two meetings in any calendar month, except that in a county of the first classification, a trustee shall not be paid for attending more than four meetings in any calendar month. However, no trustee shall be paid more than one attendance fee if such trustee attends more than one board meeting in a calendar week. Each trustee of the board shall be reimbursed for his or her actual expenditures in the performance of his or her duties on behalf of the district**. The board of trustees shall have the power to employ and fix the compensation of such staff as may be necessary to discharge the business and purposes of the district, including clerks, attorneys, administrative assistants, and any other necessary personnel. The board of trustees shall select a treasurer, who may be either a member of the board of trustees or another qualified individual. The treasurer selected by the board shall give such bond as may be required by the board of trustees. The board of trustees shall appoint the sewer engineer for the county in which the greater part of the district lies as chief engineer for the district, and the sewer engineer shall have the same powers, responsibilities and duties in regard to planning, construction and maintenance of the sewers, and treatment facilities of the district as he now has by virtue of law in regard to the sewer facilities within

the county for which he is elected. If there is no sewer engineer in the county in which the greater part of the district lies, the board of trustees may employ a registered professional engineer as chief engineer for the district under such terms and conditions as may be necessary to discharge the business and purposes of the district. The provisions of this subsection shall not apply to any county of the first classification which has a charter form of government and which contains all or any portion of a city with a population of three hundred fifty thousand or more inhabitants.

2. In any county of the first classification which has a charter form of government and which contains all or any portion of a city with a population of three hundred fifty thousand or more inhabitants, **[**~~and in any county of the first classification without a charter form of government and which has a population of more than sixty-three thousand seven hundred but less than seventy-five thousand,~~**]** there shall be a ten-member board of trustees to consist of the county executive, the mayors of the five cities constituting the largest users by flow during the previous fiscal year, the mayors of three cities which are not among the five largest users and who are members of the advisory board of the district established pursuant to section 204.310, and one member of the county legislature to be appointed by the county executive, with the concurrence of the county legislature. If the county executive does not appoint such members of the county legislature to the board of trustees within sixty days, the county legislature shall make the appointments. The advisory board members shall be appointed annually by the advisory board. In the event the district extends into any county bordering the county in which the greater portion of the district lies, the number of members on the board of trustees shall be increased to a total of eleven and the presiding commissioner or county executive of the adjoining county shall be an additional member of the board of trustees. The trustees **of a district with an eleven-member board and located in two counties** shall receive no compensation for their services**[**~~,~~**]** but may be compensated for their reasonable expenses normally incurred in the performance of their duties. **Each trustee of a ten-member board may receive an attendance fee not to exceed one hundred dollars for attending each regularly called board meeting, or special meeting, but shall not be paid for attending more than two meetings in any calendar month. However, no trustee of a ten-member board shall be paid more than one attendance fee if such trustee attends more than one board meeting in a calendar week. Each trustee of a ten-member board shall be reimbursed for his or her actual expenditures in the performance of his or her duties on behalf of the district. Subject to the provisions of section 105.454, the trustees of a ten-member board may be paid reasonable compensation by the district for their services outside their duties as trustees.** The board of trustees may employ and fix the compensation of such staff as may be necessary to discharge the business and purposes of the district, including clerks, attorneys, administrative assistants, and any other necessary

personnel. The board of trustees may employ and fix the duties and compensation of an administrator for the district. The administrator shall be the chief executive officer of the district subject to the supervision and direction of the board of trustees and shall exercise the powers, responsibilities and duties heretofore exercised by the chief engineer prior to September 28, 1983. The administrator of the district may, with the approval of the board of trustees, retain consulting engineers for the district under such terms and conditions as may be necessary to discharge the business and purposes of the district. The provisions of this subsection shall only apply to counties of the first classification which have a charter form of government and which contain all or any portion of a city with a population of three hundred fifty thousand or more inhabitants.

204.610. 1. There shall be five trustees, appointed or elected as provided for in the circuit court decree or amended decree of incorporation for a reorganized common sewer district, who shall reside within the boundaries of the district. Each trustee shall be a voter of the district and shall have resided in said district for twelve months immediately prior to the trustee's election or appointment. A trustee shall be at least twenty-five years of age and shall not be delinquent in the payment of taxes at the time of the trustee's election or appointment. Regardless of whether or not the trustees are elected or appointed, in the event the district extends into any county bordering the county in which the greater portion of the district lies, the presiding commissioner or other chief executive officer of the adjoining county shall be an additional member of the board of trustees, or the governing body of such bordering county may appoint a citizen from such county to serve as an additional member of the board of trustees. Said additional trustee shall meet the qualifications set forth in this section for a trustee.

2. **[**~~The trustees shall receive no compensation for their services but may be compensated for reasonable expenses normally incurred in the performance of their duties.~~**]** **Each trustee of the board may receive an attendance fee not to exceed one hundred dollars for attending each regularly called board meeting, or special meeting, but shall not be paid for attending more than two meetings in any calendar month. However, no trustee shall be paid more than one attendance fee if such trustee attends more than one board meeting in a calendar week. Each trustee of the board shall be reimbursed for his or her actual expenditures in the performance of his or her duties on behalf of the district. Subject to the provisions of section 105.454, the trustees may be paid reasonable compensation by the district for their services outside their duties as trustees.** The board of trustees may employ and fix the compensation of such staff as may be necessary to discharge the business and purposes of the district, including clerks, attorneys, administrative assistants, and any other necessary personnel. The board of trustees may employ and fix the duties and compensation of an administrator for the district. The

administrator shall be the chief executive officer of the district subject to the supervision and direction of the board of trustees. The administrator of the district may, with the approval of the board of trustees, retain consulting engineers for the district under such terms and conditions as may be necessary to discharge the business and purposes of the district.

3. Except as provided in subsection 1 of this section, the term of office of a trustee shall be five years. The remaining trustees shall appoint a person qualified under this section to fill any vacancy on the board. The initial trustees appointed by the circuit court shall serve until the first Tuesday after the first Monday in June or until the first Tuesday after the first Monday in April, depending upon the resolution of the trustees. In the event that the trustees are elected, said elections shall be conducted by the appropriate election authority under chapter 115. Otherwise, trustees shall be appointed by the county commission in accordance with the qualifications set forth in subsection 1 of this section.

4. Notwithstanding any other provision of law, if there is only one candidate for the post of trustee, then no election shall be held, and the candidate shall assume the responsibilities of office at the same time and in the same manner as if elected. If there is no candidate for the post of trustee, then no election shall be held for that post and it shall be considered vacant, to be filled under the provisions of subsection 3 of this section.

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

(1) "Large water public utility", a public utility**:**

(a) That regularly provides water service **[**~~or sewer service~~**]** to more than eight thousand customer connections**, regularly provides sewer service to more than eight thousand customer connections, or regularly provides a combination of either to more than eight thousand customer connections;** and

(b) That provides safe and adequate service but shall not include a sewer district established under Section 30(a), Article VI of the Missouri Constitution, sewer districts established under the provisions of chapter 204, 249, or 250, public water supply districts established under the provisions of chapter 247, or municipalities that own water or sewer systems;

(2) "Small water utility", a public utility that regularly provides water service or sewer service to eight thousand or fewer customer connections; a water district established under the provisions of chapter 247 that regularly provides water or sewer service to eight thousand or fewer customer connections; a sewer district established under the provisions of chapter 204, 249, or 250 that regularly provides sewer service to eight thousand or fewer customer connections; or a water system or sewer system owned by a municipality that regularly provides water service or sewer service to eight thousand or fewer customer connections; and all other entities that regularly provide water service or sewer service to eight thousand or fewer customer connections.

2. The procedures contained in this section may be chosen by a large water public utility, and if so chosen shall be used by the public service commission to establish the ratemaking rate base of a small water utility during an acquisition.

3. (1) An appraisal shall be performed by three appraisers. One appraiser shall be appointed by the small water utility, one appraiser shall be appointed by the large water public utility, and the third appraiser shall be appointed by the two appraisers so appointed. Each of the appraisers shall be a disinterested person who is a certified general appraiser under chapter 339.

(2) The appraisers shall:

(a) Jointly prepare an appraisal of the fair market value of the water system and/or sewer system. The determination of fair market value shall be in accordance with Missouri law and with the Uniform Standards of Professional Appraisal Practice; and

(b) Return their appraisal, in writing, to the small water utility and large water public utility in a reasonable and timely manner.

(3) If all three appraisers cannot agree as to the appraised value, the appraisal, when signed by two of the appraisers, constitutes a good and valid appraisal.

4. Nothing in this section shall prohibit a party from declining to proceed with an acquisition or be deemed as establishing the final purchase price of an acquisition.

5. (1) The lesser of the purchase price or the appraised value, together with the reasonable and prudent transaction, closing, and transition costs incurred by the large water public utility, shall constitute the ratemaking rate base for the small water utility as acquired by the acquiring large water public utility; provided, however, that if the small water utility is a public utility subject to chapter 386 and the small water utility completed a rate case prior to the acquisition, the public service commission may select as the ratemaking rate base for the small water utility as acquired by the acquiring large water public utility a ratemaking rate base in between:

(a) The lesser of the purchase price or the appraised value, together with the reasonable and prudent transaction, closing, and transition costs incurred by the large water public utility unless such transaction, closing, and transition costs are elsewhere recoverable in rates; and

(b) The ratemaking rate base of the small water utility as ordered by the public service commission in the small water utility's last previous rate case as adjusted by improvements and depreciation reserve since the previous rate case together with the transaction, closing, and transition costs incurred by the large water public utility unless such transaction, closing, and transition costs are elsewhere recoverable in rates. If the small water utility and large water public utility proceed with the sale, any past-due fees due to the state from the small water utility or its customers under chapter 640 or 644 shall be resolved prior to the transfer

of ownership or the liability for such past-due fees becomes the responsibility of the large water public utility. Such fees shall not be included in the large water public utility's rate base.

(2) The public service commission shall issue its decision establishing the ratemaking rate base of the small water utility in its order approving the acquisition **within six months of the submission of the application by the large water public utility to acquire a small water utility. The public service commission may request an additional thirty days to issue its decision for good cause shown. If the public service commission does not issue a decision within the time required under this subdivision, such application shall be automatically approved**.

6. Upon the date of the acquisition of a small water utility by a large water public utility, whether or not the procedures for establishing ratemaking rate base provided by this section have been utilized, the small water utility shall, for ratemaking purposes, become part of an existing service area, as defined by the public service commission, of the acquiring large water public utility that is either contiguous to the small water utility, the closest geographically to the small water utility, or best suited due to operational or other factors. This consolidation shall be approved by the public service commission in its order approving the acquisition.

7. Any new permit issued pursuant to chapters 640 and 644, when a small water utility is acquired by a large water public utility, shall include a plan to resolve all outstanding permit compliance issues. After the transfer of ownership, the acquiring large public water utility shall continue providing service to all customers that were served by the small water utility at the time of sale.

8. This section is intended for the specific and unique purpose of determining the ratemaking rate base of small water utilities and shall be exclusively applied to large water public utilities in the acquisition of a small water utility. This section is not intended to apply beyond its specific purpose and shall not be construed in any manner to apply to electric corporations, natural gas corporations, or any other utility regulated by the public service commission.

393.1030. 1. The commission shall, in consultation with the department, prescribe by rule a portfolio requirement for all electric utilities to generate or purchase electricity generated from renewable energy resources. Such portfolio requirement shall provide that electricity from renewable energy resources shall constitute the following portions of each electric utility's sales:

(1) No less than two percent for calendar years 2011 through 2013;

(2) No less than five percent for calendar years 2014 through 2017;

(3) No less than ten percent for calendar years 2018 through 2020; and

(4) No less than fifteen percent in each calendar year beginning in 2021.

At least two percent of each portfolio requirement shall be derived from solar energy. The portfolio requirements shall apply to all power sold to Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state. A utility may comply with the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance.

2. **(1) This subsection applies to electric utilities with more than two hundred fifty thousand but less than one million retail customers in Missouri as of the end of calendar year 2022.**

(2) Energy meeting the criteria of the renewable energy portfolio requirements set forth in subsection 1 of this section that is generated from renewable energy resources and contracted for by an accelerated renewable buyer shall:

(a) Have all associated renewable energy certificates retired by the accelerated renewable buyer, or on their behalf, and the certificates shall not be used to meet the electric utility's portfolio requirements pursuant to subsection 1 of this section;

(b) Be excluded from the total electric utility's sales used to determine the portfolio requirements pursuant to subsection 1 of this section; and

(c) Be used to offset all or a portion of its electric load for purposes of determining compliance with the portfolio requirements pursuant to subsection 1 of this section.

(3) The accelerated renewable buyer shall be exempt from any renewable energy standard compliance costs as may be established by the utility and approved by the commission, based on the amount of renewable energy certificates retired pursuant to this subsection in proportion to the accelerated renewable buyer's total electric energy consumption, on an annual basis.

(4) An "accelerated renewable buyer" means a customer of an electric utility, with an aggregate load over eighty average megawatts, that enters into a contract or contracts to obtain:

(a) Renewable energy certificates from renewable energy resources as defined in section 393.1025; or

(b) Energy and renewable energy certificates from solar or wind generation resources located within the Southwest Power Pool or Midcontinent Independent System Operator regions and initially placed in commercial operation after January 1, 2020, including any contract with the electric utility for such generation resources that

does not allocate to or recover from any other customer of the utility the cost of such resources.

(5) Each electric utility shall certify, and verify as necessary, to the commission that the accelerated renewable buyer has satisfied the exemption requirements of this subsection for each year, or an accelerated renewable buyer may choose to certify satisfaction of this exemption by reporting to the commission individually. The commission may promulgate such rules and regulations as may be necessary to implement the provisions of this subsection. Nothing in this section shall be construed as imposing or authorizing the imposition of any reporting, regulatory, or financial burden on an accelerated renewable buyer.

3. The commission, in consultation with the department and within one year of November 4, 2008, shall select a program for tracking and verifying the trading of renewable energy credits. An unused credit may exist for up to three years from the date of its creation. A credit may be used only once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy any similar nonfederal requirement. An electric utility may not use a credit derived from a green pricing program. Certificates from net-metered sources shall initially be owned by the customer-generator. The commission, except where the department is specified, shall make whatever rules are necessary to enforce the renewable energy standard. Such rules shall include:

(1) A maximum average retail rate increase of one percent determined by estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account future environmental regulatory risk including the risk of greenhouse gas regulation. Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase would be less than or equal to one percent if an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be paid and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent retail rate increase and the retail rate increase calculated when ignoring an electric utility's investment in solar-related projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the contrary in this section, even if the payment of additional solar rebates will produce a maximum average retail rate increase of greater than one percent when an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility are included in the calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be recovered as contemplated by subdivision (4) of this subsection;

(2) Penalties of at least twice the average market value of renewable energy credits for the compliance period for failure to meet the targets of subsection 1 of this section. An electric utility will be excused if it proves to the commission that failure was due to events beyond its reasonable control that could not have been reasonably mitigated, or that the maximum average retail rate increase has been reached. Penalties shall not be recovered from customers. Amounts forfeited under this section shall be remitted to the department to purchase renewable energy credits needed for compliance. Any excess forfeited revenues shall be used by the division of energy solely for renewable energy and energy efficiency projects;

(3) Provisions for an annual report to be filed by each electric utility in a format sufficient to document its progress in meeting the targets;

(4) Provision for recovery outside the context of a regular rate case of prudently incurred costs and the pass-through of benefits to customers of any savings achieved by an electrical corporation in meeting the requirements of this section.

[~~3.~~**] 4.** As provided for in this section, except for those electrical corporations that qualify for an exemption under section 393.1050, each electric utility shall make available to its retail customers a solar rebate for new or expanded solar electric systems sited on customers' premises, up to a maximum of twenty-five kilowatts per system, measured in direct current that were confirmed by the electric utility to have become operational in compliance with the provisions of section 386.890. The solar rebates shall be two dollars per watt for systems becoming operational on or before June 30, 2014; one dollar and fifty cents per watt for systems becoming operational between July 1, 2014, and June 30, 2015; one dollar per watt for systems becoming operational between July 1, 2015, and June 30, 2016; fifty cents per watt for systems becoming operational between July 1, 2016, and June 30, 2017; fifty cents per watt for systems becoming operational between July 1, 2017, and June 30, 2019; twenty-five cents per watt for systems becoming operational between July 1, 2019, and June 30, 2020; and zero cents per watt for systems becoming operational after June 30, 2020. An electric utility may, through its tariffs, require applications for rebates to be submitted up to one hundred eighty-two days prior to the June thirtieth operational date. Nothing in this section shall prevent an electrical corporation from offering rebates after July 1, 2020, through an approved tariff. If the electric utility determines the maximum average retail rate increase provided for in subdivision (1) of subsection **[**~~2~~**] 3** of this section will be reached in any calendar year, the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff shall include the calculation

reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached. The commission shall rule on the suspension filing within sixty days of the date it is filed. If the commission determines that the maximum average retail rate increase will be reached, the commission shall approve the tariff suspension. The electric utility shall continue to process and pay applicable solar rebates until a final commission ruling; however, if the continued payment causes the electric utility to pay rebates that cause it to exceed the maximum average retail rate increase, the expenditures shall be considered prudently incurred costs as contemplated by subdivision (4) of subsection **[**~~2~~**] 3** of this section and shall be recoverable as such by the electric utility. As a condition of receiving a rebate, customers shall transfer to the electric utility all right, title, and interest in and to the renewable energy credits associated with the new or expanded solar electric system that qualified the customer for the solar rebate for a period of ten years from the date the electric utility confirmed that the solar electric system was installed and operational.

[~~4.~~**] 5.** The department shall, in consultation with the commission, establish by rule a certification process for electricity generated from renewable resources and used to fulfill the requirements of subsection 1 of this section. Certification criteria for renewable energy generation shall be determined by factors that include fuel type, technology, and the environmental impacts of the generating facility. Renewable energy facilities shall not cause undue adverse air, water, or land use impacts, including impacts associated with the gathering of generation feedstocks. If any amount of fossil fuel is used with renewable energy resources, only the portion of electrical output attributable to renewable energy resources shall be used to fulfill the portfolio requirements.

[~~5.~~**] 6.** In carrying out the provisions of this section, the commission and the department shall include methane generated from the anaerobic digestion of farm animal waste and thermal depolymerization or pyrolysis for converting waste material to energy as renewable energy resources for purposes of this section.

[~~6.~~**] 7.** The commission shall have the authority to promulgate rules for the implementation of this section, but only to the extent such rules are consistent with, and do not delay the implementation of, the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

393.1506. 1. Notwithstanding any provisions of chapter 386 and this chapter to the contrary, **[**~~a water or sewer corporation~~**] a public utility** that provides water **[**~~or sewer~~**]** service to more than eight thousand customer connections**, sewer service to more than eight thousand customer connections, or a combination of either to more than eight thousand customer connections** may file a petition and proposed rate schedules with the commission to establish or change a WSIRA that will provide for the recovery of the appropriate pretax revenues associated with the eligible infrastructure system projects, less the appropriate pretax revenues associated with any retired utility plant that is being replaced by the eligible infrastructure system projects. The WSIRA shall not produce revenues in excess of fifteen percent of the water or sewer corporation's base revenue requirement approved by the commission in the water or sewer corporation's most recent general rate proceeding; provided, however, that neither WSIRA revenues attributable to replacement of customer-owned lead service lines, nor any reconciliation amounts described in subdivision (2) of subsection 5 of section 393.1509, shall count toward the program cap. The WSIRA and any future changes thereto shall be calculated and implemented in accordance with the provisions of sections 393.1503 to 393.1509. WSIRA revenues shall be subject to refund based upon a finding and order of the commission, to the extent provided in subsections 5 and 8 of section 393.1509.

2. The commission shall not approve a WSIRA for a water or sewer corporation that has not had a general rate proceeding decided or dismissed by issuance of a commission order within the past three years of the filing of a petition pursuant to this section unless the water or sewer corporation has filed for or is the subject of a new general rate proceeding.

3. In no event shall a water or sewer corporation collect a WSIRA for a period exceeding three years unless the water or sewer corporation has filed for or is the subject of a pending general rate proceeding; provided that the WSIRA may be collected until the effective date of new rate schedules established as a result of the new general rate proceeding or until the subject general rate proceeding is otherwise decided or dismissed by issuance of a commission order without new rates being established.

4. Except as provided in this subsection, in no event shall a water or sewer corporation collect a WSIRA if also collecting revenues from a commission approved infrastructure system replacement surcharge as provided in sections 393.1000 to 393.1006. In no event shall a customer be charged both an infrastructure system replacement surcharge as provided in sections 393.1000 to 393.1006 and a WSIRA. In the event a water or sewer corporation is collecting infrastructure system replacement surcharge revenues under sections 393.1000 to 393.1006, that was approved prior to August 28, 2021, when the initial WSIRA is filed, the approved infrastructure system replacement surcharge revenues shall be included in the new WSIRA filing.

393.1645. 1. Subject to the limitations provided for in subsection 2 of this section, and upon proper application by an eligible customer prior to public announcement of a growth project, a new or existing account meeting the criteria in this subsection shall qualify for one of the discounts set forth in subdivision (1) or (2) of this subsection:

(1) When the customer is a new customer and the new load is reasonably projected to be at least 270,000 ccf annually, the discount shall equal up to twenty-five percent subject to the limiting provisions of this section and shall apply for four years; or

(2) When the customer is an existing customer and the new load is reasonably projected to be at least 135,000 ccf annually, the discount shall equal twenty-five percent subject to the limiting provisions of this section and shall apply for four years.

To obtain one of the discounts set forth in subdivision (1) or (2) of this subsection, the customer's load shall be incremental, net of any offsetting load reductions due to the termination of other accounts of the customer or an affiliate of the customer within twelve months prior to the commencement of service to the new load, the customer shall receive an economic development incentive from the local, regional, state, or federal government, or from an agency or program of any such government, in conjunction with the incremental load, and the customer shall meet the criteria set forth in the gas corporation's economic development rider tariff sheet, as approved by the commission, that are not inconsistent with the provisions of this subsection. Unless otherwise provided for by the gas corporation's tariff, the applicable discount shall be a percentage applied to all variable base-rate components of the bill. The discount shall be applied to such incremental load from the date when the meter has been permanently set until the date that such incremental load no longer meets the criteria required to qualify for the discount as determined under the provisions of subsection 2 of this section, or a maximum of four years. The gas corporation may include in its tariff additional or alternative terms and conditions to a customer's utilization of the discount, subject to approval of such terms and conditions by the commission. The customer, on forms supplied by the gas corporation, shall apply for the applicable discount provided for by this subsection at least ninety days prior to the date the customer requests that the incremental usage receive one of the discounts provided for by this subsection and shall enter into a written agreement with the gas corporation reflecting the discount percentages and other pertinent details prior to which no discount will be available. If the incremental usage is not separately metered, the gas corporation's determination of the incremental usage shall control. The gas corporation shall verify the customer's

consumption annually to determine continued qualification for the applicable discount. Notwithstanding the foregoing provisions of this subsection, the cents-per-ccf realization resulting from application of any discounted rates as calculated shall be higher than the gas corporation's variable cost to serve such incremental usage and the applicable discounted rate also shall make a positive contribution to fixed costs associated with service to such incremental usage. If in a subsequent general rate proceeding the commission determines that application of a discounted rate is not adequate to cover the gas corporation's variable cost to serve accounts in question and provide a positive contribution to fixed costs then the commission shall reduce the discount for those accounts prospectively to the extent necessary to do so.

2. In each general rate proceeding concluded after August 28, 2023, the difference in revenues generated by applying the discounted rates provided for by this section and the revenues that would have been generated without such discounts shall not be imputed into the gas corporation's revenue requirement, but instead such revenue requirement shall be set using the revenues generated by such discounted rates, and the impact of the discounts provided for by this section shall be allocated to all the gas corporation's customer classes, including the classes with customers that qualify for discounts under this section, through the application of a uniform percentage adjustment to the revenue requirement responsibility of all customer classes. To qualify for the discounted rates provided for in this section, customers shall meet the applicable criteria within twenty-four months of initially receiving discounts based on metering data for calendar months thirteen through twenty-four and annually thereafter. If such data indicates that the customer did not meet the applicable criteria for any subsequent twelve-month period, it shall thereafter no longer qualify for a discounted rate. Customer usage existing at the time the customer makes application for discounted rates under this section shall not constitute incremental usage. The discounted rates provided for by this section apply only to variable base-rate components, with charges or credits arising from any rate adjustment mechanism authorized by law to be applied to customers qualifying for discounted rates under this section in the same manner as such rate adjustments would apply in absence of this section. A gas corporation's authority to offer discounted rates shall terminate on the date that such natural gas corporation's authority to make deferrals expires.

3. For purposes of this section, "gas corporation" shall mean the same as defined in section 386.020.

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

(1) Inspection of all valves every ten years;

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

(3) Within five years of August 28, 2020, identification of each shut-off valve location using a geographic information system or an alternative physical mapping system that accurately identifies the location of each valve.

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

(1) **[**~~Annual~~**]** **Scheduled** testing of every hydrant in the community water system;

(2) Scheduled repair or replacement of broken hydrants;

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

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

(5) Within five years of August 28, 2020, identification of each hydrant location using a geographic information system or an alternative physical mapping system that accurately identifies the location of each hydrant.

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

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

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