

SECOND REGULAR SESSION

HOUSE BILL NO. 2542

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KORMAN.

6396H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.311, 414.350, 414.510, and 640.653, RSMo, and to enact in lieu thereof five new sections relating to the division of energy.

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

Section A. Sections 135.311, 414.350, 414.510, and 640.653, RSMo, are repealed and
2 five new sections enacted in lieu thereof, to be known as sections 135.311, 414.350, 414.510,
3 620.011, and 640.653, to read as follows:

135.311. When applying for a tax credit the wood energy producer shall make
2 application for the credit to the division of energy of the department of [natural resources]
3 **economic development**. 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
7 number of tons sold to each person;

8 (3) Other information which the department of [natural resources] **economic**
9 **development** reasonably requires. The application shall be received and reviewed by the
10 division of energy of the department of [natural resources] **economic development** and the
11 division shall certify to the department of revenue each applicant which qualifies as a wood
12 energy-producing facility.

414.350. As used in sections 414.350 to 414.359, the following terms mean:

2 (1) "Alternative fuel", the same meaning as in section 414.400;

3 (2) "Division", the division of energy of the department of [natural resources] **economic**
4 **development**;

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.

5 (3) "Fueling station", the equipment and property directly related to dispensing of an
6 alternative fuel into the fuel tank of a vehicle propelled by such fuel, including the compression
7 equipment and storage vessels for such fuel at the location where such fuel is dispensed;

8 (4) "Fund", the Missouri alternative fuel vehicle loan fund;

9 (5) "Incremental cost", the difference in cost between a vehicle that operates on
10 conventional fuel and the cost of the same model vehicle equipped to operate on an alternative
11 fuel;

12 (6) "Political subdivision", any county, township, municipal corporation, school district
13 or other governmental unit in this state, but not including any "state agency" as such term is
14 defined in section 536.010; and

15 (7) "Vehicle fleet", any fleet owned and operated by a political subdivision and
16 comprised of ten or more motor vehicles with a manufacturer's gross vehicle weight rating of not
17 more than eight thousand five hundred pounds registered for operation on the highways of this
18 state pursuant to chapter 301.

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;

4 (2) "Director", the director of the division of energy of the department of [natural
5 resources] **economic development** or the director's designee;

6 (3) "Education", any action to provide information on propane, propane use equipment,
7 mechanical and technical practices, and propane uses to consumers and to members of the
8 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;

13 (5) "Marketing", any action taken by the council to present positive information about
14 propane to the public, including paid promotional advertising;

15 (6) "Person", any individual, group of individuals, partnership, association, cooperative,
16 corporation, or any other entity;

17 (7) "Producer", the owner of the propane at the time it is recovered at a manufacturing
18 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;

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;

25 (10) "Qualified industry organization", the National Propane Gas Association, the
26 Missouri Propane Gas Association, the Gas Processors Association, or a successor association;

27 (11) "Research", any type of study, investigation or other activity designed to advance
28 the image, desirability, usage, marketability, efficiency and safety of propane and propane use
29 equipment, and to further the development of such information and products;

30 (12) "Retail marketer", a business engaged primarily in the selling of propane gas, its
31 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.

**620.011. All references in state statute to the "division of energy" shall mean the
2 division of energy within the department of economic development.**

640.653. 1. An application for loan funds or other financial assistance may be submitted
2 to the department for the purpose of financing all or a portion of the costs incurred in
3 implementing an energy conservation project. The application shall be accompanied by a
4 technical assistance report. The application and the technical assistance report shall be in such
5 form and contain such information, financial or otherwise, as prescribed by the department. This
6 section shall not preclude any applicant or borrower from joining in a cooperative project with
7 any other local government or with any state or federal agency or entity in an energy conservation
8 project; provided that, all other requirements of sections 640.651 to 640.686 are met.

9 2. Eligible applications shall be assigned a payback score derived from the application
10 review performed by the department. Applications shall be selected for loans and financial
11 assistance beginning with the lowest payback score and continuing in ascending order to the
12 highest payback score until all available program funds have been obligated within any given
13 application cycle. The selection criteria may be applied per sector or entity to assure equity
14 pursuant to section 640.674. In no case shall a loan or financial assistance be made to finance
15 an energy project with a payback score of less than six months or more than ten years or eighty
16 percent of the expected useful life of the energy conservation measures when the expected useful
17 life exceeds ten years. Repayment periods are to be determined by the department. Applications
18 may be approved for loans or financial assistance only in those instances where the applicant has
19 furnished the department information satisfactory to assure that the project cost will be recovered
20 through energy cost savings during the repayment period of the loan or financial assistance.

21 In 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.

24 3. The department shall approve or disapprove all applications for loans or financial
25 assistance which are sent by certified or registered mail or hand delivered and received by the
26 [department's division of energy] **department** on, or prior to, the ninetieth day following the date
27 of application cycle closing. Any applications which are not acted upon by the department by
28 such date shall be deemed to be approved as submitted.

29 4. The department of elementary and secondary education shall be provided a summary
30 of all proposed public elementary and secondary school projects for review within fifteen days
31 from the application deadline. Once projects have been reviewed and selected for loans or
32 financial assistance by the department, the department of elementary and secondary education
33 shall have thirty days to certify that those projects selected for loans or financial assistance are
34 consistent with related state programs for public education facilities.

35 5. The department of health and senior services shall be provided a summary of all
36 proposed hospital projects for review within fifteen days from the application deadline. Once
37 projects have been reviewed and selected for loans or financial assistance by the department of
38 natural resources, the department of health and senior services shall have thirty days to certify
39 that those projects selected for loans or financial assistance are consistent with related health
40 requirements for hospital facilities.

41 6. The coordinating board for higher education shall be provided a summary of all
42 proposed public higher education facility projects for review within fifteen days from the
43 application deadline. Once projects have been reviewed and selected for loans and financial
44 assistance by the department, the coordinating board for higher education shall have thirty days
45 to certify that those projects selected for loans or financial assistance are consistent with related
46 state programs for education facilities.

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