SB 578 [SS SB 578]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Allows port authority boards to establish port improvement districts to fund projects with voter-approved sales taxes or property taxes

AN ACT to repeal sections 68.025, 68.035, 68.040, and 68.070, RSMo, and to enact in lieu thereof nineteen new sections relating to port authorities.

SECTION

A. Enacting clause.
68.025. Powers of port authority.
68.035. State authorized to make grants to port authorities.
68.040. Bonds of port authority, issued, when — authorized as investments — tax exemption — procedure for issuance of bonds and notes.
68.057. Competitive bids required, when.
68.070. Dissolution, procedure for.
68.200. Citation of law.
68.205. Definitions.
68.210. Establishment of districts authorized, procedure — prohibited in Clay County.
68.215. Public hearing required — notice.
68.220. Opposition, court to serve copy of petition, procedure.
68.225. Notice, form.
68.230. Termination of district, procedure.
68.235. Levy of property tax authorized — vote required — ballot language — repeal of tax.
68.240. County collector's and treasurer's duties — use of moneys upon expiration of tax.
68.245. Levy of sales and use tax authorized — ballot language — collection of tax, deposit of moneys — repeal of tax.
68.250. Conducting of election, procedure.
68.255. Statute of limitations.
68.259. Nonseverability clause.
68.260. Applicability of law — report required.

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

SECTION A. ENACTING CLAUSE. — Sections 68.025, 68.035, 68.040, and 68.070, RSMo, are repealed and nineteen new sections enacted in lieu thereof, to be known as sections 68.025, 68.035, 68.040, 68.057, 68.070, 68.200, 68.205, 68.210, 68.215, 68.220, 68.225, 68.230, 68.235, 68.240, 68.245, 68.250, 68.255, 68.259, and 68.260, to read as follows:

68.025. POWERS OF PORT AUTHORITY. — 1. Every local and regional port authority, approved as a political subdivision of the state, shall have the following powers to:

(1) Confer with any similar body created under laws of this or any other state for the purpose of adopting a comprehensive plan for the future development and improvement of its port districts;

(2) Consider and adopt detailed and comprehensive plans for future development and improvement of its port districts and to coordinate such plans with regional and state programs;

(3) **Establish a port improvement district in accordance with this chapter;**

(4) Carry out any of the projects enumerated in subdivision (16) of section 68.205;

(5) Within the boundaries of any established port improvement district, to levy either a sales and use tax or a real property tax, or both, for the purposes of paying any part of the cost of a project benefiting property in a port improvement district; except that no port improvement district real property tax may be levied on any property, real, or personal, which is assessed pursuant to sections 151.010 to 151.340, unless such real property tax levy is agreed to in writing by the property's owner;

(6) Pledge both revenues generated by any port improvement district and any other port authority revenue source to the repayment of any outstanding obligations;

(7) Either jointly with a similar body, or separately, recommend to the proper departments of the government of the United States, or any state or subdivision thereof, or to any other body, the carrying out of any public improvement for the benefit of its port districts;

[(4)**]** **(8)** Provide for membership in any official, industrial, commercial, or trade association, or any other organization concerned with such purposes, for receptions of officials or others as may contribute to the advancement of its port districts and any industrial development therein, and for such other public relations activities as will promote the same, and such activities shall be considered a public purpose;

[(5)**]** **(9)** Represent its port districts before all federal, state and local agencies;

[(6)**]** **(10)** Cooperate with other public agencies and with industry, business, and labor in port district improvement matters;

[(7)**]** **(11)** Enter into any agreement with any other states, agencies, authorities, commissions, municipalities, persons, corporations, or the United States, to effect any of the provisions contained in this chapter;

[(8)**]** **(12)** Approve the construction of all wharves, piers, bulkheads, jetties, or other structures;

[(9)**]** **(13)** Prevent or remove, or cause to be removed, obstructions in harbor areas, including the removal of wrecks, wharves, piers, bulkheads, derelicts, jetties or other structures endangering the health and general welfare of the port districts; in case of the sinking of a facility from any cause, such facility or vessel shall be removed from the harbor at the expense of its owner or agent so that it shall not obstruct the harbor;

[(10)**]** **(14)** Recommend the relocation, change, or removal of dock lines and shore or harbor lines;

[(11)**]** **(15)** Acquire, own, construct, redevelop, lease, maintain, and conduct land reclamation and resource recovery **[**with respect to unimproved land**]**, **including the removal of sand, rock, or gravel**, residential developments, commercial developments, mixed-use developments, recreational facilities, industrial parks, industrial facilities, and terminals, terminal facilities, warehouses and any other type port facility;

[(12)**]** **(16)** Acquire, own, lease, sell or otherwise dispose of interest in and to real property and improvements situate thereon and in personal property necessary to fulfill the purposes of the port authority;

[(13)**]** **(17)** Acquire rights-of-way and property of any kind or nature within its port districts necessary for its purposes. Every port authority shall have the right and power to acquire the same by purchase, negotiation, or by condemnation, and should it elect to exercise the right of eminent domain, condemnation proceedings shall be maintained by and in the name of the port authority, and it may proceed in the manner provided by the laws of this state for any county or municipality. The power of eminent domain shall not apply to property actively being used in relation to or in conjunction with river trade or commerce, unless such use is by a port authority pursuant to a lease in which event the power of eminent domain shall apply;

[(14)**]** **(18)** Contract and be contracted with, and to sue and be sued;

[(15)**]** **(19)** Accept gifts, grants, loans or contributions from the United States of America, the state of Missouri, political subdivisions, municipalities, foundations, other public or private agencies, individual, partnership or corporations;

[(16)**]** **(20)** Employ such managerial, engineering, legal, technical, clerical, accounting, advertising, stenographic, and other assistance as it may deem advisable. The port authority may also contract with independent contractors for any of the foregoing assistance;

[(17)**]** **(21)** Improve navigable and nonnavigable areas as regulated by federal statute;

[(18)**]** **(22)** Disburse funds for its lawful activities and fix salaries and wages of its employees; and

[(19)**]** **(23)** Adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its business may be transacted; however, said bylaws, rules and regulations shall not exceed the powers granted to the port authority by this chapter.

2. In implementing its powers, the port authority shall have the power to enter into agreements with private operators or public entities for the joint development, redevelopment, and reclamation of property within a port district or for other uses to fulfill the purposes of the port authority.

68.035. STATE AUTHORIZED TO MAKE GRANTS TO PORT AUTHORITIES. — 1. The state may make grants to a state port fund, as appropriated by the general assembly, to be allocated by the department of transportation to local port authorities or regional port coordinating agencies. These grants, administered on a nonmatching basis, could be used for managerial, engineering, legal, research, promotion, planning and any other expenses.

2. In addition the state may make capital improvement matching grants contributing eighty percent of the funds and local port authorities contributing twenty percent of the funds for specific **[**projects**]** **undertakings** of port development such as land acquisitions, construction, terminal facility development**, port improvement projects,** and other related port facilities. **Notwithstanding the foregoing, any matching grants awarded by the Missouri highways and transportation commission under the Port Capital Improvement Program shall be transportation related.**

3. The grants provided herein may be used as the local share in applying for other grant programs.

68.040. BONDS OF PORT AUTHORITY, ISSUED, WHEN — AUTHORIZED AS INVESTMENTS — TAX EXEMPTION — PROCEDURE FOR ISSUANCE OF BONDS AND NOTES. — 1. Every local and regional port authority, approved as a political subdivision of the state, may from time to time issue its negotiable revenue bonds or notes in such principal amounts as, in its opinion, shall be necessary to provide sufficient funds for achieving its purposes, including the construction of port facilities **and the financing of port improvement projects**; establish reserves to secure such bonds and notes; and make other expenditures, incident and necessary to carry out its purposes and powers.

2. This state shall not be liable on any notes or bonds of any port authority. Any such notes or bonds shall not be a debt of the state and shall contain on the faces thereof a statement to such effect.

3. No commissioner of any port authority or any authorized person executing port authority notes or bonds shall be liable personally on said notes or bonds or shall be subject to any personal liability or accountability by reason of the issuance thereof.

4. The notes and bonds of every port authority are securities in which all public officers and bodies of this state and all political subdivisions and municipalities, all insurance companies and associations, and other persons carrying on an insurance business, all banks, trust companies, saving associations, savings and loan associations, credit unions, investment companies, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons whatsoever, who now or may hereafter, be authorized to invest in notes and bonds or other obligations of this state, may properly and legally invest funds, including capital, in their control or belonging to them.

5. No port authority shall be required to pay any taxes or any assessments whatsoever to this state or to any political subdivisions, municipality or other governmental agency of this state. The notes and bonds of every port authority and the income therefrom shall, at all times, be exempt from any taxes and any assessments, except for death and gift taxes and taxes on transfers.

6. Every port authority shall have the powers and be governed by the procedures now or hereafter conferred upon or applicable to the environmental improvement authority, chapter 260,

RSMo, relating to the manner of issuance of revenue bonds and notes, and the port authority shall exercise all such powers and adhere to all such procedures insofar as they are consistent with the necessary and proper undertaking of its purposes.

68.057. COMPETITIVE BIDS REQUIRED, WHEN. — Any expenditure made by a port authority, as defined in section 68.205, that is over twenty-five thousand dollars, including professional service contracts, shall be competitively bid.

68.070. DISSOLUTION, PROCEDURE FOR. — [If, at any time**] Provided a local or regional port authority has no outstanding obligations**, the legislative body or county commission of a city or county, in which a local port authority is situated, votes, by majority, to dissolve said port authority, the local port authority shall be dissolved effective the date of approval of the dissolution by the highways and transportation commission of the state. If, at any time, all of the legislative bodies or county commissions of members of a regional port authority vote, by majority, to dissolve the regional port authority, it shall be dissolved effective the date of the approval of dissolution by the highways and transportation commission of the state. In the event of dissolution of a local or regional port authority, all funds and other assets shall be distributed among the cities and counties, who were members, on a pro rata basis.

68.200. CITATION OF LAW. — Sections 68.200 to 68.260 shall be known and may be cited as the "Port Improvement District Act".

68.205. DEFINITIONS. — As used in sections 68.200 to 68.260, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Act", the port improvement district act, sections 68.200 to 68.260;

(2) "Approval", for purposes of elections pursuant to this act, a simple majority of those qualified voters casting votes in any election;

(3) "Board", the board of port authority commissioners for the particular port authority that desires to establish or has established a district;

(4) "Director of revenue", the director of the department of revenue of the state of Missouri;

(5) "District" or "port improvement district", an area designated by the port authority which is located within its port district boundaries at the time of establishment;

(6) "Disposal of solid waste or sewage", the entire process of storage, collection, transportation, processing, and disposal of solid wastes or sewage;

(7) "Election authority", the election authority having jurisdiction over the area in which the boundaries of the district are located under chapter 115;

(8) "Energy conservation", the reduction of energy consumption;

(9) "Energy efficiency", the increased productivity or effectiveness of the use of energy resources, the reduction of energy consumption, or the use of renewable energy sources;

(10) "Obligations", revenue bonds and notes issued by a port authority and any obligations for the repayment of any money obtained by a port authority from any public or private source along with any associated financing costs, including, but not limited to, the costs of issuance, capitalized interest, and debt service;

(11) "Owner", the individual or individuals or entity or entities who own a fee interest in real property that is located within the boundaries of a district based upon the recorded real estate records of the county recorder, or the city recorder of deeds if the district is located in a city not within a county, as of the thirtieth day prior to any action;

(12) "Petition", a petition to establish a port improvement district within the port district boundaries or a petition to make a substantial change to an existing district;

(13) "Pollution", the existence of any noxious substance in the air or waters or on the lands of the state in sufficient quantity and of such amounts, characteristics, and duration as to injure or harm the public health or welfare or animal life or property;

(14) "Port authority", a political subdivision established pursuant to this chapter;

(15) "Port district boundaries", the boundaries of any port authority on file with the clerk of the county commission, city clerk, or clerk of the legislative or governing body of the county as applicable, which became effective upon approval by the highways and transportation commission of the state of Missouri;

(16) "Project" or "port improvement project", with respect to any property within a port improvement district, or benefiting property within a port improvement district:

(a) Providing for, or contracting for the provision of, environmental cleanup, including the disposal of solid waste, services to brownfields, or other polluted real property;

(b) Providing for, or contracting for the provision of, energy conservation or increased energy efficiency within any building, structure, or facility;

(c) Providing for, or contracting for the provision of, wetland creation, preservation, or relocation;

(d) The construction of any building, structure, or facility determined by the port authority as essential in developing energy resources, preventing, reducing, or eliminating pollution, or providing water facilities or the disposal of solid waste;

(e) Modifications to, or the relocation of, any existing building, structure, or facility that has been acquired or constructed, or which is to be acquired or constructed for the purpose of developing energy resources, preventing, reducing, or eliminating pollution, or providing water facilities or the disposal of solid waste;

(f) The acquisition of real property determined by the port authority to be significant in, or in the furtherance of, the history, architecture, archeology, or culture of the United States, the state of Missouri, or its political subdivisions;

(g) The operation, maintenance, repair, rehabilitation, or reconstruction of any existing public or private building, structure, or facility determined by the port authority to be significant in, or in the furtherance of, the history, architecture, archeology, or culture of the United States, the state of Missouri, or its political subdivisions;

(h) The construction of any new building, structure, or facility that is determined by the port authority to be significant in, or in the furtherance of, the history, architecture, archeology, or culture of the United States, the state of Missouri, or its political subdivisions;

(17) "Qualified project costs", include any and all reasonable costs incurred or estimated to be incurred by a port authority, or a person or entity authorized by a port authority, in furtherance of a port improvement project, which costs may include, but are not limited to:

(a) Costs of studies, plans, surveys, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, research, marketing, financial, planning, consulting, and special services, including professional service costs necessary or incident to determining the feasibility or practicability of any project and carrying out the same;

(c) Administrative fees and costs of a port authority in carrying out any of the purposes of this act;

(d) Property assembly costs, including, but not limited to, acquisition of land and other property and improvements, real or personal, or rights or interests therein, demolition of buildings and structures, and the clearing or grading of land, machinery, and equipment relating to any project, including the cost of demolishing or removing any existing structures;

(e) Costs of operating, rehabilitating, reconstructing, maintaining, and repairing existing buildings, structures, or fixtures;

(f) Costs of constructing new buildings, structures, or fixtures;

(g) Costs of constructing, operating, rehabilitating, reconstructing, maintaining, and repairing public works or improvements;

(h) Financing costs, including, but not limited to, all necessary and incidental expenses related to the port authority's issuance of obligations, which may include capitalized interest on any such obligations and reasonable reserves related to any such obligations;

(i) All or a portion of the port authority's capital costs resulting from a port improvement project necessarily incurred or to be incurred in furtherance of a port improvement project, to the extent the port authority accepts and approves such costs; and

(j) Relocation costs, to the extent that a port authority determines that relocation costs shall be paid, or are required to be paid, by federal or state law;

(18) "Qualified voters", for the purposes of an election for the approval of a real property tax or a sales and use tax:

(a) Registered voters residing within the district; or

(b) If no registered voters reside within the district, the owners of one or more parcels of real property within the district, which would be subject to such real property taxes or sales and use taxes, as applicable, based upon the recorded real estate records of the county recorder, or the city recorder of deeds if the district is located in a city not within a county, as of the thirtieth day prior to the date of the applicable election;

(19) "Registered voters", persons who reside within the district and who are qualified and registered to vote pursuant to chapter 115 as determined by the election authority as of the thirtieth day prior to the date of the applicable election;

(20) "Respondent", the Missouri highways and transportation commission, each property owner within the proposed district, the municipality or municipalities within which the proposed district is located, the county or counties within which the proposed district is located, and any other political subdivision within the boundaries of the proposed port improvement district, except the petitioning port authority;

(21) "Revenues", all rents, revenues from any levied real property tax and sales and use tax, charges and other income received by a port authority in connection with any project, including any gift, grant, loan, or appropriation received by the port authority with respect thereto;

(22) "Substantial changes", with respect to an established port improvement district, the addition or removal of real property to or from the port improvement district and any changes to the approved district funding mechanism; and

(23) "Water facilities", any facilities for the furnishing and treatment of water for industrial, commercial, agricultural, or community purposes including, but not limited to, wells, reservoirs, dams, pumping stations, water lines, sewer lines, treatment plants, stabilization ponds, storm sewers, storm water detention and retention facilities, and related equipment and machinery.

68.210. ESTABLISHMENT OF DISTRICTS AUTHORIZED, PROCEDURE — PROHIBITED IN CLAY COUNTY. — 1. A port authority may establish one or more port improvement districts within its port district boundaries for the purpose of funding qualified project costs associated with an approved port improvement project. In order to form a district or to make substantial changes to an existing district, the board shall:

(1) Draft a petition in accordance with subsection 2 of this section;

(2) Hold a public hearing in accordance with section 68.215;

(3) Subsequent to the public hearing, approve by resolution the draft petition containing any approved changes and amendments deemed necessary or desirable by a majority of the board members;

(4) File the approved draft petition in the circuit court of the county where the port improvement district is located, requesting the creation of a port improvement district in accordance with sections 68.200 to 68.260; and

(5) Within thirty days of the circuit court's certification of the petition, and establishment of the district, file a copy of the board's resolution approving the petition, the certified petition, and the circuit court judgment certifying the petition and establishing the district with the Missouri highways and transportation commission.

2. A petition is proper for consideration and approval by the board and the circuit court if, at the time of such approval, it has been signed by property owners collectively owning more than sixty percent per capita of all owners of real property within the boundaries of the proposed district and contains the following information:

(1) The legal description of the proposed district, including a map illustrating the legal boundaries. The proposed district shall be contiguous and may contain all or any portion of one or more municipalities and counties. Property separated only by public streets, easements or rights-of-way, or connected by a single public street, easement, or right-of-way shall be considered contiguous;

(2) A district name designation which shall be set out in the following format:

(a) The name of the Missouri county or municipality in which the port district boundaries are filed;

(b) The words "port improvement district"; and

(c) The district designation number, beginning at 1 for the first district formed by that specific port authority, and progressing consecutively upward, irrespective of the year established;

(3) A description of the proposed project or projects for which the district is being formed, and the estimated qualified project costs of such projects;

(4) The maximum rate or rates and duration of any proposed real property tax or sales and use tax, or both, as applicable, needed to fund the project;

(5) The estimated revenues projected to be generated by any such tax or taxes;

(6) The name and address of each respondent;

(7) A statement that the proposed district shall not be an undue burden on any owner of property within the district and is not unjust or unreasonable;

(8) A request that the circuit court certify the projects pursuant to the act, approve the proposed real property tax or sales and use tax, or both, as applicable, and establish the district.

3. Notwithstanding the provisions of sections 68.200 to 68.260 to the contrary, a port authority located within any county of the first classification with more than one hundred eighty-four thousand but fewer than one hundred eighty-eight thousand inhabitants shall not have the authority to establish any port improvement district within its port district boundaries.

68.215. PUBLIC HEARING REQUIRED — NOTICE. — 1. Not more than ten days prior to the submission of the petition to the circuit court, the port authority shall hold or cause to be held a public hearing on the proposed project or projects, proposed real property tax or sales and use tax, or both, as applicable, and the establishment of the proposed district and shall give notice of the public hearing in the manner provided in subsection 3 of this section. All reasonable protests, objections, and endorsements shall be heard at the public hearing.

2. The public hearing may be continued to another date without further notice other than a motion to be entered on the official port authority meeting minutes fixing the date, time, and place of the continuance of the public hearing.

3. Notice shall be provided by both publication and mailing. Notice by publication shall be given by publication in a newspaper of general circulation within the municipality

or county in which the port authority is located at least once not more than fifteen, but not less than ten, days prior to the date of the public hearing. Notice by mail shall be given not more than thirty, but not less than twenty, days prior to the date of the public hearing by sending the notice via registered or certified United States mail with a return receipt attached to the address of record of each owner within the boundaries of the proposed district. The published and mailed notices shall include the following:

(1) The date, time, and place of the public hearing;

(2) A statement that a petition for the establishment of a district has been drafted for public hearing by the board;

(3) The boundaries of the proposed district by street location, or other readily identifiable means if no street location exists, and a map illustrating the proposed boundaries;

(4) A brief description of the projects proposed to be undertaken, the estimated cost thereof, and the proposed method of financing such costs by a real property tax or sales and use tax, or both, as applicable;

(5) A statement that a copy of the petition is available for review at the office of the port authority during regular business hours;

(6) The address of the port authority's office; and

(7) A statement that all interested persons shall be given an opportunity to be heard at the public hearing.

68.220. OPPOSITION, COURT TO SERVE COPY OF PETITION, PROCEDURE. — 1. Within thirty days after the petition is filed, the circuit court clerk shall serve a copy of the petition on the respondents who shall have thirty days after receipt of service to file an answer stating agreement with or opposition to the creation of the district. If any respondent files its answer opposing the creation of the district, it shall recite legal reasons why the petition is defective, why the proposed district is illegal or unconstitutional, or why the proposed method for funding the district is illegal or unconstitutional. The respondent shall ask the court for a declaratory judgment respecting these issues. The answer of each respondent shall be served on each petitioner and every other respondent named in the petition. Any resident or taxpayer within the proposed district not qualifying as a respondent may join in or file a petition supporting or answer opposing the creation of the district and seeking a declaratory judgment respecting these same issues within thirty days after the date notice is last published by the circuit clerk pursuant to section 68.225.

2. The court shall hear the case without a jury. If the court shall thereafter determine the petition is defective or the proposed district is illegal or unconstitutional, or shall be an undue burden on any owner of property within the district or is unjust and unreasonable, it shall enter its declaratory judgment to that effect and shall refuse to make the certifications requested in the pleadings. If the court determines that any proposed funding method is illegal or unconstitutional, it shall enter its judgment striking that funding method in whole or in part. If the court determines the petition is not legally defective and the proposed district and method of funding are neither illegal nor unconstitutional, the court shall enter its judgment to that effect. The court shall then certify the single question regarding the proposed real property tax or sales and use tax, or both, as applicable, needed to fund the project for voter approval. If no objections to the petition are timely filed, the court may make such certifications based upon the pleadings before it without any hearing.

3. Any party having filed an answer or petition may appeal the circuit court's order or declaratory judgment in the same manner provided for other appeals.

68.225. NOTICE, FORM. — The circuit court clerk in whose office the petition was filed shall give notice to the public by causing one or more newspapers of general circulation

serving the counties or portions thereof contained in the proposed district to publish once a week for four consecutive weeks a notice substantially in the following form:

NOTICE OF PETITION TO CREATE A PORT IMPROVEMENT DISTRICT

Notice is hereby given to all persons residing or owning property in ..... (here specifically describe the proposed district boundaries), within the state of Missouri, that a petition has been filed asking that a port improvement district by the name of "..... Port District No. ....." be formed for the purpose of developing the following projects: (here summarize the proposed project or projects). A copy of this petition is on file and available at the office of the clerk of the circuit court of ..... County, located at ....., Missouri. You are notified to join in or file your own petition supporting or answer opposing the creation of the port improvement district and requesting a declaratory judgment, as required by law, no later than the ..... day of ....., 20..... You may show cause, if any, why such petition is defective or proposed port improvement district or its funding method, as set forth in the petition, is illegal or unconstitutional and should not be approved as directed by this court.

.....

Clerk of the Circuit Court of ..... County

68.230. TERMINATION OF DISTRICT, PROCEDURE. — 1. Upon the port authority's own initiative, and after proper notice being provided and a public hearing being conducted in accordance with subsection 2 of this section, any district may be terminated by a resolution of the board, provided that there are no outstanding obligations secured in any way by district revenues produced from such district. A copy of such resolution shall be filed with the Missouri highways and transportation commission within thirty days of its passage.

2. The public hearing required by this section shall be held and notice of such public hearing shall be given in the manner set forth in section 68.215. The notice shall contain the following information:

(1) The date, time, and place of the public hearing;

(2) A statement that the port authority proposes a resolution terminating the district; and

(3) A statement that all interested parties will be given an opportunity to be heard.

3. Notwithstanding the requirements of this section, if the port authority that has formed the district is dissolved in accordance with this chapter, the district shall automatically be terminated, and any taxes levied shall simultaneously be repealed, except that this subsection shall not apply in such instance when a local port authority is dissolved pursuant to subsection 6 of section 68.060 in order to consolidate into a regional port authority.

68.235. LEVY OF PROPERTY TAX AUTHORIZED — VOTE REQUIRED — BALLOT LANGUAGE — REPEAL OF TAX. — 1. For the purposes of providing funds to pay all, or any portion of, the qualified project costs associated with any approved project, subsequent to the establishment of a district pursuant to this act, and subsequent to the circuit court's certification of a question regarding any proposed real property tax needed to fund a project, a port authority may levy by resolution a tax upon real property within the boundaries of the district; provided however, no such resolution shall be final nor shall it take effect until the qualified voters approve, by mail-in ballot election conducted in accordance with section 68.255, the circuit court's certified question regarding such proposed real property tax. If a majority of the votes cast by the qualified voters voting on the proposed real property tax are in favor of the tax, then the resolution shall become effective. If a majority of the votes cast by the qualified voters voting are opposed to the real property tax, then the resolution seeking to levy the real property tax shall be deemed

to be null and void on the date on which the election may no longer be challenged pursuant to section 68.255. The port authority may levy a real property tax rate lower than the tax rate ceiling approved by the qualified voters pursuant to subsection 1 of this section and may, by resolution, increase that lowered tax rate to a level not exceeding the tax rate ceiling without approval of the qualified voters.

2. The ballot shall be substantially in the following form:

"Shall the ..... (insert name of district) impose a real property tax upon (all real property) within the district at a rate of not more than ..... (insert amount) dollars per hundred dollars assessed valuation for a period of ..... (insert number) years from the date on which such tax is first imposed for the purpose of providing revenue for ..... (insert general description of project or projects) in the district?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO"."

3. A port authority may repeal or amend by resolution any real property tax imposed pursuant to this section before the expiration date of such real property tax unless the repeal or amendment of such real property tax will impair the port authority's ability to repay any obligations the port authority has incurred to pay any part of the cost of a port improvement project.

68.240. COUNTY COLLECTOR'S AND TREASURER'S DUTIES — USE OF MONEYS UPON EXPIRATION OF TAX. — 1. The county collector of each county in which the district is located, or the collector for the city in which the district is located if the district is located in a city not within a county, shall collect the real property tax made upon all real property within that county and district, in the same manner as other real property taxes are collected.

2. Every county or municipal collector and treasurer having collected or received district real property taxes shall, on or before the fifteenth day of each month and after deducting the reasonable and actual cost of such collection but not to exceed one percent of the total amount collected, remit to the port authority the amount collected or received by the port authority prior to the first day of such month. Upon receipt of such money, the port authority shall execute a receipt therefor, which shall be forwarded or delivered to the county collector or city treasurer who collected such money. The port authority shall deposit such sums which are designated for a specific project into a special trust fund to be expended solely for such purpose, or to the port authority treasury if such sums are not designated. The county or municipal collector or treasurer, and port authority shall make final settlement of the port authority account and costs owing, not less than once each year, if necessary.

3. Upon the expiration of any real property tax adopted pursuant to this section which is designated for a specific project, all funds remaining in the special trust fund shall continue to be used solely for the specific purpose designated in the ballot adopted by the qualified voters. Any funds in such special trust fund which are not needed for current expenditures may be invested by the port authority pursuant to applicable laws relating to the investment of other port authority funds and the port authority may use such funds for other approved port improvement projects.

68.245. LEVY OF SALES AND USE TAX AUTHORIZED — BALLOT LANGUAGE — COLLECTION OF TAX, DEPOSIT OF MONEYS — REPEAL OF TAX. — 1. For the purposes of providing funds to pay all, or any portion of, the qualified project costs associated with any approved project, subsequent to the establishment of a district pursuant to this act, and subsequent to the circuit court's certification of a question regarding any proposed

sales and use tax needed to fund a project, a port authority may levy by resolution a district wide sales and use tax on all retail sales made in such district which are subject to taxation pursuant to sections 144.010 to 144.525, except sales of motor vehicles, trailers, boats or outboard motors, and sales to or from public utilities. Any sales and use tax imposed pursuant to this section may be imposed in increments of one-eighth of one percent, up to a maximum of one percent; except that, no resolution adopted pursuant to this section shall be final nor shall it take effect until the qualified voters approve, by mail-in ballot election conducted in accordance with section 68.250, the circuit court's certified question regarding such proposed sales and use tax. If a majority of the votes cast by the qualified voters on the proposed sales and use tax are in favor of the sales and use tax, then the resolution shall become effective. If a majority of the votes cast by the qualified voters are opposed to the sales and use tax, then the resolution seeking to levy the sales and use tax shall be deemed null and void on the date on which the election may no longer be challenged pursuant to section 68.255.

2. The ballot shall be substantially in the following form:

"Shall the ..... (insert name of district) impose a district wide sales and use tax at the maximum rate of ..... (insert amount) for a period of ..... (insert number) years from the date on which such tax is first imposed for the purpose of providing revenue for ..... (insert general description of project or projects)?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO"."

3. Within ten days after the qualified voters have approved the imposition of the sales and use tax, the port authority shall, in accordance with section 32.087, notify the director of revenue. The sales and use tax authorized by this section shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of the adoption of such sales and use tax.

4. The director of revenue shall collect any sales and use tax pursuant to section 32.087.

5. In each district in which a sales and use tax is imposed pursuant to this section, every retailer shall add such additional tax imposed by the port authority to such retailer's sale price, and when so added such tax shall constitute a part of the purchase price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price.

6. The penalties provided in sections 144.010 to 144.525 shall apply to violations of this section.

7. All revenue received by the port authority from a sales and use tax imposed pursuant to this section which is designated for a specific project shall be deposited into a special trust fund to be expended solely for such purpose, or to the port authority's treasury if such sums are not designated. Upon the expiration of any sales and use tax adopted pursuant to this section, all funds remaining in the special trust fund shall continue to be used solely for the specific purpose designated in the ballot adopted by the qualified voters. Any funds in such special trust fund which are not needed for current expenditures may be invested by the port authority pursuant to applicable laws relating to the investment of other port authority funds and the port authority may use such funds for other approved port improvement projects.

8. A port authority may repeal by resolution any sales and use tax imposed pursuant to this section before the expiration date of such sales and use tax unless the repeal of such sales and use tax will impair the port authority's ability to repay, or unless the sales and use tax in any way secure any outstanding obligations the port authority has incurred to pay any part of the qualified project costs of any approved port improvement project.

68.250. CONDUCTING OF ELECTION, PROCEDURE. — 1. Notwithstanding the provisions of chapter 115 except the provisions of section 115.125, when applicable, an election for any proposed real property tax or proposed sales and use tax, or both, within a district pursuant to this act shall be conducted in accordance with the provisions of this section.

2. After the board has passed a resolution approving the levy of a real property tax or a sales and use tax, or both, the board shall provide written notice of such resolution, along with the circuit court's certified question regarding the real property tax or the sales and use tax, or both, as applicable, to the election authority. The board shall be entitled to repeal or amend such resolution provided that written notice of such repeal or amendment is delivered to the election authority prior to the date that the election authority mails the ballots to the qualified voters.

3. Upon receipt of written notice of a port authority's resolution, along with the circuit court's certified question, for the levy of a real property tax or a sales and use tax, or both, the election authority shall:

(1) Specify a date upon which the election shall occur, which date shall be a Tuesday and shall be, unless otherwise approved by the board, and election authority and applicable circuit court pursuant to section 115.125, not earlier than the tenth Tuesday, and not later than the fifteenth Tuesday, after the date the board passes the resolution and shall not be on the same day as an election conducted pursuant to the provisions of chapter 115;

(2) Publish notice of the election in a newspaper of general circulation within the municipality two times. The first publication date shall be not more than forty-five, but not less than thirty-five, days prior to the date of the election and the second publication date shall be not more than twenty, and not less than ten, days prior to the date of the election. The published notice shall include, but not be limited to, the following information:

(a) The name and general boundaries of the district;

(b) The type of tax proposed (real property tax or sales and use tax or both), its rate or rates, and its purpose or purposes;

(c) The date the ballots for the election shall be mailed to qualified voters;

(d) The date of the election;

(e) The applicable definition of qualified voters;

(f) A statement that persons residing in the district shall register to vote with the election authority on or before the thirtieth day prior to the date of the election in order to be a qualified voter for purposes of the election;

(g) A statement that the ballot shall be returned to the election authority's office in person, or by depositing the ballot in the United States mail addressed to the election authority's office and postmarked, not later than the date of the election; and

(h) A statement that any qualified voter that did not receive a ballot in the mail or lost the ballot received in the mail may pick up a mail-in ballot at the election authority's office, specifying the dates and time such ballot will be available and the location of the election authority's office;

(3) The election authority shall mail the ballot, a notice containing substantially the same information as the published notice and a return addressed envelope directed to the election authority's office with a sworn affidavit on the reverse side of such envelope for the qualified voter's signature, to each qualified voter not more than fifteen days and not less than ten days prior to the date of the election. For purposes of mailing ballots to real property owners, only one ballot shall be mailed per capita at the address shown on the official, or recorded, real estate records of the county recorder, or the city recorder of deeds if the district is located in a city not within a county, as of the thirtieth day prior to the date of the election. Such affidavit shall be in substantially the following form:

FOR REGISTERED VOTERS:

I hereby declare under penalties of perjury that I reside in the ..... Port Improvement District No. ..... (insert name of district) and I am a registered voter and qualified to vote in this election.

.....
Qualified Voter's Signature
.....
Printed Name of Qualified Voter
FOR REAL PROPERTY OWNERS:

I hereby declare under penalty of perjury that I am the owner of real property in the ..... Port Improvement District No. ..... (insert name of district) and qualified to vote in this election, or authorized to affix my signature on behalf of the owner (named below) of real property in the ..... Port Improvement District No. ..... (insert name of district) which is qualified to vote in this election.

.....
Signature
.....
Print Name of Real Property Owner
If Signer is Different from Owner:
Name of Signer: .....
State Basis of Legal Authority to Sign: .....
All persons or entities having a fee ownership in the property shall sign the ballot. Additional signature pages may be affixed to this ballot to accommodate all required signatures.

4. Each qualified voter shall have one vote. Each voted ballot shall be signed with the authorized signature.

5. Mail-in ballots shall be returned to the election authority's office in person, or by depositing the ballot in the United States mail addressed to the election authority's office and postmarked no later than the date of the election. The election authority shall transmit all voted ballots to a team of judges of not less than four. The judges shall be selected by the election authority from lists it has compiled. Upon receipt of the voted ballots, the judges shall verify the authenticity of the ballots, canvass the votes, and certify the results. Certification by the election judges shall be final and shall be immediately transmitted to the election authority. Any qualified voter who voted in such election may contest the result in the same manner as provided in chapter 115.

6. The results of the election shall be entered upon the records of the election authority and two certified copies of the election results shall be filed with the port authority and entered upon the records of the port authority.

7. The port authority shall reimburse the election authority for the costs it incurs to conduct an election under this section.

8. Notwithstanding anything to the contrary, nothing in this act shall prevent a port authority from proposing both a real property tax levy question and a sales and use tax levy question to the district's qualified voters in the same election.

68.255. STATUTE OF LIMITATIONS. — No lawsuit to set aside a district established or a tax levied under this act, or to otherwise question the validity of the proceedings related thereto, shall be brought after the expiration of ninety days from the effective date of the circuit court judgment establishing such district in question or the effective date of the resolution levying such tax in question.

68.259. NONSEVERABILITY CLAUSE. — Notwithstanding the provisions of section 1.140 to the contrary, the provisions of sections 68.025, 68.035, 68.040, 68.057, 68.070, 68.200, 68.205, 68.210, 68.215, 68.220, 68.225, 68.230, 68.235, 68.240, 68.245, 68.250, 68.255, and

68.260 as contained in this act shall be nonseverable, and if any provision is for any reason held to be invalid, such decision shall invalidate all of the remaining provisions of sections 68.025, 68.035, 68.040, 68.057, 68.070, 68.200, 68.205, 68.210, 68.215, 68.220, 68.225, 68.230, 68.235, 68.240, 68.245, 68.250, 68.255, and 68.260 as contained in this act.

68.260. APPLICABILITY OF LAW — REPORT REQUIRED. — 1. The provisions of this section shall only apply to a port authority that has formed a district.

2. In addition to any other report required of a port authority, within one hundred twenty days following the last day of the port authority's fiscal year, the board shall submit a report to the clerk of either the municipality or county which formed the port authority pursuant to section 68.010, and to the Missouri department of transportation stating the services provided, revenues collected and expenditures made by the district during such fiscal year, and copies of written resolutions approved by the board during the fiscal year. The municipal clerk or county clerk, as applicable, shall retain this report as part of the official records of the municipality or county and shall also cause this report to be spread upon the records of the governing body.

3. In addition to the report required pursuant to subsection 2 of this section, upon the approval by the qualified voters of a real property tax or sales and use tax, or both, in accordance with the act, each authority shall annually submit a report to the auditor of the state of Missouri in accordance with section 105.145.

Approved July 12, 2010

SB 583 [HCS SCS SB 583]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Entitles consumers with long-term insurance policies and Medicare supplement policies to premium refunds for unearned portions

AN ACT to repeal sections 208.215, 301.560, 303.025, 303.040, 354.442, 375.1152, 375.1155, 375.1175, 375.1255, 376.717, 376.718, 376.724, 376.725, 376.732, 376.733, 376.734, 376.735, 376.737, 376.738, 376.740, 376.743, 376.758, 376.816, 376.1109, and 376.1450, RSMo, and to enact in lieu thereof thirty new sections relating to insurance regulation, with penalty provisions and an emergency clause for certain sections.

SECTION

A. Enacting clause.
208.215. Payer of last resort — liability for debt due the state, ceiling — rights of department, when, procedure, exception — report of injuries required, form, recovery of funds — recovery of medical assistance paid, when — court may adjudicate rights of parties, when.
301.560. Application requirements, additional — bonds, fees, signs required — license number, certificate of numbers — duplicate dealer plates, issues, fees — test driving motor vehicles and vessels, use of plates — proof of educational seminar required, exceptions, contents of seminar.
303.025. Duty to maintain financial responsibility, residents and nonresidents, misdemeanor penalty for failure to maintain — exception, methods — court to notify department of revenue, additional punishment, right of appeal.
303.040. All motor vehicle accidents to be reported — director to notify all other parties, contents — parties to furnish information — nonresident requirements.
354.442. Disclosure information to enrollees required, when.
375.024. Life insurance producer examinations, review of — collection of data — annual report — rulemaking authority.
375.539. Hazardous operation, discontinuation determination, standards for — issuance of order by director, hearing procedure.

375.1152. Definitions.
375.1155. Receiver may petition for injunctions, restraining orders — purposes — delinquency proceeding does not stay other rights and enforcement.
375.1175. Grounds for liquidation — voluntary dissolution and liquidation, conditions.
375.1191. Netting agreements and qualified financial contracts, exercise of certain rights and acts not to be prohibited — termination of netting agreement, transfer of amount owed, receiver's duties — applicability of statute.
375.1255. Company action level event, occurrence of, when — effect, duties of insurer — plan to be submitted, approval of, revision of, when — copies filed with all states in which insurer is authorized to transact business.
376.717. Coverages provided, persons covered — coverage not provided, when — maximum benefits allowable.
376.718. Definitions.
376.724. Impaired insurers, association's options, duties — insolvent insurers, association's options, duties — alternative policies, requirements.
376.725. Terminated coverage, reissuance of, premium set, how — obligation to cease, date — interest rate, guaranteed minimum.
376.732. Director to have association's powers and duties, when — association may appear in court, when.
376.733. Assignment of rights to association by persons receiving benefits, when — subrogation rights.
376.734. Additional powers of association.
376.735. Assessments against members, when due, classes — amounts, how determined.
376.737. Deferment of assessment, how, when — maximum assessment — refund of, when — members may increase premiums to cover assessments.
376.738. Certificate of contribution, when issued.
376.740. Plan of operation, required, approval of director — provisions of plan.
376.743. Board of directors, powers.
376.758. Law inapplicable to insolvent insurers on effective date of law.
376.816. Adopted children to be provided health care coverage on the same basis as other dependents — effective from date of birth or on placement — placement defined.
376.882. Cancellation of policy, refund required — notification.
376.1109. Policies, content requirements, provisions prohibited — rules authorized — cancellation, refund required.
376.1450. Enrollee's right to receive documents and materials in printed or electronic form, when.
1. State children's health insurance information to be provided by child care providers and public schools — rulemaking authority — report.
B. Emergency clause.

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

SECTION A. ENACTING CLAUSE. — Sections 208.215, 301.560, 303.025, 303.040, 354.442, 375.1152, 375.1155, 375.1175, 375.1255, 376.717, 376.718, 376.724, 376.725, 376.732, 376.733, 376.734, 376.735, 376.737, 376.738, 376.740, 376.743, 376.758, 376.816, 376.1109, and 376.1450, RSMo, are repealed and thirty new sections enacted in lieu thereof, to be known as sections 208.215, 301.560, 303.025, 303.040, 354.442, 375.024, 375.539, 375.1152, 375.1155, 375.1175, 375.1191, 375.1255, 376.717, 376.718, 376.724, 376.725, 376.732, 376.733, 376.734, 376.735, 376.737, 376.738, 376.740, 376.743, 376.758, 376.816, 376.882, 376.1109, 376.1450, and 1, to read as follows:

208.215. PAYER OF LAST RESORT — LIABILITY FOR DEBT DUE THE STATE, CEILING — RIGHTS OF DEPARTMENT, WHEN, PROCEDURE, EXCEPTION — REPORT OF INJURIES REQUIRED, FORM, RECOVERY OF FUNDS — RECOVERY OF MEDICAL ASSISTANCE PAID, WHEN — COURT MAY ADJUDICATE RIGHTS OF PARTIES, WHEN. — 1. MO HealthNet is payer of last resort unless otherwise specified by law. When any person, corporation, institution, public agency or private agency is liable, either pursuant to contract or otherwise, to a participant receiving public assistance on account of personal injury to or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled, payments made by the department of social services or MO HealthNet division shall be a debt due the state and recoverable from the liable party or participant for all payments made **[in] on** behalf of the participant and the debt due the state shall not exceed the payments made from MO HealthNet benefits provided under sections 208.151 to 208.158 and section 208.162 and section 208.204 on behalf of the participant, minor or estate for payments on account of the injury, disease, or

disability or benefits arising from a health insurance program to which the participant may be entitled. **Any health benefit plan as defined in section 376.1350, third party administrator, administrative service organization, and pharmacy benefits manager, shall process and pay all properly submitted medical assistance subrogation claims or MO HealthNet subrogation claims using standard electronic transactions or paper claim forms:**

(1) For a period of three years from the date services were provided or rendered; however, an entity:

(a) Shall not be required to reimburse for items or services which are not covered under MO HealthNet;

(b) Shall not deny a claim submitted by the state solely on the basis of the date of submission of the claim, the type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to provide prior authorization;

(c) Shall not be required to reimburse for items or services for which a claim was previously submitted to the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager by the health care provider or the participant and the claim was properly denied by the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager for procedural reasons, except for timely filing, type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to obtain prior authorization;

(d) Shall not be required to reimburse for items or services which are not covered under or were not covered under the plan offered by the entity against which a claim for subrogation has been filed; and

(e) Shall reimburse for items or services to the same extent that the entity would have been liable as if it had been properly billed at the point of sale, and the amount due is limited to what the entity would have paid as if it had been properly billed at the point of sale; and

(2) If any action by the state to enforce its rights with respect to such claim is commenced within six years of the state's submission of such claim.

2. The department of social services, MO HealthNet division, or its contractor may maintain an appropriate action to recover funds paid by the department of social services or MO HealthNet division or its contractor that are due under this section in the name of the state of Missouri against the person, corporation, institution, public agency, or private agency liable to the participant, minor or estate.

3. Any participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death who pursues legal rights against a person, corporation, institution, public agency, or private agency liable to that participant or minor for injuries, disease or disability or benefits arising from a health insurance plan to which the participant may be entitled as outlined in subsection 1 of this section shall upon actual knowledge that the department of social services or MO HealthNet division has paid MO HealthNet benefits as defined by this chapter promptly notify the MO HealthNet division as to the pursuit of such legal rights.

4. Every applicant or participant by application assigns his right to the department of social services or MO HealthNet division of any funds recovered or expected to be recovered to the extent provided for in this section. All applicants and participants, including a person authorized by the probate code, shall cooperate with the department of social services, MO HealthNet division in identifying and providing information to assist the state in pursuing any third party who may be liable to pay for care and services available under the state's plan for MO HealthNet benefits as provided in sections 208.151 to 208.159 and sections 208.162 and 208.204. All applicants and participants shall cooperate with the agency in obtaining third-party resources due to the applicant, participant, or child for whom assistance is claimed. Failure to cooperate without good cause as determined by the department of social services, MO HealthNet division

in accordance with federally prescribed standards shall render the applicant or participant ineligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204. A **[**recipient**]** **participant** who has notice or who has actual knowledge of the department's rights to third-party benefits who receives any third-party benefit or proceeds for a covered illness or injury is either required to pay the division within sixty days after receipt of settlement proceeds the full amount of the third-party benefits up to the total MO HealthNet benefits provided or to place the full amount of the third-party benefits in a trust account for the benefit of the division pending judicial or administrative determination of the division's right to third-party benefits.

5. Every person, corporation or partnership who acts for or on behalf of a person who is or was eligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204 for purposes of pursuing the applicant's or participant's claim which accrued as a result of a nonoccupational or nonwork-related incident or occurrence resulting in the payment of MO HealthNet benefits shall notify the MO HealthNet division upon agreeing to assist such person and further shall notify the MO HealthNet division of any institution of a proceeding, settlement or the results of the pursuit of the claim and give thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or participant to recover damages for such injuries, disease, or disability, or benefits arising from a health insurance program to which the participant may be entitled.

6. Every participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death, or his attorney or legal representative shall promptly notify the MO HealthNet division of any recovery from a third party and shall immediately reimburse the department of social services, MO HealthNet division, or its contractor from the proceeds of any settlement, judgment, or other recovery in any action or claim initiated against any such third party. A judgment, award, or settlement in an action by a **[**recipient**]** **participant** to recover damages for injuries or other third-party benefits in which the division has an interest may not be satisfied without first giving the division notice and a reasonable opportunity to file and satisfy the claim or proceed with any action as otherwise permitted by law.

7. The department of social services, MO HealthNet division or its contractor shall have a right to recover the amount of payments made to a provider under this chapter because of an injury, disease, or disability, or benefits arising from a health insurance plan to which the participant may be entitled for which a third party is or may be liable in contract, tort or otherwise under law or equity. Upon request by the MO HealthNet division, all third-party payers shall provide the MO HealthNet division with information contained in a 270/271 Health Care Eligibility Benefits Inquiry and Response standard transaction mandated under the federal Health Insurance Portability and Accountability Act, except that third-party payers shall not include accident-only, specified disease, disability income, hospital indemnity, or other fixed indemnity insurance policies.

8. The department of social services or MO HealthNet division shall have a lien upon any moneys to be paid by any insurance company or similar business enterprise, person, corporation, institution, public agency or private agency in settlement or satisfaction of a judgment on any claim for injuries or disability or disease benefits arising from a health insurance program to which the participant may be entitled which resulted in medical expenses for which the department or MO HealthNet division made payment. This lien shall also be applicable to any moneys which may come into the possession of any attorney who is handling the claim for injuries, or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled which resulted in payments made by the department or MO HealthNet division. In each case, a lien notice shall be served by certified mail or registered mail, upon the party or parties against whom the applicant or participant has a claim, demand or cause of action. The lien shall claim the charge and describe the interest the department or MO HealthNet division has in the claim, demand or cause of action. The lien shall attach to any

verdict or judgment entered and to any money or property which may be recovered on account of such claim, demand, cause of action or suit from and after the time of the service of the notice.

9. On petition filed by the department, or by the participant, or by the defendant, the court, on written notice of all interested parties, may adjudicate the rights of the parties and enforce the charge. The court may approve the settlement of any claim, demand or cause of action either before or after a verdict, and nothing in this section shall be construed as requiring the actual trial or final adjudication of any claim, demand or cause of action upon which the department has charge. The court may determine what portion of the recovery shall be paid to the department against the recovery. In making this determination the court shall conduct an evidentiary hearing and shall consider competent evidence pertaining to the following matters:

(1) The amount of the charge sought to be enforced against the recovery when expressed as a percentage of the gross amount of the recovery; the amount of the charge sought to be enforced against the recovery when expressed as a percentage of the amount obtained by subtracting from the gross amount of the recovery the total attorney's fees and other costs incurred by the participant incident to the recovery; and whether the department should, as a matter of fairness and equity, bear its proportionate share of the fees and costs incurred to generate the recovery from which the charge is sought to be satisfied;

(2) The amount, if any, of the attorney's fees and other costs incurred by the participant incident to the recovery and paid by the participant up to the time of recovery, and the amount of such fees and costs remaining unpaid at the time of recovery;

(3) The total hospital, doctor and other medical expenses incurred for care and treatment of the injury to the date of recovery therefor, the portion of such expenses theretofore paid by the participant, by insurance provided by the participant, and by the department, and the amount of such previously incurred expenses which remain unpaid at the time of recovery and by whom such incurred, unpaid expenses are to be paid;

(4) Whether the recovery represents less than substantially full recompense for the injury and the hospital, doctor and other medical expenses incurred to the date of recovery for the care and treatment of the injury, so that reduction of the charge sought to be enforced against the recovery would not likely result in a double recovery or unjust enrichment to the participant;

(5) The age of the participant and of persons dependent for support upon the participant, the nature and permanency of the participant's injuries as they affect not only the future employability and education of the participant but also the reasonably necessary and foreseeable future material, maintenance, medical rehabilitative and training needs of the participant, the cost of such reasonably necessary and foreseeable future needs, and the resources available to meet such needs and pay such costs;

(6) The realistic ability of the participant to repay in whole or in part the charge sought to be enforced against the recovery when judged in light of the factors enumerated above.

10. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party seeking such reduction. **The computerized records of the MO HealthNet division, certified by the director or his designee, shall be prima facie evidence of proof of moneys expended and the amount of the debt due the state.**

11. The court may reduce and apportion the department's or MO HealthNet division's lien proportionate to the recovery of the claimant. The court may consider the nature and extent of the injury, economic and noneconomic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs, physician costs, and all other appropriate costs. The department or MO HealthNet division shall pay its pro rata share of the attorney's fees based on the department's or MO HealthNet division's lien as it compares to the total settlement agreed upon. This section shall not affect the priority of an attorney's lien under section 484.140, RSMo. The charges of the department or MO HealthNet division or contractor described in this section, however, shall take priority over all other liens and charges existing under the laws of the state of Missouri with the exception of the attorney's lien under such statute.

12. Whenever the department of social services or MO HealthNet division has a statutory charge under this section against a recovery for damages incurred by a participant because of its advancement of any assistance, such charge shall not be satisfied out of any recovery until the attorney's claim for fees is satisfied, **[**irrespective**] regardless** of whether **[**or not**]** an action based on participant's claim has been filed in court. Nothing herein shall prohibit the director from entering into a compromise agreement with any participant, after consideration of the factors in subsections 9 to 13 of this section.

13. This section shall be inapplicable to any claim, demand or cause of action arising under the workers' compensation act, chapter 287, RSMo. From funds recovered pursuant to this section the federal government shall be paid a portion thereof equal to the proportionate part originally provided by the federal government to pay for MO HealthNet benefits to the participant or minor involved. The department or MO HealthNet division shall enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on permanently institutionalized individuals. The department or MO HealthNet division shall have the right to enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on all other institutionalized individuals. For the purposes of this subsection, "permanently institutionalized individuals" includes those people who the department or MO HealthNet division determines cannot reasonably be expected to be discharged and return home, and "property" includes the homestead and all other personal and real property in which the participant has sole legal interest or a legal interest based upon co-ownership of the property which is the result of a transfer of property for less than the fair market value within thirty months prior to the participant's entering the nursing facility. The following provisions shall apply to such liens:

(1) The lien shall be for the debt due the state for MO HealthNet benefits paid or to be paid on behalf of a participant. The amount of the lien shall be for the full amount due the state at the time the lien is enforced;

(2) The MO HealthNet division shall file for record, with the recorder of deeds of the county in which any real property of the participant is situated, a written notice of the lien. The notice of lien shall contain the name of the participant and a description of the real estate. The recorder shall note the time of receiving such notice, and shall record and index the notice of lien in the same manner as deeds of real estate are required to be recorded and indexed. The director or the director's designee may release or discharge all or part of the lien and notice of the release shall also be filed with the recorder. The department of social services, MO HealthNet division, shall provide payment to the recorder of deeds the fees set for similar filings in connection with the filing of a lien and any other necessary documents;

(3) No such lien may be imposed against the property of any individual prior to the individual's death on account of MO HealthNet benefits paid except:

(a) In the case of the real property of an individual:

a. Who is an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution, to spend for costs of medical care all but a minimal amount of his or her income required for personal needs; and

b. With respect to whom the director of the MO HealthNet division or the director's designee determines, after notice and opportunity for hearing, that he cannot reasonably be expected to be discharged from the medical institution and to return home. The hearing, if requested, shall proceed under the provisions of chapter 536, RSMo, before a hearing officer designated by the director of the MO HealthNet division; or

(b) Pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual;

(4) No lien may be imposed under paragraph (b) of subdivision (3) of this subsection on such individual's home if one or more of the following persons is lawfully residing in such home:

(a) The spouse of such individual;

(b) Such individual's child who is under twenty-one years of age, or is blind or permanently and totally disabled; or

(c) A sibling of such individual who has an equity interest in such home and who was residing in such individual's home for a period of at least one year immediately before the date of the individual's admission to the medical institution;

(5) Any lien imposed with respect to an individual pursuant to subparagraph b of paragraph (a) of subdivision (3) of this subsection shall dissolve upon that individual's discharge from the medical institution and return home.

14. The debt due the state provided by this section is subordinate to the lien provided by section 484.130, RSMo, or section 484.140, RSMo, relating to an attorney's lien and to the participant's expenses of the claim against the third party.

15. Application for and acceptance of MO HealthNet benefits under this chapter shall constitute an assignment to the department of social services or MO HealthNet division of any rights to support for the purpose of medical care as determined by a court or administrative order and of any other rights to payment for medical care.

16. All participants receiving benefits as defined in this chapter shall cooperate with the state by reporting to the family support division or the MO HealthNet division, within thirty days, any occurrences where an injury to their persons or to a member of a household who receives MO HealthNet benefits is sustained, on such form or forms as provided by the family support division or MO HealthNet division.

17. If a person fails to comply with the provision of any judicial or administrative decree or temporary order requiring that person to maintain medical insurance on or be responsible for medical expenses for a dependent child, spouse, or ex-spouse, in addition to other remedies available, that person shall be liable to the state for the entire cost of the medical care provided pursuant to eligibility under any public assistance program on behalf of that dependent child, spouse, or ex-spouse during the period for which the required medical care was provided. Where a duty of support exists and no judicial or administrative decree or temporary order for support has been entered, the person owing the duty of support shall be liable to the state for the entire cost of the medical care provided on behalf of the dependent child or spouse to whom the duty of support is owed.

18. The department director or the director's designee may compromise, settle or waive any such claim in whole or in part in the interest of the MO HealthNet program. Notwithstanding any provision in this section to the contrary, the department of social services, MO HealthNet division is not required to seek reimbursement from a liable third party on claims for which the amount it reasonably expects to recover will be less than the cost of recovery or for which recovery efforts will not be cost-effective. Cost-effectiveness is determined based on the following:

(1) Actual and legal issues of liability as may exist between the **[**recipient**]** **participant** and the liable party;

(2) Total funds available for settlement; and

(3) An estimate of the cost to the division of pursuing its claim.

301.560. APPLICATION REQUIREMENTS, ADDITIONAL — BONDS, FEES, SIGNS REQUIRED — LICENSE NUMBER, CERTIFICATE OF NUMBERS — DUPLICATE DEALER PLATES, ISSUES, FEES — TEST DRIVING MOTOR VEHICLES AND VESSELS, USE OF PLATES — PROOF OF EDUCATIONAL SEMINAR REQUIRED, EXCEPTIONS, CONTENTS OF SEMINAR. — 1. In addition to the application forms prescribed by the department, each applicant shall submit the following to the department:

(1) Every application other than a renewal application for a motor vehicle franchise dealer shall include a certification that the applicant has a bona fide established place of business. Such application shall include an annual certification that the applicant has a bona fide established place of business for the first three years and only for every other year thereafter. The

certification shall be performed by a uniformed member of the Missouri state highway patrol or authorized or designated employee stationed in the troop area in which the applicant's place of business is located; except that in counties of the first classification, certification may be performed by an officer of a metropolitan police department when the applicant's established place of business of distributing or selling motor vehicles or trailers is in the metropolitan area where the certifying metropolitan police officer is employed. When the application is being made for licensure as a boat manufacturer or boat dealer, certification shall be performed by a uniformed member of the Missouri state water patrol stationed in the district area in which the applicant's place of business is located or by a uniformed member of the Missouri state highway patrol stationed in the troop area in which the applicant's place of business is located or, if the applicant's place of business is located within the jurisdiction of a metropolitan police department in a first class county, by an officer of such metropolitan police department. A bona fide established place of business for any new motor vehicle franchise dealer, used motor vehicle dealer, boat dealer, powersport dealer, wholesale motor vehicle dealer, trailer dealer, or wholesale or public auction shall be a permanent enclosed building or structure, either owned in fee or leased and actually occupied as a place of business by the applicant for the selling, bartering, trading, servicing, or exchanging of motor vehicles, boats, personal watercraft, or trailers and wherein the public may contact the owner or operator at any reasonable time, and wherein shall be kept and maintained the books, records, files and other matters required and necessary to conduct the business. The applicant's place of business shall contain a working telephone which shall be maintained during the entire registration year. In order to qualify as a bona fide established place of business for all applicants licensed pursuant to this section there shall be an exterior sign displayed carrying the name of the business set forth in letters at least six inches in height and clearly visible to the public and there shall be an area or lot which shall not be a public street on which multiple vehicles, boats, personal watercraft, or trailers may be displayed. The sign shall contain the name of the dealership by which it is known to the public through advertising or otherwise, which need not be identical to the name appearing on the dealership's license so long as such name is registered as a fictitious name with the secretary of state, has been approved by its line-make manufacturer in writing in the case of a new motor vehicle franchise dealer and a copy of such fictitious name registration has been provided to the department. Dealers who sell only emergency vehicles as defined in section 301.550 are exempt from maintaining a bona fide place of business, including the related law enforcement certification requirements, and from meeting the minimum yearly sales;

(2) The initial application for licensure shall include a photograph, not to exceed eight inches by ten inches but no less than five inches by seven inches, showing the business building, lot, and sign. A new motor vehicle franchise dealer applicant who has purchased a currently licensed new motor vehicle franchised dealership shall be allowed to submit a photograph of the existing dealership building, lot and sign but shall be required to submit a new photograph upon the installation of the new dealership sign as required by sections 301.550 to 301.573. Applicants shall not be required to submit a photograph annually unless the business has moved from its previously licensed location, or unless the name of the business or address has changed, or unless the class of business has changed;

(3) Every applicant as a new motor vehicle franchise dealer, a used motor vehicle dealer, a powersport dealer, a wholesale motor vehicle dealer, trailer dealer, or boat dealer shall furnish with the application a corporate surety bond or an irrevocable letter of credit as defined in section 400.5-103, RSMo, issued by any state or federal financial institution in the penal sum of twenty-five thousand dollars on a form approved by the department. The bond or irrevocable letter of credit shall be conditioned upon the dealer complying with the provisions of the statutes applicable to new motor vehicle franchise dealers, used motor vehicle dealers, powersport dealers, wholesale motor vehicle dealers, trailer dealers, and boat dealers, and the bond shall be an indemnity for any loss sustained by reason of the acts of the person bonded when such acts constitute grounds for the suspension or revocation of the dealer's license. The bond shall be

executed in the name of the state of Missouri for the benefit of all aggrieved parties or the irrevocable letter of credit shall name the state of Missouri as the beneficiary; except, that the aggregate liability of the surety or financial institution to the aggrieved parties shall, in no event, exceed the amount of the bond or irrevocable letter of credit. The proceeds of the bond or irrevocable letter of credit shall be paid upon receipt by the department of a final judgment from a Missouri court of competent jurisdiction against the principal and in favor of an aggrieved party. Additionally, every applicant as a new motor vehicle franchise dealer, a used motor vehicle dealer, a powersport dealer, a wholesale motor vehicle dealer, **[**trailer dealer,**]** or boat dealer shall furnish with the application a copy of a current dealer garage policy bearing the policy number and name of the insurer and the insured;

(4) Payment of all necessary license fees as established by the department. In establishing the amount of the annual license fees, the department shall, as near as possible, produce sufficient total income to offset operational expenses of the department relating to the administration of sections 301.550 to 301.573. All fees payable pursuant to the provisions of sections 301.550 to 301.573, other than those fees collected for the issuance of dealer plates or certificates of number collected pursuant to subsection 6 of this section, shall be collected by the department for deposit in the state treasury to the credit of the "Motor Vehicle Commission Fund", which is hereby created. The motor vehicle commission fund shall be administered by the Missouri department of revenue. The provisions of section 33.080, RSMo, to the contrary notwithstanding, money in such fund shall not be transferred and placed to the credit of the general revenue fund until the amount in the motor vehicle commission fund at the end of the biennium exceeds two times the amount of the appropriation from such fund for the preceding fiscal year or, if the department requires permit renewal less frequently than yearly, then three times the appropriation from such fund for the preceding fiscal year. The amount, if any, in the fund which shall lapse is that amount in the fund which exceeds the multiple of the appropriation from such fund for the preceding fiscal year.

2. In the event a new vehicle manufacturer, boat manufacturer, motor vehicle dealer, wholesale motor vehicle dealer, boat dealer, powersport dealer, wholesale motor vehicle auction, trailer dealer, or a public motor vehicle auction submits an application for a license for a new business and the applicant has complied with all the provisions of this section, the department shall make a decision to grant or deny the license to the applicant within eight working hours after receipt of the dealer's application, notwithstanding any rule of the department.

3. Upon the initial issuance of a license by the department, the department shall assign a distinctive dealer license number or certificate of number to the applicant and the department shall issue one number plate or certificate bearing the distinctive dealer license number or certificate of number and two additional number plates or certificates of number within eight working hours after presentment of the application. Upon renewal, the department shall issue the distinctive dealer license number or certificate of number as quickly as possible. The issuance of such distinctive dealer license number or certificate of number shall be in lieu of registering each motor vehicle, trailer, vessel or vessel trailer dealt with by a boat dealer, boat manufacturer, manufacturer, public motor vehicle auction, wholesale motor vehicle dealer, wholesale motor vehicle auction or new or used motor vehicle dealer.

4. Notwithstanding any other provision of the law to the contrary, the department shall assign the following distinctive dealer license numbers to:

New motor vehicle franchise
dealers . . . . . D-0 through D-999
New powersport dealers and motorcycle franchise
dealers . . . . . D-1000 through D-1999
Used motor vehicle, used powersport, and used motorcycle
dealers . . . . . D-2000 through D-9999
Wholesale motor vehicle
dealers . . . . . W-0 through W-1999

Wholesale motor vehicle
auctions . . . . . WA-0 through WA-999
New and used trailer
dealers . . . . . T-0 through T-9999
Motor vehicle, trailer, and boat
manufacturers . . . . . DM-0 through DM-999
Public motor vehicle
auctions . . . . . A-0 through A-1999
Boat dealers . . . . . M-0 through M-9999
New and used recreational motor vehicle
dealers . . . . . RV-0 through RV-999

For purposes of this subsection, qualified transactions shall include the purchase of salvage titled vehicles by a licensed salvage dealer. A used motor vehicle dealer who also holds a salvage dealer's license shall be allowed one additional plate or certificate number per fifty-unit qualified transactions annually. In order for salvage dealers to obtain number plates or certificates under this section, dealers shall submit to the department of revenue on August first of each year a statement certifying, under penalty of perjury, the dealer's number of purchases during the reporting period of July first of the immediately preceding year to June thirtieth of the present year. The provisions of this subsection shall become effective on the date the director of the department of revenue begins to reissue new license plates under section 301.130, or on December 1, 2008, whichever occurs first. If the director of revenue begins reissuing new license plates under the authority granted under section 301.130 prior to December 1, 2008, the director of the department of revenue shall notify the revisor of statutes of such fact.

5. Upon the sale of a currently licensed new motor vehicle franchise dealership the department shall, upon request, authorize the new approved dealer applicant to retain the selling dealer's license number and shall cause the new dealer's records to indicate such transfer.

6. In the case of new motor vehicle manufacturers, motor vehicle dealers, powersport dealers, recreational motor vehicle dealers, and trailer dealers, the department shall issue one number plate bearing the distinctive dealer license number and may issue two additional number plates to the applicant upon payment by the manufacturer or dealer of a fifty dollar fee for the number plate bearing the distinctive dealer license number and ten dollars and fifty cents for each additional number plate. Such license plates shall be made with fully reflective material with a common color scheme and design, shall be clearly visible at night, and shall be aesthetically attractive, as prescribed by section 301.130. Boat dealers and boat manufacturers shall be entitled to one certificate of number bearing such number upon the payment of a fifty dollar fee. Additional number plates and as many additional certificates of number may be obtained upon payment of a fee of ten dollars and fifty cents for each additional plate or certificate. New motor vehicle manufacturers shall not be issued or possess more than three hundred forty-seven additional number plates or certificates of number annually. New and used motor vehicle dealers, powersport dealers, wholesale motor vehicle dealers, boat dealers, and trailer dealers are limited to one additional plate or certificate of number per ten-unit qualified transactions annually. New and used recreational motor vehicle dealers are limited to two additional plates or certificate of number per ten-unit qualified transactions annually for their first fifty transactions and one additional plate or certificate of number per ten-unit qualified transactions thereafter. An applicant seeking the issuance of an initial license shall indicate on his or her initial application the applicant's proposed annual number of sales in order for the director to issue the appropriate number of additional plates or certificates of number. A motor vehicle dealer, trailer dealer, boat dealer, powersport dealer, recreational motor vehicle dealer, motor vehicle manufacturer, boat manufacturer, or wholesale motor vehicle dealer obtaining a distinctive dealer license plate or certificate of number or additional license plate or additional certificate of number, throughout the calendar year, shall be required to pay a fee for such license plates or certificates of number computed on the basis of one-twelfth of the full fee prescribed for the

original and duplicate number plates or certificates of number for such dealers' licenses, multiplied by the number of months remaining in the licensing period for which the dealer or manufacturers shall be required to be licensed. In the event of a renewing dealer, the fee due at the time of renewal shall not be prorated. Wholesale and public auctions shall be issued a certificate of dealer registration in lieu of a dealer number plate. In order for dealers to obtain number plates or certificates under this section, dealers shall submit to the department of revenue on August first of each year a statement certifying, under penalty of perjury, the dealer's number of sales during the reporting period of July first of the immediately preceding year to June thirtieth of the present year.

7. The plates issued pursuant to subsection 3 or 6 of this section may be displayed on any motor vehicle owned by a new motor vehicle manufacturer. The plates issued pursuant to subsection 3 or 6 of this section may be displayed on any motor vehicle or trailer owned and held for resale by a motor vehicle dealer for use by a customer who is test driving the motor vehicle, for use and display purposes during, but not limited to, parades, private events, charitable events, or for use by an employee or officer, but shall not be displayed on any motor vehicle or trailer hired or loaned to others or upon any regularly used service or wrecker vehicle. Motor vehicle dealers may display their dealer plates on a tractor, truck or trailer to demonstrate a vehicle under a loaded condition. Trailer dealers may display their dealer license plates in like manner, except such plates may only be displayed on trailers owned and held for resale by the trailer dealer.

8. The certificates of number issued pursuant to subsection 3 or 6 of this section may be displayed on any vessel or vessel trailer owned and held for resale by a boat manufacturer or a boat dealer, and used by a customer who is test driving the vessel or vessel trailer, or is used by an employee or officer on a vessel or vessel trailer only, but shall not be displayed on any motor vehicle owned by a boat manufacturer, boat dealer, or trailer dealer, or vessel or vessel trailer hired or loaned to others or upon any regularly used service vessel or vessel trailer. Boat dealers and boat manufacturers may display their certificate of number on a vessel or vessel trailer when transporting a vessel or vessels to an exhibit or show.

9. (1) Every application for the issuance of a used motor vehicle dealer's license shall be accompanied by proof that the applicant, within the last twelve months, has completed an educational seminar course approved by the department as prescribed by subdivision (2) of this subsection. Wholesale and public auto auctions and applicants currently holding a new or used license for a separate dealership shall be exempt from the requirements of this subsection. The provisions of this subsection shall not apply to current new motor vehicle franchise dealers or motor vehicle leasing agencies or applicants for a new motor vehicle franchise or a motor vehicle leasing agency. The provisions of this subsection shall not apply to used motor vehicle dealers who were licensed prior to August 28, 2006.

(2) The educational seminar shall include, but is not limited to, the dealer requirements of sections 301.550 to 301.573, the rules promulgated to implement, enforce, and administer sections 301.550 to 301.570, and any other rules and regulations promulgated by the department.

303.025. DUTY TO MAINTAIN FINANCIAL RESPONSIBILITY, RESIDENTS AND NONRESIDENTS, MISDEMEANOR PENALTY FOR FAILURE TO MAINTAIN — EXCEPTION, METHODS — COURT TO NOTIFY DEPARTMENT OF REVENUE, ADDITIONAL PUNISHMENT, RIGHT OF APPEAL. — 1. No owner of a motor vehicle registered in this state, or required to be registered in this state, shall operate, register or maintain registration of a motor vehicle, or permit another person to operate such vehicle, unless the owner maintains the financial responsibility which conforms to the requirements of the laws of this state. **No nonresident shall operate or permit another person to operate in this state a motor vehicle registered to such nonresident unless the nonresident maintains the financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence.** Furthermore, no person shall operate a motor vehicle owned by another with the knowledge that the owner has not maintained financial responsibility unless such person has financial responsibility which

covers the person's operation of the other's vehicle; however, no owner **or nonresident** shall be in violation of this subsection if he or she fails to maintain financial responsibility on a motor vehicle which is inoperable or being stored and not in operation. The director may prescribe rules and regulations for the implementation of this section.

2. A motor vehicle owner shall maintain the owner's financial responsibility in a manner provided for in section 303.160, or with a motor vehicle liability policy which conforms to the requirements of the laws of this state. **A nonresident motor vehicle owner shall maintain the owner's financial responsibility which conforms to the requirements of the laws of the nonresident's state of residence.**

3. Any person who violates this section is guilty of a class C misdemeanor. However, no person shall be found guilty of violating this section if the operator demonstrates to the court that he or she met the financial responsibility requirements of this section at the time the peace officer, commercial vehicle enforcement officer or commercial vehicle inspector wrote the citation. In addition to any other authorized punishment, the court shall notify the director of revenue of any person convicted pursuant to this section and shall do one of the following:

(1) Enter an order suspending the driving privilege as of the date of the court order. If the court orders the suspension of the driving privilege, the court shall require the defendant to surrender to it any driver's license then held by such person. The length of the suspension shall be as prescribed in subsection 2 of section 303.042. The court shall forward to the director of revenue the order of suspension of driving privilege and any license surrendered within ten days;

(2) Forward the record of the conviction for an assessment of four points; **[**or**]**

(3) In lieu of an assessment of points, render an order of supervision as provided in section 302.303, RSMo. An order of supervision shall not be used in lieu of points more than one time in any thirty-six-month period. Every court having jurisdiction pursuant to the provisions of this section shall forward a record of conviction to the Missouri state highway patrol, or at the written direction of the Missouri state highway patrol, to the department of revenue, in a manner approved by the director of the department of public safety. The director shall establish procedures for the record keeping and administration of this section**; or**

(4) For a nonresident, suspend the nonresident's driving privileges in this state in accordance with section 303.030 and notify the official in charge of the issuance of licenses and registration certificates in the state in which such nonresident resides in accordance with section 303.080.

4. Nothing in sections 303.010 to 303.050, 303.060, 303.140, 303.220, 303.290, 303.330 and 303.370 shall be construed as prohibiting the department of insurance, financial institutions and professional registration from approving or authorizing those exclusions and limitations which are contained in automobile liability insurance policies and the uninsured motorist provisions of automobile liability insurance policies.

5. If a court enters an order of suspension, the offender may appeal such order directly pursuant to chapter 512, RSMo, and the provisions of section 302.311, RSMo, shall not apply.

303.040. ALL MOTOR VEHICLE ACCIDENTS TO BE REPORTED — DIRECTOR TO NOTIFY ALL OTHER PARTIES, CONTENTS — PARTIES TO FURNISH INFORMATION — NONRESIDENT REQUIREMENTS. — 1. The operator or owner of every motor vehicle which is involved in an accident within this state**, including a nonresident operator or owner of a motor vehicle,** or the owner of a legally or illegally parked car which is in any manner involved in an accident within this state, with an uninsured motorist, upon the streets or highways thereof, or on any publicly or privately owned parking lot or parking facility generally open for use by the public, in which any person is killed or injured or in which damage to property of any one person, including himself, in excess of five hundred dollars is sustained, and the owner or operator of every motor vehicle which is involved in an accident within this state if such owner or operator does not carry motor vehicle liability insurance shall, within thirty days after such accident, report

the matter in writing to the director. Such report, the form of which shall be prescribed by the director, shall provide the operator with notice of the following:

(1) That it is the responsibility of the operator, not the state, to bring an action at law on the claim of the operator arising out of the accident;

(2) That the security deposited shall only be applied to the payment of a judgment against the person or persons on whose behalf the deposit was made;

(3) That the department of revenue shall return the deposit to the depositor after the expiration of one year from the date of the accident, or as otherwise provided in section 303.060. In addition, the report shall contain such information as will enable the director to determine whether the requirements for the deposit of security under section 303.030 are inapplicable by reason of the existence of insurance or other exceptions specified in this chapter, or whether the required financial responsibility has been met by the owner or operator of the motor vehicle as required by section 303.025. The director may rely upon the accuracy of such information unless and until he has reason to believe that the information is erroneous. If such operator be physically incapable of making such report, the owner of the motor vehicle involved in such accident shall, within thirty days after learning of the accident, make such report. If the operator is also the owner and is incapable of filing such report as is required by this section, then the report will be filed as soon as the operator-owner is so capable. If the report is late by reason of incapability, a doctor's certificate must accompany the report certifying same. The operator or the owner shall furnish such additional relevant information as the director shall require.

2. If any party involved in an accident files a report under this section, the director shall notify, within ten days after receipt of the report, all other parties involved in the accident as specified in the report that a report has been filed and such other parties shall then furnish, within ten days, the director with such information as the director may request.

3. If any party involved in an accident in this state is a nonresident uninsured motorist, the nonresident uninsured operator or owner of the motor vehicle and any law enforcement agency responding to such accident shall report the involvement of an uninsured nonresident motorist in an accident occurring in this state to the director, and any resident operator or owner of a motor vehicle involved in an accident with an uninsured nonresident motorist may report such accident to the director in accordance with the provisions of subsections 1 and 2 of this section.

354.442. DISCLOSURE INFORMATION TO ENROLLEES REQUIRED, WHEN. — 1. Each enrollee, and upon request each prospective enrollee prior to enrollment, shall be supplied with written disclosure information. In the event of any inconsistency between any separate written disclosure statement and the enrollee contract or evidence of coverage, the terms of the enrollee contract or evidence of coverage shall be controlling. The information to be disclosed in writing shall include at a minimum the following:

(1) A description of coverage provisions, health care benefits, benefit maximums, including benefit limitations;

(2) A description of any exclusions of coverage, including the definition of medical necessity used in determining whether benefits will be covered;

(3) A description of all prior authorization or other requirements for treatments and services;

(4) A description of utilization review policies and procedures used by the health maintenance organization, including:

(a) The circumstances under which utilization review shall be undertaken;

(b) The toll-free telephone number of the utilization review agent;

(c) The time frames under which utilization review decisions shall be made for prospective, retrospective and concurrent decisions;

(d) The right to reconsideration;

(e) The right to an appeal, including the expedited and standard appeals processes and the time frames for such appeals;

(f) The right to designate a representative;

(g) A notice that all denials of claims shall be made by qualified clinical personnel and that all notices of denial shall include information about the basis of the decision; and

(h) Further appeal rights, if any;

(5) An explanation of an enrollee's financial responsibility for payment of premiums, coinsurance, co-payments, deductibles and any other charge, annual limits on an enrollee's financial responsibility, caps on payments for covered services and financial responsibility for noncovered health care procedures, treatments or services provided within the health maintenance organization;

(6) An explanation of an enrollee's financial responsibility for payment when services are provided by a health care provider who is not part of the health maintenance organization's network or by any provider without required authorization, or when a procedure, treatment or service is not a covered health care benefit;

(7) A description of the grievance procedures to be used to resolve disputes between a health maintenance organization and an enrollee, including:

(a) The right to file a grievance regarding any dispute between an enrollee and a health maintenance organization;

(b) The right to file a grievance when the dispute is about referrals or covered benefits;

(c) The toll-free telephone number which enrollees may use to file a grievance;

(d) The department of insurance, financial institutions and professional registration's toll-free consumer complaint hot line number;

(e) The time frames and circumstances for expedited and standard grievances;

(f) The right to appeal a grievance determination and the procedures for filing such an appeal;

(g) The time frames and circumstances for expedited and standard appeals;

(h) The right to designate a representative;

(i) A notice that all disputes involving clinical decisions shall be made by qualified clinical personnel; and

(j) All notices of determination shall include information about the basis of the decision and further appeal rights, if any;

(8) A description of a procedure for providing care and coverage twenty-four hours a day, seven days a week, for emergency services. Such description shall include the definition of emergency services and emergency medical condition, notice that emergency services are not subject to prior approval, and shall describe the enrollee's financial and other responsibilities regarding obtaining such services, including when such services are received outside the health maintenance organization's service area;

(9) A description of procedures for enrollees to select and access the health maintenance organization's primary and specialty care providers, including notice of how to determine whether a participating provider is accepting new patients;

(10) A description of the procedures for changing primary and specialty care providers within the health maintenance organization;

(11) Notice that an enrollee may obtain a referral for covered services to a health care provider outside of the health maintenance organization's network or panel when the health maintenance organization does not have a health care provider with appropriate training and experience in the network or panel to meet the particular health care needs of the enrollee and the procedure by which the enrollee may obtain such referral;

(12) A description of the mechanisms by which enrollees may participate in the development of the policies of the health maintenance organization;

(13) Notice of all appropriate mailing addresses and telephone numbers to be utilized by enrollees seeking information or authorization;

(14) **[**A listing**]** **Listings** by specialty, which may be in **[**a**]** separate **[**document that is**]** **documents that are** updated annually, of the names, addresses and telephone numbers of all

participating providers, including facilities, and in addition in the case of physicians, board certification; and

(15) The director of the department of insurance, financial institutions and professional registration shall develop a standard credentialing form which shall be used by all health carriers when credentialing health care professionals in a managed care plan. If the health carrier demonstrates a need for additional information, the director of the department of insurance, financial institutions and professional registration may approve a supplement to the standard credentialing form. All forms and supplements shall meet all requirements as defined by the National Committee of Quality Assurance.

2. Each health maintenance organization shall, upon request of an enrollee or prospective enrollee, provide the following:

(1) A list of the names, business addresses and official positions of the membership of the board of directors, officers, controlling persons, owners or partners of the health maintenance organization;

(2) A copy of the most recent annual certified financial statement of the health maintenance organization, including a balance sheet and summary of receipts and disbursements prepared by a certified public accountant;

(3) A copy of the most recent individual, direct pay enrollee contracts;

(4) Information relating to consumer complaints compiled annually by the department of insurance, financial institutions and professional registration;

(5) The procedures for protecting the confidentiality of medical records and other enrollee information;

(6) An opportunity to inspect drug formularies used by such health maintenance organization and any financial interest in a pharmacy provider utilized by such organization. The health maintenance organization shall also disclose the process by which an enrollee or his representative may seek to have an excluded drug covered as a benefit;

(7) A written description of the organizational arrangements and ongoing procedures of the health maintenance organization's quality assurance program;

(8) A description of the procedures followed by the health maintenance organization in making decisions about the experimental or investigational nature of individual drugs, medical devices or treatments in clinical trials;

(9) Individual health practitioner affiliations with participating hospitals, if any;

(10) Upon written request, written clinical review criteria relating to conditions or diseases and, where appropriate, other clinical information which the organization may consider in its utilization review. The health maintenance organization may include with the information a description of how such information will be used in the utilization review process;

(11) The written application procedures and minimum qualification requirements for health care providers to be considered by the health maintenance organization;

(12) A description of the procedures followed by the health maintenance organization in making decisions about which drugs to include in the health maintenance organization's drug formulary.

3. Nothing in this section shall prevent a health maintenance organization from changing or updating the materials that are made available to enrollees.

4. The information to be provided under subsections 1 and 2 of this section may be provided online unless a paper copy is requested by the enrollee. A request by the enrollee may include written, oral or electronic means. Such requested paper copy shall be provided to the enrollee within fifteen business days.

375.024. LIFE INSURANCE PRODUCER EXAMINATIONS, REVIEW OF — COLLECTION OF DATA — ANNUAL REPORT — RULEMAKING AUTHORITY. — 1. The provisions of this section shall only apply to life insurance producer examinations.

2. The director or, at the director's discretion, a vendor under contract with the department, shall review license producer examinations subject to the provisions of this section if, during any twelve-month period beginning on September first of a year, the examinations exhibit an overall pass rate of less than seventy percent for first-time examinees.

3. In conformance with appropriate law relating to privacy, the department shall collect demographic information, including, race, gender, and national origin, from an individual taking a license examination subject to the provisions of this section.

4. The department shall compile an annual report based on the review required under subsection 2 of this section. The report shall indicate whether there was any disparity in the examination pass rate based on demographic information.

5. The director by rule may establish procedures as necessary to:

(1) Collect demographic information necessary to implement the provisions of this section; and

(2) Ensure that a review required under subsection 2 of this section is conducted and the resulting report is prepared. 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, 2010, shall be invalid and void.

6. The director shall deliver the report prepared under this section to the governor, the lieutenant governor, the president pro tem of the senate, and the speaker of the house of representatives not later than December first of each year.

7. The first twelve-month period for which a license examination review may be required under this section shall begin September 1, 2010.

8. The director shall deliver the initial report required under this section, not later than December 1, 2011.

375.539. HAZARDOUS OPERATION, DISCONTINUATION DETERMINATION, STANDARDS FOR — ISSUANCE OF ORDER BY DIRECTOR, HEARING PROCEDURE. — 1. The director of the department of insurance, financial institutions and professional registration may deem an insurance company to be in such financial condition that its further transaction of business would be hazardous to policyholders, creditors, and the public, if such company is a property or casualty insurer, or both a property and casualty insurer, which has in force any policy with any single net retained risk larger than ten percent of that company's capital and surplus as of the December thirty-first next preceding.

2. The following standards, either singly or a combination of two or more, may be considered by the director to determine whether the continued operation of any insurer transacting an insurance business in this state might be deemed to be hazardous to its policyholders, creditors, or the general public:

(1) Adverse findings reported in financial condition and market conduct examination reports, audit reports, and actuarial opinions, reports, or summaries;

(2) The National Association of Insurance Commissioners Insurance Regulatory Information System and its other financial analysis solvency tools and reports;

(3) Whether the insurer has made adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer, when considered in light of the assets held by the insurer with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts;

(4) The ability of an assuming reinsurer to perform and whether the insurer's reinsurance program provides sufficient protection for the insurer's remaining surplus after taking into account the insurer's cash flow and the classes of business written as well as the financial condition of the assuming reinsurer;

(5) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, including but not limited to net capital gain or loss, change in non-admitted assets, and cash dividends paid to shareholders, is greater than fifty percent of the insurer's remaining surplus as regards to policyholders in excess of the minimum required;

(6) Whether the insurer's operating loss in the last twelve-month period or any shorter period of time, excluding net capital gains, is greater than twenty percent of the insurer's remaining surplus as regards to policyholders in excess of the minimum required;

(7) Whether a reinsurer, obligor, or any entity within the insurer's insurance holding company system, is insolvent, threatened with insolvency or delinquent in payment of its monetary or other obligations, and which in the opinion of the director may affect the solvency of the insurer;

(8) Contingent liabilities, pledges, or guaranties which either individually or collectively involve a total amount which in the opinion of the director may affect the solvency of the insurer;

(9) Whether any "controlling" person of an insurer is delinquent in the transmitting to, or payment of, net premiums to the insurer. As used in this subdivision, the term "controlling" shall have the same meaning assigned to it in subdivision (2) of section 382.010;

(10) The age and collectibility of receivables;

(11) Whether the management of an insurer, including officers, directors, or any other person who directly or indirectly controls the operation of the insurer, fails to possess and demonstrate the competence, fitness, and reputation deemed necessary to serve the insurer in such position;

(12) Whether management of an insurer has failed to respond to inquiries relative to the condition of the insurer or has furnished false and misleading information concerning an inquiry;

(13) Whether the insurer has failed to meet financial and holding company filing requirements in the absence of a reason satisfactory to the director;

(14) Whether management of an insurer either has filed any false or misleading sworn financial statement, or has released false or misleading financial statement to lending institutions or to the general public, or has made a false or misleading entry, or has omitted an entry of material amount in the books of the insurer;

(15) Whether the insurer has grown so rapidly and to such an extent that it lacks adequate financial and administrative capacity to meet its obligations in a timely manner;

(16) Whether the insurer has experienced or will experience in the foreseeable future cash flow or liquidity problems;

(17) Whether management has established reserves that do not comply with minimum standards established by state insurance laws, regulations, statutory accounting standards, sound actuarial principles and standards of practice;

(18) Whether management persistently engages in material under reserving that results in adverse development;

(19) Whether transactions among affiliates, subsidiaries, or controlling persons for which the insurer receives assets or capital gains, or both, do not provide sufficient value, liquidity, or diversity to assure the insurer's ability to meet its outstanding obligations as they mature;

(20) Any other finding determined by the director to be hazardous to the insurer's policyholders, creditors, or general public.

3. For the purposes of making a determination of an insurer's financial condition under this section, the director may:

(1) Disregard any credit or amount receivable resulting from transactions with a reinsurer that is insolvent, impaired, or otherwise subject to a delinquency proceeding;

(2) Make appropriate adjustments including disallowance to asset values attributable to investments in or transactions with parents, subsidiaries, or affiliates consistent with the National Association of Insurance Commissioners Accounting Policies and Procedures Manual, state laws and regulations;

(3) Refuse to recognize the stated value of accounts receivable if the ability to collect receivables is highly speculative in view of the age of the account or the financial condition of the debtor;

(4) Increase the insurer's liability in an amount equal to any contingent liability, pledge, or guarantee not otherwise included if there is a substantial risk that the insurer will be called upon to meet the obligation undertaken within the next twelve-month period.

4. If the director determines that the continued operation of the insurer licensed to transact business in this state may be hazardous to its policyholders, creditors, or the general public, then the director may, to the extent authorized by law and in accordance with any procedures required by law, issue an order requiring the insurer to:

(1) Reduce the total amount of present and potential liability for policy benefits by reinsurance;

(2) Reduce, suspend, or limit the volume of business being accepted or renewed;

(3) Reduce general insurance and commission expenses by specified methods;

(4) Increase the insurer's capital and surplus;

(5) Suspend or limit the declaration and payment of dividend by an insurer to its stockholders or to its policyholders;

(6) File reports in a form acceptable to the director concerning the market value of an insurer's assets;

(7) Limit or withdraw from certain investments or discontinue certain investment practices to the extent the director deems necessary;

(8) Document the adequacy of premium rates in relation to the risks insured;

(9) File, in addition to regular annual statements, interim financial reports on the form adopted by the National Association of Insurance Commissioners or in such format as promulgated by the director;

(10) Correct corporate governance practice deficiencies, and adopt and utilize governance practices acceptable to the director;

(11) Provide a business plan to the director in order to continue to transact business in the state;

(12) Notwithstanding any other provision of law limiting the frequency or amount of premium rate adjustments, adjust rates for any non-life insurance product written by the insurer that the director considers necessary to improve the financial condition of the insurer.

5. An insurer subject to an order under subsection 4 of this section may request a hearing before the director in accordance with the provisions of chapter 536. The notice of hearing shall be served upon the insurer pursuant to section 536.067. The notice of hearing shall state the time and place of hearing and the conduct, condition, or ground upon which the director based the order. Unless mutually agreed between the director and the insurer, the hearing shall occur not less than ten days nor more than thirty days after notice is served and shall be either in Cole County or in some other place convenient to the parties designated by the director. The director shall hold all hearings under this

subsection privately, unless the insurer requests a public hearing, in which case the hearing shall be public.

6. This section shall not be interpreted to limit the powers granted the director by any laws or parts of laws of this state, nor shall this section be interpreted to supercede any laws or parts of laws of this state, except that if the insurer is a foreign insurer, the director's order under subsection 4 of this section may be limited to the extent expressly provided by any laws or parts of laws of this state.

375.1152. DEFINITIONS. — For purposes of sections 375.570 to 375.750 and 375.1150 to 375.1246, the following words and phrases shall mean:

(1) "Allocated loss adjustment expenses", those fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of an individual claim or loss or to the protection and perfection of the subrogation rights of any insolvent insurer arising out of a policy of insurance issued by the insolvent insurer. "Allocated loss adjustment expenses" shall include all court costs, fees and expenses; fees for service of process; fees to attorneys; costs of undercover operative and detective services; fees of independent adjusters or attorneys for investigation or adjustment of claims beyond initial investigation; costs of employing experts for preparation of maps, photographs, diagrams, chemical or physical analysis or for advice, opinion or testimony concerning claims under investigation or in litigation; costs for legal transcripts or testimony taken at coroner's inquests, criminal or civil proceedings; costs for copies of any public records; costs of depositions and court-reported or -recorded statements. "Allocated loss adjustment expenses" shall not include the salaries of officials, administrators or other employees or normal overhead charges such as rent, postage, telephone, lighting, cleaning, heating or similar expenses;

(2) "Ancillary state", any state other than a domiciliary state;

(3) "Creditor", a person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent;

(4) "Delinquency proceeding", any proceeding instituted against an insurer for the purpose of liquidating, rehabilitating, reorganizing or conserving such insurer, and any summary proceeding under sections 375.1160, 375.1162 and 375.1164;

(5) "Director", the director of the department of insurance, financial institutions and professional registration;

(6) "Doing business" includes any of the following acts, whether effected by mail or otherwise:

(a) The issuance or delivery of contracts of insurance to persons resident in this state;

(b) The solicitation of applications for such contracts, or other negotiations preliminary to the execution of such contracts;

(c) The collection of premiums, membership fees, assessments, or other consideration for such contracts;

(d) The transaction of matters subsequent to execution of such contracts and arising out of them; or

(e) Operating under a license or certificate of authority, as an insurer, issued by the department of insurance, financial institutions and professional registration;

(7) "Domiciliary state", the state in which an insurer is incorporated or organized or, in the case of an alien insurer, its state of entry;

(8) "Fair consideration" is given for property or obligation:

(a) When in exchange for such property or obligation, as a fair equivalent thereof, and in good faith, property is conveyed or services are rendered or an obligation is incurred or an antecedent debt is satisfied; or

(b) When such property or obligation is received in good faith to secure a present advance or antecedent debt in an amount not disproportionately small as compared to the value of the property or obligation obtained;

(9) "Foreign country", any jurisdiction not in the United States;

(10) "Formal delinquency proceeding", any liquidation or rehabilitation proceeding;

(11) "General assets", all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited or otherwise encumbered for the security or benefit of specified persons or classes of persons. As to specifically encumbered property, "general assets" includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets;

(12) "Guaranty association", the Missouri property and casualty insurance guaranty association created by sections 375.771 to 375.779, as amended, the Missouri life and health insurance guaranty association created by sections 376.715 to 376.758, RSMo, as amended, and any other similar entity now or hereafter created by the laws of this state for the payment of claims of insolvent insurers. "Foreign guaranty association" means any similar entities now in existence or hereafter created by the laws of any other state;

(13) "Insolvency" or "insolvent" means:

(a) For an insurer issuing only assessable fire insurance policies:

a. The inability to pay an obligation within thirty days after it becomes payable; or

b. If an assessment be made within thirty days after such date, the inability to pay such obligation thirty days following the date specified in the first assessment notice issued after the date of loss;

(b) For any other insurer, that it is unable to pay its obligations when they are due, or when its admitted assets do not exceed its liabilities plus the greater of:

a. Any capital and surplus required by law for its organization; or

b. The total par or stated value of its authorized and issued capital stock;

(c) As to any insurer licensed to do business in this state as of August 28, 1991, which does not meet the standards established under paragraph (b) of this subdivision, the term "insolvency" or "insolvent" shall mean, for a period not to exceed three years from August 28, 1991, that it is unable to pay its obligations when they are due or that its admitted assets do not exceed its liabilities plus any required capital contribution ordered by the director under any other provisions of law;

(d) For purposes of this subdivision "liabilities" shall include but not be limited to reserves required by statute or by the department of insurance, financial institutions and professional registration regulations or specific requirements imposed by the director upon a subject company at the time of admission or subsequent thereto;

(e) For purposes of this subdivision, an obligation is payable within ninety days of the resolution of any dispute regarding the obligation;

(14) "Insurer", any person who has done, purports to do, is doing or is licensed to do insurance business as described in section 375.1150, and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization, supervision, or conservation by, any insurance department of any state. For purposes of sections 375.1150 to 375.1246, any other persons included under section 375.1150 shall be deemed to be insurers;

(15) **"Netting agreement":**

(a) A contract or agreement (including terms and conditions incorporated by reference therein), including a master settlement agreement (which master settlement agreement, together with all schedules, confirmations, definitions and addenda thereto and transactions under any thereof, shall be treated as one netting agreement), that documents one or more transactions between the parties to the agreement for or involving one or more qualified financial contracts and that provides for the netting, liquidation, setoff, termination, acceleration, or close out under or in connection with one or more qualified financial contracts or present or future payment or delivery obligations or payment or delivery entitlements thereunder (including liquidation or close-out values relating to such obligations or entitlements) among the parties to the netting agreement;

(b) Any master agreement or bridge agreement for one or more master agreements described in paragraph (a) of this subdivision; or

(c) Any security agreement or arrangement or other credit enhancement or guarantee or reimbursement obligation related to any contract or agreement described in paragraph (a) or (b) of this subdivision; provided that any contract or agreement described in paragraph (a) or (b) of this subdivision relating to agreements or transactions that are not qualified financial contracts shall be deemed to be a netting agreement only with respect to those agreements or transactions that are qualified financial contracts;

(16) "Preferred claim", any claim with respect to which the terms of sections 375.1150 to 375.1246 accord priority of payment from the general assets of the insurer;

[(16)**] (17) "Qualified financial contract", any commodity contract, forward contract, repurchase agreement, securities contract, swap agreement, and any similar agreement that the director determines by rule to be a qualified financial contract for purposes of sections 375.1150 to 375.1246. For purposes of this subdivision, the following terms shall mean:**

(a) "Commodity contract":

a. A contract for the purchase or sale of a commodity for future delivery on or subject to the rules of the board of trade or contract market under the Commodity Exchange Act, 7 U.S.C. Section 1, et seq., or a board of trade outside the United States;

b. An agreement that is subject to regulation under Section 19 of the Commodity Exchange Act, 7 U.S.C. Section 1, et seq., and that is commonly known to the commodities trade as a margin account, margin contract, leverage account, or leverage contract;

c. An agreement or transaction that is subject to regulation under Section 4c(b) of the Commodity Exchange Act, 7 U.S.C. Section 1, et seq., and that is commonly known to the commodities trade as a commodity option;

d. Any combination of the agreements or transactions referred to in this paragraph; or

e. Any option to enter into an agreement or transaction referred to in this paragraph;

(b) "Forward contract", "repurchase agreement", "securities contract", and "swap agreement", the same meaning as set forth in the Federal Deposit Insurance Act, 12 U.S.C. Section 1821(e)(8)(D), as amended;

(18) "Receiver", a receiver, liquidator, administrative supervisor, rehabilitator or conservator, as the context requires;

[(17)**] (19)** "Reciprocal state", any state other than this state in which in substance and effect, provisions substantially similar to subsection 1 of section 375.1176 and sections 375.1235, 375.1236, 375.1240, 375.1242 and 375.1244 have been enacted and are in force, and in which laws are in force requiring that the director of the state department of insurance, financial institutions and professional registration or equivalent official be the receiver of a delinquent insurer, and in which some provision exists for the avoidance of fraudulent conveyances and preferential transfers;

[(18)**] (20)** "Secured claim", any claim secured by mortgage, trust deed, pledge, deposit as security, escrow, or otherwise, including a pledge of assets allocated to a separate account established pursuant to section 376.309, RSMo; but not including special deposit claims or claims against general assets. The term also includes claims which have become liens upon specific deposit claims or claims against general assets. The term also includes claims which have become liens upon specific assets by reason of judicial process;

[(19)**] (21)** "Special deposit claim", any claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including any claim secured by general assets;

[(20)**] (22)** "State", any state, district, or territory of the United States and the Panama Canal Zone;

[(21)**]** **(23)** "Transfer" shall include the sale and every other and different mode, direct or indirect, of disposing of or of parting with property or with an interest therein, or with the possession thereof, or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be deemed a transfer suffered by the debtor.

375.1155. RECEIVER MAY PETITION FOR INJUNCTIONS, RESTRAINING ORDERS — PURPOSES — DELINQUENCY PROCEEDING DOES NOT STAY OTHER RIGHTS AND ENFORCEMENT. — 1. Any receiver appointed in a proceeding under sections 375.1150 to 375.1246 may at any time apply for, and any court of general jurisdiction may grant, such restraining orders, preliminary and permanent injunctions, and other orders as may be deemed necessary and proper to prevent:

(1) The transaction of further business;

(2) The transfer of property;

(3) Interference with the receiver or with a proceeding under sections 375.1150 to 375.1246;

(4) Waste of the insurer's assets;

(5) Dissipation and transfer of bank accounts;

(6) The institution or further prosecution of any actions or proceedings;

(7) The obtaining of preferences, judgments, attachments, garnishments or liens against the insurer, its assets or its policyholders;

(8) The levying of execution against the insurer, its assets or its policyholders;

(9) The making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;

(10) The withholding from the receiver of books, accounts, documents, or other records relating to the business of the insurer; or

(11) Any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors or shareholders, or the administration of any proceeding under this act.

2. The receiver may apply to any court outside of the state for the relief described in subsection 1 of this section.

3. Notwithstanding any other provision of this section to the contrary, the commencement of a delinquency proceeding under sections 375.1150 to 375.1246 does not operate as a stay or prohibition of any right to cause of netting, liquidation, setoff, termination, acceleration or close out of obligations, or enforcement of any security agreement or arrangement or other credit enhancement or guarantee or reimbursement obligation under or in connection with any netting agreement or qualified financial contract as provided for in section 375.1191.

375.1175. GROUNDS FOR LIQUIDATION — VOLUNTARY DISSOLUTION AND LIQUIDATION, CONDITIONS. — 1. The director may petition the court for an order directing him to liquidate a domestic insurer or an alien insurer domiciled in this state on the basis:

(1) Of any ground for an order of rehabilitation as specified in section 375.1165, whether or not there has been a prior order directing the rehabilitation of the insurer;

(2) That the insurer is insolvent;

(3) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors or the public;

(4) That the insurer is found to be in such condition after examination that it could not meet the requirements for incorporation and authorization specified in the law under which it was incorporated or is doing business; or

(5) That the insurer has ceased to transact the business of insurance for a period of one year.

2. Notwithstanding any other provision of this chapter, a domestic insurer organized as a stock insurance company may voluntarily dissolve and liquidate as a corporation under sections 351.462 to 351.482, provided that:

(1) The director, in his or her sole discretion, approves the articles of dissolution prior to filing such articles with the secretary of state. In determining whether to approve or disapprove the articles of dissolution, the director shall consider, among other factors, whether:

(a) The insurer's annual financial statements filed with the director show no written insurance premiums for five years; and

(b) The insurer has demonstrated that all policyholder claims have been satisfied or have been transferred to another insurer in a transaction approved by the director; and

(c) An examination of the insurer pursuant to sections 374.202 to 374.207 has been completed within the last five years; and

(2) The domestic insurer files with the secretary of state a copy of the director's approval, certified by the director, along with articles of dissolution as provided in section 351.462 or 351.468.

375.1191. NETTING AGREEMENTS AND QUALIFIED FINANCIAL CONTRACTS, EXERCISE OF CERTAIN RIGHTS AND ACTS NOT TO BE PROHIBITED — TERMINATION OF NETTING AGREEMENT, TRANSFER OF AMOUNT OWED, RECEIVER'S DUTIES — APPLICABILITY OF STATUTE. — 1. Notwithstanding any other provision of sections 375.1150 to 375.1246, including any provision permitting the modification of contracts, or other law of a state, no person shall be stayed or prohibited from exercising:

(1) A contractual right to cause the termination, liquidation, or acceleration or close out of obligations under or in connection with any netting agreement or qualified financial contract with an insurer because of:

(a) The insolvency, financial condition, or default of the insurer at any time; provided that the right is enforceable under applicable law other than sections 375.1150 to 375.1246; or

(b) The commencement of a formal delinquency proceeding under sections 375.1150 to 375.1246;

(2) Any right under a pledge, security, collateral, reimbursement, or guarantee agreement or arrangement or any similar security agreement or arrangement or other credit enhancement relating to one or more netting agreements or qualified financial contracts;

(3) Subject to any provision of section 375.1198, any right to set off or net out any termination value, payment amount, or other transfer obligation arising under or in connection with one or more qualified financial contracts where the counterparty or its guarantor is organized under the laws of the United States or a foreign jurisdiction approved by the Securities Valuation Office (SVO) of the NAIC as eligible for netting; or

(4) If a counterparty to a master netting agreement or qualified financial contract with an insurer subject to a proceeding under sections 375.1150 to 375.1246 terminates, liquidates, closes out, or accelerates the agreement or contract, damages shall be measured as of the date or dates of termination, liquidation, close out, or acceleration. The amount of a claim for damages shall be actual direct compensatory damages calculated in accordance with subsection 6 of this section.

2. (1) Upon termination of a netting agreement or qualified financial contract, the net or settlement amount, if any, owed by a nondefaulting party to an insurer against which an application or petition has been filed under sections 375.1150 to 375.1246 shall be transferred to or on the order of the receiver for the insurer, even if the insurer is the defaulting party, notwithstanding any walkaway clause in the netting agreement or qualified financial contract.

(2) For purposes of this subsection, "walkaway clause" means a provision in a netting agreement or qualified financial contract that, after calculation of a value of a party's position or an amount due to or from one of the parties in accordance with its terms upon termination, liquidation, or obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of the party's status as a nondefaulting party.

(3) Any limited two-way payment or first method provision in a netting agreement or qualified financial contract with an insurer that has defaulted shall be deemed to be a full two-way payment or second method provision as against the defaulting insurer. Any such property or amount shall, except to the extent it is subject to one or more secondary liens or encumbrances or rights of netting or setoff, be a general asset of the insurer.

3. In making any transfer of a netting agreement or qualified financial contract of an insurer subject to a proceeding under sections 375.1150 to 375.1246, the receiver shall either:

(1) Transfer to one party, other than an insurer subject to a proceeding under sections 375.1150 to 375.1246, all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding, including:

(a) All rights and obligations of each party under each netting agreement and qualified financial contract; and

(b) All property, including any guarantees or other credit enhancement, securing any claims of each party under each netting agreement and qualified financial contract; or

(2) Transfer none of the netting agreements, qualified financial contracts, rights, obligations, or property referred to in subdivision (1) of this subsection with respect to the counterparty and any affiliate of the counterparty.

4. If a receiver for an insurer makes a transfer of one or more netting agreements or qualified financial contracts, the receiver shall use its best efforts to notify any person who is party to the netting agreements or qualified financial contracts of the transfer by noon, the receiver's local time, on the business day following the transfer. For purposes of this subsection, "business day" means a day other than a Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

5. Notwithstanding any other provision of sections 375.1150 to 375.1246, a receiver shall not avoid a transfer of money or other property arising under or in connection with a netting agreement or qualified financial contract, or any pledge, security, collateral, or guarantee agreement or any other similar security arrangement or credit support document relating to a netting agreement or qualified financial contract, that is made before the commencement of a formal delinquency proceeding under sections 375.1150 to 375.1246. However, a transfer may be avoided under section 375.1182 if the transfer was made with actual intent to hinder, delay, or defraud the insurer, a receiver appointed for the insurer, or existing or future creditors.

6. (1) In exercising the rights of disaffirmance or repudiation of a receiver with respect to any netting agreement or qualified financial contract to which an insurer is a party, the receiver for the insurer shall either:

(a) Disaffirm or repudiate all netting agreements and qualified financial contracts between a counterparty or any affiliate of the counterparty and the insurer that is the subject of the proceeding; or

(b) Disaffirm or repudiate none of the netting agreements and qualified financial contracts referred to in paragraph (a) of this subdivision with respect to the person or any affiliate of the person.

(2) Notwithstanding any other provision of sections 375.1150 to 375.1246, any claim of a counterparty against the estate arising from the receiver's disaffirmance or repudiation of a netting agreement or qualified financial contract that has not been

previously affirmed in the liquidation or immediately preceding conservation or rehabilitation case shall be determined and shall be allowed or disallowed as if the claim had arisen before the date of the filing of the petition for liquidation or, if a conservation or rehabilitation proceeding is converted to a liquidation proceeding, as if the claim had arisen before the date of the filing of the petition for conservation or rehabilitation. The amount of the claim shall be the actual direct compensatory damages determined as of the date of the disaffirmance or repudiation of the netting agreement or qualified financial contract. Actual direct compensatory damages does not include punitive or exemplary damages, damages for lost profit or lost opportunity or damages for pain and suffering, but does include normal and reasonable costs of cover or other reasonable measures of damages utilized in the derivatives, securities, or other market for the contract and agreement claims.

7. Contractual right, as used in this section, includes any right set forth in a rule or bylaw of a derivatives clearing organization as defined in the Commodity Exchange Act, a multilateral clearing organization as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991, a national securities exchange, a national securities association, a securities clearing agency, a contract market designated under the Commodity Exchange Act, a derivatives transaction execution facility registered under the Commodity Exchange Act, or a board of trade as defined in the Commodity Exchange Act, or in a resolution of the governing board thereof and any right, whether or not evidenced in writing, arising under statutory or common law, or under law merchant, or by reason of normal business practice.

8. The provisions of this section shall not apply to persons who are affiliates of the insurer that is the subject of the proceeding.

9. All rights of counterparties under sections 375.1150 to 375.1246 shall apply to netting agreements and qualified financial contracts entered into on behalf of the general account or separate accounts if the assets of each separate account are available only to counterparties to netting agreements and qualified financial contracts entered into on behalf of such separate account.

375.1255. COMPANY ACTION LEVEL EVENT, OCCURRENCE OF, WHEN — EFFECT, DUTIES OF INSURER — PLAN TO BE SUBMITTED, APPROVAL OF, REVISION OF, WHEN — COPIES FILED WITH ALL STATES IN WHICH INSURER IS AUTHORIZED TO TRANSACT BUSINESS. — 1. "Company action level event" means with respect to any insurer, any of the following events:

(1) The filing of an RBC report by the insurer which indicates that:

(a) The insurer's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC; or

(b) If a life and health insurer, the insurer has total adjusted capital which is greater than or equal to its company action level RBC but less than the product of its authorized control level capital and 2.5, and has a negative trend;

(c) If a property and casualty insurer, the insurer has total adjusted capital which is greater than or equal to its Company Action Level RBC but less than the product of its Authorized Control Level RBC and 3.0 and triggers the trend test determined in accordance with the trend test calculation included in the Property and Casualty RBC report instructions;

(2) The notification by the director to the insurer of an adjusted RBC report that indicates the event in paragraph (a) **[**or**]**, (b)**, or (c)** of subdivision (1) of this subsection, if the insurer does not challenge the adjusted RBC report pursuant to section 375.1265;

(3) If pursuant to section 375.1265 the insurer challenges an adjusted RBC report that indicates the event described in subdivision (1) of this subsection, the notification by the director to the insurer that the director has, after a hearing, rejected the insurer's challenge.

2. In the event of a company action level event the insurer shall prepare and submit to the director an RBC plan which shall:

(1) Identify the conditions in the insurer which contribute to the company action level event;

(2) Contain proposals of corrective actions which the insurer intends to take and would be expected to result in the elimination of the company action level event;

(3) Provide projections of the insurer's financial results in the current year and at least the four succeeding years, both in the absence of proposed corrective actions and giving effect to the proposed corrective actions, including projections of statutory operating income, net income, capital or surplus. The projections for both new and renewal business might include separate projections for each major line of business and separately identify each significant income, expense and benefit component;

(4) Identify the key assumptions impacting the insurer's projections and the sensitivity of the projections to the assumptions; and

(5) Identify the quality of, and problems associated with, the insurer's business, including but not limited to its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business and use of reinsurance in each case, if any.

3. The RBC plan shall be submitted:

(1) Within forty-five days of the company action level event; or

(2) If the insurer challenges an adjusted RBC report pursuant to section 375.1265 within forty-five days after notification to the insurer that the director has, after a hearing, rejected the insurer's challenge.

4. Within sixty days after the submission by an insurer of an RBC plan to the director, the director shall notify the insurer whether the RBC plan shall be implemented or is, in the judgment of the director, unsatisfactory. If the director determines the RBC plan is unsatisfactory, the notification to the insurer shall set forth the reasons for the determination, and may set forth proposed revisions which will render the RBC plan satisfactory, in the judgment of the director. Upon notification from the director, the insurer shall prepare a revised RBC plan, which may incorporate by reference any revisions proposed by the director, and shall submit the revised RBC plan to the director:

(1) Within forty-five days after the notification from the director; or

(2) If the insurer challenges the notification from the director pursuant to section 375.1265, within forty-five days after a notification to the insurer that the director has, after a hearing, rejected the insurer's challenge.

5. In the event of a notification by the director to an insurer that the insurer's RBC plan or revised RBC plan is unsatisfactory, the director may at the director's discretion, subject to the insurer's right to a hearing under section 375.1265, specify in the notification that the notification constitutes a regulatory action level event.

6. Every domestic insurer that files an RBC plan or revised RBC plan with the director shall file a copy of the RBC plan or revised RBC plan with the chief insurance regulatory official in any state in which the insurer is authorized to do business if:

(1) Such state has an RBC provision, substantially similar to subsection 1 of section 375.1267; and

(2) The chief insurance regulatory official of that state has notified the insurer of its request for the filing in writing, in which case the insurer shall file a copy of the RBC plan or revised RBC plan in that state no later than the later of:

(a) Fifteen days after the receipt of notice to file a copy of its RBC plan or revised RBC plan with the state; or

(b) The date on which the RBC plan or revised RBC plan is filed under subsection 3 or 4 of this section.

376.717. COVERAGES PROVIDED, PERSONS COVERED — COVERAGE NOT PROVIDED, WHEN — MAXIMUM BENEFITS ALLOWABLE. — 1. Sections 376.715 to 376.758 shall provide coverage for the policies and contracts specified in subsection 2 of this section:

(1) To persons who, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, are the beneficiaries, assignees or payees of the persons covered under subdivision (2) of this subsection; and

(2) To persons who are owners of or certificate holders under such policies or contracts **[**and**], other than structured settlement annuities,** who:

(a) Are residents of this state; or

(b) Are not residents, but only under all of the following conditions:

a. The insurers which issued such policies or contracts are domiciled in this state;

b. **[**Such insurers never held a license or certificate of authority in the states in which such persons reside;**] The persons are not eligible for coverage by an association in any other state due to the fact that the insurer was not licensed in such state at the time specified in such state's guaranty association law; and**

c. **[**Such**] The** states **in which the persons reside** have associations similar to the association created by sections 376.715 to 376.758**[**; and

d. Such persons are not eligible for coverage by such associations**]**.

(3) For structured settlement annuities specified in subsection 2 of this section, subdivisions (1) and (2) of subsection 1 of this section shall not apply, and sections 376.715 to 376.758 shall, except as provided in subdivisions (4) and (5) of this subsection, provide coverage to a person who is a payee under a structured settlement annuity, or beneficiary of a payee if the payee is deceased, if the payee:

(a) Is a resident, regardless of where the contract owner resides; or

(b) Is not a resident, but only under both of the following conditions:

a. (i) The contract owner of the structured settlement annuity is a resident; or

(ii) The contract owner of the structure settlement annuity is not a resident, but:

i. The insurer that issued the structured settlement annuity is domiciled in this state; and

ii. The state in which the contract owner resides has an association similar to the association created under sections 376.715 to 376.758; and

b. Neither the payee or beneficiary nor the contract owner is eligible for coverage by the association of the state in which the payee or contract owner resides.

(4) Sections 376.715 to 376.758 shall not provide to a person who is a payee or beneficiary of a contract owner resident of this state, if the payee or beneficiary is afforded any coverage by such an association of another state.

(5) Sections 376.715 to 376.758 is intended to provide coverage to a person who is a resident of this state and, in special circumstances, to a nonresident. In order to avoid duplicate coverage, if a person who would otherwise receive coverage under sections 376.715 to 376.758 is provided coverage under the laws of any other state, the person shall not be provided coverage under sections 376.715 to 376.758. In determining the application of the provisions of this subdivision in situations where a person could be covered by such an association of more than one state, whether as an owner, payee, beneficiary, or assignee, sections 376.715 to 376.758 shall be construed in conjunction with the other state's laws to result in coverage by only one association.

2. Sections 376.715 to 376.758 shall provide coverage to the persons specified in subsection 1 of this section for direct, nongroup life, health, annuity **[**and supplemental**]** policies or contracts, **and supplemental contracts to any such policies or contracts, and for** certificates under direct group policies and contracts, except as limited by the provisions of sections 376.715 to 376.758. **Annuity contracts and certificates under group annuity contracts include allocated funding agreements, structured settlement annuities, and any immediate or deferred annuity contracts.**

3. Sections 376.715 to 376.758 shall not provide coverage for:

(1) Any portion of a policy or contract not guaranteed by the insurer, or under which the risk is borne by the policy or contract holder;

(2) Any policy or contract of reinsurance, unless assumption certificates have been issued;

(3) Any portion of a policy or contract to the extent that the rate of interest on which it is based**, or the interest rate, crediting rate, or similar factor determined by use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value**:

(a) Averaged over the period of four years prior to the date on which the association becomes obligated with respect to such policy or contract, exceeds the rate of interest determined by subtracting three percentage points from Moody's Corporate Bond Yield Average averaged for that same four-year period or for such lesser period if the policy or contract was issued less than four years before the association became obligated; and

(b) On and after the date on which the association becomes obligated with respect to such policy or contract exceeds the rate of interest determined by subtracting three percentage points from Moody's Corporate Bond Yield Average as most recently available;

(4) Any **portion of a policy or contract issued to a** plan or program of an employer, association or **[**similar entity**] other person** to provide life, health, or annuity benefits to its employees or members to the extent that such plan or program is self-funded or uninsured, including but not limited to benefits payable by an employer, association or **[**similar entity**] other person** under:

(a) A "multiple employer welfare arrangement" as defined in **[**section 514 of the Employee Retirement Income Security Act of 1974**] 29 U.S.C. Section 1144**, as amended;

(b) A minimum premium group insurance plan;

(c) A stop-loss group insurance plan; or

(d) An administrative services only contract;

(5) Any portion of a policy or contract to the extent that it provides dividends or experience rating credits, **voting rights,** or provides that any fees or allowances be paid to any person, including the policy or contract holder, in connection with the service to or administration of such policy or contract; **[**and**]**

(6) Any policy or contract issued in this state by a member insurer at a time when it was not licensed or did not have a certificate of authority to issue such policy or contract in this state**;**

(7) A portion of a policy or contract to the extent that the assessments required by section 376.735 with respect to the policy or contract are preempted by federal or state law;

(8) An obligation that does not arise under the express written terms of the policy or contract issued by the insurer to the contract owner or policy owner, including without limitation:

(a) Claims based on marketing materials;

(b) Claims based on side letters, riders, or other documents that were issued by the insurer without meeting applicable policy form filing or approval requirements;

(c) Misrepresentations of or regarding policy benefits;

(d) Extra-contractual claims;

(e) A claim for penalties or consequential or incidental damages;

(9) A contractual agreement that establishes the member insurer's obligations to provide a book value accounting guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or its trustee, which in each case is not an affiliate of the member insurer;

(10) An unallocated annuity contract;

(11) A portion of a policy or contract to the extent it provides for interest or other changes in value to be determined by the use of an index or other external reference stated in the policy or contract, but which have not been credited to the policy or contract, or as

to which the policy or contract owner's rights are subject to forfeiture, as of the date the member insurer becomes an impaired or insolvent insurer under sections 376.715 to 376.758, whichever is earlier. If a policy's or contract's interest or changes in value are credited less frequently than annually, for purposes of determining the value that have been credited and are not subject to forfeiture under this subdivision, the interest or change in value determined by using the procedures defined in the policy or contract will be credited as if the contractual date of crediting interest or changing values was the date of impairment or insolvency, whichever is earlier, and will not be subject to forfeiture;

(12) A policy or contract providing any hospital, medical, prescription drug or other health care benefit under Part C or Part D of Subchapter XVIII, Chapter 7 of Title 42 of the United States Code, Medicare Part C & D, or any regulations issued thereunder.

4. The benefits for which the association may become liable shall in no event exceed the lesser of:

(1) The contractual obligations for which the insurer is liable or would have been liable if it were not an impaired or insolvent insurer; or

(2) With respect to any one life, regardless of the number of policies or contracts:

(a) Three hundred thousand dollars in life insurance death benefits, but not more than one hundred thousand dollars in net cash surrender and net cash withdrawal values for life insurance;

(b) One hundred thousand dollars in health insurance benefits, including any net cash surrender and net cash withdrawal values;

(c) One hundred thousand dollars in the present value of annuity benefits, including net cash surrender and net cash withdrawal values. Provided, however, that in no event shall the association be liable to expend more than three hundred thousand dollars in the aggregate with respect to any one life under paragraphs (a), (b), and (c) of this subdivision.

5. The limitations set forth in subsection 4 of this section are limitations on the benefits for which the association is obligated before taking into account either its subrogation and assignment rights or the extent to which such benefits could be provided out of the assets of the impaired or insolvent insurer attributable to covered policies. The costs of the association's obligations under sections 376.715 to 376.758 may be met by the use of assets attributable to covered policies or reimbursed to the association under its subrogation and assignment rights.

376.718. DEFINITIONS. — As used in sections 376.715 to 376.758, the following terms shall mean:

(1) "Account", any of the **[**four**]** accounts created under section 376.720;

(2) **[**"Annuity or annuity contract", any annuity contract or group annuity certificate which is issued to and owned by an individual. This definition of "annuity or annuity contract" does not include any form of unallocated annuity contract;

(3)**]** "Association", the Missouri life and health insurance guaranty association created under section 376.720;

(3) "Benefit plan", a specific employee, union, or association of natural persons benefit plan;

(4) "Contractual obligation", any obligation under a policy or contract or certificate under a group policy or contract, or portion thereof for which coverage is provided under the provisions of section 376.717;

(5) "Covered policy", any policy or contract **[**within the scope of sections 376.715 to 376.758**]** **or portion of a policy or contract for which coverage is provided** under the provisions of section 376.717;

(6) "Director", the director of the department of insurance, financial institutions and professional registration of this state;

(7) **"Extra-contractual claims", includes but is not limited to claims relating to bad faith in the payment of claims, punitive or exemplary damages, or attorneys fees and costs;**

(8) "Impaired insurer", a member insurer which, after August 13, 1988, is not an insolvent insurer, and is **[**deemed by the director to be potentially unable to fulfill its contractual obligations, or is**]** placed under an order of rehabilitation or conservation by a court of competent jurisdiction;

[(8)**]** **(9)** "Insolvent insurer", a member insurer which, after August 13, 1988, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency;

[(9)**]** **(10)** "Member insurer", any insurer or health services corporation licensed or which holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 376.717, and includes any insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed or voluntarily withdrawn, but does not include:

(a) A health maintenance organization;

(b) A fraternal benefit society;

(c) A mandatory state pooling plan;

(d) A mutual assessment company or any entity that operates on an assessment basis;

(e) An insurance exchange; **[**or**]**

(f) **An organization that issues qualified charitable gift annuities, as defined in section 352.500, and does not hold a certificate or license to transact insurance business; or**

(g) Any entity similar to any of the entities listed in paragraphs (a) to **[**(e)**]** **(f)** of this subdivision;

[(10)**]** **(11)** "Moody's Corporate Bond Yield Average", the monthly average corporates as published by Moody's Investors Service, Inc., or any successor thereto;

(12) "Owner", "policy owner", or "contract owner", the person who is identified as the legal owner under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the insurer. Owner, contract owner, and policy owner shall not include persons with a mere beneficial interest in a policy or contract;

[(11)**]** **(13)** "Person", any individual, corporation, partnership, association or voluntary organization;

[(12)**]** **(14)** "Premiums", amounts received on covered policies or contracts, less premiums, considerations and deposits returned thereon, and less dividends and experience credits thereon. The term does not include any amounts received for any policies or contracts or for the portions of any policies or contracts for which coverage is not provided under subsection 3 of section 376.717, except that assessable premium shall not be reduced on account of subdivision (3) of subsection 3 of section 376.717 relating to interest limitations and subdivision (2) of subsection 4 of section 376.717 relating to limitations with respect to any one life**, any one participant,** and any one contract holder**. Premiums shall not include:**

(a) Premiums on an unallocated annuity contract; or

(b) With respect to multiple nongroup policies of life insurance owned by one owner, whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, premiums in excess of five million dollars with respect to such policies or contracts, regardless of the number of policies or contracts held by the owner;

(15) "Principal place of business", for a person other than a natural person, the single state in which the natural persons who establish policy for the direction, control, and coordination of the operations of the entity as a whole primarily exercise that function, determined by the association in its reasonable judgment by considering the following factors:

(a) The state in which the primary executive and administrative headquarters of the entity is located;

(b) The state in which the principal office of the chief executive officer of the entity is located;

(c) The state in which the board of directors, or similar governing person or persons, of the entity conducts the majority of its meetings;

(d) The state in which the executive or management committee of the board of directors, or similar governing person or persons, of the entity conducts the majority of its meetings; and

(e) The state from which the management of the overall operations of the entity is directed;

(16) "Receivership court", the court in the insolvent or impaired insurer's state having jurisdiction over the conservation, rehabilitation, or liquidation of the insurer;

[(13)**]** **(17)** "Resident", any person who resides in this state **[**at the time a member insurer is determined to be an impaired or insolvent insurer**]** **on the date of entry of a court order that determines a member insurer to be an impaired insurer or a court order that determines a member insurer to be an insolvent insurer, whichever first occurs,** and to whom a contractual obligation is owed. A person may be a resident of only one state, which in the case of a person other than a natural person shall be its principal place of business**. Citizens of the United States that are either residents of foreign countries or residents of the United States possessions, territories, or protectorates that do not have an association similar to the association created under sections 376.715 to 376.758 shall be deemed residents of the state of domicile of the insurer that issued the policies or contracts;**

(18) "Structure settlement annuity", an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injury suffered by the plaintiff or other claimant;

(19) "State", a state, the District of Columbia, Puerto Rico, and a United States possession, territory, or protectorate;

[(14)**]** **(20)** "Supplemental contract", any **written** agreement entered into for the distribution of **proceeds under a life, health, or annuity** policy or contract **[**proceeds**]**;

[(15)**]** **(21)** "Unallocated annuity contract", any annuity contract or group annuity certificate which is not issued to and owned by an individual, except to the extent of any annuity **benefits** guaranteed to an individual by an insurer under such contract or certificate.

376.724. IMPAIRED INSURERS, ASSOCIATION'S OPTIONS, DUTIES — INSOLVENT INSURERS, ASSOCIATION'S OPTIONS, DUTIES — ALTERNATIVE POLICIES, REQUIREMENTS. — 1. If a member insurer is an impaired **[**domestic**]** insurer, the association may, in its discretion, and subject to any conditions imposed by the association that do not impair the contractual obligations of the impaired insurer, that are approved by the director**[**, and that are, except in cases of court ordered conservation or rehabilitation, also approved by the impaired insurer**]**:

(1) Guarantee, assume or reinsure, or cause to be guaranteed, assumed, or reinsured, any or all of the policies or contracts of the impaired insurer; **or**

(2) Provide such moneys, pledges, notes, **loans,** guarantees, or other means as are proper to effectuate subdivision (1) of this subsection and assure payment of the contractual obligations of the impaired insurer pending action under subdivision (1) of this subsection**[**; or

(3) Loan money to the impaired insurer**]**.

2. **[**If a member insurer is an impaired insurer, whether domestic, foreign or alien and the insurer is not paying claims in a timely fashion, then subject to the preconditions specified in subsection 3 of this section, the association shall, in its discretion, either:

(1) Take any of the actions specified in subsection 1 of this section, subject to the conditions therein; or

(2) Provide substitute benefits in lieu of the contractual obligations of the impaired insurer solely for: health claims; periodic annuity benefit payments; death benefits; supplemental benefits; and cash withdrawals for policy or contract owners who petition therefor under claims

of emergency or hardship in accordance with standards proposed by the association and approved by the director.

3. The association shall be subject to the requirements of subsection 2 of this section only if:

(1) The laws of the impaired insurer's state of domicile provide that until all payments of or on account of the impaired insurer's contractual obligations by all guaranty associations, along with all expenses thereof and interest on all such payments and expenses, shall have been repaid to the guaranty associations or a plan of repayment by the impaired insurer shall have been approved by the guaranty associations:

(a) The delinquency proceedings shall not be dismissed;

(b) Neither the impaired insurer nor its assets shall be returned to the control of its shareholders or private management; and

(c) It shall not be permitted to solicit or accept new business or have any suspended or revoked license restored; and

(2) (a) If the impaired insurer is a domestic insurer, it has been placed under an order of rehabilitation by a court of competent jurisdiction in this state; or

(b) If the impaired insurer is a foreign or alien insurer:

a. It has been prohibited from soliciting or accepting new business in this state;

b. Its certificate of authority has been suspended or revoked in this state; and

c. A petition for rehabilitation or liquidation has been filed in a court of competent jurisdiction in its state of domicile by the commissioner of that state.

4. (1)**]** If a member insurer is an insolvent insurer, the association shall, in its discretion, either:

(1) (a) **a.** Guarantee, assume or reinsure, or cause to be guaranteed, assumed or reinsured, the policies or contracts of the insolvent insurer; or

[(b)**]** **b.** Assure payment of the contractual obligations of the insolvent insurer; and

[(c)**]** **(b)** Provide such moneys, pledges, **loans, notes,** guarantees, or other means as are reasonably necessary to discharge such duties; or

(2) **[**With respect only to life and health policies,**]** Provide benefits and coverages in accordance with **[**subsection 5 of this section.

5. When proceeding under subsection 2 or 4 of this section, the association shall,**] the following provisions:**

(a) With respect to **[**only**]** life and health insurance policies**[**:

(1)**]** **and annuities,** assure payment of benefits for premiums identical to the premiums and benefits, except for terms of conversion and renewability, that would have been payable under the policies of the insolvent insurer, for claims incurred:

[(a)**]** **a.** With respect to group policies **and contracts**, not later than the earlier of the next renewal date under such policies or contracts or forty-five days, but in no event less than thirty days, after the date on which the association becomes obligated with respect to such policies **and contracts**;

[(b)**]** **b.** With respect to individual policies, **contracts, and annuities,** not later than the earlier of the next renewal date, if any, under such policies **or contracts** or one year, but in no event less than thirty days, from the date on which the association becomes obligated with respect to such policies **and contracts**;

[(2)**]** **(b)** Make diligent efforts to provide all known insureds **or annuitants for individual policies and contracts,** or group policyholders with respect to group policies **or contracts**, thirty days notice of the termination**, under paragraph (a) of this subdivision,** of the benefits provided; **[**and**]**

[(3)**]** **(c)** With respect to individual policies, make available to each known insured, **annuitant,** or owner if other than the insured **or annuitant**, and with respect to an individual formerly insured **or formerly an annuitant** under a group policy who is not eligible for replacement group coverage, make available substitute coverage on an individual basis in

accordance with the provisions of **[**subsection 6 of this section**]** **paragraph (d) of this subdivision**, if the insureds **or annuitants** had a right under law or the terminated policy to convert coverage to individual coverage or to continue an individual policy in force until a specified age or for a specified time, during which the insurer had no right unilaterally to make changes in any provision of the policy or had a right only to make changes in premium by class**[**.**]****;**

[6. (1)**]** **(d) a.** In providing the substitute coverage required under **[**subdivision (3) of subsection 5 of this section**]** **paragraph (c) of this subdivision**, the association may offer either to reissue the terminated coverage or to issue an alternative policy.

[(2)**]** **b.** Alternative or reissued policies shall be offered without requiring evidence of insurability, and shall not provide for any waiting period or exclusion that would not have applied under the terminated policy.

[(3)**]** **c.** The association may reinsure any alternative or reissued policy**[**.**]****;**

[7. (1)**]** **(e) a.** Alternative policies adopted by the association shall be subject to the approval of the director. The association may adopt alternative policies of various types for future issuance without regard to any particular impairment or insolvency.

[(2)**]** **b.** Alternative policies shall contain at least the minimum statutory provisions required in this state and provide benefits that shall not be unreasonable in relation to the premium charged. The association shall set the premium in accordance with a table of rates which it shall adopt. The premium shall reflect the amount of insurance to be provided and the age and class of risk of each insured, but shall not reflect any changes in the health of the insured after the original policy was last underwritten.

[(3)**]** **c.** Any alternative policy issued by the association shall provide coverage of a type similar to that of the policy issued by the impaired or insolvent insurer, as determined by the association**;**

(f) In carrying out its duties in connection with guaranteeing, assuming, or reinsuring policies or contracts under this subsection, the association may, subject to approval of the receivership court, issue substitute coverage for a policy or contract that provides an interest rate, crediting rate, or similar factor determined by use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value by issuing an alternative policy or contract in accordance with the following provisions:

a. In lieu of the index or other external reference provided for in the original policy or contract, the alternative policy or contract provides for a fixed interest rate, payment of dividends with minimum guarantees, or a different method for calculating interest or changes in value;

b. There is no requirement for evidence of insurability, waiting period, or other exclusion that would not have applied under the replaced policy or contract; and

c. The alternative policy or contract is substantially similar to the replaced policy or contract in all other terms.

376.725. TERMINATED COVERAGE, REISSUANCE OF, PREMIUM SET, HOW — OBLIGATION TO CEASE, DATE — INTEREST RATE, GUARANTEED MINIMUM. — 1. If the association elects to reissue terminated coverage at a premium rate different from that charged under the terminated policy, the premium shall be set by the association in accordance with the amount of insurance provided and the age and class of risk of the insured, subject to approval of the director or by a court of competent jurisdiction.

2. The association's obligations with respect to coverage under any policy of the impaired or insolvent insurer or under any reissued or alternative policy shall cease on the date the coverage or policy is replaced by another similar policy by the policy owner, the insured, or the association.

3. When proceeding under subdivision (2) of subsection 2 of section 376.724 with respect to a policy or contract carrying guaranteed minimum interest rates, the association shall assure the payment or crediting of a rate of interest consistent with subdivision (3) of subsection 3 of section 376.717.

376.732. DIRECTOR TO HAVE ASSOCIATION'S POWERS AND DUTIES, WHEN — ASSOCIATION MAY APPEAR IN COURT, WHEN. — 1. If the association fails to act within a reasonable period of time when authorized to do so, the director shall have the powers and duties of the association under sections 376.715 to 376.758 with respect to **[**impaired or**] the** insolvent insurers.

2. The association may render assistance and advice to the director, upon his request, concerning rehabilitation, payment of claims, continuance of coverage, or the performance of other contractual obligations of any impaired or insolvent insurer.

3. The association shall have standing to appear **or intervene** before any court **or agency** in this state with jurisdiction over an impaired or insolvent insurer concerning which the association is or may become obligated under sections 376.715 to 376.758**, or with jurisdiction over any person or property against which the association may have rights through subrogation or otherwise**. Such standing shall extend to all matters germane to the powers and duties of the association, including, but not limited to, proposals for reinsuring, modifying or guaranteeing the policies or contracts of the impaired or insolvent insurer and the determination of the policies or contracts and contractual obligations. The association shall have the right to appear or intervene before a court **or agency** in another state with jurisdiction over an impaired or insolvent insurer for which the association is or may become obligated or with jurisdiction over **[**a third party**] any person or property** against whom the association may have rights through subrogation **[**of the insurer's policyholders**] or otherwise**.

376.733. ASSIGNMENT OF RIGHTS TO ASSOCIATION BY PERSONS RECEIVING BENEFITS, WHEN — SUBROGATION RIGHTS. — 1. Any person receiving benefits under sections 376.715 to 376.758 shall be deemed to have assigned the rights under, and any causes of action **against any person for losses arising under, resulting from, or otherwise** relating to, the covered policy or contract to the association to the extent of the benefits received because of the provisions of sections 376.715 to 376.758, whether the benefits are payments of or on account of contractual obligations, continuation of coverage or provision of substitute or alternative coverages. The association may require an assignment to it of such rights and cause of action by any payee, policy or contract owner, beneficiary, insured or annuitant as a condition precedent to the receipt of any right or benefits conferred by sections 376.715 to 376.758 upon such person.

2. The subrogation rights of the association under this section have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under sections 376.715 to 376.758.

3. In addition to subsections 1 and 2 of this section, the association shall have all common law rights of subrogation and any other equitable or legal remedy which would have been available to the impaired or insolvent insurer or **[**holder**] owner, beneficiary, or payee** of a policy or contract with respect to such policy or contracts**, including, without limitation in the case of a structured settlement annuity, any rights of the owner, beneficiary, or payee of the annuity, to the extent of benefits received under sections 376.715 to 376.758, against a person, originally or by succession, responsible for the losses arising from the personal injury relating to the annuity or payment thereof, excepting any such person responsible solely by reason of serving as an assignee in respect of a qualified assignment under Section 130 of the Internal Revenue Code of 1986, as amended**.

376.734. ADDITIONAL POWERS OF ASSOCIATION. — 1. **In addition to any other rights and powers under sections 376.715 to 376.758,** the association may:

(1) Enter into such contracts as are necessary or proper to carry out the provisions and purposes of sections 376.715 to 376.758;

(2) Sue or be sued, including taking any legal actions necessary or proper for recovery of any unpaid assessments under subsections 1 and 2 of section 376.735 **and to settle claims or potential claims against it**;

(3) Borrow money to effect the purposes of sections 376.715 to 376.758. Any notes or other evidence of indebtedness of the association not in default shall be legal investments for domestic insurers and may be carried as admitted assets;

(4) Employ or retain such persons as are necessary to handle the financial transactions of the association, and to perform such other functions as become necessary or proper under sections 376.715 to 376.758;

(5) Take such legal action as may be necessary to avoid **or recover** payment of improper claims;

(6) Exercise, for the purposes of sections 376.715 to 376.758 and to the extent approved by the director, the powers of a domestic life or health insurer, but in no case may the association issue insurance policies or annuity contracts other than those issued to perform its obligations under sections 376.715 to 376.758**;**

(7) Request information from a person seeking coverage from the association in order to aid the association in determining its obligations under sections 376.715 to 376.758 with respect to the person, and the person shall promptly comply with the request;

(8) Take other necessary or appropriate action to discharge its duties and obligations or to exercise its powers under sections 376.715 to 376.758; and

(9) With respect to covered policies for which the association becomes obligated after an entry of an order of liquidation or rehabilitation, elect to succeed to the rights of the insolvent insurer arising after the order of liquidation or rehabilitation under any contract of reinsurance to which the insolvent insurer was a party, to the extent that such contract provides coverage for losses occurring after the date of the order of liquidation or rehabilitation. As a condition to making this election, the association shall pay all unpaid premiums due under the contract for coverage relating to periods before and after the date of the order of liquidation or rehabilitation.

2. The board of directors of the association may exercise reasonable business judgment to determine the means by which the association is to provide the benefits of sections 376.715 to 376.758 in an economical and efficient manner.

3. Where the association has arranged for or offered to provide the benefits of sections 376.715 to 376.758 to a covered person under a plan or arrangement that fulfills the association's obligations under sections 376.715 to 376.758, the person shall not be entitled to benefits from the association in addition to or other than those provided under the plan or arrangement.

[2.**] 4.** The association may join an organization of one or more other state associations of similar purposes, to further the purposes and administer the powers and duties of the association.

[3. Whenever it is necessary for the association to retain the services of legal counsel, the association shall retain persons licensed to practice law in this state, and whose principal place of business is in this state or who are employed by or are partners of a professional corporation, corporation, copartnership or association having its principal place of business in this state; provided however, that if, after a good faith search, such persons cannot be found, the association may retain the legal services of such other persons as it chooses.**]**

376.735. ASSESSMENTS AGAINST MEMBERS, WHEN DUE, CLASSES — AMOUNTS, HOW DETERMINED. — 1. For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers, separately for each account, at such time and for such amounts as the board finds necessary. Assessments

shall be due not less than thirty days after prior written notice to the member insurers and shall accrue interest at ten percent per annum on and after the due date.

2. There shall be two assessments, as follows:

(1) Class A assessments **[**shall**]** **may** be made for the purpose of meeting administrative and legal costs and other expenses **[**and examinations conducted under the authority of subsections 4 and 5 of section 376.742**]**. Class A assessments may be made whether or not related to a particular impaired or insolvent insurer;

(2) Class B assessments **[**shall**]** **may** be made to the extent necessary to carry out the powers and duties of the association under **[**section 376.724**]** **sections 376.715 to 376.758** with regard to an impaired or an insolvent insurer.

3. The amount of any class A assessment shall be determined by the board and may be made on a pro rata or nonpro rata basis. If pro rata, the board may provide that it be credited against future class B assessments. A nonpro rata assessment shall not exceed one hundred fifty dollars per member insurer in any one calendar year. The amount of any class B assessment shall be allocated for assessment purposes among the accounts pursuant to an allocation formula which may be based on the premiums or reserves of the impaired or insolvent insurer or any other standard deemed by the board in its sole discretion as being fair and reasonable under the circumstances.

4. Class B assessments against member insurers for each account shall be in the proportion that the premiums received on business in this state by each assessed member insurer **[**or**]** **on** policies or contracts covered by each account for the three most recent calendar years for which information is available preceding the year in which the insurer became impaired or insolvent, as the case may be, bears to such premiums received on business in this state for such calendar years by all assessed member insurers.

5. Assessments for funds to meet the requirements of the association with respect to an impaired or insolvent insurer shall not be made until necessary to implement the purposes of sections 376.715 to 376.758. Classification of assessments under **[**subsections 1 and**]** **subdivisions (1) and (2) of subsection** 2 of this section and computation of assessments under this **[**subsection**]** **section** shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible. In no case shall a member insurer be liable under class A or class B for assessments in any account enumerated in section 376.720, for which such insurer is not licensed by the department of insurance, financial institutions and professional registration to transact business.

376.737. DEFERMENT OF ASSESSMENT, HOW, WHEN — MAXIMUM ASSESSMENT — REFUND OF, WHEN — MEMBERS MAY INCREASE PREMIUMS TO COVER ASSESSMENTS. — 1. The association may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. In the event an assessment against a member insurer is abated, or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section. **Once the conditions that caused a deferral have been removed or rectified, the member insurer shall pay all assessments that were deferred under a repayment plan approved by the association.**

2. **(1) Subject to the provisions of subdivision (2) of this subsection,** the total of all assessments upon a member insurer for each account shall not in any one calendar year exceed two percent of such insurer's average **annual** premiums received in this state on the policies and contracts covered by the account during the three calendar years preceding the year in which the insurer became an impaired or insolvent insurer. If the maximum assessment, together with the other assets of the association in any account, does not provide in any one year in **[**either**]** **the** account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed as soon thereafter as permitted by sections 376.715 to 376.758.

(2) If two or more assessments are made in one calendar year with respect to insurers that become impaired or insolvent in different calendar years, the average annual premiums for purposes of the aggregate assessment percentage limitation referenced in subdivision (1) of this subsection shall be equal and limited to the higher of the three-year average annual premiums for the applicable account as calculated under this section.

3. The board may provide in the plan of operation a method of allocating funds among claims, whether relating to one or more impaired or insolvent insurers, when the maximum assessment will be insufficient to cover anticipated claims.

4. The board may, by an equitable method as established in the plan of operation, refund to member insurers, in proportion to the contribution of each insurer to that account, the amount by which the assets of the account exceed the amount the board finds is necessary to carry out during the coming year the obligations of the association with regard to that account, including assets accruing from assignment, subrogation net realized gains and income from investments. A reasonable amount may be retained in any account to provide funds for the continuing expenses of the association and for future losses.

5. It shall be proper for any member insurer, in determining its premium rates and policy owner dividends as to any kind of insurance within the scope of sections 376.715 to 376.758, to consider the amount reasonably necessary to meet its assessment obligations under the provisions of sections 376.715 to 376.758.

376.738. CERTIFICATE OF CONTRIBUTION, WHEN ISSUED. — The association shall issue to each insurer paying an assessment under the provisions of sections 376.715 to 376.758, other than class A assessment, a certificate of contribution, in a form prescribed by the director, for the amount of the assessment so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue. A certificate of contribution **[**issued before September 1, 1991,**]** may be shown by the insurer in its financial statement as an asset in such form and for such amount, if any, and period of time as the director may approve**[**, provided that a certificate issued before September 1, 1991, shall not be shown as an admitted asset for a longer period of time or greater amount than that described in subdivisions (1) to (4) of subsection 2 of section 375.774, RSMo**]**.

376.740. PLAN OF OPERATION, REQUIRED, APPROVAL OF DIRECTOR — PROVISIONS OF PLAN. — 1. The association shall submit a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable, and equitable administration of the association to the director. The plan of operation and any amendments thereto shall become effective upon the director's written approval or unless he has not disapproved it within thirty days.

2. If the association fails to submit a suitable plan of operation within one hundred twenty days following the effective date, August 13, 1988, of sections 376.715 to 376.758 or if at any time thereafter the association fails to submit suitable amendments to the plan, the director shall, after notice and hearing, adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of sections 376.715 to 376.758. Such rules shall continue in force until modified by the director or superseded by a plan submitted by the association and approved by him.

3. All member insurers shall comply with the plan of operation.

4. The plan of operation shall, in addition to requirements enumerated in sections 376.715 to 376.758:

(1) Establish procedures for handling the assets of the association;

(2) Establish the amount and method of reimbursing members of the board of directors;

(3) Establish regular places and times for meetings including telephone conference calls of the board of directors;

(4) Establish procedures for records to be kept of all financial transactions of the association, its agents, and the board of directors;

(5) Establish the procedures whereby selections for the board of directors will be made and submitted to the director;

(6) Establish any additional procedures for assessments which may be necessary;

(7) Contain additional provisions necessary or proper for the execution of the powers and duties of the association**;**

(8) Establish procedures whereby a director may be removed for cause, including in the case where a member insurer director becomes an impaired or insolvent insurer;

(9) Establish procedures for the initial handling of any appeals against the actions of the board, subject to the rights of appeal in subsection 3 of section 376.742.

5. The plan of operation may provide that any or all powers and duties of the association except those pursuant to provisions of **[**subsection 3 of section 376.733 and subsections 1 and 2 of**] subdivision (3) of subsection 1 of section 376.734 and** section 376.735 are delegated to a corporation, association, or other organization which performs or will perform functions similar to those of this association, or its equivalent, in two or more states. Such a corporation, association, or organization shall be reimbursed for any payments made on behalf of the association and shall be paid for its performance of any function of the association. A delegation under this subsection shall take effect only with the approval of both the board of directors and the director, and may be made only to a corporation, association, or organization which extends protection not substantially less favorable and effective than that provided by sections 376.715 to 376.758.

376.743. BOARD OF DIRECTORS, POWERS. — 1. The board of directors may, upon majority vote, make reports and recommendations to the director upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer or germane to the solvency of any company seeking to do an insurance business in this state. Such reports and recommendations shall not be considered public documents.

2. The board of directors shall, upon majority vote, notify the director of any information indicating any member insurer may be an impaired or insolvent insurer.

[3. The board of directors may, upon majority vote, request that the director order an examination of any member insurer which the board in good faith believes may be an impaired or insolvent insurer. Within thirty days of the receipt of such request, he shall begin such examination. The examination may be conducted as a National Association of Insurance Commissioners examination or may be conducted by such persons as the director designates. The cost of such examination shall be paid by the association and the examination report shall be treated as are other examination reports. In no event shall such examination report be released to the board of directors prior to its release to the public, but this shall not preclude the director from complying with subsections 1 to 4 of section 376.742. The director shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the director but it shall not be open to public inspection prior to the release of the examination report to the public.

4.**]** The board of directors may, upon majority vote, make recommendations to the director for the detection and prevention of insurer insolvencies.

[5. The board of directors shall, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, prepare a report to the director containing such information as it may have in its possession bearing on the history and causes of such insolvency. The board shall cooperate with the boards of directors of guaranty associations in other states in preparing a report on the history and causes of insolvency of a particular insurer, and may adopt by reference any report prepared by such other associations.**]**

376.758. LAW INAPPLICABLE TO INSOLVENT INSURERS ON EFFECTIVE DATE OF LAW. — 1. Sections 376.715 to 376.758 shall not apply to any insurer which is insolvent or unable to fulfill its contractual obligations on August 13, 1988.

2. Sections 376.715 to 376.758 shall be liberally construed to effect the purpose under subsection 2 of section 376.715 which shall constitute an aid and guide to interpretation.

3. The amendments to sections 376.715 to 376.758 which become effective on August 28, 2010, shall not apply to any member insurer that is an impaired or insolvent insurer prior to August 28, 2010.

376.816. ADOPTED CHILDREN TO BE PROVIDED HEALTH CARE COVERAGE ON THE SAME BASIS AS OTHER DEPENDENTS — EFFECTIVE FROM DATE OF BIRTH OR ON PLACEMENT — PLACEMENT DEFINED. — 1. No **[**individual or group insurance policy providing coverage on an expense-incurred basis, no individual or group service or indemnity contract issued by a not-for-profit health services corporation, no health maintenance organization nor any self-insured group health benefit plan of any type or description shall be offered, issued or renewed in this state on or after July 10, 1991, unless the policy, plan or contract**] health carrier or health benefit plan that offers or issues health benefit plans, other than Medicaid health benefit plans, shall deliver, issue for delivery, continue, or renew a health benefit plan to a Missouri resident on or after January 1, 2011, unless the health benefit plan** covers adopted children of the insured, subscriber or enrollee on the same basis as other dependents.

2. The coverage required by subsection 1 of this section is effective:

(1) From the date of birth if a petition for adoption is filed within thirty days of the birth of such child; or

(2) From the date of placement for the purpose of adoption if a petition for adoption is filed within thirty days of placement of such child. Such coverage shall continue unless the placement is disrupted prior to legal adoption and the child is removed from placement. Coverage shall include the necessary care and treatment of medical conditions existing prior to the date of placement.

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

(1) "Health benefit plan", the same meaning as such term is defined in section 376.1350;

(2) "Health carrier", the same meaning as such term is defined in section 376.1350;

(3) "Placement" **[**means**],** in the physical custody of the adoptive parent.

376.882. CANCELLATION OF POLICY, REFUND REQUIRED — NOTIFICATION. — 1. If a Medicare supplement policy issued, delivered, or renewed in this state on or after January 1, 2011, is cancelled for any reason, the insurer shall refund the unearned portion of any premium paid beyond the month in which the cancellation is effective. Any refund shall be returned to the policyholder within twenty days from the date the insurer receives notice of the cancellation.

2. The policyholder may notify the insurer of cancellation of such Medicare supplement policy by sending written, or electronic notification.

376.1109. POLICIES, CONTENT REQUIREMENTS, PROVISIONS PROHIBITED — RULES AUTHORIZED — CANCELLATION, REFUND REQUIRED. — 1. The director may adopt regulations that include standards for full and fair disclosure setting forth the manner, content and required disclosures for the sale of long-term care insurance policies, terms of renewability, initial and subsequent conditions of eligibility, nonduplication of coverage provisions, coverage of dependents, preexisting conditions, termination of insurance, continuation or conversion, probationary periods, limitations, exceptions, reductions, elimination periods, requirements for replacement, recurrent conditions and definitions of terms. Regulations adopted pursuant to sections 376.1100 to 376.1130 shall be in accordance with the provisions of chapter 536, RSMo.

2. No long-term care insurance policy may:

(1) Be canceled, nonrenewed or otherwise terminated on the grounds of the age or the deterioration of the mental or physical health of the insured individual or certificate holder; or

(2) Contain a provision establishing a new waiting period in the event existing coverage is converted to or replaced by a new or other form within the same company, except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

(3) Provide coverage for skilled nursing care only or provide significantly more coverage for skilled care in a facility than for lower levels of care.

3. No long-term care insurance policy or certificate other than a policy or certificate thereunder issued to a group as defined in paragraph (a) of subdivision (4) of subsection 2 of section 376.1100:

(1) Shall use a definition of preexisting condition which is more restrictive than the following: "Preexisting condition" means a condition for which medical advice or treatment was recommended by, or received from, a provider of health care services, within six months preceding the effective date of coverage of an insured person;

(2) May exclude coverage for a loss or confinement which is the result of a preexisting condition unless such loss or confinement begins within six months following the effective date of coverage of an insured person.

4. The director may extend the limitation periods set forth in subdivisions (1) and (2) of subsection 3 of this section as to specific age group categories in specific policy forms upon findings that the extension is in the best interest of the public.

5. The definition of preexisting condition provided in subsection 3 of this section does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant, and, on the basis of the answers on that application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, a preexisting condition, regardless of whether it is disclosed on the application, need not be covered until the waiting period described in subdivision (2) of subsection 3 of this section expires. No long-term care insurance policy or certificate may exclude or use waivers or riders of any kind to exclude, limit or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions beyond the waiting period described in subdivision (2) of subsection 3 of this section.

6. No long-term care insurance policy may be delivered or issued for delivery in this state if such policy:

(1) Conditions eligibility for any benefits on a prior hospitalization requirement; or

(2) Conditions eligibility for benefits provided in an institutional care setting on the receipt of a higher level of institutional care; or

(3) Conditions eligibility for any benefits other than waiver of premium, post-confinement, post-acute care or recuperative benefits on a prior institutionalization requirement.

7. A long-term care insurance policy containing post-confinement, post-acute care or recuperative benefits shall clearly label in a separate paragraph of the policy or certificate entitled "Limitations or Conditions on Eligibility for Benefits" such limitations or conditions, including any required number of days of confinement.

8. A long-term care insurance policy or rider which conditions eligibility of noninstitutional benefits on the prior receipt of institutional care shall not require a prior institutional stay of more than thirty days.

9. No long-term care insurance policy or rider which provides benefits only following institutionalization shall condition such benefits upon admission to a facility for the same or related conditions within a period of less than thirty days after discharge from the institution.

10. The director may adopt regulations establishing loss ratio standards for long-term care insurance policies provided that a specific reference to long-term care insurance policies is contained in the regulation.

11. Long-term care insurance applicants shall have the right to return the policy or certificate within thirty days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the applicant is not satisfied for any reason. Long-term care insurance policies and certificates shall have a notice prominently printed on the first page

or attached thereto stating in substance that the applicant shall have the right to return the policy or certificate within thirty days of its delivery and to have the premium refunded if, after examination of the policy or certificate, other than a certificate issued pursuant to a policy issued to a group defined in paragraph (a) of subdivision (4) of subsection 2 of section 376.1100, the applicant is not satisfied for any reason. This subsection shall also apply to denials of applications and any refund must be made within thirty days of the return or denial.

12. (1) If a long-term care insurance policy issued, delivered, or renewed in this state on or after January 1, 2011, is cancelled for any reason, the insurer shall refund the unearned portion of any premium paid beyond the month in which the cancellation is effective. Any refund shall be returned to the policyholder within twenty days from the date the insurer receives notice of the cancellation. Long-term care insurance policies and certificates shall have a notice prominently printed on the first page or attached thereto stating in substance that the applicant shall be entitled to a refund of the unearned premium if the policy is cancelled for any reason.

(2) The policyholder may notify the insurer of cancellation of such long-term care insurance policy at anytime by sending written, or electronic notification.

376.1450. ENROLLEE'S RIGHT TO RECEIVE DOCUMENTS AND MATERIALS IN PRINTED OR ELECTRONIC FORM, WHEN. — An enrollee, as defined in section 376.1350, may **[**waive his or her right to**]** receive documents and materials from a managed care entity in printed **or electronic** form so long as such documents and materials are readily accessible **[**electronically through the entity's Internet site. An enrollee may revoke such waiver at any time by notifying the managed care entity by phone or in writing or annually. Any enrollee who does not execute such a waiver and prospective enrollees shall have documents and materials from the managed care entity provided**]** in printed form **upon request. A request by the enrollee may include written, oral, or electronic means. Such requested printed form shall be provided to the enrollee within fifteen business days**. For purposes of this section, "managed care entity" includes, but is not limited to, a health maintenance organization, preferred provider organization, point of service organization and any other managed health care delivery entity of any type or description.

SECTION 1. STATE CHILDREN'S HEALTH INSURANCE INFORMATION TO BE PROVIDED BY CHILD CARE PROVIDERS AND PUBLIC SCHOOLS — RULEMAKING AUTHORITY — REPORT. — 1. For each school year beginning July 1, 2010, the department of social services shall provide all state licensed child-care providers who receive state or federal funds under section 210.027 and all public school districts in this state with written information regarding eligibility criteria and application procedures for the state children's health insurance program (SCHIP) authorized in sections 208.631 to 208.657, to be distributed by the child-care providers or school districts to parents and guardians at the time of enrollment of their children in child-care or school, as applicable.

2. The department of elementary and secondary education shall add an attachment to the application for the free and reduced lunch program for a parent or guardian to check a box indicating yes or no whether each child in the family has health care insurance. If any such child does not have health care insurance, and the parent or guardian's household income does not exceed the highest income level under 42 U.S.C. Section 1397CC, as amended, the school district shall provide a notice to such parent or guardian that the uninsured child may qualify for health insurance under SCHIP.

3. The notice described in subsection 2 shall be developed by the department of social services and shall include information on enrolling the child in the program. No notices relating to the state children's health insurance program shall be provided to a parent or guardian under this section other than the notices developed by the department of social services under this section.

4. Notwithstanding any other provision of law to the contrary, no penalty shall be assessed upon any parent or guardian who fails to provide or provides any inaccurate information required under this section.

5. The department of elementary and secondary education and the department of social services may adopt 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 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, 2010, shall be invalid and void.

6. The department of elementary and secondary education, in collaboration with the department of social services, shall report annually to the governor and the house budget committee chair and the senate appropriations committee chair on the following:

(1) The number of families in each district receiving free lunch and reduced lunches;

(2) The number of families who indicate the absence of health care insurance on the application for free and reduced lunches;

(3) The number of families who received information on the state children's health insurance program under this section; and

(4) The number of families who received the information in subdivision (3) of this subsection and applied to the state children's health insurance program.

SECTION B. EMERGENCY CLAUSE. — Because immediate action is necessary to protect the citizens of this state, the repeal and reenactment of section 452.430 and the enactment of section 1 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal and reenactment of section 452.430 and the enactment of section 1 of section A of this act shall be in full force and effect upon its passage and approval.

Approved July 13, 2010

SB 586 [HCS SS SCS SBs 586 & 617]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Regulates sexually oriented businesses

AN ACT to amend chapter 573, RSMo, by adding thereto six new sections relating to sexually oriented businesses, with penalty provisions and a severability clause.

SECTION

A. Enacting clause.
573.525. Purpose — findings.
573.528. Definitions.
573.531. Establishment of business, prohibited where — nudity in establishment prohibited — display of sexual activities, requirements — state requirements — hours of operation — minors and alcohol prohibited.
573.534. Strict liability not imposed — mental state required for violation — act by employee not imputed to the business, when.
573.537. Violations, penalty — public nuisance for repeated violations — state remedies permitted.

573.540. No state preemption on regulation — consistency with state law required for local law.
B. Severability clause.

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

SECTION A. ENACTING CLAUSE. — Chapter 573, RSMo, is amended by adding thereto six new sections, to be known as sections 573.525, 573.528, 573.531, 573.534, 573.537, and 573.540, to read as follows:

573.525. PURPOSE — FINDINGS. — 1. It is the purpose of sections 573.525 to 573.537 to regulate sexually oriented businesses in order to promote the health, safety, and general welfare of the citizens of this state, and to establish reasonable and uniform regulations to prevent the deleterious secondary effects of sexually oriented businesses within the state. The provisions of sections 573.525 to 573.537 have neither the purpose nor effect of imposing a limitation or restriction on the content or reasonable access to any communicative materials, including sexually oriented materials. Similarly, it is neither the intent nor effect of sections 573.525 to 573.537 to restrict or deny access by adults to sexually oriented materials protected by the first amendment, or to deny access by the distributors and exhibitors of sexually oriented entertainment to their intended market. Neither is it the intent nor effect of sections 573.525 to 573.537 to condone or legitimize the distribution of obscene material.

2. The general assembly finds that:

(1) Sexually oriented businesses, as a category of commercial enterprises, are associated with a wide variety of adverse secondary effects, including but not limited to personal and property crimes, prostitution, potential spread of disease, lewdness, public indecency, obscenity, illicit drug use and drug trafficking, negative impacts on surrounding properties, urban blight, litter, and sexual assault and exploitation;

(2) Sexually oriented businesses should be separated from sensitive land uses to minimize the impact of their secondary effects upon such uses, and should be separated from other sexually oriented businesses, to minimize the secondary effects associated with such uses and to prevent an unnecessary concentration of sexually oriented businesses in one area;

(3) Each of the foregoing negative secondary effects constitutes a harm which the state has a substantial interest in preventing or abating, or both. Such substantial government interest in preventing secondary effects, which is the state's rationale for sections 573.525 to 573.537, exists independent of any comparative analysis between sexually oriented and nonsexually oriented businesses. Additionally, the state's interest in regulating sexually oriented businesses extends to preventing future secondary effects of current or future sexually oriented businesses that may locate in the state.

573.528. DEFINITIONS. — For purposes of sections 573.525 to 573.537, the following terms shall mean:

(1) "Adult bookstore" or "adult video store", a commercial establishment which, as one of its principal business activities, offers for sale or rental for any form of consideration any one or more of the following: books, magazines, periodicals, or other printed matter, or photographs, films, motion pictures, video cassettes, compact discs, digital video discs, slides, or other visual representations which are characterized by their emphasis upon the display of specified sexual activities or specified anatomical areas. A "principal business activity" exists where the commercial establishment:

(a) Has a substantial portion of its displayed merchandise which consists of such items; or

(b) Has a substantial portion of the wholesale value of its displayed merchandise which consists of such items; or

(c) Has a substantial portion of the retail value of its displayed merchandise which consists of such items; or

(d) Derives a substantial portion of its revenues from the sale or rental, for any form of consideration, of such items; or

(e) Maintains a substantial section of its interior business space for the sale or rental of such items; or

(f) Maintains an adult arcade. "Adult arcade" means any place to which the public is permitted or invited wherein coin-operated or slug-operated or electronically, electrically, or mechanically controlled still or motion picture machines, projectors, or other image-producing devices are regularly maintained to show images to five or fewer persons per machine at any one time, and where the images so displayed are characterized by their emphasis upon matter exhibiting specified sexual activities or specified anatomical areas;

(2) "Adult cabaret", a nightclub, bar, juice bar, restaurant, bottle club, or other commercial establishment, regardless of whether alcoholic beverages are served, which regularly features persons who appear semi-nude;

(3) "Adult motion picture theater", a commercial establishment where films, motion pictures, video cassettes, slides, or similar photographic reproductions, which are characterized by their emphasis upon the display of specified sexual activities or specified anatomical areas are regularly shown to more than five persons for any form of consideration;

(4) "Characterized by", describing the essential character or dominant theme of an item;

(5) "Employ", "employee", or "employment", describe and pertain to any person who performs any service on the premises of a sexually oriented business, on a full-time, part-time, or contract basis, whether or not the person is denominated an employee, independent contractor, agent, or otherwise. Employee does not include a person exclusively on the premises for repair or maintenance of the premises or for the delivery of goods to the premises;

(6) "Establish" or "establishment", any of the following:

(a) The opening or commencement of any sexually oriented business as a new business;

(b) The conversion of an existing business, whether or not a sexually oriented business, to any sexually oriented business; or

(c) The addition of any sexually oriented business to any other existing sexually oriented business;

(7) "Influential interest", any of the following:

(a) The actual power to operate the sexually oriented business or control the operation, management, or policies of the sexually oriented business or legal entity which operates the sexually oriented business;

(b) Ownership of a financial interest of thirty percent or more of a business or of any class of voting securities of a business; or

(c) Holding an office, such as president, vice president, secretary, treasurer, managing member, or managing director, in a legal entity which operates the sexually oriented business;

(8) "Nudity" or "state of nudity", the showing of the human male or female genitals, pubic area, vulva, anus, anal cleft, or cleavage with less than a fully opaque covering, or the showing of the female breast with less than a fully opaque covering of any part of the nipple or areola;

(9) "Operator", any person on the premises of a sexually oriented business who causes the business to function or who puts or keeps in operation the business or who is authorized to manage the business or exercise overall operational control of the business

premises. A person may be found to be operating or causing to be operated a sexually oriented business whether or not such person is an owner, part owner, or licensee of the business;

(10) "Premises", the real property upon which the sexually oriented business is located, and all appurtenances thereto and buildings thereon, including but not limited to the sexually oriented business, the grounds, private walkways, and parking lots or parking garages or both;

(11) "Regularly", the consistent and repeated doing of the act so described;

(12) "Semi-nude" or "state of semi-nudity", the showing of the female breast below a horizontal line across the top of the areola and extending across the width of the breast at such point, or the showing of the male or female buttocks. Such definition includes the lower portion of the human female breast, but shall not include any portion of the cleavage of the female breasts exhibited by a bikini, dress, blouse, shirt, leotard, or similar wearing apparel provided the areola is not exposed in whole or in part;

(13) "Semi-nude model studio", a place where persons regularly appear in a state of semi-nudity for money or any form of consideration in order to be observed, sketched, drawn, painted, sculptured, photographed, or similarly depicted by other persons. Such definition shall not apply to any place where persons appearing in a state of semi-nudity do so in a modeling class operated:

(a) By a college, junior college, or university supported entirely or partly by taxation;

(b) By a private college or university which maintains and operates educational programs in which credits are transferable to a college, junior college, or university supported entirely or partly by taxation; or

(c) In a structure:

a. Which has no sign visible from the exterior of the structure and no other advertising that indicates a semi-nude person is available for viewing; and

b. Where, in order to participate in a class, a student must enroll at least three days in advance of the class;

(14) "Sexual encounter center", a business or commercial enterprise that, as one of its principal purposes, purports to offer for any form of consideration, physical contact in the form of wrestling or tumbling between two or more persons when one or more of the persons is semi-nude;

(15) "Sexually oriented business", an adult bookstore or adult video store, an adult cabaret, an adult motion picture theater, a semi-nude model studio, or a sexual encounter center;

(16) "Specified anatomical areas":

(a) Less than completely and opaquely covered: human genitals, pubic region, buttock, and female breast below a point immediately above the top of the areola; and

(b) Human male genitals in a discernibly turgid state, even if completely and opaquely covered;

(17) "Specified criminal act", any of the following specified offenses for which less than eight years has elapsed since the date of conviction or the date of release from confinement for the conviction, whichever is later:

(a) Rape and sexual assault offenses;

(b) Sexual offenses involving minors;

(c) Offenses involving prostitution;

(d) Obscenity offenses;

(e) Offenses involving money laundering;

(f) Offenses involving tax evasion;

(g) Any attempt, solicitation, or conspiracy to commit one of the offenses listed in paragraphs (a) to (f) of this subdivision; or

(h) Any offense committed in another jurisdiction which if committed in this state would have constituted an offense listed in paragraphs (a) to (g) of this subdivision;

(18) "Specified sexual activity", any of the following:

(a) Intercourse, oral copulation, masturbation, or sodomy; or

(b) Excretory functions as a part of or in connection with any of the activities described in paragraph (a) of this subdivision;

(19) "Substantial", at least thirty percent of the item or items so modified;

(20) "Viewing room", the room, booth, or area where a patron of a sexually oriented business would ordinarily be positioned while watching a film, video cassette, digital video disc, or other video reproduction.

573.531. ESTABLISHMENT OF BUSINESS, PROHIBITED WHERE — NUDITY IN ESTABLISHMENT PROHIBITED — DISPLAY OF SEXUAL ACTIVITIES, REQUIREMENTS — STATE REQUIREMENTS — HOURS OF OPERATION — MINORS AND ALCOHOL PROHIBITED. — 1. No person shall establish a sexually oriented business within one thousand feet of any preexisting primary or secondary school, house of worship, state-licensed day care facility, public library, public park, residence, or other sexually oriented business. This subsection shall not apply to any sexually oriented business lawfully established prior to the effective date of sections 573.525 to 573.537. For purposes of this subsection, measurements shall be made in a straight line, without regard to intervening structures or objects, from the closest portion of the parcel containing the sexually oriented business to the closest portion of the parcel containing the preexisting primary or secondary school, house of worship, state-licensed day care facility, public library, public park, residence, or other sexually oriented business.

2. No person shall establish a sexually oriented business if a person with an influential interest in the sexually oriented business has been convicted of or pled guilty or nolo contendere to a specified criminal act.

3. No person shall knowingly or intentionally, in a sexually oriented business, appear in a state of nudity.

4. No employee shall knowingly or intentionally, in a sexually oriented business, appear in a semi-nude condition unless the employee, while semi-nude, shall be and remain on a fixed stage at least six feet from all patrons and at least eighteen inches from the floor in a room of at least six hundred square feet.

5. No employee, who appears in a semi-nude condition in a sexually oriented business, shall knowingly or intentionally touch a patron or the clothing of a patron in a sexually oriented business.

6. A sexually oriented business, which exhibits on the premises, through any mechanical or electronic image-producing device, a film, video cassette, digital video disc, or other video reproduction, characterized by an emphasis on the display of specified sexual activities or specified anatomical areas shall comply with the following requirements:

(1) The interior of the premises shall be configured in such a manner that there is an unobstructed view from an operator's station of every area of the premises, including the interior of each viewing room but excluding restrooms, to which any patron is permitted access for any purpose;

(2) An operator's station shall not exceed thirty-two square feet of floor area;

(3) If the premises has two or more operator's stations designated, the interior of the premises shall be configured in such a manner that there is an unobstructed view of each area of the premises to which any patron is permitted access for any purpose from at least one of the operator's stations;

(4) The view required under this subsection shall be by direct line of sight from the operator's station;

(5) It is the duty of the operator to ensure that at least one employee is on duty and situated in an operator's station at all times that any patron is on the portion of the premises monitored by such operator station; and

(6) It shall be the duty of the operator and of any employees present on the premises to ensure that the view area specified in this subsection remains unobstructed by any doors, curtains, walls, merchandise, display racks, or other materials or enclosures at all times that any patron is present on the premises.

7. Sexually oriented businesses that do not have stages or interior configurations which meet at least the minimum requirements of sections 573.525 to 573.537 shall be given one hundred eighty days after the effective date of sections 573.525 to 573.537 to comply with the stage and building requirements of sections 573.525 to 573.537. During such one-hundred-eighty-day period, any employee who appears within view of any patron in a semi-nude condition shall remain, while semi-nude, at least six feet from all patrons.

8. No operator shall allow or permit a sexually oriented business to be or remain open between the hours of 12:00 midnight and 6:00 a.m. on any day.

9. No person shall knowingly or intentionally sell, use, or consume alcoholic beverages on the premises of a sexually oriented business.

10. No person shall knowingly allow a person under the age of eighteen years on the premises of a sexually oriented business.

573.534. STRICT LIABILITY NOT IMPOSED — MENTAL STATE REQUIRED FOR VIOLATION — ACT BY EMPLOYEE NOT IMPUTED TO THE BUSINESS, WHEN. — Sections 573.525 to 573.537 do not impose strict liability. Unless a culpable mental state is otherwise specified herein, a showing of a knowing or reckless mental state is necessary to establish a violation of sections 573.525 to 573.537. Notwithstanding any other provision of law to the contrary, for purposes of sections 573.525 to 573.537, an act by an employee shall be imputed to the sexually oriented business for purposes of finding a violation of sections 573.525 to 573.537 only if an officer, director, or general partner, or a person who managed, supervised, or controlled the operation of the business premises knowingly or recklessly allowed such act to occur on the premises. It shall be a defense to liability that the person to whom liability is imputed was powerless to prevent the act.

573.537. VIOLATIONS, PENALTY — PUBLIC NUISANCE FOR REPEATED VIOLATIONS — STATE REMEDIES PERMITTED. — 1. Any person, business, or entity violating or refusing to comply with any provision of sections 573.525 to 573.537 shall, upon conviction, be deemed guilty of a misdemeanor and shall be punished by imposition of a fine not to exceed five hundred dollars or by imprisonment for a period not to exceed ninety days, or both. Each day that a violation is permitted to exist or occur, and each separate occurrence shall constitute a separate offense.

2. Any premises, building, dwelling, or other structure in which a sexually oriented business is repeatedly operated or maintained in violation of sections 573.525 to 573.537 shall constitute a public nuisance and shall be subject to civil abatement proceedings initiated by the state in a court of competent jurisdiction. Each day that a violation is permitted to exist or occur shall constitute a separate operation or maintenance of the violation.

3. Notwithstanding the provisions of this section, the state may employ any remedy available at law or in equity to prevent or remedy a violation of any provision of sections 573.525 to 573.537.

573.540. NO STATE PREEMPTION ON REGULATION — CONSISTENCY WITH STATE LAW REQUIRED FOR LOCAL LAW. — 1. Nothing in sections 573.525 to 573.537 shall be construed

as preempting or preventing any political subdivision of this state from maintaining, enacting, or enforcing any local ordinance, rule, regulation, resolution, or similar law concerning the regulation of sexually oriented businesses or similar adult oriented businesses which is stricter than but not inconsistent with the provisions of sections 573.525 to 573.537.

2. Political subdivisions of this state are specifically authorized to maintain, enact, and enforce local ordinances, rules, regulations, resolutions, or other similar laws concerning the regulation of sexually oriented businesses or similar adult oriented businesses which are the same as or stricter than but not inconsistent with the provisions of sections 573.525 to 573.537.

SECTION B. SEVERABILITY CLAUSE. — If any provision of sections 573.525 to 573.540 of section A of this act or the application thereof to anyone or to any circumstances is held invalid, the remainder of those sections and the application of such provisions to others or other circumstances shall not be affected thereby.

Approved June 25, 2010

SB 588 [SS SCS SB 588]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions of law requiring notices of projected tax liability

AN ACT to repeal sections 137.180 and 137.355, RSMo, and to enact in lieu thereof two new sections relating to projected property tax liability notices for certain counties.

SECTION

A. Enacting clause.
137.180. Valuation increased — assessor to notify owner — appeals to county board of equalization — notice to owners required, when, contents.
137.355. Notice of increased assessment of listed property — notice to owners, when, contents.

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

SECTION A. ENACTING CLAUSE. — Sections 137.180 and 137.355, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 137.180 and 137.355, to read as follows:

137.180. VALUATION INCREASED — ASSESSOR TO NOTIFY OWNER — APPEALS TO COUNTY BOARD OF EQUALIZATION — NOTICE TO OWNERS REQUIRED, WHEN, CONTENTS. — 1. Whenever any assessor shall increase the valuation of any real property he shall forthwith notify the record owner of such increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state.

2. Effective January 1, 2009, for all counties with a charter form of government, **other than any county adopting a charter form of government after January 1, 2008,** whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of such increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such

an increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state. Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

3. **For all calendar years prior to the first day of January of the year following receipt of software necessary for the implementation of the requirements provided under subsections 4 and 5 of this section from the state tax commission, for any county not subject to the provisions of subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of the previous assessed value and such increase either in person, or by mail directed to the last known address and include in such notice a statement indicating that the change in assessed value may impact the record owner's tax liability and provide all processes and deadlines for appealing determinations of the assessed value of such property. Such notice shall be provided in a font and format sufficient to alert a record owner of the potential impact upon tax liability and the appellate processes available.**

4. Effective January **[**1, 2011,**]** **first of the year following receipt of software necessary for the implementation of the requirements provided under this subsection and subsection 5 of this section from the state tax commission,** for all counties not subject to the provisions of subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of such increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state. Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

[4.**]** **5.** The notice of projected tax liability, required under subsections 2 and **[**3**]** **4** of this section, from the county shall include:

(1) **The** record owner's name, address, and the parcel number of the property;

(2) A list of all political subdivisions levying a tax upon the property of the record owner;

(3) The projected tax rate for each political subdivision levying a tax upon the property of the record owner, and the purpose for each levy of such political subdivisions;

(4) The previous year's tax rates for each individual tax levy imposed by each political subdivision levying a tax upon the property of the record owner;

(5) The tax rate ceiling for each levy imposed by each political subdivision levying a tax upon the property of the record owner;

(6) The contact information for each political subdivision levying a tax upon the property of the record owner;

(7) A statement identifying any projected tax rates for political subdivisions levying a tax upon the property of the record owner, which were not calculated and provided by the political subdivision levying the tax; and

(8) The total projected property tax liability of the taxpayer.

6. In addition to the requirements provided under subsections 1, 2, and 5 of this section, effective January 1, 2011, in any county with a charter form of government and with more than one million inhabitants, whenever any assessor shall notify a record owner of any change in assessed value, such assessor shall provide notice that information regarding the assessment method and computation of value for such property is available on the assessor's website and provide the exact website address at which such information may be accessed. Such notification shall provide the assessor's contact information to

enable taxpayers without internet access to request and receive information regarding the assessment method and computation of value for such property.

137.355. NOTICE OF INCREASED ASSESSMENT OF LISTED PROPERTY — NOTICE TO OWNERS, WHEN, CONTENTS. — 1. If an assessor increases the valuation of any tangible personal property as estimated in the itemized list furnished to the assessor, and if an assessor increases the valuation of any real property, he shall forthwith notify the record owner of the increase either in person or by mail directed to the last known address, and if the address of the owner is unknown notice shall be given by publication in two newspapers published in the county.

2. **For all calendar years prior to the first day of January of the year following receipt of software necessary for the implementation of the requirements provided under subsections 3 and 4 of this section from the state tax commission, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of the previous assessed value and such increase either in person, or by mail directed to the last known address and include on the face of such notice, in no less than twelve point font, the following statement: NOTICE TO TAXPAYER: IF YOUR ASSESSED VALUE HAS INCREASED, IT MAY INCREASE YOUR REAL PROPERTY TAXES WHICH ARE DUE DECEMBER THIRTY-FIRST. IF YOU DO NOT AGREE THAT THE VALUE OF YOUR PROPERTY HAS INCREASED, YOU MUST CHALLENGE THE VALUE ON OR BEFORE ..... (INSERT DATE BY WHICH APPEAL MUST BE FILED) BY CONTACTING YOUR COUNTY ASSESSOR.**

3. Effective January **[**1, 2011,**]** **first of the year following receipt of software necessary for the implementation of the requirements provided under this subsection and subsection 4 of this section from the state tax commission,** if an assessor increases the valuation of any real property, the assessor, on or before June fifteenth, shall notify the record owner of the increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase either in person or by mail directed to the last known address, and, if the address of the owner is unknown, notice shall be given by publication in two newspapers published in the county. Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

[3.**]** **4.** The notice of projected tax liability, required under subsection **[**2**]** **3** of this section, from the county shall include:

(1) Record owner's name, address, and the parcel number of the property;

(2) A list of all political subdivisions levying a tax upon the property of the record owner;

(3) The projected tax rate for each political subdivision levying a tax upon the property of the record owner, and the purpose for each levy of such political subdivisions;

(4) The previous year's tax rates for each individual tax levy imposed by each political subdivision levying a tax upon the property of the record owner;

(5) The tax rate ceiling for each levy imposed by each political subdivision levying a tax upon the property of the record owner;

(6) The contact information for each political subdivision levying a tax upon the property of the record owner;

(7) A statement identifying any projected tax rates for political subdivisions levying a tax upon the property of the record owner, which were not calculated and provided by the political subdivision levying the tax; and

(8) The total projected property tax liability of the taxpayer.

Approved July 8, 2010

SB 630 [SCS SB 630]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies various provisions pertaining to manufactured homes

AN ACT to repeal sections 137.115, 362.105, 365.020, 365.200, 369.229, 370.300, 400.9-303, 400.9-311, 408.015, 408.250, 441.005, 442.010, 513.010, 700.010, 700.100, 700.111, 700.320, 700.350, 700.360, 700.370, 700.375, 700.385, 700.525, 700.527, 700.529, 700.530, 700.531, 700.533, 700.535, 700.537, 700.539, and 700.630, RSMo, and to enact in lieu thereof twenty-nine new sections relating to manufactured homes, with penalty provisions and effective dates.

SECTION

A. Enacting clause.
137.115. Real and personal property, assessment — maintenance plan — assessor may mail forms for personal property — classes of property, assessment — physical inspection required, when, procedure.
362.105. Powers and authority of banks and trust companies.
365.020. Definitions.
365.200. Additional time sale contracts.
369.229. Approved transactions and loans.
370.300. Loans, interest rate — charges — refunds to members.
400.9-303. Law governing perfection and priority of security interests in goods covered by certificate of title.
400.9-311. Perfection of security interests in property subject to certain statutes, regulations, and treaties.
408.015. Definitions.
408.250. Definitions.
441.005. Definitions.
442.010. Definitions.
442.015. Conveyance or encumbrance of manufactured homes, requirements — affidavit of affixation — deemed real estate, when — detachment or severance from real estate, effect of.
513.010. Levy and real estate defined.
700.010. Definitions.
700.100. Refusal to renew, grounds, notification to applicant, contents — complaints may be considered.
700.111. Surrender of certificate of origin and certificate of title — confirmation of conversion, when — rulemaking authority
700.320. Certificate of title, application procedure, fees — payment of sales tax before issuance — purchase price, defined — certificates may be transferred, when, procedure — refusal to issue, when — affidavit of affixation, requirements — certificates, requirements.
700.350. Liens and encumbrances — valid, perfected, when, how — home subject to, when, how determined — security procedures — validity of prior transactions.
700.360. Creation of lien or encumbrance by owner, duties, failure to perform, penalty — subordinate lienholders, perfection procedure — new certificate issued, when — governing, law.
700.370. Satisfaction of lien or encumbrance, release of, procedure.
700.375. Provisions of sections 700.350 to 700.380 exclusive — exceptions.
700.385. Repossessed homes, certificate of title — application procedure, fee, form of — manufactured homes, notice — issued when — director of revenue, duties — rulemaking authority.
700.525. Manufactured home defined.
700.526. Abandonment deemed, when.
700.527. Abandonment of manufactured home or rental real property — owner of property may seek lien, when, procedure — director's duties.
700.528. Contest of lien, procedure.
700.529. Notice of lien — lien amount deemed unpaid rent — no certificate of title until all rent paid.
700.630. Survivorship interest in manufactured homes — issuance of certificates of ownership, requirements, restrictions.
700.530. Rights of secured parties.
700.531. Director to notify owner of record of manufactured home and any holder of security interest — notice content.
700.533. Owner of manufactured home or holder of security interest may claim title, requirements.
700.535. Owner of manufactured home may voluntarily relinquish claim or relinquish by failure to respond to notice — right to reclaim, requirement.
700.537. Lienholder may repossess abandoned home, requirement — notice form provided by director of revenue.

700.539. Certificate of title, application by lienholder may be made when, requirements, fee — director to issue, when.
B. Effective date.

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

SECTION A. ENACTING CLAUSE. — Sections 137.115, 362.105, 365.020, 365.200, 369.229, 370.300, 400.9-303, 400.9-311, 408.015, 408.250, 441.005, 442.010, 513.010, 700.010, 700.100, 700.111, 700.320, 700.350, 700.360, 700.370, 700.375, 700.385, 700.525, 700.527, 700.529, 700.530, 700.531, 700.533, 700.535, 700.537, 700.539, and 700.630, RSMo, are repealed and twenty-nine new sections enacted in lieu thereof, to be known as sections 137.115, 362.105, 365.020, 365.200, 369.229, 370.300, 400.9-303, 400.9-311, 408.015, 408.250, 441.005, 442.010, 442.015, 513.010, 700.010, 700.100, 700.111, 700.320, 700.350, 700.360, 700.370, 700.375, 700.385, 700.525, 700.526, 700.527, 700.528, 700.529, and 700.630, to read as follows:

137.115. REAL AND PERSONAL PROPERTY, ASSESSMENT — MAINTENANCE PLAN — ASSESSOR MAY MAIL FORMS FOR PERSONAL PROPERTY — CLASSES OF PROPERTY, ASSESSMENT — PHYSICAL INSPECTION REQUIRED, WHEN, PROCEDURE. — 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the city of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to

decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

(1) The findings of the assessor based on an appraisal of the property by generally accepted appraisal techniques; and

(2) The purchase prices from sales of at least three comparable properties and the address or location thereof. As used in this subdivision, the word "comparable" means that:

(a) Such sale was closed at a date relevant to the property valuation; and

(b) Such properties are not more than one mile from the site of the disputed property, except where no similar properties exist within one mile of the disputed property, the nearest comparable property shall be used. Such property shall be within five hundred square feet in size of the disputed property, and resemble the disputed property in age, floor plan, number of rooms, and other relevant characteristics.

2. Assessors in each county of this state and the city of St. Louis may send personal property assessment forms through the mail.

3. The following items of personal property shall each constitute separate subclasses of tangible personal property and shall be assessed and valued for the purposes of taxation at the following percentages of their true value in money:

(1) Grain and other agricultural crops in an unmanufactured condition, one-half of one percent;

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

(4) Motor vehicles which are eligible for registration as and are registered as historic motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five years old and which are used solely for noncommercial purposes and are operated less than fifty hours per year or aircraft that are home built from a kit, five percent;

(5) Poultry, twelve percent; and

(6) Tools and equipment used for pollution control and tools and equipment used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by any company which is located in a state enterprise zone and which is identified by any standard industrial classification number cited in subdivision (6) of section 135.200, RSMo, twenty-five percent.

4. The person listing the property shall enter a true and correct statement of the property, in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to the assessor.

5. All subclasses of real property, as such subclasses are established in section 4(b) of article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the following percentages of true value:

(1) For real property in subclass (1), nineteen percent;

(2) For real property in subclass (2), twelve percent; and

(3) For real property in subclass (3), thirty-two percent.

6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used as dwelling units shall be assessed at the same percentage of true value as residential real property

for the purpose of taxation. The percentage of assessment of true value for such manufactured homes shall be the same as for residential real property. If the county collector cannot identify or find the manufactured home when attempting to attach the manufactured home for payment of taxes owed by the manufactured home owner, the county collector may request the county commission to have the manufactured home removed from the tax books, and such request shall be granted within thirty days after the request is made; however, the removal from the tax books does not remove the tax lien on the manufactured home if it is later identified or found. **For purposes of this section,** a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the manufactured home owner shall be considered personal property. **For purposes of this section,** a manufactured home located on real estate owned by the manufactured home owner may be considered real property.

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home **[**has been converted to**] is** real **[**property in compliance with section 700.111, RSMo**] estate as defined in subsection 7 of section 442.015** and assessed as a realty improvement to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home **[**has been converted to**] is** real **[**property in compliance with section 700.111, RSMo**] estate as defined in subsection 7 of section 442.015**, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.

10. Before the assessor may increase the assessed valuation of any parcel of subclass (1) real property by more than fifteen percent since the last assessment, excluding increases due to new construction or improvements, the assessor shall conduct a physical inspection of such property.

11. If a physical inspection is required, pursuant to subsection 10 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

12. A physical inspection, as required by subsection 10 of this section, shall include, but not be limited to, an on-site personal observation and review of all exterior portions of the land and any buildings and improvements to which the inspector has or may reasonably and lawfully gain external access, and shall include an observation and review of the interior of any buildings or improvements on the property upon the timely request of the owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-by inspection or the like shall not be considered sufficient to constitute a physical inspection as required by this section.

13. The provisions of subsections 11 and 12 of this section shall only apply in any county with a charter form of government with more than one million inhabitants.

14. A county or city collector may accept credit cards as proper form of payment of outstanding property tax or license due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank, processor, or issuer for its service. A county or city collector may accept payment by electronic

transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

15. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

16. The governing body of any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in any county that has exercised its authority to opt out under subsection 15 of this section may levy separate and differing tax rates for real and personal property only if such city bills and collects its own property taxes or satisfies the entire cost of the billing and collection of such separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

362.105. POWERS AND AUTHORITY OF BANKS AND TRUST COMPANIES. — 1. Every bank and trust company created under the laws of this state may for a fee or other consideration, directly or through a subsidiary company, and upon complying with any applicable licensing statute:

(1) Conduct the business of receiving money on deposit and allowing interest thereon not exceeding the legal rate or without allowing interest thereon, and of buying and selling exchange, gold, silver, coin of all kinds, uncurrent money, of loaning money upon real estate or personal property, and upon collateral of personal security at a rate of interest not exceeding that allowed by law, and also of buying, investing in, selling and discounting negotiable and nonnegotiable paper of all kinds, including bonds as well as all kinds of commercial paper; and for all loans and discounts made, the corporation may receive and retain the interest in advance;

(2) Accept for payment, at a future date, drafts drawn upon it by its customers and to issue letters of credit authorizing the holders thereof to draw drafts upon it or upon its correspondents at sight or on time not exceeding one year; provided, that no bank or trust company shall incur liabilities under this subdivision to an amount equal at any time in the aggregate to more than its paid-up and unimpaired capital stock and surplus fund, except with the approval of the director under such general regulations as to amount of acceptances as the director may prescribe;

(3) Purchase and hold, for the purpose of becoming a member of a Federal Reserve Bank, so much of the capital stock thereof as will qualify it for membership in the reserve bank pursuant to an act of Congress, approved December 23, 1913, entitled "The Federal Reserve Act" and any amendments thereto; to become a member of the Federal Reserve Bank, and to have and exercise all powers, not in conflict with the laws of this state, which are conferred upon any member by the Federal Reserve Act and any amendments thereto. The member bank or trust company and its directors, officers and stockholders shall continue to be subject, however, to all liabilities and duties imposed upon them by any law of this state and to all the provisions of this chapter relating to banks or trust companies;

(4) Subscribe for and purchase such stock in the Federal Deposit Insurance Corporation and to make such payments to and to make such deposits with the Federal Deposit Insurance Corporation and to pay such assessments made by such corporation as will enable the bank or trust company to obtain the benefits of the insurance of deposits under the act of Congress known as "The Banking Act of 1933" and any amendments thereto;

(5) Invest in a bank service corporation as defined by the act of Congress known as the "Bank Service Corporation Act", Public Law 87-856, as approved October 23, 1962, to the same extent as provided by that act or any amendment thereto;

(6) Hold a noncontrolling equity interest in any business entity that conducts only activities that are financial in nature or incidental to financial activity or that is established pursuant to subdivision (16) of this subsection where the majority of the stock or other interest is held by Missouri banks, Missouri trust companies, national banks located in Missouri, or any foreign bank with a branch or branches in Missouri, or any combination of these financial institutions; provided that if the entity is defined pursuant to Missouri law as any type of financial institution subsidiary or other type of entity subject to special conditions or regulations, those conditions and regulations shall remain applicable, and provided that such business entity may be formed as any type of business entity, in which each investor's liability is limited to the investment in and loans to the business entity as otherwise provided by law;

(7) Receive upon deposit for safekeeping personal property of every description, and to own or control a safety vault and rent the boxes therein;

(8) Purchase and hold the stock of one safe deposit company organized and existing under the laws of the state of Missouri and doing a safe deposit business on premises owned or leased by the bank or trust company at the main banking house and any branch operated by the bank or trust company; provided, that the purchasing and holding of the stock is first duly authorized by resolution of the board of directors of the bank or trust company and by the written approval of the director, and that all of the shares of the safe deposit company shall be purchased and held, and shall not be sold or transferred except as a whole and not be pledged at all, all sales or transfers or pledges in violation hereof to be void;

(9) Act as the fiscal or transfer agent of the United States, of any state, municipality, body politic or corporation and in such capacity to receive and disburse money, to transfer, register and countersign certificates of stock, bonds and other evidences of indebtedness;

(10) Acquire or convey real property for the following purposes:

(a) Real property conveyed to it in satisfaction or part satisfaction of debts previously contracted in the course of its business; and

(b) Real property purchased at sales under judgment, decrees or liens held by it;

(11) Purchase, hold and become the owner and lessor of personal property acquired upon the specific request of and for use of a customer; and, in addition, leases that neither anticipate full purchase price repayment on the leased asset, nor require the lease to cover the physical life of the asset, other than those for motor vehicles which will not be used by bank or trust company personnel, and may incur such additional obligations as may be incident to becoming an owner and lessor of the property, subject to the following limitations:

(a) Lease transactions do not result in loans for the purpose of section 362.170, but the total amount disbursed under leasing obligations or rentals by any bank to any person, partnership,

association, or corporation shall at no time exceed the legal loan limit permitted by statute except upon the written approval of the director of finance;

(b) Lease payments are in the nature of rent rather than interest, and the provisions of chapter 408, RSMo, are not applicable;

(12) Contract with another bank or trust company, bank service corporation or other partnership, corporation, association or person, within or without the state, to render or receive services such as check and deposit sorting and posting, computation and posting of interest and other credits and charges, preparation and mailing of checks, statements, notices, and similar items, or any other clerical, bookkeeping, accounting, statistical, financial counseling, or similar services, or the storage, transmitting or processing of any information or data; except that, the contract shall provide, to the satisfaction of the director of finance, that the party providing such services to a bank or trust company will be subject to regulation and examination to the same extent as if the services were being performed by the bank or trust company on its own premises. This subdivision shall not be deemed to authorize a bank or trust company to provide any customer services through any system of electronic funds transfer at places other than bank premises;

(13) Purchase and hold stock in a corporation whose only purpose is to purchase, lease, hold or convey real property of a character which the bank or trust company holding stock in the corporation could itself purchase, lease, hold or convey pursuant to the provisions of paragraph (a) of subdivision (10) of this subsection; provided, the purchase and holding of the stock is first duly authorized by resolution of the board of directors of the bank or trust company and by the written approval of the director, and that all of the shares of the corporation shall be purchased and held by the bank or trust company and shall not be sold or transferred except as a whole;

(14) Purchase and sell investment securities, without recourse, solely upon order and for the account of customers; and establish and maintain one or more mutual funds and offer to the public shares or participations therein. Any bank which engages in such activity shall comply with all provisions of chapter 409, RSMo, regarding the licensing and registration of sales personnel for mutual funds so offered, provided that such banks shall register as a broker-dealer with the office of the commissioner of securities and shall consent to supervision and inspection by that office and shall be subject to the continuing jurisdiction of that office;

(15) Make debt or equity investments in corporations or projects, whether for profit or not for profit, designed to promote the development of the community and its welfare, provided that the aggregate investment in all such corporations and in all such projects does not exceed five percent of the unimpaired capital of the bank, and provided that this limitation shall not apply to loans made under the authority of other provisions of law, and other provisions of law shall not limit this subdivision;

(16) Offer through one or more subsidiaries any products and services which a national bank may offer through its financial subsidiaries, subject to the limitations that are applicable to national bank financial subsidiaries, and provided such bank or trust company meets the division of finance safety and soundness considerations. This subdivision is enacted to provide in part competitive equality with national banks' powers under the Gramm-Leach-Bliley Act of 1999, Public Law 106-102.

2. In addition to the power and authorities granted in subsection 1 of this section, and notwithstanding any limitations therein, a bank or trust company may:

(1) Purchase or lease, in an amount not exceeding its legal loan limit, real property and improvements thereto suitable for the convenient conduct of its functions. The bank may derive income from renting or leasing such real property or improvements or both. If the purchase or lease of such real property or improvements exceeds the legal loan limit or is from an officer, director, employee, affiliate, principal shareholder or a related interest of such person, prior approval shall be obtained from the director of finance; and

(2) Loan money on real estate **as defined in section 442.010,** and handle escrows, settlements and closings on real estate for the benefit of the bank's customers, as a core part of the banking business, notwithstanding any other provision of law to the contrary.

3. In addition to the powers and authorities granted in subsection 1 of this section, every trust company created under the laws of this state shall be authorized and empowered to:

(1) Receive money in trust and to accumulate the same at such rate of interest as may be obtained or agreed upon, or to allow such interest thereon as may be prescribed or agreed;

(2) Accept and execute all such trusts and perform such duties of every description as may be committed to it by any person or persons whatsoever, or any corporation, and act as assignee, receiver, trustee and depositary, and to accept and execute all such trusts and perform such duties of every description as may be committed or transferred to it by order, judgment or decree of any courts of record of this state or other states, or of the United States;

(3) Take, accept and hold, by the order, judgment or decree of any court of this state, or of any other state, or of the United States, or by gift, grant, assignment, transfer, devise or bequest of any person or corporation, any real or personal property in trust, and to execute and perform any and all the legal and lawful trusts in regard to the same upon the terms, conditions, limitations and restrictions which may be declared, imposed, established or agreed upon in and by the order, judgment, decree, gift, grant, assignment, transfer, devise or bequest;

(4) Buy, invest in and sell all kinds of stocks or other investment securities;

(5) Execute, as principal or surety, any bond or bonds required by law to be given in any proceeding, in law or equity, in any of the courts of this state or other states, or of the United States;

(6) Act as trustee, personal representative, or conservator or in any other like fiduciary capacity;

(7) Act as attorney-in-fact or agent of any person or corporation, foreign or domestic, in the management and control of real or personal property, the sale or conveyance of same, the investment of money, and for any other lawful purpose.

4. (1) In addition to the powers and authorities granted in this section, the director of finance may, from time to time, with the approval of the state banking board, issue orders granting such other powers and authorities as have been granted to financial institutions subject to the supervision of the federal government to:

(a) State-chartered banks and trust companies which are necessary to enable such banks and trust companies to compete;

(b) State-chartered banks and trust companies to establish branches to the same extent that federal law permits national banks to establish branches;

(c) Subsidiaries of state-chartered banks and trust companies to the same extent powers are granted to national bank subsidiaries to enable such banks and trust companies to compete;

(d) State-chartered banks and trust companies to establish trust representative offices to the same extent national banks are permitted such offices.

(2) The orders shall be promulgated as provided in section 361.105, RSMo, and shall not be inconsistent with the constitution and the laws of this state.

5. As used in this section, the term "subsidiary" shall include one or more business entities of which the bank or trust company is the owner, provided the owner's liability is limited by the investment in and loans to the subsidiary as otherwise provided for by law.

6. A bank or trust company to which authority is granted by regulation in subsection 4 of this section, based on the population of the political subdivision, may continue to exercise such authority for up to five years after the appropriate decennial census indicates that the population of the town in which such bank or trust company is located has exceeded the limits provided for by regulation pursuant to subsection 4 of this section.

365.020. DEFINITIONS. — Unless otherwise clearly indicated by the context, the following words and phrases have the meanings indicated:

(1) "Cash sale price", the price stated in a retail installment contract for which the seller would have sold to the buyer, and the buyer would have bought from the seller, the motor vehicle which is the subject matter of the retail installment contract, if the sale had been a sale for cash or at a cash price instead of a retail installment transaction at a time sale price. The cash sale price may include any taxes, registration, certificate of title, license and other fees and charges for accessories and their installment and for delivery, servicing, repairing or improving the motor vehicle;

(2) "Director", the office of the director of the division of finance;

(3) "Holder" of a retail installment contract, the retail seller of the motor vehicle under the contract or, if the contract is purchased by a sales finance company or other assignee, the sales finance company or other assignee;

(4) "Insurance company", any form of lawfully authorized insurer in this state;

(5) "Motor vehicle", any new or used automobile, mobile home, **manufactured home as defined in section 700.010, excluding a manufactured home with respect to which the requirements of subsections 1 to 3 of section 700.111, as applicable, have been satisfied,** motorcycle, all-terrain vehicle, motorized bicycle, moped, motortricycle, truck, trailer, semitrailer, truck tractor, or bus primarily designed or used to transport persons or property on a public highway, road or street;

(6) "Official fees", the fees prescribed by law for filing, recording or otherwise perfecting and releasing or satisfying any title or lien retained or taken by a seller in connection with a retail installment transaction;

(7) "Person", an individual, partnership, corporation, association, and any other group however organized;

(8) "Principal balance", the cash sale price of the motor vehicle which is the subject matter of the retail installment transaction plus the amounts, if any, included in the sale, if a separate identified charge is made therefor and stated in the contract, for insurance and other benefits, including any amounts paid or to be paid by the seller pursuant to an agreement with the buyer to discharge a security interest, lien, or lease interest on property traded in and official fees, minus the amount of the buyer's down payment in money or goods. Notwithstanding any law to the contrary, any amount actually paid by the seller pursuant to an agreement with the buyer to discharge a security interest, lien or lease on property traded in which was included in a contract prior to August 28, 1999, is valid and legal;

(9) "Retail buyer" or "buyer", a person who buys a motor vehicle from a retail seller in a retail installment transaction under a retail installment contract;

(10) "Retail installment contract" or "contract", an agreement evidencing a retail installment transaction entered into in this state pursuant to which the title to or a lien upon the motor vehicle, which is the subject matter of the retail installment transaction is retained or taken by the seller from the buyer as security for the buyer's obligation. The term includes a chattel mortgage or a conditional sales contract;

(11) "Retail installment transaction", a sale of a motor vehicle by a retail seller to a retail buyer on time under a retail installment contract for a time sale price payable in one or more deferred installments;

(12) "Retail seller" or "seller", a person who sells a motor vehicle, not principally for resale, to a retail buyer under a retail installment contract;

(13) "Sales finance company", a person engaged, in whole or in part, in the business of purchasing retail installment contracts from one or more sellers. The term includes but is not limited to a bank, trust company, loan and investment company, savings and loan association, financing institution, or registrant pursuant to sections 367.100 to 367.200, RSMo, if so engaged. The term shall not include a person who makes only isolated purchases of retail installment contracts, which purchases are not being made in the course of repeated or successive purchases of retail installment contracts from the same seller;

(14) "Time price differential", the amount, however denominated or expressed, as limited by section 365.120, in addition to the principal balance to be paid by the buyer for the privilege of purchasing the motor vehicle on time to be paid for by the buyer in one or more deferred installments;

(15) "Time sale price", the total of the cash sale price of the motor vehicle and the amount, if any, included for insurance and other benefits if a separate identified charge is made therefor and the amounts of the official fees and time price differential.

365.200. ADDITIONAL TIME SALE CONTRACTS. — 1. For any motor vehicle which is not subject to the Missouri motor vehicle time sales law as provided in sections 365.010 to 365.160, a seller is permitted to include in the contractual time sale of a motor vehicle the outstanding balance of a prior loan or lease of a motor vehicle used as a trade-in. For the purposes of this section, a "time sale contract" is a contract evidencing an installment transaction entered into in this state pursuant to which the title to or a lien upon the motor vehicle which is the subject of the installment transaction is retained or taken by the seller from the buyer as security for the buyer's obligation. The term includes a security agreement or a contract for the bailment or leasing of the motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of a motor vehicle upon satisfying the contract. "Motor vehicle" is any new or used automobile, mobile home, **manufactured home as defined in section 700.010, excluding a manufactured home with respect to which the requirements of subsections 1 to 3 of section 700.111, as applicable, have been satisfied,** motorcycle, truck, trailer, semitrailer, truck tractor or bus.

2. Any seller as provided in this section shall first qualify as a retail seller pursuant to sections 365.010 to 365.160.

369.229. APPROVED TRANSACTIONS AND LOANS. — 1. Every association may:

(1) Make loans secured by its accounts to the extent of the withdrawal value thereof and unsecured loans to any account owner but not exceeding such amount individually or in the aggregate as may be established by the director of the division of finance by regulation;

(2) Make loans of any type or kind, approved by the director of the division of finance, secured by mortgage or deed of trust constituting a first lien on real estate **as defined in section 442.010,** or a leasehold interest therein and having an unexpired term of at least five years or some term in excess of five years as may be fixed by regulation of the director of the division of finance;

(3) Make additional real estate loans secured by liens immediately subsequent to its own first lien upon the same property and with or without additional security;

(4) Purchase real estate loans of the same character as that upon which the association may make an original loan and lend money on the security of such loans;

(5) Participate in loans with other lenders on real estate of any type that the association could originate;

(6) Sell with or without recourse any real estate loan it holds or any participating interest therein.

2. Every association may, subject to such regulations as the director of the division of finance may prescribe:

(1) Make loans secured by the cash surrender value of any life insurance or annuity policy;

(2) Make loans for the purpose of repair, improvement, rehabilitation, furnishing or equipping real estate **as defined in section 442.010**;

(3) Make loans, and purchase obligations representing loans, for the purpose of mobile home financing, including development, holding and leasing of mobile home parks or sites**, provided that, for purposes of this section mobile home includes a manufactured home as defined in section 700.010**;

(4) Make loans for the payment of educational expenses;

(5) Make loans to homeowners with or without security for any purpose, but the aggregate of the unpaid balances of all such loans to any one borrower shall not exceed at any time the sum of five thousand dollars or such greater sum as the director of the division of finance may allow by regulation;

(6) Make loans to its directors, officers, and employees; and

(7) Make such other loans secured or unsecured as the director of the division of finance by regulation may permit.

370.300. LOANS, INTEREST RATE — CHARGES — REFUNDS TO MEMBERS. — 1. A credit union may lend to its members at reasonable rates of interest, which shall not exceed the maximum rate in similar classes allowed all other lenders under the laws of this state; however, a minimum interest charge not exceeding one dollar per month shall be allowable in all cases.

2. A credit union may charge a borrower expenses of making a loan including title examinations on real estate **as defined in section 442.010,** used as security for a loan, credit investigations, credit life insurance, and filing and recording fees by governmental agencies.

3. The board may at the close of a dividend period allocate a portion of receipts from interest on loans for the purpose of making an interest refund to members. The refund when made shall be made in proportion to the interest paid by members during the dividend period. The board may deny a refund to a member whose loans have been delinquent during the period. The board may limit the refund to interest from specific classes of loans and make the interest refund to members whose loans are included in such classes.

400.9-303. LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS IN GOODS COVERED BY CERTIFICATE OF TITLE. — (a) This section applies to goods covered by a certificate of title, even if there is no other relationship between the jurisdiction under whose certificate of title the goods are covered and the goods or the debtor.

(b) Goods become covered by a certificate of title when a valid application for the certificate of title and the applicable fee are delivered to the appropriate authority. Goods cease to be covered by a certificate of title at the earlier of the time the certificate of title ceases to be effective under the law of the issuing jurisdiction or the time the goods become covered subsequently by a certificate of title issued by another jurisdiction.

(c) The local law of the jurisdiction under whose certificate of title the goods are covered governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in goods covered by a certificate of title from the time the goods become covered by the certificate of title until the goods cease to be covered by the certificate of title.

(d) When a notice of lien is filed in accordance with chapter 301 or 306, RSMo, then the lien is perfected and this chapter shall not govern perfection or nonperfection or the priority of the lien even though a valid application for a certificate of title and the applicable fee was not delivered to the appropriate authority or the certificate of title was not issued by such authority.

(e) **Except as otherwise provided in this subsection and in section 400.9-334(e)(4),** article 9 of this chapter **[**shall**] does** not apply to **[**liens on**] the perfection or nonperfection, the priority, or the termination of a security interest in a** manufactured **[**homes**] home** perfected in accordance with sections 700.350 to 700.390, RSMo, and the perfection or nonperfection, the priority and **the** termination of **[**the lien shall be**] any such security interest are** governed **exclusively** by those sections**[**, except liens or encumbrances on**]. The perfection or nonperfection, the priority, and the termination of a security interest in** manufactured homes perfected **[**pursuant to**] by filing under** article 9 of this chapter, after June 30, 2001, and before August 28, 2002, **[**and the perfection or nonperfection, the priority, termination, rights, duties, and interests flowing from them**]** are and shall remain **[**valid and may be terminated, completed, consummated, or enforced as required or permitted**] governed** by article 9 of this chapter, provided such **[**liens on such manufactured homes are**] security interest is** not perfected

in accordance with sections 700.350 to 700.390, RSMo, **[**however when conflicting lienholders file liens on the same**] and provided further that a security interest in a** manufactured home**[**, the lien filed**] perfected** under sections 700.350 to 700.390, RSMo, **[**shall have**] has** priority over **[**the lien filed**] security interests in the same manufactured home perfected by filing** under article 9 of this chapter**[**, for**] during** the time period after June 30, 2001, and before August 28, 2002.

(f) Article 9 of this chapter does not apply to a security interest in a manufactured home which is real estate as defined in subsection 7 of section 442.015. Article 9 of this chapter does apply to a security interest in a manufactured home which has been permanently affixed to real estate in accordance with subsection 1 of section 442.015, and which thereafter was detached or severed from such real estate, provided that:

(1) Article 9 of this chapter applies to such security interest only on and after all requirements of subsection 4 of section 700.111, have been satisfied with respect to such manufactured home; and

(2) On and after the satisfaction of such requirements, the perfection or nonperfection, the priority, and the termination of such security interest are governed exclusively by sections 700.350 to 700.390.

400.9-311. PERFECTION OF SECURITY INTERESTS IN PROPERTY SUBJECT TO CERTAIN STATUTES, REGULATIONS, AND TREATIES. — (a) Except as otherwise provided in subsection (d), the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(1) A statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt section 400.9-310(a);

(2) Sections 301.600 to 301.661, RSMo, **section 700.350,** and section 400.2A-304; or

(3) A certificate-of-title statute of another jurisdiction which provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(b) Compliance with the requirements of a statute, regulation, or treaty described in subsection (a) for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection (d) and sections 400.9-313 and 400.9-316(d) and (e) for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (a) may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(c) Except as otherwise provided in subsection (d) and section 400.9-316(d) and (e), duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (a) are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this article.

(d) During any period in which collateral is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling or leasing goods of that kind, this section does not apply to a security interest in that collateral created by that person as debtor.

408.015. DEFINITIONS. — As used in sections 408.020 to 408.562:

(1) "Bank" shall mean bank, trust company, or bank and trust company;

(2) "Business loan" shall mean a loan to an individual or a group of individuals, the proceeds of which are to be used in a business or for the purpose of acquiring an interest in a business. The term shall also include a loan to a trust, estate, cooperative, association, or limited or general partnership;

(3) "Corporation" shall mean any corporation, whether for profit or not for profit, and including any urban redevelopment corporation;

(4) "Lender" shall include any bank, savings and loan association, credit union, corporation, partnership, or any other person or entity who makes loans or extends credit;

(5) "Monthly Index of Long Term United States Government Bond Yields" shall mean the monthly unweighted average yield for all outstanding United States Treasury bonds neither due nor callable in less than ten years, based on the daily closing bid prices in the over the counter market, as determined by the Board of Governors of the Federal Reserve System, published in the Federal Reserve Bulletin, and expressed in terms of percent per annum;

(6) "Residential real estate" shall mean any real estate used or intended to be used as a residence by not more than four families, one of whom is the borrower**, including a manufactured home as defined in section 700.010, which is real estate as defined in subsection 7 of section 442.015**;

(7) "Residential real estate loan" shall mean a loan made for the acquisition, construction, repair, or improvement of, or secured by, residential real estate. The term shall also include any loan made to refinance such a loan. No loan secured by residential real estate shall be considered to be a business loan unless such loan meets the requirements of subdivision (2) of this section and subdivision (2) of section 408.035.

408.250. DEFINITIONS. — Unless otherwise clearly indicated by the context, the following words when used in sections 408.250 to 408.370, for the purposes of sections 408.250 to 408.370, shall have the meanings respectively ascribed to them in this section:

(1) "Cash sale price" means the price stated in a retail time transaction for which the seller would have sold or furnished to the buyer, and the buyer would have bought or obtained from the seller, the goods or services which are the subject matter of the retail time transaction, if such sale were for cash. The cash sale price may include the cost of taxes, official fees, if any, and charges for accessories and their installation and delivery, and for the servicing, repairing or improving of goods. If a retail time transaction involves the repair, modernization, alteration or rehabilitation of real property, the cash sale price may include reasonable fees and costs actually to be paid for construction permits and similar fees, the services of an attorney and any title search and title insurance relating to any mortgage, lien or other security interest taken, granted or reserved pursuant to contract;

(2) "Credit" means the right granted by a creditor to a debtor to defer payment of a debt or to incur debt and defer its payment. It includes the right to incur debt and defer its payment pursuant to the use of a card, plate, coupon book, or other credit confirmation or identification device or number or other identifying description;

(3) The term "creditor" refers only to creditors who regularly extend, or arrange for the extension of, credit whether in connection with loans, sales of property or services, or otherwise;

(4) "Goods" means all tangible chattels personal and merchandise certificates or coupons issued by a retail seller exchangeable for tangible chattels personal of such seller, but the term does not include motor vehicles, nonprocessed farm products, livestock, money, things in action, or intangible personal property. The term includes tangible chattels personal which, at the time of the sale or subsequently, are to be so affixed to realty as to become a part thereof whether or not severable therefrom;

(5) "Holder" of a retail time contract means the retail seller of the goods or services under the contract or, if the contract is purchased or otherwise acquired, the person purchasing or otherwise acquiring the contract;

(6) "Insurance company" means any form of lawfully authorized insurer in this state;

(7) "Motor vehicle" means any new or used automobile, motor home, **manufactured home as defined in section 700.010, excluding a manufactured home with respect to which the requirements of subsections 1 to 3 of section 700.111, as applicable, have been satisfied,** motorcycle, truck, trailer, semitrailer, truck tractor, or bus, primarily designed or used to transport

persons or property on a public highway, road or street, or a mobile or modular home or farm machinery or implements;

(8) "Official fees" means the fees prescribed by law for filing, recording or otherwise perfecting and releasing or satisfying any title or lien retained or taken by a seller in connection with a retail time transaction;

(9) "Person" means an individual, partnership, corporation, association, and any other group however organized;

(10) "Principal balance" means the cash sale price of the goods or services which are the subject matter of a retail time transaction plus the amount, if any, included in a retail time contract, if a separate identified charge is made therefor and stated in the contract, for insurance and other benefits and official fees, minus the amount of the buyer's down payment in money or goods;

(11) "Retail buyer" or "buyer" means a person who buys goods or obtains services to be used primarily for personal, family, or household purposes and not primarily for business, commercial, or agricultural purposes from a retail seller in a retail time transaction;

(12) "Retail charge agreement" means an agreement entered into in this state between a retail seller and a retail buyer prescribing the terms of retail time transactions to be made from time to time pursuant to such agreement, and which provides for a time charge to be computed on the buyer's total unpaid balance from time to time;

(13) "Retail seller" or "seller" means a person who regularly sells or offers to sell goods or services to a buyer primarily for the latter's personal, family, or household use and not primarily for business, commercial, or agricultural use. The term also includes a person who regularly grants credit to retail buyers for the purpose of purchasing goods or services from any person, pursuant to a retail charge agreement, but shall not apply to any person licensed or chartered and regulated to engage regularly in the business of making loans from or in this state;

(14) "Retail time contract" means an agreement evidencing one or more retail time transactions entered into in this state pursuant to which a buyer engages to pay in one or more deferred payments the time sale price of goods or services. The term includes a chattel mortgage; conditional sales contract; and a contract for the bailment or leasing of goods by which the bailee or lessee contracts to pay as compensation for their use a sum substantially equivalent to or in excess of their cash sale price and by which it is agreed that the bailee or lessee is bound to become, or, for no further or a merely nominal consideration has the option of becoming, the owner of the goods upon full compliance with the provisions of the contract;

(15) "Retail time transaction" means a contract to sell or furnish or the sale of or furnishing of goods or services by a retail seller to a retail buyer for which payment is to be made in one or more deferred payments under and pursuant to a retail time contract or a retail charge agreement;

(16) "Services" means work, labor and services of any kind furnished or agreed to be furnished by a retail seller but does not include professional services including, but not limited to, services performed by an accountant, physician, lawyer or the like, unless the furnishing of such professional services is the subject of a signed retail time transaction;

(17) "Time charge" means the amount, however denominated or expressed, in excess of the cash sale price under a retail charge agreement or the principal balance under a retail time contract which a retail buyer contracts to pay or pays for goods or services. It includes the extension to the buyer of the privilege of paying therefor in one or more deferred payments;

(18) "Time sale price" means the total of the cash sale price of the goods or services and the amount, if any, included for insurance and other benefits if a separate identified charge is made therefor, and the amounts of the official fees, and the time charge.

441.005. DEFINITIONS. — Except as otherwise provided, when used in chapter 534, RSMo, chapter 535, RSMo, or this chapter, the following terms mean:

(1) "Lease", a written or oral agreement for the use or possession of premises;

(2) "Lessee", any person who leases premises from another, and any person residing on the premises with the lessee's permission;

(3) "Premises", land, tenements, condominium or cooperative units, air rights and all other types of real property leased under the terms of a rental agreement, including any facilities and appurtenances, to such premises, and any grounds, areas and facilities held out for the use of tenants generally or the use of which is promised to the tenant. "Premises" include structures, fixed or mobile, temporary or permanent, vessels, **manufactured homes as defined in section 700.010,** mobile trailer homes and vehicles which are used or intended for use primarily as a dwelling or as a place for commercial or industrial operations or storage;

(4) "Rent", a stated payment for the temporary possession or use of a house, land or other real property, made at fixed intervals by a tenant to a landlord.

442.010. DEFINITIONS. — When used in this chapter unless otherwise apparent from the context:

(1) The term "adult" shall be construed as meaning any person who is eighteen years of age or older;

(2) The term "minor" shall be construed as meaning any person who is less than eighteen years of age;

(3) The term "real estate" shall be construed as coextensive in meaning with lands, tenements and hereditaments, and as embracing all chattels real **and as including a manufactured home as defined in section 700.010, which is real estate as defined in subsection 7 of section 442.015**.

442.015. CONVEYANCE OR ENCUMBRANCE OF MANUFACTURED HOMES, REQUIREMENTS — AFFIDAVIT OF AFFIXATION — DEEMED REAL ESTATE, WHEN — DETACHMENT OR SEVERANCE FROM REAL ESTATE, EFFECT OF. — 1. For the purposes of this section, "manufactured home" means a manufactured home as defined in section 700.010. Notwithstanding the foregoing, for the purposes of 11 U.S.C. Section 1322(b)(2), a manufactured home shall be deemed to be real property. For the purposes of this section, a manufactured home is permanently affixed if it is anchored to real estate by attachment to a permanent foundation, constructed in accordance with applicable state and local building codes and manufacturer's specifications as provided in 24 CFR Part 3285, and connected to residential utilities, such as, water, gas, electricity, or sewer or septic service.

2. To convey or voluntarily encumber a manufactured home as real estate, the following conditions shall be met:

(1) The manufactured home shall be permanently affixed to real estate;

(2) The ownership interests in the manufactured home and the real estate to which the manufactured home is or shall be permanently affixed shall be identical, provided, however, that the owner of the manufactured home, if not the owner of the real estate, is in possession of the real estate under the terms of a lease in recordable form that has a term that continues for at least twenty years after the date of execution, and the consent of the lessor of the real estate;

(3) The person or persons having an ownership interest in such manufactured home shall execute and record with the recorder of deeds of the county in which the real estate is located an affidavit of affixation as provided in subsection 3 of this section, and satisfy the other applicable requirements of this section; and

(4) Upon receipt of a certified copy of the affidavit of affixation, any person designated for filing the affidavit of affixation with the director of revenue under paragraph (h) of subdivision (1) of subsection 3 of this section shall file the certified copy of affidavit of affixation with the director of revenue as follows:

(a) In a case described in item (i) of subparagraph a. of paragraph (d) of subdivision (1) of subsection 3 of this section, the certified copy of the affidavit of affixation and the original manufacturer's certificate of origin, each as recorded in the county in which the real estate is located, shall be filed with the director of revenue under subsection 1 of section 700.111;

(b) In a case described in item (i) of subparagraph b. of paragraph (d) of subdivision (1) of subsection 3 of this section, the certified copy of the affidavit of affixation, as recorded in the county in which the real estate is located, and the original certificate of title shall be filed with the director of revenue under subsection 2 of section 700.111; and

(c) In a case described in item (ii) of subparagraph a. of paragraph (d) of subdivision (1), item (ii) of subparagraph b. of paragraph (d) of subdivision (1), or paragraph (f) of subdivision (1) of subsection 3 of this section, the certified copy of the affidavit of affixation, as recorded in the county in which the real estate is located and an application for confirmation of conversion shall be filed with the director of revenue under subsection 3 of section 700.111.

3. (1) An affidavit of affixation shall contain or be accompanied by:

(a) The name of the manufacturer, the make, the model name, the model year, the dimensions, and the manufacturer's serial number of the manufactured home, and whether the manufactured home is new or used;

(b) a. A statement that the party executing the affidavit is the owner of the real estate described therein or:

b. If not the owner of the real estate:

(i) A statement that the party executing the affidavit is in possession of the real estate under the terms of a lease in recordable form that has a term that continues for at least twenty years after the date of execution of the affidavit; and

(ii) The consent of the lessor of the real estate endorsed upon or attached to the affidavit and acknowledged or proved in the manner as to entitle a conveyance to be recorded;

(c) The street address and the legal description of the real estate to which the manufactured home is or shall be permanently affixed;

(d) a. If the manufactured home is not covered by a certificate of title, a statement by the owner to that effect, and either:

(i) A statement by the owner of the manufactured home that the manufactured home is covered by a manufacturer's certificate of origin, the date the manufacturer's certificate of origin was issued, the manufacturer's serial number, and a statement that annexed to the affidavit of affixation is the original manufacturer's certificate of origin for the manufactured home, duly endorsed to the owner of the manufactured home, and that the owner of the manufactured home shall surrender the manufacturer's certificate of origin to the director of revenue; or

(ii) A statement that the owner of the manufactured home, after diligent search and inquiry, is unable to produce the original manufacturer's certificate of origin for the manufactured home and that the owner of the manufactured home shall apply to the director of revenue for a confirmation of conversion of the manufactured home; or

b. If the manufactured home is covered by a certificate of title, either:

(i) A statement by the owner of the manufactured home that the manufactured home is covered by a certificate of title, the date the title was issued, the title number, and that the owner of the manufactured home shall surrender the title; or

(ii) A statement that the owner of the manufactured home, after diligent search and inquiry, is unable to produce the certificate of title for the manufactured home and that the owner of the manufactured home shall apply to the director of revenue for a confirmation of conversion of the manufactured home;

(e) A statement whether or not the manufactured home is subject to one or more security interests or liens and:

a. If the manufactured home is subject to one or more security interests or liens, the name and address of each party holding a security interest in or lien on the manufactured home, including but not limited to, each holder shown on any certificate of title issued by the director of revenue, if any, the original principal amount secured by each security interest or lien, and a statement that the security interest or lien shall be released; or

b. A statement that each security interest in or lien on the manufactured home, if any, has been released, together with due proof of each such release;

(f) If the manufactured home is covered by neither a manufacturer's certificate of origin nor a certificate of title, a statement by the owner of the manufactured home to that effect and that the owner of the manufactured home shall apply to the director of revenue for a confirmation of conversion of the manufactured home;

(g) A statement that the manufactured home is or shall be permanently affixed to the real estate; and

(h) The name and address of a person designated for filing the certified copy of the affidavit of affixation with the director of revenue, after it has been duly recorded in the real estate records, as provided in subsection 5 of this section.

(2) An affidavit of affixation shall be duly acknowledged or proved in like manner as to entitle a conveyance to be recorded, and when so acknowledged or proved and upon payment of the lawful fees therefor, the recorder of deeds shall immediately cause the affidavit of affixation and any attachments to be duly recorded and indexed in the same manner as other instruments affecting real property.

(3) The affidavit of affixation shall be accompanied by an applicable fee for recording and issuing a certified copy of such affidavit.

4. Neither the act of permanently affixing a manufactured home to real estate nor the recording of the affidavit of affixation shall impair the rights of any holder of a security interest in or lien on a manufactured home perfected as provided in section 700.350, unless and until the due filing with and acceptance by the director of revenue of an application to surrender the title as provided in subsection 2 of section 700.111, and the release of such security interest or lien as provided in section 700.370. Upon the filing of such a release, the security interest or lien perfected under section 700.350, is terminated.

5. The recorder of deeds shall deliver a certified copy of the affidavit of affixation and all attachments thereto to the person or party delivering the documents to the recorder for record. Upon receipt of a certified copy of the affidavit of affixation by the person designated therein, such person shall deliver for filing to the director of revenue such certified copy of the affidavit of affixation and the other documents as provided in subdivision (4) of subsection 2 of this section.

6. A manufactured home shall be deemed to be real estate when all of the following events have occurred:

(1) The manufactured home is permanently affixed to land as provided in subsection 1 of this section;

(2) An affidavit of affixation conforming to the requirements of subsection 3 of this section has been recorded in the conveyance records in the office of the county recorder in the county where the manufactured home is permanently affixed;

(3) A certified copy of the affidavit of affixation has been delivered for filing to the director of revenue as provided in subsection 5 of this section; and

(4) The requirements of subsections 1 to 3 of section 700.111, as applicable, have been satisfied.

7. Upon the satisfaction of the requirements of subsection 6 of this section, such manufactured home shall be deemed to be real estate; any mortgage, deed of trust, lien, or security interest which can attach to land, buildings erected thereon or fixtures affixed

thereto shall attach as of the date of its recording in the same manner as if the manufactured home were built from ordinary building materials on site. Title to such manufactured home shall be transferred by deed or other form of conveyance that is effective to transfer an interest in real estate, together with the land to which such structure has been affixed. The manufactured home shall be deemed to be real estate and shall be governed by the laws applicable to real estate.

8. Except as provided in subsections 3, 5, 6, and 7 of this section, an affidavit of affixation is not necessary or effective to convey or encumber a manufactured home or to change the character of the manufactured home to real estate. No conveyance of land upon which is located a manufactured home for which no affidavit of affixation has been recorded or for which an affidavit of severance has been recorded shall effect a conveyance or transfer of any interest in said manufactured home. Any such conveyance or transfer of such manufactured home may only be made under the provisions of chapter 700, and any agreement by any party to the transaction whereby the requirements of this subsection are waived shall be void as contrary to public policy.

9. Nothing in this section shall impair any rights existing under law prior to August 28, 2010, of anyone claiming an interest in the manufactured home.

10. (1) If and when a manufactured home for which an affidavit of affixation has been recorded is detached or severed from the real estate to which it is affixed, the person or persons having an interest in the real estate shall record an affidavit of severance in the records of real property conveyances of the county in which the affidavit of affixation with respect to the manufactured home is recorded. The affidavit of severance shall contain or be accompanied by:

(a) The name, residence, and mailing address of the owner of the manufactured home;

(b) A description of the manufactured home including the name of the manufacturer, the make, the model name, the model year, the dimensions, and the manufacturer's serial number of the manufactured home and whether it is new or used;

(c) The book number, page number, and date of recordation of the affidavit of affixation;

(d) A statement:

a. Of any facts or information known to the party executing the affidavit that could affect the validity of the title of the manufactured home or the existence or nonexistence of a security interest in or lien on it; or

b. That no such facts or information are known to such party;

(e) A declaration by an attorney-at-law duly admitted to practice in the courts of the state of Missouri or an agent of a title insurance company duly licensed to issue policies of title insurance in the state of Missouri that:

a. The manufactured home is free and clear of, or has been released from, all recorded security interests, liens, and encumbrances; and

b. Any facts or information known to him or her that could affect the validity of the title of the manufactured home or the existence or nonexistence of a security interest in or lien on it; or

c. That no such facts or information are known to him or her; and

(f) The name and address of the person designated for filing the certified copy of the affidavit of severance with the director of revenue, after it has been duly recorded in the real estate records, as provided in subsection 11 of this section.

(2) The affidavit of severance shall be duly acknowledged or proved in like manner as to entitle a conveyance to be recorded, and when so acknowledged or proved and upon payment of the lawful fees therefor, such recorder of deeds shall immediately cause the affidavit of severance and any attachments thereto to be duly recorded and indexed in the same manner as other instruments affecting real property.

(3) The affidavit of severance shall also be accompanied by an applicable fee for recording and issuing a certified copy of such affidavit.

11. The recorder of deeds shall deliver a certified copy of the affidavit of severance to the person or party delivering the documents to the recorder for record. Upon receipt of a certified copy of the affidavit of severance, the person designated therein shall deliver such certified copy of the affidavit of severance and the other documents, as provided in subdivision (1) of subsection 10 of this section, to the director of revenue.

513.010. LEVY AND REAL ESTATE DEFINED. — 1. The word "levy", as used in this chapter, shall be construed to mean the actual seizure of property by the officer charged with the execution of the writ.

2. The term "real estate", as used in this chapter shall be construed to include all estate and interest in lands, tenements and hereditaments**, including a manufactured home as defined in section 700.010, which is real estate as defined in subsection 7 of section 442.015**.

700.010. DEFINITIONS. — As used in sections 700.010 to 700.500, for the purpose of sections 700.010 to 700.500, the following terms mean:

(1) "Authorized representative", any person, firm or corporation, or employee thereof, approved or hired by the commission to perform inspection services;

(2) "Code", the standards relating to manufactured homes, or modular units as adopted by the commission. The commission, in its discretion, may incorporate, in whole or in part, the standards codes promulgated by the American National Standards Institute, the United States Department of Housing and Urban Development or other recognized agencies or organizations;

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

(4) "Dealer", any person, other than a manufacturer, who sells or offers for sale four or more used homes or one or more new manufactured homes, or one or more new modular units in any consecutive twelve-month period;

(5) "Installer", an individual who is licensed by the commission to install manufactured homes under sections 700.650 to 700.692;

(6) "Manufactured home", **[**a factory-built structure or structures which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, contains three hundred twenty or more square feet, equipped with the necessary service connections and made so as to be readily movable as a unit or units on its or their own running gear and designed to be used as a dwelling unit or units with or without a permanent foundation. The phrase "without a permanent foundation" indicates that the support system is constructed with the intent that the manufactured home placed thereon may be moved from time to time at the convenience of the owner**] structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code**;

(7) "Manufacturer", any person who manufactures manufactured homes, or modular units, including persons who engage in importing manufactured homes, or modular units for resale;

(8) "Modular unit", a transportable building unit designed to be used by itself or to be incorporated with similar units at a point-of-use into a modular structure to be used for residential, commercial, educational or industrial purposes. This definition shall not apply to

structures under six hundred fifty square feet used temporarily and exclusively for construction site office purposes;

(9) "New", being sold or offered for sale to the first purchaser for purposes other than resale;

(10) "Person", an individual, partnership, corporation or other legal entity;

(11) "Premises", a lot, plot, or parcel of land including the buildings, structures, and manufactured homes thereon;

(12) "Recreational park trailer", a recreational park trailer as defined in the American National Standards Institute (ANSI) A119.5 Standard on Recreational Park Trailers. A recreational park trailer is not a recreational vehicle;

(13) "Recreational vehicle", a recreational vehicle as defined in the American National Standards Institute (ANSI) A119.2 Standard on Recreational Vehicles;

(14) "Seal", a device, label or insignia issued by the public service commission, U.S. Department of Housing and Urban Development, or its agent, to be displayed on the exterior of the manufactured home, or modular unit to evidence compliance with the code;

(15) "Setup", the operations performed at the occupancy site which renders a manufactured home or modular unit fit for habitation, which operations include, but are not limited to, moving, blocking, leveling, supporting, and assembling multiple or expandable units.

700.100. REFUSAL TO RENEW, GROUNDS, NOTIFICATION TO APPLICANT, CONTENTS — COMPLAINTS MAY BE CONSIDERED. — 1. The commission may refuse to register or refuse to renew the registration of any person who fails to comply with the provisions of sections 700.010 to 700.115. Notification of unfavorable action by the commission on any application for registration or renewal of registration must be delivered to the applicant within thirty days from date it is received by the commission. Notification of unfavorable action by the commission on any application for registration or renewal of registration must be accompanied by a notice informing the recipient that the decision of the commission may be appealed as provided in chapter 386, RSMo.

2. The commission may consider a complaint filed with it charging a registered manufacturer or dealer with a violation of the provisions of this section, which charges, if proven, shall constitute grounds for revocation or suspension of his **or her** registration, or the placing of the registered manufacturer or dealer on probation.

3. The following specifications shall constitute grounds for the suspension, revocation or placing on probation of a manufacturer's or dealer's registration:

(1) If required, failure to comply with the provisions of section 301.280, RSMo;

(2) Failing to be in compliance with the provisions of section 700.090;

(3) If a corporation, failing to file all franchise or sales tax forms required by Missouri law;

(4) Engaging in any conduct which constitutes a violation of the provisions of section 407.020, RSMo;

(5) Failing to comply with the provisions of Sections 2301-2312 of Title 15 of the United States Code (Magnuson-Moss Warranty Act);

(6) As a dealer, failing to arrange for the proper initial setup of any new manufactured home or modular unit sold from or in the state of Missouri, except as allowed under subsection 5 of section 700.656; the dealer shall receive a written waiver of that service from the purchaser or his or her authorized agent;

(7) **As a dealer, failing to obtain for each used manufactured home or used modular unit sold a written notice, signed, and dated by the purchaser or the purchaser's agent that states: "The Missouri Public Service Commission does not regulate setup of used manufactured homes and used modular units sold by the dealer.";**

(8) Requiring any person to purchase any type of insurance from that manufacturer or dealer as a condition to his **or her** being sold any manufactured home or modular unit;

[(8)**] (9)** Requiring any person to arrange financing or utilize the services of any particular financing service as a condition to his **or her** being sold any manufactured home or modular unit; provided, however, the registered manufacturer or dealer may reserve the right to establish reasonable conditions for the approval of any financing source;

[(9)**] (10)** Engaging in conduct in violation of section 700.045;

[(10)**] (11)** Failing to comply with the provisions of section 301.210, RSMo;

[(11)**] (12)** Failing to pay all necessary fees and assessments authorized pursuant to sections 700.010 to 700.115.

4. The commission may order that any suspension, revocation, or probation ordered under subsection 3 of this section shall apply to all manufacturer's or dealer's registrations that are held by the same manufacturer or dealer or that are owned or controlled by the same person or persons if a continued and consistent pattern of the violations have been identified by the commission to be present with each **[**licensee**] registrant** under the same control or ownership.

700.111. SURRENDER OF CERTIFICATE OF ORIGIN AND CERTIFICATE OF TITLE — CONFIRMATION OF CONVERSION, WHEN — RULEMAKING AUTHORITY — 1. **[**The owner of a manufactured home may convert the manufactured home to real property by:

(1) Attaching the manufactured home to a permanent foundation situated on real estate owned by the manufactured home owner; and

(2) The removal or modification of the transporting apparatus including but not limited to wheels, axles and hitches rendering it impractical to reconvert the real property thus created to a manufactured home.**] (1) The owner or owners of a manufactured home that is covered by a manufacturer's certificate of origin and that is permanently affixed to real estate as defined in subsection 1 of section 442.015, or which the owner intends to permanently affix to real estate as defined in subsection 1 of section 442.015, may surrender the manufacturer's certificate of origin to the manufactured home to the director of revenue by filing with the director of revenue, in the form prescribed by the director, an application for surrender of manufacturer's certificate of origin containing or accompanied by:**

(a) The name, residence, and mailing address of the owner;

(b) A description of the manufactured home including the name of the manufacturer, the make, the model name, the model year, the dimensions, and the manufacturer's serial number of the manufactured home and whether it is new or used and any other information the director of revenue requires;

(c) The date of purchase by the owner of the manufactured home, the name and address of the person from whom the home was acquired and the names and addresses of any security interest holders and lienholders in the order of their apparent priority;

(d) A statement signed by the owner, stating either:

a. Any facts or information known to the owner that could affect the validity of the title to the manufactured home or the existence or nonexistence of a security interest in or lien on it; or

b. That no such facts or information are known to the owner;

(e) A certified copy of the affidavit of affixation as provided in accordance with subsection 5 of section 442.015;

(f) The original manufacturer's certificate of origin;

(g) The name and mailing address of each person wishing written acknowledgment of surrender from the director of revenue;

(h) The applicable fee for filing the application for surrender; and

(i) Any other information and documents the director of revenue reasonably requires to identify the owner of the manufactured home and to enable the director to determine whether the owner satisfied the requirements of subsection 6 of section 442.015, and is

entitled to surrender the manufacturer's certificate of origin, and the existence or nonexistence of security interests in or liens on the manufactured home.

(2) When satisfied of the genuineness and regularity of the surrender of a manufacturer's certificate of origin to a manufactured home and upon satisfaction of the requirements of subdivision (1) of this subsection, the director of revenue shall:

(a) Cancel the manufacturer's certificate of origin and update the department's records in accordance with the provisions of section 700.320; and

(b) Provide written acknowledgment of compliance with the provisions of this section to each person identified on the application for surrender of a manufacturer's certificate of origin under paragraph (g) of subdivision (1) of this subsection.

(3) Upon satisfaction of the requirements of this subsection a manufactured home shall be conveyed and encumbered as provided in chapter 442. If the application to surrender a manufacturer's certificate of origin is delivered to the director of revenue within sixty days of recording the related affidavit of affixation with the recorder of deeds in the county in which the real estate to which the manufactured home is or shall be affixed and the application is thereafter accepted by the director of revenue, the requirements of this subsection shall be deemed satisfied as of the date the affidavit of affixation was recorded.

(4) Upon written request, the director of revenue shall provide written acknowledgment of compliance with the provisions of this subsection.

2. **[**The conversion of a manufactured home to real property by the method provided in subsection 1 of this section shall prohibit any political subdivision of this state from declaring or treating that manufactured home as other than real property.**] (1) The owner or owners of a manufactured home that is covered by a certificate of title and that is permanently affixed to real estate in accordance with subsection 1 of section 442.015, or which the owner intends to permanently affix to real estate in accordance with subsection 1 of section 442.015, may surrender the certificate of title to the manufactured home to the director of revenue by filing with the director of revenue an application in the form prescribed by the director for surrender of title containing or accompanied by:**

(a) The name, residence, and mailing address of the owner;

(b) A description of the manufactured home including the name of the manufacturer, the make, the model name, the model year, the dimensions, and the manufacturer's serial number of the manufactured home and whether it is new or used and any other information the director of revenue requires;

(c) The date of purchase by the owner of the manufactured home, the name and address of the person from whom the home was acquired and the names and addresses of any security interest holders and lienholders in the order of their apparent priority;

(d) A statement signed by the owner, stating either:

a. Any facts or information known to the owner that could affect the validity of the title to the manufactured home or the existence or nonexistence of a security interest in or lien on it; or

b. That no such facts or information are known to the owner;

(e) A certified copy of the affidavit of affixation provided in accordance with subsection 5 of section 442.015;

(f) The original certificate of title;

(g) The name and mailing address of each person wishing written acknowledgment of surrender from the director of revenue;

(h) The applicable fee for filing the application for surrender; and

(i) Any other information and documents the director of revenue reasonably requires to identify the owner of the manufactured home and to enable the director to determine whether the owner satisfied the requirements of subsection 6 of section 442.015, and is

entitled to surrender the certificate of title and the existence or nonexistence of security interests in or liens on the manufactured home.

(2) The director of revenue shall not accept for surrender a certificate of title to a manufactured home unless and until all security interests or liens perfected under section 700.350 have been released.

(3) When satisfied of the genuineness and regularity of the surrender of a certificate of title to a manufactured home and upon satisfaction of the requirements of subdivisions (1) and (2) of this subsection, the director of revenue shall:

(a) Cancel the certificate of title and update the department's records in accordance with the provisions of section 700.320; and

(b) Provide written acknowledgment of compliance with the provisions of this section to each person identified on the application for surrender of title under paragraph (g) of subdivision (1) of this subsection.

(4) Upon satisfaction of the requirements of this subsection a manufactured home shall be conveyed and encumbered as provided in chapter 442. If the application to surrender a certificate of title is delivered to the director of revenue within sixty days of recording the related affidavit of affixation with the recorder of deeds in the county in which the real estate to which the manufactured home is or shall be affixed, and the application is thereafter accepted by the director of revenue, the requirements of this subsection shall be deemed satisfied as of the date the affidavit of affixation was recorded.

(5) Upon written request, the director of revenue shall provide written acknowledgment of compliance with the provisions of this subsection.

3. (1) The owner or owners of a manufactured home that is not covered by a manufacturer's certificate of origin or a certificate of title, or that is covered by a manufacturer's certificate of origin or a certificate of title which the owner of the manufactured home, after diligent search and inquiry, is unable to produce, and that is permanently affixed to real estate in accordance with subsection 1 of section 442.015, or which the owner intends to permanently affix to real estate as defined in subsection 1 of section 442.015, may apply to the director of revenue by filing with the director of revenue an application for confirmation of conversion containing or accompanied by:

(a) The name, residence, and mailing address of the owner;

(b) A description of the manufactured home including the name of the manufacturer, the make, the model name, the model year, the dimensions, and the manufacturer's serial number of the manufactured home and whether it is new or used and any other information the director of revenue requires;

(c) The date of purchase by the owner of the manufactured home, the name and address of the person from whom the home was acquired and the names and addresses of any security interest holders and lienholders in the order of their apparent priority;

(d) A statement signed by the owner, stating either:

a. Any facts or information known to the owner that could affect the validity of the title to the manufactured home or the existence or nonexistence of a security interest in or lien on it; or

b. That no such facts or information are known to the owner;

(e) A certified copy of the affidavit of affixation as provided in accordance with subsection 5 of section 442.015;

(f) A declaration by an attorney-at-law, duly admitted to practice in the courts of the state of Missouri, or an agent of a title insurance company duly licensed to issue policies of title insurance in the state of Missouri, that the manufactured home is free and clear of, or has been released from, all recorded security interests, liens and encumbrances; and

a. Any facts or information known to him or her that could affect the validity of the title of the manufactured home or the existence or nonexistence of any security interest in or lien on it; or

b. That no such facts or information are known to him or her;

(g) The name and mailing address of each person wishing written acknowledgment of surrender from the director of revenue;

(h) The applicable fee for filing the application for surrender; and

(i) Any other information and documents the director of revenue reasonably requires to identify the owner of the manufactured home and to enable the director to determine whether the owner satisfied the requirements of subsection 6 of section 442.015, and the existence or nonexistence of security interests in or liens on the manufactured home.

(2) When satisfied of the genuineness and regularity of the application for confirmation of conversion of a manufactured home and upon satisfaction of the requirements of subdivision (1) of this subsection, the director of revenue shall:

(a) Update the department's records in accordance with the provisions of section 700.320; and

(b) Provide written acknowledgment of compliance with the provisions of this subsection to each person identified on the application for confirmation of conversion under paragraph (g) of subdivision (1) of this subsection.

(3) Upon satisfaction of the requirements of this subsection, a manufactured home shall be conveyed and encumbered as provided in chapter 442. If the application for confirmation of conversion of a manufactured home is delivered to the director of revenue within sixty days of recording the related affidavit of affixation with the recorder of deeds in the county in which the real estate to which the manufactured home is or shall be affixed and the application is thereafter accepted by the director of revenue, the requirements of this subsection shall be deemed satisfied as of the date the affidavit of affixation was recorded.

(4) Upon written request, the director of revenue shall provide written acknowledgment of compliance with the provisions of this subsection.

4. (1) Notwithstanding any other provision of law, where a manufactured home has been permanently affixed to real estate and an affidavit of affixation has been recorded in the real estate records in the county in which the manufactured home is located in accordance with section 442.015, and where the manufactured home subsequently is detached or severed from the real estate, the owner or owners of the manufactured home may apply for a new certificate of title by filing with the director of revenue an application for a certificate of title to a manufactured home, containing or accompanied by:

(a) The name, residence, and mailing address of the owner;

(b) A description of the manufactured home including the name of the manufacturer, the make, the model name, the model year, the dimensions, and the manufacturer's serial number of the manufactured home and whether it is new or used and any other information the director of revenue requires;

(c) A statement signed by the applicant, stating either:

a. Any facts or information known to the applicant that could affect the validity of the title of the manufactured home or the existence or nonexistence of any security interest in or lien on it; or

b. That no such facts or information are known to the applicant;

(d) A certified copy of the affidavit of severance provided in accordance with section 442.015;

(e) A declaration by an attorney-at-law, duly admitted to practice in the courts of the state of Missouri, or an agent of a title insurance company duly licensed to issue policies of title insurance in the state of Missouri, that the manufactured home is free and clear of, or has been released from, all recorded security interests, liens and encumbrances; and

a. Any facts or information known to him or her that could affect the validity of the title of the manufactured home or the existence or nonexistence of any security interest in or lien on it; or

b. That no such facts or information are known to him or her;

(f) The applicable fee for filing the application; and

(g) Any other information and documents the director of revenue reasonably requires to identify the manufactured home and to enable the director to determine whether the owner is entitled to a certificate of title and the existence or nonexistence of security interests in or liens on the manufactured home.

(2) When satisfied of the genuineness and regularity of the application for a certificate of title to a manufactured home and upon satisfaction of the requirements of subdivision (1) of this subsection, the director shall issue a new certificate of title and update the department's records in accordance with the provisions of section 700.320.

(3) Immediately upon satisfaction of the requirements of this subsection, a manufactured home shall be conveyed and encumbered as personal property.

(4) Upon written request, the director of revenue shall provide written acknowledgment of compliance with the provisions of this subsection.

5. The department of revenue shall promulgate rules to implement the provisions of this section. The department of revenue shall also promulgate standard affidavit of affixation forms, affidavit of severance forms, and confirmation of conversion forms that comply with 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 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, 2010, shall be invalid and void.

6. The provisions of this section shall become effective no later than March 1, 2011.

700.320. CERTIFICATE OF TITLE, APPLICATION PROCEDURE, FEES — PAYMENT OF SALES TAX BEFORE ISSUANCE — PURCHASE PRICE, DEFINED — CERTIFICATES MAY BE TRANSFERRED, WHEN, PROCEDURE — REFUSAL TO ISSUE, WHEN — AFFIDAVIT OF AFFIXATION, REQUIREMENTS — CERTIFICATES, REQUIREMENTS. — 1. **Except as provided in section 700.111,** the owner of any new or used manufactured home, as defined in section 700.010, shall make application to the director of revenue for an official certificate of title to such manufactured home in the manner prescribed by law for the acquisition of certificates of title to motor vehicles, and the rules promulgated pursuant thereto. All fees required by section 301.190, RSMo, for the titling of motor vehicles and all penalties provided by law for the failure to title motor vehicles shall apply to persons required to make application for an official certificate of title by this subsection. In case there is any duplication in serial numbers assigned any manufactured homes, or no serial number has been assigned by the manufacturer, the director shall assign the serial numbers for the manufactured homes involved.

2. At the time the owner of any new manufactured home, as defined in section 700.010, which was acquired in a transaction subject to sales tax under the Missouri sales tax law makes application to the director of revenue for an official certificate of title for such manufactured home, he shall present to the director of revenue evidence satisfactory to the director of revenue showing the purchase price exclusive of any charge incident to the extension of credit paid by or charged to the applicant in the acquisition of the manufactured home, or that no sales tax was incurred in its acquisition, and if sales tax was incurred in its acquisition, the applicant shall pay or cause to be paid to the director of revenue the sales tax provided by the Missouri sales tax law in addition to the registration fees now or hereafter required according to law, and the director of revenue shall not issue a certificate of title for any new manufactured home subject to sales tax as provided in the Missouri sales tax law until the tax levied for the sale of the same under sections 144.010 to 144.510, RSMo, has been paid as provided in this section**, but except as**

provided in subsection 2 of section 700.111, the director of revenue shall not suspend or revoke a certificate of title to a manufactured home by reason of the fact that at any time it shall become affixed in any manner to real estate. As used in this subsection, the term "purchase price" shall mean the total amount of the contract price agreed upon between the seller and the applicant in the acquisition of the new manufactured home regardless of the medium of payment therefor. In the event that the purchase price is unknown or undisclosed, or that the evidence thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisement by the director. The director of the department of revenue shall endorse upon the official certificate of title issued by him upon such application an entry showing that such sales tax has been paid or that the manufactured home represented by the certificate is exempt from sales tax and state the ground for such exemption.

3. A certificate of title for a manufactured home issued in the names of two or more persons that does not show on the face of the certificate that the persons hold their interest in the manufactured home as tenants in common, on death of one of the named persons, may be transferred to the surviving owner or owners. **Except as provided in subsection 5 of this section,** on proof of death of one of the persons in whose names the certificate was issued, surrender of the outstanding certificate of title, and on application and payment of the fee for an original certificate of title, the director of revenue shall issue a new certificate of title for the manufactured home to the surviving owner or owners; and the current valid certificate of number shall be so transferred.

4. A certificate of title for a manufactured home issued in the names of two or more persons that shows on its face that the persons hold their interest in the manufactured home as tenants in common, on death of one of the named persons, may be transferred by the director of revenue on application by the surviving owners and the personal representative or successors of the deceased owner. **Except as provided in subsection 5 of this section,** upon being presented proof of death of one of the persons in whose names the certificate of title was issued, surrender of the outstanding certificate of title, and on application and payment of the fee for an original certificate of title, the director of revenue shall issue a new certificate of title for the manufactured home to the surviving owners and personal representative or successors of the deceased owner; and the current valid certificate of number shall be so transferred.

5. **The director of revenue shall not issue a certificate of title to a manufactured home with respect to which there has been recorded an affidavit of affixation under section 442.015 unless with respect to the same manufactured home there has been recorded an affidavit of severance under section 442.015.**

6. The director of revenue shall file, upon receipt, each affidavit of affixation and affidavit of severance relating to a manufactured home that is delivered in accordance with section 442.015, RSMo, when satisfied of its genuineness and regularity.

7. The director of revenue shall maintain a record of each affidavit of affixation and each affidavit of severance filed in accordance with subsection 6 of this section. The record shall state the name of each owner of the related manufactured home, the county of recordation, the date of recordation, and the book and page number of each book of records in which there has been recorded an affidavit of affixation or affidavit of severance under section 442.015, and any other information the director of revenue prescribes.

8. The director of revenue shall file, upon receipt, each application for surrender of the manufacturer's certificate of origin relating to a manufactured home that is delivered in accordance with subsection 1 of section 700.111, when satisfied of its genuineness and regularity.

9. The director of revenue shall file, upon receipt, each application for surrender of the certificate of title relating to a manufactured home that is delivered in accordance with subsection 2 of section 700.111, when satisfied of its genuineness and regularity.

10. The director of revenue shall file, upon receipt, each application for confirmation of conversion relating to a manufactured home that is delivered in accordance with subsection 3 of section 700.111, when satisfied of its genuineness and regularity.

11. The director of revenue shall maintain a record of each manufacturer's certificate of origin accepted for surrender as provided in subsection 1 of section 700.111. The record shall state the name of each owner of the manufactured home, the date the manufacturer's certificate of origin was accepted for surrender, the county of recordation, the date of recordation, and the book and page number of each book of records in which there has been recorded an affidavit of affixation under section 442.015, and any other information the director of revenue prescribes.

12. The director of revenue shall maintain a record of each manufactured home certificate of title accepted for surrender as provided in subsection 2 of section 700.111. The record shall state the name of each owner of the manufactured home, the date the certificate of title was accepted for surrender, the county of recordation, the date of recordation, and the book and page number of each book of records in which there has been recorded an affidavit of affixation under section 442.015, and any other information the director of revenue prescribes.

13. The director of revenue shall maintain a record of each application for confirmation of conversion accepted as provided in subsection 3 of section 700.111. The record shall state the name of each owner of the manufactured home, the county of recordation, the date of recordation, and the book and page number of each book of records in which there has been recorded an affidavit of affixation under section 442.015, and any other information the director of revenue prescribes.

14. The holder of a manufacturer's certificate of origin to a manufactured home may deliver it to any person to facilitate conveying or encumbering the manufactured home. Any person receiving any such manufacturer's certificate of origin so delivered holds it in trust for the person delivering it.

15. Notwithstanding any other provision of law, a certificate of title issued by the director of revenue to a manufactured home is prima facie evidence of the facts appearing on it, notwithstanding the fact that such manufactured home, at any time, shall have become affixed in any manner to real estate.

16. When an owner wants to add or delete a name or names on an application for certificate of title to a manufactured home that would cause it to be inconsistent with the name or names listed on the notice of lien, the owner shall provide the director with documentation evidencing the lienholder's authorization to add or delete a name or names on an application for certificate of title.

700.350. LIENS AND ENCUMBRANCES — VALID, PERFECTED, WHEN, HOW — HOME SUBJECT TO, WHEN, HOW DETERMINED — SECURITY PROCEDURES — VALIDITY OF PRIOR TRANSACTIONS. — 1. As used in sections 700.350 to 700.390, the term "manufactured home" shall have the same **[**meanings**]** **meaning** given it in **[**section 700.010 or**]** section 400.9-102(a)(53), RSMo.

2. Unless excepted by section 700.375, a lien or encumbrance**, including a security interest under article 9 of chapter 400,** on a manufactured home shall not be valid against subsequent transferees or lienholders of the manufactured home who took without knowledge of the lien or encumbrance unless the lien or encumbrance is perfected as provided in sections 700.350 to 700.380.

3. A lien or encumbrance on a manufactured home is perfected by the delivery to the director of revenue of a notice of lien in a format as prescribed by the director of revenue. Such lien or encumbrance shall be perfected as of the time of its creation if the delivery of the notice of lien required in this subsection to the director of revenue is completed within thirty days thereafter, otherwise such lien or encumbrance shall be perfected as of the time of the delivery**;**

provided, however, that a purchase money security interest in a manufactured home under article 9 of chapter 400, is perfected against the rights of judicial lien creditors and execution creditors on and after the date such purchase money security interest attaches; and further provided that the holder of a security interest in or a lien on a manufactured home may deliver lien release documents to any person to facilitate conveying or encumbering the manufactured home. Any person receiving any such documents so delivered holds the documents in trust for the security interest holder or the lienholder. A notice of lien shall contain the name and address of the owner of the manufactured home and the secured party, a description of the manufactured home, including any identification number and such other information as the department of revenue shall prescribe. A notice of lien substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. Liens may secure future advances. The future advances may be evidenced by one or more notes or other documents evidencing indebtedness and shall not be required to be executed or delivered prior to the date of the future advance lien securing them. The fact that a lien may secure future advances shall be clearly stated on the security agreement and noted as "subject to future advances" in the notice of lien and noted on the certificate of ownership if the motor vehicle or trailer is subject to only one lien. To secure future advances when an existing lien on a manufactured home does not secure future advances, the lienholder shall file a notice of lien reflecting the lien to secure future advances. A lien to secure future advances is perfected in the same time and manner as any other lien, except as follows: proof of the lien for future advances is maintained by the department of revenue; however, there shall be additional proof of such lien when the notice of lien reflects such lien for future advances, is receipted by the department of revenue, and returned to the lienholder.

4. Whether a manufactured home is subject to a lien or encumbrance shall be determined by the laws of the jurisdiction where the manufactured home was when the lien or encumbrance attached, subject to the following:

(1) If the parties understood at the time the lien or encumbrances attached that the manufactured home would be kept in this state and it is brought into this state within thirty days thereafter for purposes other than transportation through this state, the validity and effect of the lien or encumbrance in this state shall be determined by the laws of this state;

(2) If the lien or encumbrance was perfected under the laws of the jurisdiction where the manufactured home was when the lien or encumbrance attached, the following rules apply:

(a) If the name of the lienholder is shown on an existing certificate of title or ownership issued by that jurisdiction, his lien or encumbrance continues perfected in this state;

(b) If the name of the lienholder is not shown on an existing certificate of title or ownership issued by the jurisdiction, the lien or encumbrance continues perfected in this state for three months after the first certificate of title of the manufactured home is issued in this state, and also thereafter if, within the three-month period, it is perfected in this state. The lien or encumbrance may also be perfected in this state after the expiration of the three-month period, in which case perfection dates from the time of perfection in this state;

(3) If the lien or encumbrance was not perfected under the laws of the jurisdiction where the manufactured home was when the lien or encumbrance attached, it may be perfected in this state, in which case perfection dates from the time of perfection in this state;

(4) A lien or encumbrance may be perfected under paragraph (b) of subdivision (2) or subdivision (3) of this subsection in the same manner as provided in subsection 3 of this section or by the lienholder delivering to the director of revenue a notice of lien or encumbrance in the form the director prescribes and the required fee.

5. By rules and regulations, the director of revenue shall establish a security procedure for the purpose of verifying that an electronic notice of lien or notice of satisfaction of lien on a manufactured home given as permitted in this chapter is that of the lienholder, verifying that an electronic notice of confirmation of ownership and perfection of a lien given as required in this chapter is that of the director of revenue, and detecting error in the transmission or the content

of such notice. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures or similar security devices. Comparison of a signature on a communication with an authorized specimen signature shall not by itself be a security procedure.

6. All transactions involving liens or encumbrances on manufactured homes perfected pursuant to sections 700.350 to 700.390 after June 30, 2001, and before August 28, 2002, and the rights, duties, and interests flowing from them are and shall remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by section 400.9-303**[**, RSMo, or this section**]**. Section 400.9-303, RSMo, and this section are remedial in nature and shall be given that construction.

7. **[**The repeal and reenactment of subsections 3 and 4 of this section shall become effective July 1, 2003**] Except as otherwise provided in section 442.015, subsections 1 and 2 of section 700.111, subsection 2 of section 700.360, and subsection 2 of section 700.375, after a certificate of title has been issued to a manufactured home and as long as the manufactured home is subject to any security interest perfected under this section, the department shall not file an affidavit of affixation, nor cancel the manufacturer's certificate of origin, nor revoke the certificate of title, and, in any event, the validity and priority of any security interest perfected under this section shall continue, notwithstanding the provision of any other law**.

700.360. CREATION OF LIEN OR ENCUMBRANCE BY OWNER, DUTIES, FAILURE TO PERFORM, PENALTY — SUBORDINATE LIENHOLDERS, PERFECTION PROCEDURE — NEW CERTIFICATE ISSUED, WHEN — GOVERNING, LAW. — 1. Except as provided in subsection 2 of this section, if an owner creates a lien or encumbrance on a manufactured home:

(1) The owner shall immediately execute the application, either in the space provided therefor on the certificate of title or on a separate form the director of revenue prescribes, to name the lienholder on the certificate of title, showing the name and address of the lienholder and the date of his security agreement, and shall cause the certificate of title, the application and the required fee to be mailed or delivered to the director of revenue. Failure of the owner to do so, including naming the lienholder in such application, is a class A misdemeanor;

(2) The lienholder or an authorized agent licensed pursuant to sections 301.112 to 301.119, RSMo, shall deliver to the director of revenue a notice of lien as prescribed by the director of revenue accompanied by all other necessary documentation to perfect a lien as provided in this section;

(3) To perfect a lien for a subordinate lienholder when a transfer of ownership occurs, the subordinate lienholder shall either mail or deliver, or cause to be mailed or delivered, a completed notice of lien to the department of revenue, accompanied by authorization from the first lienholder. The owner shall ensure the subordinate lienholder is recorded on the application for title at the time the application is made to the department of revenue. To perfect a lien for a subordinate lienholder when there is no transfer of ownership, the owner or lienholder in possession of the certificate shall either mail or deliver, or cause to be mailed or delivered, the owner's application for title, certificate, notice of lien, authorization from the first lienholder and title fee to the department of revenue. The delivery of the certificate and executing a notice of authorization to add a subordinate lien does not affect the rights of the first lienholder under the security agreement;

(4) Upon receipt of the documents and fee required in subdivision (3) of this section, the director of revenue shall issue a new certificate of ownership containing the name and address of the new lienholder, and shall mail the certificate as prescribed in section 700.355, or if a lienholder who has elected for the director of revenue to retain possession of an electronic certificate of ownership, the lienholder shall either mail or deliver to the director a notice of authorization for the director to add a subordinate lienholder to the existing certificate. Upon receipt of such authorization, a notice of lien and required documents and title fee, if applicable,

from a subordinate lienholder, the director shall add the subordinate lienholder to the certificate of ownership being electronically retained by the director and provide confirmation of the addition to both lienholders.

2. With respect to a manufactured home that is or will be permanently affixed to real estate, upon recordation of an affidavit of affixation under section 442.015, and satisfaction of the requirements of subsections 1 to 3 of section 700.111, as applicable, any perfection or termination of a security interest with respect to such permanently affixed property shall be governed by chapter 442.

700.370. SATISFACTION OF LIEN OR ENCUMBRANCE, RELEASE OF, PROCEDURE. — 1. Upon the satisfaction of a lien or encumbrance on a manufactured home, the lienholder shall, within ten days after demand, release the lien or encumbrance on the certificate or a separate document, and mail or deliver the certificate or separate document to the owner or any person who delivers to the lienholder an authorization from the owner to receive the certificate or separate document. Each perfected subordinate lienholder, if any, shall release such lien or encumbrance as provided in this section for the first lienholder. The release on the certificate or separate document shall be notarized. The owner may cause the certificate of title, the release, and the required fee to be mailed or delivered to the director of revenue, who shall release the lienholder's rights on the certificate and issue a new certificate of title.

2. If the electronic certificate of ownership is in the possession of the director of revenue, the lienholder shall notify the director within ten business days of any release of a lien and provide the director with the most current address of the owner. The director shall note such release on the electronic certificate and if no other lien exists the director shall mail or deliver the certificate free of any lien to the owner.

700.375. PROVISIONS OF SECTIONS 700.350 TO 700.380 EXCLUSIVE — EXCEPTIONS. — 1. Sections 700.350 to 700.380 shall not apply to or affect:

(1) A lien given by statute or rule of law to a supplier of services or materials for the manufactured home;

(2) A lien given by statute to the United States, this state or any political subdivision of this state;

(3) A lien or encumbrance on a manufactured home created by a manufacturer or dealer who holds the manufactured home for sale.

2. **Except as otherwise provided in paragraph (e) of section 400.9-303, with respect to security interests in manufactured homes perfected by filing under article 9 of chapter 400 and before August 28, 2002,** the method provided in sections 700.350 to 700.380 of perfecting and giving notice of liens or encumbrances subject to sections 700.350 to 700.380 is exclusive**; provided, however, that with respect to a manufactured home that is or will be permanently affixed to real estate, upon recordation of an affidavit of affixation under section 442.015, and satisfaction of the requirements of subsections 1 to 3 of section 700.111, as applicable, any perfection or termination of a security interest with respect to such permanently affixed property shall be governed by chapter 442**.

700.385. REPOSSESSED HOMES, CERTIFICATE OF TITLE — APPLICATION PROCEDURE, FEE, FORM OF — MANUFACTURED HOMES, NOTICE — ISSUED WHEN — DIRECTOR OF REVENUE, DUTIES — RULEMAKING AUTHORITY. — 1. When the holder of any indebtedness secured by a security agreement or other contract for security covering a manufactured home, who has a notice of lien on file with the director of revenue, repossesses the manufactured home either by legal process or in accordance with the terms of a contract authorizing the repossession of the manufactured home without legal process, the holder may obtain a certificate of ownership from the director of revenue upon presentation of:

(1) An application form furnished by the director of revenue which shall contain a full description of the manufactured home and the manufacturer's or other identifying number;

(2) A notice of lien receipt or the original certificate of ownership reflecting the holder's lien; and

(3) An affidavit of the holder, certified under penalties of perjury for making a false statement to a public official, that the debtor defaulted in payment of the debt, and that the holder repossessed the manufactured home either by legal process or in accordance with the terms of the contract, **and the name and address of the owner of the real estate, other than the debtor, from whom the home was repossessed, and that the holder has paid to the real property owner all rent that has accrued in the real property owner's favor that the holder is obligated to pay under the provisions of section 700.529,** and the specific address where the manufactured home is held. Such affidavit shall also state that the lienholder has the written consent from all owners or lienholders of record to repossess the manufactured home or has provided all the owners or lienholders with written notice of the repossession.

2. On a manufactured home, the lienholder shall first give:

(1) Ten days' written notice by first class United States mail, postage prepaid, to each of the owners and other lienholders, if any, of the manufactured home at each of their last mailing addresses as shown by the last prior certificate of ownership, if any issued, or the most recent address on the lienholder's records, that an application for a repossessed title will be made; or

(2) The lienholder may, ten days prior to applying for a repossession title, include the information in the above notice in the appropriate uniform commercial code notice under sections 400.9-613 or 400.9-614, RSMo. Such alternative notice to all owners and lienholders shall be valid and enforceable under both the uniform commercial code and this section, provided it otherwise complies with the provisions of the uniform commercial code.

3. Upon the holder's presentation of the papers required by subsection 1 of this section and the payment of a fee of ten dollars, the director of revenue, if he **or she** is satisfied with the genuineness of the papers, shall issue and deliver to the holder a certificate of ownership which shall be in its usual form except it shall be clearly captioned "Repossessed Title". Each repossessed title so issued shall, for all purposes, be treated as an original certificate of ownership and shall supersede the outstanding certificate of ownership, if any, and duplicates thereof, if any, on the manufactured home, all of which shall become null and void.

4. In any case where there is no certificate of ownership, or duplicate thereof, outstanding in the name of the debtor on the repossessed manufactured home, the director of revenue shall issue a repossessed title to the holder and shall proceed to collect all unpaid fees, taxes, charges and penalties owed by the debtor, in addition to the fee specified in subsection 3 of this section.

5. The director of revenue may prescribe rules and regulations for the effective administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, 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, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, 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, 2006, shall be invalid and void.

700.525. MANUFACTURED HOME DEFINED. — As used in sections 700.525 to 700.541, **[**the following terms mean:

(1) "Abandoned", a physical absence from the property, and either:

(a) Failure by a renter of real property to pay any required rent for fifteen consecutive days, along with the discontinuation of utility service to the rented property for such period; or

(b) Indication of or notice of abandonment of real property rented from a landlord;

(2)**]** "manufactured home"**[**, a factory-built structure**] shall mean: a manufactured home** as defined in **[**subdivision (6) or**] section 700.010, excluding a manufactured home with respect to which the requirements of subsections 1 to 3 of section 700.111, as applicable, have been satisfied, or a modular unit as defined in subdivision** (8) of section 700.010.

700.526. ABANDONMENT DEEMED, WHEN. — A manufactured home as defined in section 700.010 which is placed on the real estate of another under a rental agreement shall be deemed abandoned if:

(1) The real property owner has a reasonable belief that the homeowner has vacated the premises and intends not to return; and

(2) That rent is due and the homeowner has not paid such rent for thirty days; and

(3) The homeowner has failed to respond to the real property owner's notice of lien and abandonment set out in subsection 3 of section 700.527 by either failing to pay the rent or file a petition in the associate circuit court to contest the issue of abandonment and the lien.

700.527. ABANDONMENT OF MANUFACTURED HOME OR RENTAL REAL PROPERTY — OWNER OF PROPERTY MAY SEEK LIEN, WHEN, PROCEDURE — DIRECTOR'S DUTIES. — 1. If a person abandons a manufactured home on any real property owned by another who is renting such real property to the owner of the manufactured home, and such abandonment is without the consent of the owner of the real property, **and the abandoned manufactured home is not subject to any lien perfected according to sections 700.350 to 700.380,** the owner of the real property **[**may seek possession of and title to the manufactured home in accordance with the provisions of sections 700.525 to 700.541 subject to the interest of any party with a security interest in the manufactured home**] shall have a lien for unpaid rent against the manufactured home. The lien for unpaid rent shall be enforced as provided in this section and may be contested as provided in section 700.528**.

[2. The landlord seeking possession of the manufactured home shall submit a report to the director of revenue. Such report shall include the following:

(1) An application, which shall be upon a blank form furnished by the director of revenue and shall contain the full description of the manufactured home and the manufacturer's or other identifying number;

(2) An affidavit of the landlord seeking possession of the manufactured home, stating that the manufactured home is abandoned as defined by section 700.525 and applicable rule of the department, the duration of such abandonment, that the manufactured home is located upon real property owned by the landlord, and that the manufactured home is the subject of a valid rental agreement signed by the renter, along with the original, or a photostatic or conformed copy of the original contract for rental of real property; and

(3) Any other information that the director of revenue may require by rule.**]**

2. The real property owner claiming a lien on an abandoned manufactured home shall give written notice to the owner of the manufactured home, by certified mail, return receipt requested. The notice shall contain the following:

(1) The name, address, and telephone number of the real property owner;

(2) The name of the owner of the manufactured home and the make, year, and serial number of the manufactured home;

(3) That the manufactured home is abandoned as provided in section 700.526 and applicable rule of the director of revenue;

(4) The duration of such abandonment;

(5) That the manufactured home is located on real estate owned by the real property owner;

(6) That the home is located on such real estate by reason of a valid rental agreement;

(7) That the homeowner is in default of the rental agreement;

(8) The amount of rent accrued to the date of the notice and the monthly rate at which future rent will accrue until the abandoned home is redeemed;

(9) That the homeowner has not paid or made arrangements for the payment of the accrued rent;

(10) That the real property owner claims a lien for all such rent;

(11) That the owner of the manufactured home may redeem the abandoned manufactured home at any time during business hours by paying all rent accrued under the terms of the rental agreement;

(12) That the manufactured homeowner has a right to contest the real property owner's lien by filing, within ten days of receipt of the notice required by this section, a petition in the associate circuit division of circuit court of the county in which the manufactured home is located;

(13) That if the manufactured home remains unredeemed thirty days from the date of mailing of the notice and within ten days of mailing of the notice a petition is not filed to contest the lien, the real property owner may apply to the director of revenue for a lien title. Upon receipt of a lien title, the real property owner shall have the right to sell the manufactured home to recover unpaid rent, actual and necessary expenses incurred in obtaining a lien title, and conducting and advertising the sale.

3. The real property owner's lien and the sum of which the homeowner shall be obligated to pay to satisfy the lien shall be the unpaid rent accrued under the terms of the rental agreement to the date the homeowner satisfied the lien or if not so satisfied to the date the home is sold under this section.

4. The owner of the manufactured home shall not have the right to remove the home from the real property owner's property until such time as all rent provided for the rental agreement is paid.

5. If the homeowner has not paid or made arrangements for the payment of the accrued rent with the real property owner within thirty days from the date of mailing of the notice and no petition as provided in section 700.528 has been filed in the associate circuit division of the circuit court in the county in which the abandoned manufactured home is located to contest the lien or if filed has been dismissed or judgment has been entered on the petition establishing the real property owner's lien, the real property owner may apply to the director of revenue for a certificate of title in order to enforce the lien.

6. The application for a lien title shall be in the form furnished by the director of revenue and shall contain and be accompanied by:

(1) The make, year, and serial number of the manufactured home;

(2) An affidavit of the owner of real property seeking possession of the manufactured home that states:

(a) The manufactured home is abandoned as provided in section 700.526 and by applicable rule of the director of revenue;

(b) The duration of such abandonment;

(c) The manufactured home is located upon real property owned by the real property owner;

(d) The manufactured home is located on the real estate by reason of a valid rental agreement;

(e) The homeowner is in default of the rental agreement;

(f) The amount of past-due rent and the monthly rate at which future rent will accrue under the rental agreement;

(g) The homeowner has not paid or made arrangements for the payment of the rent;

(h) The owner of real property claims a lien for all such rent;

(i) The real property owner mailed the notice required by subsection 3 of this section to the owner of the manufactured home by certified mail, return receipt requested;

(j) The manufactured homeowner has not filed a petition in the associate circuit division of circuit court contesting the real property owner's lien, or if a petition was filed, that either the homeowner's petition was dismissed or that a judgment in the real property owner's favor establishing the lien was entered;

(3) A copy of the thirty-day notice given by certified mail to the owner of the manufactured home;

(4) A copy of the certified mail receipt indicating that the owner was sent the notice as required in subsection 3 of this section;

(5) A copy of the envelope or mailing container showing the address and postal marking that indicate the notice was not forwardable or address unknown;

(6) An original, photostatic, or conformed copy of the original contract for the rental of the real property;

(7) A copy of any judgment of dismissal of the homeowner's petition to contest the lien or a judgment awarding the real property owner a lien against the manufactured home; and

(8) Any other information that the director of revenue may require by rule.

7. If the director is satisfied with the genuineness of the application and supporting documents submitted under this section, the director shall issue, in the manner a repossessed title is issued, a certificate of ownership or certificate of title to the real property owner which shall be captioned "lien title".

8. Upon receipt of a lien title, the holder shall within thirty days begin proceedings to sell the manufactured home as prescribed in this section. The real property owner shall be entitled to any actual and necessary expenses incurred in obtaining the lien title, including, but not limited to reasonable attorney's fees and cost of advertising.

9. The sale of the manufactured home shall be held only after giving the owner not less than twenty days' notice, by one of the following means:

(1) By personal delivery to the owner of a copy of the notice set out below;

(2) By mailing a copy of the notice set out in subsection 11 of this section, by registered mail addressed to the owner of the manufactured home in which case a return receipt shall be evidence of due notice;

(3) By publishing the notice not less than twice in a newspaper of general circulation in the county in which the manufactured home is to be sold, the last publication to be not less than twenty days prior to the date of sale; or

(4) If no newspaper is published within the county in which said manufactured home is to be sold, then by posting the notice, not less than twenty days prior to the date of sale, on five handbills placed in five different places in the county in which the manufactured home is to be sold and with one of such handbills posted where the manufactured home is located.

10. The form of the notice shall be substantially as follows:

"NOTICE

Notice is hereby given that on (insert date), sale will be held at (insert place), to sell the following manufactured home to enforce a lien existing under the laws of the state of Missouri for real estate rental, unless the manufactured home is redeemed prior to the date of sale:

Name of Owner: Description of Manufacturer's Amount of Lien:

Manufactured Serial Number:

Home:

Name of Lienor:".

11. The owner of the manufactured home may redeem the home prior to the sale by payment of all rents due and owing to the real property owner under the rental agreement to the date of sale or payment, whichever is sooner, and payment of actual and

necessary expenses incurred in obtaining the lien, including but not limited to reasonable attorney's fees, and necessary expenses of advertising the sale.

12. If the manufactured home is not redeemed prior to the date of sale provided in the notice set forth in this section, the real property owner may sell the manufactured home on the day and at the place specified in the notice. The proceeds of sale shall be distributed in the following order:

(1) To the satisfaction of real property owner's past-due rent and reimbursement of its actual and necessary expenses incurred in obtaining the lien and lien title, including attorney's fees and the necessary expenses of advertising the sale provided for in this section;

(2) The excess, if any, shall be paid to the manufactured homeowner.

If the manufactured homeowner cannot be located within thirty days of the date of sale, the excess, if any, shall be deposited with the county treasurer of the county in which the home was sold and in the case of a sale within a city not within a county with its treasurer, together with a sworn statement containing the name of the owner, description of the manufactured home by manufacturer's serial number, amount of lien, sale price, name of purchaser, and costs and manner of advertising.

13. Such treasurer shall credit such excess to the general revenue fund of the county or a city not within a county, subject to the right of the owner to reclaim the same at any time within three years of the date of such deposit with the treasurer, after presentation of proper evidence of ownership and obtaining an order of the county commission, or comptroller of a city not within a county, directed to said treasurer for the return of such excess deposit.

14. Any lienor failing to or refusing to deliver to such treasurer the excess proceeds of sale together with a sworn statement as required in this section within thirty days after such sale, shall be liable for double the excess of proceeds of such sale, to be recovered in any court of competent jurisdiction by civil action.

15. The real property owner's compliance with the requirements of this section shall be a perpetual bar to any action against such owner of real property by any person for the recovery of the manufactured home or its value or of any damages growing out of the taking of possession and sale of such manufactured home.

16. The real property owner may be a purchaser at the public sale conducted under this section.

17. The provisions of this section shall not apply to a manufactured home which is real estate as defined in subsection 7 of section 442.015.

700.528. CONTEST OF LIEN, PROCEDURE. — 1. The owner of the abandoned manufactured home, within ten days of the mailing of the real property owner's notification provided for in subsection 3 of section 700.527, may file a petition in the associate circuit division of circuit court in the county in which the abandoned manufactured home is located to contest the real property owner's lien. The petition shall name the real property owner as a defendant. The director of revenue shall not be a party to such petition, but a copy of the petition shall be served on the director who shall not issue a lien title to such abandoned manufactured home until the court by judgment upholds the lien or until the homeowner's petition is dismissed.

2. Upon the filing of the petition in the associate circuit division of circuit court, the owner may have the manufactured home released from the lien upon posting with the court, for the benefit of the real property owner, a cash or surety bond or other adequate security equal to the amount of the rental charges due and those which will accrue during the term of the proceedings to ensure payment of such rent in the event the manufactured homeowner does not prevail. Upon posting of the bond, the court shall issue an order notifying the real property owner of the posting of the bond and directing the real

property owner to release the manufactured home to its owner. The court shall then proceed to determine the parties' rights to the proceeds of the bond.

3. If the court determines the homeowner owes unpaid rent under the rent agreement, the court shall give judgment to the real property owner in the sum of the unpaid rent, declare a lien in the real property owner's favor against the manufactured home, or if bond has been posted, order that so much of the bond proceeds as are necessary to satisfy the judgment to be immediately paid to the real property owner. The real property owner shall enforce the lien for the unpaid rent by submitting an application for lien title in the form and containing the information required by section 700.527. The real property owner shall attach to the application for lien title a copy of the judgment rendered by the associate circuit court. The homeowner may satisfy the lien by paying the amount set out in the judgment together with statutory judgment interest.

700.529. NOTICE OF LIEN — LIEN AMOUNT DEEMED UNPAID RENT — NO CERTIFICATE OF TITLE UNTIL ALL RENT PAID. — **[**Upon proof of all the foregoing in section 700.527 by proper affidavit and upon compliance with the provisions of sections 700.525 to 700.541, the director of revenue shall, if requested, issue a new certificate of title to the landlord.**] 1. If a person abandons a manufactured home on any real property owned by another who is renting such real property to the owner of the manufactured home, and such abandonment is without the consent of the owner of the real property, and there exists a lien perfected according to sections 700.350 to 700.380 on the manufactured home which is in default, the owner of the real property shall have a lien for unpaid rental against the manufactured home upon compliance with the provisions of this section by giving notice to the manufactured homeowner and any party with a perfected lien in the abandoned home by certified mail, postage prepaid and return receipt requested. The notice shall contain the following:**

(1) The name, address, and telephone number of the real property owner;

(2) The name and last known address of the owner of the manufactured home;

(3) The make, year, and serial number of the manufactured home;

(4) That the manufactured home is abandoned as provided in section 700.526 and by applicable rule of the director;

(5) That the manufactured home is located on real estate owned by the real property owner;

(6) That the home is located on the real estate by reason of a valid rental agreement;

(7) That the homeowner is in default of the rental agreement;

(8) The amount of past-due rent and the monthly rate at which future rent will accrue under the rental agreement;

(9) That the homeowner has not paid or made arrangements for the payment of the rent;

(10) That the real property owner claims a lien for such rental;

(11) That the owner of the manufactured home may redeem the home at any time during business hours by paying all unpaid rent accrued under the terms of the rental agreement through the date of removal of the home from the real property owner's premises and the perfected lienholder may redeem the abandoned manufactured home at any time during business hours by paying all rent specified in the rental agreement which accrues during the period beginning thirty days after this notice has been mailed to the perfected lienholder and continuing to the date the home is removed from real property owner's premises;

(12) That the manufactured homeowner and the perfected lienholder shall each have the right to contest the real property owner's lien by filing, within ten days of the date of mailing the notice required by this section, a petition in the associate circuit division of the circuit court of the county in which the manufactured home is located;

(13) That if the rent due remains unpaid thirty days from the date mailing of the notice and within ten days of mailing of the notice the petition referred to in subdivision (12) of this subsection is not filed to contest the lien, the real property owner shall have a lien against the manufactured home which shall be superior to the perfected lienholder's lien and the amount of the lien shall continue to accrue monthly until the home is removed from real property owner's premises.

2. The real property owner's lien and the sum which the homeowner shall be obligated to pay to satisfy the lien shall be the unpaid rent accrued under the terms of the rental agreement through the date the home is removed from real property owner's premises and the real property owner's lien and the sum which the perfected lienholder shall be obligated to pay to satisfy the lien shall be the unpaid rental specified in the rental agreement which accrues during the period beginning thirty days after the notice specified in this section has been mailed to the lienholder and continuing to the date the home is removed from real property owner's premises. If an injunction or stay order issued by any court of competent jurisdiction prohibits the lienholder from removing the home, the lienholder's obligation to pay the rent shall abate until the date the injunction or stay order is lifted.

3. The owner of the manufactured home shall not have the right to remove the home from the real property owner's property until such time as all rent provided for in the rental agreement is paid and the perfected lienholder shall not have the right to remove the home until such time as the lienholder has paid all rent it is obligated to pay to the real property owner under the provisions of this section.

4. Until a perfected lienholder has paid all rent it is obligated to pay to the real property owner accrued in the real property owner's favor under the provisions of this section, the director shall not issue a certificate of title or repossession title to the manufactured home to the perfected lienholder.

5. The owner of the abandoned manufactured home or the perfected lienholder, within ten days of mailing of the notice specified in subsection 1 of this section, may file a petition in the associate circuit division of the circuit court of the county in which the abandoned manufactured home is located to contest the real property owner's lien. If the court determines the homeowner or the perfected lienholder owe unpaid rent, the court shall declare a lien in real property owner's favor and shall separately state the amount of the homeowner or the perfected lienholder's obligation to the date of the judgment. The homeowner and the perfected lienholder may satisfy the lien by paying the amount set out in the judgment of the court.

700.630. SURVIVORSHIP INTEREST IN MANUFACTURED HOMES — ISSUANCE OF CERTIFICATES OF OWNERSHIP, REQUIREMENTS, RESTRICTIONS. — 1. A sole owner of a manufactured home, and multiple owners of a manufactured home who hold their interest as joint tenants with right of survivorship or as tenants by the entirety, on application and payment of the fee required for an original certificate of ownership, may request the director of revenue to issue a certificate of ownership for the manufactured home in beneficiary form which includes a directive to the director of revenue to transfer the certificate of ownership on death of the sole owner or on death of all multiple owners to one beneficiary or to two or more beneficiaries as joint tenants with right of survivorship or as tenants by the entirety named on the face of the certificate. The directive to the director of revenue shall also permit the beneficiary or beneficiaries to make one reassignment of the original certificate of ownership upon the death of the owner to another owner without transferring the certificate to the beneficiary or beneficiaries' name.

2. A certificate of ownership in beneficiary form may not be issued to persons who hold their interest in a manufactured home as tenants in common.

3. A certificate of ownership issued in beneficiary form shall include after the name of the owner, or after the names of multiple owners, the words "transfer on death to" or the abbreviation "TOD" followed by the name of the beneficiary or beneficiaries.

4. (1) During the lifetime of a sole owner and during the lifetime of all multiple owners, or prior to the death of the last surviving multiple owner, the signature or consent of the beneficiary or beneficiaries shall not be required for any transaction relating to the manufactured home for which a certificate of ownership in beneficiary form has been issued.

(2) A certificate of ownership in beneficiary form may be revoked or the beneficiary or beneficiaries changed at any time before the death of a sole owner or the last surviving multiple owner only by the following methods:

(a) By a sale of the manufactured home with proper assignment and delivery of the certificate of ownership to another person; or

(b) By filing an application to reissue the certificate of ownership with no designation of a beneficiary or with the designation of a different beneficiary or beneficiaries with the director of revenue in proper form and accompanied by the payment of the fee for an original certificate of ownership.

(3) The beneficiary's or beneficiaries' interest in the manufactured home at death of the owner or surviving owner shall be subject to any contract of sale, assignment of ownership or security interest to which the owner or owners of the manufactured home were subject during their lifetime.

(4) The designation of a beneficiary or beneficiaries in a certificate of ownership issued in beneficiary form may not be changed or revoked by a will, any other instrument, or a change in circumstances, or otherwise be changed or revoked except as provided by subdivision (2) of this subsection.

5. (1) On proof of death of one of the owners of two or more multiple owners, or of a sole owner, surrender of the outstanding certificate of ownership, and on application and payment of the fee for an original certificate of ownership, the director of revenue shall issue a new certificate of ownership for the manufactured home to the surviving owner or owners or, if none, to the surviving beneficiary or beneficiaries, subject to any outstanding security interest; and the current valid certificate of number shall be so transferred. If the surviving beneficiary or beneficiaries makes a request of the director of revenue, the director may allow the beneficiary or beneficiaries to make one assignment of title.

(2) The director of revenue may rely on a death certificate or record or report that constitutes prima facie proof or evidence of death under subdivisions (1) and (2) of section 472.290, RSMo.

(3) The transfer of a manufactured home at death pursuant to this section is not to be considered as testamentary, or to be subject to the requirements of section 473.087, RSMo, or section 474.320, RSMo.

6. Notwithstanding the foregoing, the director of revenue shall not issue a certificate of ownership to a manufactured home to which there has been recorded an affidavit of affixation under section 442.015 unless with respect to the same manufactured home there has been recorded an affidavit of severance under section 442.015.

[700.530. RIGHTS OF SECURED PARTIES. — The provisions of sections 700.525 to 700.539 shall not affect the right of a secured party to take possession of, and title to, a manufactured home pursuant to section 400.9-503, RSMo, section 700.386 or otherwise as allowed by contract or law.**]**

[700.531. DIRECTOR TO NOTIFY OWNER OF RECORD OF MANUFACTURED HOME AND ANY HOLDER OF SECURITY INTEREST — NOTICE CONTENT. — The director of revenue shall notify the owner of record of the manufactured home and any holder of a security interest in the manufactured home of its status of abandonment, the name and business address of the landlord

seeking possession of the manufactured home, and the right of the landlord to seek title to the manufactured home pursuant to sections 700.525 to 700.541 if such manufactured home remains abandoned or if the owner of record of the manufactured home and any holder of a security interest in the manufactured home does not respond to the notice. The notice shall be given within fifteen working days of the receipt of the application of the landlord pursuant to subsection 2 of section 700.527.**]**

[700.533. OWNER OF MANUFACTURED HOME OR HOLDER OF SECURITY INTEREST MAY CLAIM TITLE, REQUIREMENTS. — The owner of such manufactured home or the holder of a valid security interest therein which is in default may claim title to it from the landlord seeking possession of the manufactured home upon proof of ownership or valid security interest which is in default and payment of all reasonable rents due and owing to the landlord.**]**

[700.535. OWNER OF MANUFACTURED HOME MAY VOLUNTARILY RELINQUISH CLAIM OR RELINQUISH BY FAILURE TO RESPOND TO NOTICE — RIGHT TO RECLAIM, REQUIREMENT. — If the manufactured home is titled in Missouri, the valid owner of the manufactured home or the holder of a valid security interest therein may voluntarily relinquish any claim to the manufactured home by affirmatively declaring such relinquishment or by failing to respond to the notice required by section 700.531 within thirty days of the mailing or delivery of such notice by the director of revenue.**]**

[700.537. LIENHOLDER MAY REPOSSESS ABANDONED HOME, REQUIREMENT — NOTICE FORM PROVIDED BY DIRECTOR OF REVENUE. — The lienholder of an abandoned manufactured home may repossess an abandoned manufactured home by notifying by registered mail, postage prepaid, the owner if known, and any lienholders of record, at their last known addresses, that application for a certificate of title will be made unless the owner or lienholder of record makes satisfactory arrangements with the owner of real property upon which such abandoned manufactured home is situated within thirty days of the mailing of the notice. This notice shall be supplied by the use of a form designed and provided by the director of revenue.**]**

[700.539. CERTIFICATE OF TITLE, APPLICATION BY LIENHOLDER MAY BE MADE WHEN, REQUIREMENTS, FEE — DIRECTOR TO ISSUE, WHEN. — 1. Within thirty days after the notification form required by section 700.537 has been mailed, and the owner or lienholder has made satisfactory arrangements with the owner of real property, the lienholder who sent notification pursuant to sections 700.525 to 700.541 may apply to the director of revenue for a certificate of title. The application shall be accompanied by:

(1) An affidavit of the lienholder that he is in compliance with all requirements of sections 700.525 to 700.541;

(2) A copy of the receipt indicating that the owner or lienholder of record has received the notice required by sections 700.525 to 700.541;

(3) A fee as required by the director of revenue by rule.

2. Upon proof of the foregoing by proper affidavit and upon compliance with all requirements of sections 700.525 to 700.541, the director of revenue shall, if requested, issue a new certificate of title to the lienholder in possession within fifteen working days after request.**]**

SECTION B. EFFECTIVE DATE. — The repeal of sections 700.530, 700.531, 700.533, 700.535, 700.537, and 700.539, the repeal and reenactment of sections 137.115, 362.105, 365.020, 365.200, 369.229, 370.300, 400.9-303, 400.9-311, 408.015, 408.250, 441.005, 442.010, 513.010, 700.010, 700.100, 700.111, 700.320, 700.350, 700.360, 700.370, 700.375,

700.385, 700.525, 700.527, 700.529, and 700.630, and the enactment of sections 442.015, 700.526, and 700.528, of this act shall become effective March 1, 2011.

Approved July 7, 2010

SB 644 [SCS SB 644]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions of law regarding certain taxes to fund tourism and convention centers

AN ACT to repeal sections 67.1000, 67.1003, 67.1360, 67.1361, 67.2000, and 70.220, RSMo, and to enact in lieu thereof six new sections relating to taxes to fund tourism and convention centers.

SECTION

A. Enacting clause.
67.1000. Transient guests to pay tax on sleeping rooms in hotels and motels, purpose to fund convention and visitors bureau, any county and certain cities — limitation on tax, Jefferson City.
67.1003. Transient guest tax on hotels and motels in counties and cities meeting a room requirement or a population requirement, amount, issue submitted to voters, ballot language.
67.1360. Transient guests to pay tax for funding the promotion of tourism, certain cities and counties, vote required.
67.1361. Tax on charges for sleeping rooms for certain counties and cities (Buchanan County and City of St. Joseph).
67.2000. Creation of an exhibition center and recreational facility district, petition, hearing, ballot form — board of trustees, powers — trust fund created — sales tax authorization, procedure — dissolution of district (Buchanan, Caldwell, Camden, Clinton, Cole, Daviess, DeKalb, Greene, Jefferson, Miller, Morgan, Newton, and Wright counties).
70.220. Political subdivisions may cooperate with each other, with other states, the United States or private persons — tax distribution agreement, authorized for certain counties and cities (Buchanan County and city of St. Joseph;Greene County and city of Springfield).

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

SECTION A. ENACTING CLAUSE. — Sections 67.1000, 67.1003, 67.1360, 67.1361, 67.2000, and 70.220, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 67.1000, 67.1003, 67.1360, 67.1361, 67.2000, and 70.220, to read as follows:

67.1000. TRANSIENT GUESTS TO PAY TAX ON SLEEPING ROOMS IN HOTELS AND MOTELS, PURPOSE TO FUND CONVENTION AND VISITORS BUREAU, ANY COUNTY AND CERTAIN CITIES — LIMITATION ON TAX, JEFFERSON CITY. — 1. The governing body of any county or of any city which is the county seat of any county or which now or hereafter has a population of more than three thousand five hundred inhabitants and which has heretofore been authorized by the general assembly, or of any other city which has a population of more than eighteen thousand and less than forty-five thousand inhabitants located in a county of the first classification with a population over two hundred thousand adjacent to a county of the first classification with a population over nine hundred thousand, may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels situated in the city or county, which shall be not more than five percent per occupied room per night, except that such tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at an election permitted under section 115.123, RSMo, a proposal to authorize the governing body of the city or county to impose a tax under the provisions of this

section and section 67.1002. The tax authorized by this section and section 67.1002 shall be in addition to the charge for the sleeping room and shall be in addition to any and all taxes imposed by law and the proceeds of such tax shall be used by the city or county solely for funding a convention and visitors bureau which shall be a general not-for-profit organization with whom the city or county has contracted, and which is established for the purpose of promoting the city or county as a convention, visitor and tourist center. Such tax shall be stated separately from all other charges and taxes.

2. In any county of the third classification without a township form of government and with more than forty-one thousand one hundred but fewer than forty-one thousand two hundred inhabitants, "transient guests", as used in this section and section 67.1002, means a person or persons who occupy a room or rooms in a hotel or motel for ninety days or less during any calendar quarter.

3. Provisions of this section to the contrary notwithstanding, the governing body of any home rule city with more than thirty-nine thousand six hundred but fewer than thirty-nine thousand seven hundred inhabitants and partially located in any county of the first classification with more than seventy-one thousand three hundred but fewer than seventy-one thousand four hundred inhabitants may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels situated in the city, which shall be not more than seven percent per occupied room per night, except that such tax shall not become effective unless the governing body of such city submits to the voters of the city at an election permitted under section 115.123, a proposal to authorize the governing body of the city to impose a tax under the provisions of this section and section 67.1002. The tax authorized by this section and section 67.1002 shall be in addition to the charge for the sleeping room and shall be in addition to any and all taxes imposed by law and the proceeds of such tax shall be used by the city solely for funding a convention and visitors bureau which shall be a general not-for-profit organization with whom the city has contracted, and which is established for the purpose of promoting the city as a convention, visitor and tourist center. Such tax shall be stated separately from all other charges and taxes.

67.1003. TRANSIENT GUEST TAX ON HOTELS AND MOTELS IN COUNTIES AND CITIES MEETING A ROOM REQUIREMENT OR A POPULATION REQUIREMENT, AMOUNT, ISSUE SUBMITTED TO VOTERS, BALLOT LANGUAGE. — 1. The governing body of **the following cities and counties may impose a tax as provided in this section:**

(1) Any city or county, other than a city or county already imposing a tax on the charges for all sleeping rooms paid by the transient guests of hotels and motels situated in such city or county or a portion thereof pursuant to any other law of this state, having more than three hundred fifty hotel and motel rooms inside such city or county;

[(1)**] (2)** A county of the third classification with a population of more than seven thousand but less than seven thousand four hundred inhabitants;

[(2) or**] (3)** A third class city with a population of greater than ten thousand but less than eleven thousand located in a county of the third classification with a township form of government with a population of more than thirty thousand;

[(3) or**] (4)** A county of the third classification with a township form of government with a population of more than twenty thousand but less than twenty-one thousand;

[(4) or**] (5)** Any third class city with a population of more than eleven thousand but less than thirteen thousand which is located in a county of the third classification with a population of more than twenty-three thousand but less than twenty-six thousand;

[(5) or**] (6)** Any city of the third classification with more than ten thousand five hundred but fewer than ten thousand six hundred inhabitants;

[(6) or**] (7)** Any city of the third classification with more than twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants**;**

(8) Any city of the third classification with more than ten thousand eight hundred but fewer than ten thousand nine hundred inhabitants and located in more than one county.

2. The governing body of any city or county listed in subsection 1 of this section may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels or motels situated in the city or county or a portion thereof, which shall be not more than five percent per occupied room per night, except that such tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at a state general or primary election a proposal to authorize the governing body of the city or county to impose a tax pursuant to this section. The tax authorized by this section shall be in addition to the charge for the sleeping room and shall be in addition to any and all taxes imposed by law and the proceeds of such tax shall be used by the city or county solely for the promotion of tourism. Such tax shall be stated separately from all other charges and taxes.

[2.**] 3.** Notwithstanding any other provision of law to the contrary, the tax authorized in this section shall not be imposed in any city or county already imposing such tax pursuant to any other law of this state, except that cities of the third class having more than two thousand five hundred hotel and motel rooms, and located in a county of the first classification in which and where another tax on the charges for all sleeping rooms paid by the transient guests of hotels and motels situated in such county is imposed, may impose the tax authorized by this section of not more than one-half of one percent per occupied room per night.

[3.**] 4.** The ballot of submission for the tax authorized in this section shall be in substantially the following form:

Shall (insert the name of the city or county) impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels and motels situated in (name of city or county) at a rate of (insert rate of percent) percent for the sole purpose of promoting tourism?

[ ] YES [ ] NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the second calendar quarter following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the tax shall not become effective unless and until the question is resubmitted under this section to the qualified voters and such question is approved by a majority of the qualified voters voting on the question.

[4.**] 5.** As used in this section, "transient guests" means a person or persons who occupy a room or rooms in a hotel or motel for thirty-one days or less during any calendar quarter.

67.1360. TRANSIENT GUESTS TO PAY TAX FOR FUNDING THE PROMOTION OF TOURISM, CERTAIN CITIES AND COUNTIES, VOTE REQUIRED. — 1. The governing body of **the following cities and counties may impose a tax as provided in this section**:

(1) A city with a population of more than seven thousand and less than seven thousand five hundred;

(2) A county with a population of over nine thousand six hundred and less than twelve thousand which has a total assessed valuation of at least sixty-three million dollars, if the county submits the issue to the voters of such county prior to January 1, 2003;

(3) A third class city which is the county seat of a county of the third classification without a township form of government with a population of at least twenty-five thousand but not more than thirty thousand inhabitants;

(4) Any fourth class city having, according to the last federal decennial census, a population of more than one thousand eight hundred fifty inhabitants but less than one thousand nine hundred fifty inhabitants in a county of the first classification with a charter form of government and having a population of greater than six hundred thousand but less than nine hundred thousand inhabitants;

(5) Any city having a population of more than three thousand but less than eight thousand inhabitants in a county of the fourth classification having a population of greater than forty-eight thousand inhabitants;

(6) Any city having a population of less than two hundred fifty inhabitants in a county of the fourth classification having a population of greater than forty-eight thousand inhabitants;

(7) Any fourth class city having a population of more than two thousand five hundred but less than three thousand inhabitants in a county of the third classification having a population of more than twenty-five thousand but less than twenty-seven thousand inhabitants;

(8) Any third class city with a population of more than three thousand two hundred but less than three thousand three hundred located in a county of the third classification having a population of more than thirty-five thousand but less than thirty-six thousand;

(9) Any county of the second classification without a township form of government and a population of less than thirty thousand;

(10) Any city of the fourth class in a county of the second classification without a township form of government and a population of less than thirty thousand;

(11) Any county of the third classification with a township form of government and a population of at least twenty-eight thousand but not more than thirty thousand;

(12) Any city of the fourth class with a population of more than one thousand eight hundred but less than two thousand in a county of the third classification with a township form of government and a population of at least twenty-eight thousand but not more than thirty thousand;

(13) Any city of the third class with a population of more than seven thousand two hundred but less than seven thousand five hundred within a county of the third classification with a population of more than twenty-one thousand but less than twenty-three thousand;

(14) Any fourth class city having a population of more than two thousand eight hundred but less than three thousand one hundred inhabitants in a county of the third classification with a township form of government having a population of more than eight thousand four hundred but less than nine thousand inhabitants;

(15) Any fourth class city with a population of more than four hundred seventy but less than five hundred twenty inhabitants located in a county of the third classification with a population of more than fifteen thousand nine hundred but less than sixteen thousand inhabitants;

(16) Any third class city with a population of more than three thousand eight hundred but less than four thousand inhabitants located in a county of the third classification with a population of more than fifteen thousand nine hundred but less than sixteen thousand inhabitants;

(17) Any fourth class city with a population of more than four thousand three hundred but less than four thousand five hundred inhabitants located in a county of the third classification without a township form of government with a population greater than sixteen thousand but less than sixteen thousand two hundred inhabitants;

(18) Any fourth class city with a population of more than two thousand four hundred but less than two thousand six hundred inhabitants located in a county of the first classification without a charter form of government with a population of more than fifty-five thousand but less than sixty thousand inhabitants;

(19) Any fourth class city with a population of more than two thousand five hundred but less than two thousand six hundred inhabitants located in a county of the third classification with a population of more than nineteen thousand one hundred but less than nineteen thousand two hundred inhabitants;

(20) Any county of the third classification without a township form of government with a population greater than sixteen thousand but less than sixteen thousand two hundred inhabitants;

(21) Any county of the second classification with a population of more than forty-four thousand but less than fifty thousand inhabitants;

(22) Any third class city with a population of more than nine thousand five hundred but less than nine thousand seven hundred inhabitants located in a county of the first classification

without a charter form of government and with a population of more than one hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred inhabitants;

(23) Any city of the fourth classification with more than five thousand two hundred but less than five thousand three hundred inhabitants located in a county of the third classification without a township form of government and with more than twenty-four thousand five hundred but less than twenty-four thousand six hundred inhabitants;

(24) Any third class city with a population of more than nineteen thousand nine hundred but less than twenty thousand in a county of the first classification without a charter form of government and with a population of more than one hundred ninety-eight thousand but less than one hundred ninety-eight thousand two hundred inhabitants;

(25) Any city of the fourth classification with more than two thousand six hundred but less than two thousand seven hundred inhabitants located in any county of the third classification without a township form of government and with more than fifteen thousand three hundred but less than fifteen thousand four hundred inhabitants;

(26) Any county of the third classification without a township form of government and with more than fourteen thousand nine hundred but less than fifteen thousand inhabitants;

(27) Any city of the fourth classification with more than five thousand four hundred but fewer than five thousand five hundred inhabitants and located in more than one county;

(28) Any city of the fourth classification with more than six thousand three hundred but fewer than six thousand five hundred inhabitants and located in more than one county through the creation of a tourism district which may include, in addition to the geographic area of such city, the area encompassed by the portion of the school district, located within a county of the first classification with more than ninety-three thousand eight hundred but fewer than ninety-three thousand nine hundred inhabitants, having an average daily attendance for school year 2005-06 between one thousand eight hundred and one thousand nine hundred;

(29) Any city of the fourth classification with more than seven thousand seven hundred but less than seven thousand eight hundred inhabitants located in a county of the first classification with more than ninety-three thousand eight hundred but less than ninety-three thousand nine hundred inhabitants;

(30) Any city of the fourth classification with more than two thousand nine hundred but less than three thousand inhabitants located in a county of the first classification with more than seventy-three thousand seven hundred but less than seventy-three thousand eight hundred inhabitants;

(31) Any city of the third classification with more than nine thousand three hundred but less than nine thousand four hundred inhabitants; **[**or**]**

(32) Any city of the fourth classification with more than three thousand eight hundred but fewer than three thousand nine hundred inhabitants and located in any county of the first classification with more than thirty-nine thousand seven hundred but fewer than thirty-nine thousand eight hundred inhabitants;

(33) Any county of the third classification without a township form of government and with more than twelve thousand one hundred but fewer than twelve thousand two hundred inhabitants.

2. The governing body of any city or county listed in subsection 1 of this section may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels, motels, bed and breakfast inns and campgrounds and any docking facility which rents slips to recreational boats which are used by transients for sleeping, which shall be at least two percent, but not more than five percent per occupied room per night, except that such tax shall not become effective unless the governing body of the city or county submits to the voters of the city or county at a state general, primary or special election, a proposal to authorize the governing body of the city or county to impose a tax pursuant to the provisions of this section and section 67.1362. The tax authorized by this section and section 67.1362 shall be in addition to any charge paid to the owner or operator and shall be in addition to any and all taxes imposed by law

and the proceeds of such tax shall be used by the city or county solely for funding the promotion of tourism. Such tax shall be stated separately from all other charges and taxes.

67.1361. TAX ON CHARGES FOR SLEEPING ROOMS FOR CERTAIN COUNTIES AND CITIES (BUCHANAN COUNTY AND CITY OF ST. JOSEPH). — 1. The governing body of any county of the first classification without a charter form of government and with more than eighty-five thousand nine hundred but less than eighty-six thousand inhabitants and the governing body of any home rule city with more than seventy-three thousand nine hundred but less than seventy-four thousand inhabitants may impose a tax on the charges for all sleeping rooms paid by the transient guests of hotels, motels, bed and breakfast inns and campgrounds and any docking facility which rents slips to recreational boats which are used by transients for sleeping, which shall be at least two percent, but not more than eight percent per occupied room or slip per night, except that such tax shall not become effective unless the governing body of the county or city submits to the voters of the county or city at a state general, primary or special election, a proposal to authorize the governing body of the county or city to impose a tax pursuant to this section. The tax authorized by this section shall be in addition to any charge paid to the owner or operator and shall be in addition to any and all taxes imposed by law and the proceeds of such tax shall be used by the city or county for funding the promotion of tourism and convention facilities **including capital expenditures therefor**. Such tax shall be stated separately from all other charges and taxes.

2. Any tax imposed by a county pursuant to subsection 1 of this section shall apply only to unincorporated areas of such county.

3. The question shall be submitted in substantially the following form:

Shall the ..... (city or county) levy a tax of ..... percent on each sleeping room or campsite occupied and rented by transient guests and any docking facility which rents slips to recreational boats which are used by transients for sleeping in the ..... (city or county), where the proceeds of which shall be expended for promotion of tourism and convention facilities?

[ ] YES [ ] NO

If a majority of the votes cast on the question by the qualified voters voting thereon are in favor of the question, then the tax shall become effective on the first day of the calendar quarter following the calendar quarter in which the election was held. If a majority of the votes cast on the question by the qualified voters voting thereon are opposed to the question, then the governing body for the city or county shall have no power to impose the tax authorized by this section unless and until the governing body of the city or county again submits the question to the qualified voters of the city or county and such question is approved by a majority of the qualified voters voting on the question.

4. On and after the effective date of any tax authorized under the provisions of this section, the city or county may adopt one of the two following provisions for the collection and administration of the tax:

(1) The city or county may adopt rules and regulations for the internal collection of such tax by the city or county officers usually responsible for collection and administration of city or county taxes; or

(2) The city or county enter into an agreement with the director of revenue of the state of Missouri for the purpose of collecting the tax authorized in this section. In the event any city or county enters into an agreement with the director of revenue of the state of Missouri for the collection of the tax authorized in this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement and operation of such tax, and the director of revenue shall collect the additional tax authorized under the provisions of this section. The tax authorized under the provisions of this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director

of revenue, and the director of revenue shall retain an amount not to exceed one percent for cost of collection.

5. If a tax is imposed by a city or county under this section, the city or county may collect a penalty of one percent and interest not to exceed two percent per month on unpaid taxes which shall be considered delinquent thirty days after the last day of each quarter.

6. As used in this section "transient guests" means a person or persons who occupy room or rooms in a hotel or motel for thirty-one days or less during any calendar quarter.

67.2000. CREATION OF AN EXHIBITION CENTER AND RECREATIONAL FACILITY DISTRICT, PETITION, HEARING, BALLOT FORM — BOARD OF TRUSTEES, POWERS — TRUST FUND CREATED — SALES TAX AUTHORIZATION, PROCEDURE — DISSOLUTION OF DISTRICT (BUCHANAN, CALDWELL, CAMDEN, CLINTON, COLE, DAVIESS, DEKALB, GREENE, JEFFERSON, MILLER, MORGAN, NEWTON, AND WRIGHT COUNTIES). — 1. This section shall be known as the "Exhibition Center and Recreational Facility District Act".

2. **[**Whenever not less than fifty owners of real property located within**] An exhibition center and recreational facility district may be created under this section in the following counties:**

(1) Any county of the first classification with more than seventy-one thousand three hundred but less than seventy-one thousand four hundred inhabitants**[**, or**];**

(2) Any county of the first classification with more than one hundred ninety-eight thousand but less than one hundred ninety-nine thousand two hundred inhabitants**[**, or**];**

(3) Any county of the first classification with more than eighty-five thousand nine hundred but less than eighty-six thousand inhabitants**[**, or**];**

(4) Any county of the second classification with more than fifty-two thousand six hundred but less than fifty-two thousand seven hundred inhabitants**[**, or**];**

(5) Any county of the first classification with more than one hundred four thousand six hundred but less than one hundred four thousand seven hundred inhabitants**[**, or**];**

(6) Any county of the third classification without a township form of government and with more than seventeen thousand nine hundred but less than eighteen thousand inhabitants**[**, or**];**

(7) Any county of the first classification with more than thirty-seven thousand but less than thirty-seven thousand one hundred inhabitants**[**, or**];**

(8) Any county of the third classification without a township form of government and with more than twenty-three thousand five hundred but less than twenty-three thousand six hundred inhabitants**[**, or**];**

(9) Any county of the third classification without a township form of government and with more than nineteen thousand three hundred but less than nineteen thousand four hundred inhabitants**[**, or**];**

(10) Any county of the first classification with more than two hundred forty thousand three hundred but less than two hundred forty thousand four hundred inhabitants**[**,**];**

(11) Any county of the third classification with a township form of government and with more than eight thousand nine hundred but fewer than nine thousand inhabitants;

(12) Any county of the third classification without a township form of government and with more than eighteen thousand nine hundred but fewer than nineteen thousand inhabitants;

(13) Any county of the third classification with a township form of government and with more than eight thousand but fewer than eight thousand one hundred inhabitants;

(14) Any county of the third classification with a township form of government and with more than eleven thousand five hundred but fewer than eleven thousand six hundred inhabitants.

3. Whenever not less than fifty owners of real property located within any county listed in subsection 2 of this section desire to create an exhibition center and recreational facility district, the property owners shall file a petition with the governing body of each county located

within the boundaries of the proposed district requesting the creation of the district. The district boundaries may include all or part of the counties described in this section. The petition shall contain the following information:

(1) The name and residence of each petitioner and the location of the real property owned by the petitioner;

(2) A specific description of the proposed district boundaries, including a map illustrating the boundaries; and

(3) The name of the proposed district.

[3.**]** **4.** Upon the filing of a petition pursuant to this section, the governing body of any county described in this section may, by resolution, approve the creation of a district. Any resolution to establish such a district shall be adopted by the governing body of each county located within the proposed district, and shall contain the following information:

(1) A description of the boundaries of the proposed district;

(2) The time and place of a hearing to be held to consider establishment of the proposed district;

(3) The proposed sales tax rate to be voted on within the proposed district; and

(4) The proposed uses for the revenue generated by the new sales tax.

[4.**]** **5.** Whenever a hearing is held as provided by this section, the governing body of each county located within the proposed district shall:

(1) Publish notice of the hearing on two separate occasions in at least one newspaper of general circulation in each county located within the proposed district, with the first publication to occur not more than thirty days before the hearing, and the second publication to occur not more than fifteen days or less than ten days before the hearing;

(2) Hear all protests and receive evidence for or against the establishment of the proposed district; and

(3) Rule upon all protests, which determinations shall be final.

[5.**]** **6.** Following the hearing, if the governing body of each county located within the proposed district decides to establish the proposed district, it shall adopt an order to that effect; if the governing body of any county located within the proposed district decides to not establish the proposed district, the boundaries of the proposed district shall not include that county. The order shall contain the following:

(1) The description of the boundaries of the district;

(2) A statement that an exhibition center and recreational facility district has been established;

(3) The name of the district;

(4) The uses for any revenue generated by a sales tax imposed pursuant to this section; and

(5) A declaration that the district is a political subdivision of the state.

[6.**]** **7.** A district established pursuant to this section may, at a general, primary, or special election, submit to the qualified voters within the district boundaries a sales tax of one-fourth of one percent, for a period not to exceed twenty-five years, on all retail sales within the district, which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo, to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities. The ballot of submission shall be in substantially the following form:

Shall the ..... (name of district) impose a sales tax of one-fourth of one percent to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities, for a period of ..... (insert number of years)?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

If a majority of the votes cast in the portion of any county that is part of the proposed district favor the proposal, then the sales tax shall become effective in that portion of the county that is part of the proposed district on the first day of the first calendar quarter immediately following the election. If a majority of the votes cast in the portion of a county that is a part of the proposed district oppose the proposal, then that portion of such county shall not impose the sales tax authorized in this section until after the county governing body has submitted another such sales tax proposal and the proposal is approved by a majority of the qualified voters voting thereon. However, if a sales tax proposal is not approved, the governing body of the county shall not resubmit a proposal to the voters pursuant to this section sooner than twelve months from the date of the last proposal submitted pursuant to this section. If the qualified voters in two or more counties that have contiguous districts approve the sales tax proposal, the districts shall combine to become one district.

[7.**]** **8.** There is hereby created a board of trustees to administer any district created and the expenditure of revenue generated pursuant to this section consisting of four individuals to represent each county approving the district, as provided in this subsection. The governing body of each county located within the district, upon approval of that county's sales tax proposal, shall appoint four members to the board of trustees; at least one shall be an owner of a nonlodging business located within the taxing district, or their designee, at least one shall be an owner of a lodging facility located within the district, or their designee, and all members shall reside in the district except that one nonlodging business owner, or their designee, and one lodging facility owner, or their designee, may reside outside the district. Each trustee shall be at least twenty-five years of age and a resident of this state. Of the initial trustees appointed from each county, two shall hold office for two years, and two shall hold office for four years. Trustees appointed after expiration of the initial terms shall be appointed to a four-year term by the governing body of the county the trustee represents, with the initially appointed trustee to remain in office until a successor is appointed, and shall take office upon being appointed. Each trustee may be reappointed. Vacancies shall be filled in the same manner in which the trustee vacating the office was originally appointed. The trustees shall not receive compensation for their services, but may be reimbursed for their actual and necessary expenses. The board shall elect a chair and other officers necessary for its membership. Trustees may be removed if:

(1) By a two-thirds vote, the board moves for the member's removal and submits such motion to the governing body of the county from which the trustee was appointed; and

(2) The governing body of the county from which the trustee was appointed, by a majority vote, adopts the motion for removal.

[8.**]** **9.** The board of trustees shall have the following powers, authority, and privileges:

(1) To have and use a corporate seal;

(2) To sue and be sued, and be a party to suits, actions, and proceedings;

(3) To enter into contracts, franchises, and agreements with any person or entity, public or private, affecting the affairs of the district, including contracts with any municipality, district, or state, or the United States, and any of their agencies, political subdivisions, or instrumentalities, for the funding, including without limitation interest rate exchange or swap agreements, planning, development, construction, acquisition, maintenance, or operation of a single exhibition center and recreational facilities or to assist in such activity. "Recreational facilities" means locations explicitly designated for public use where the primary use of the facility involves participation in hobbies or athletic activities;

(4) To borrow money and incur indebtedness and evidence the same by certificates, notes, or debentures, to issue bonds and use any one or more lawful funding methods the district may obtain for its purposes at such rates of interest as the district may determine. Any bonds, notes, and other obligations issued or delivered by the district may be secured by mortgage, pledge, or deed of trust of any or all of the property and income of the district. Every issue of such bonds, notes, or other obligations shall be payable out of property and revenues of the district and may be further secured by other property of the district, which may be pledged, assigned, mortgaged,

or a security interest granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds, notes, or other obligations shall be authorized by resolution of the district board, and shall bear such date or dates, and shall mature at such time or times, but not in excess of thirty years, as the resolution shall specify. Such bonds, notes, or other obligations shall be in such denomination, bear interest at such rate or rates, be in such form, either coupon or registered, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places, and be subject to redemption as such resolution may provide, notwithstanding section 108.170, RSMo. The bonds, notes, or other obligations may be sold at either public or private sale, at such interest rates, and at such price or prices as the district shall determine;

(5) To acquire, transfer, donate, lease, exchange, mortgage, and encumber real and personal property in furtherance of district purposes;

(6) To refund any bonds, notes, or other obligations of the district without an election. The terms and conditions of refunding obligations shall be substantially the same as those of the original issue, and the board shall provide for the payment of interest at not to exceed the legal rate, and the principal of such refunding obligations in the same manner as is provided for the payment of interest and principal of obligations refunded;

(7) To have the management, control, and supervision of all the business and affairs of the district, and the construction, installation, operation, and maintenance of district improvements therein; to collect rentals, fees, and other charges in connection with its services or for the use of any of its facilities;

(8) To hire and retain agents, employees, engineers, and attorneys;

(9) To receive and accept by bequest, gift, or donation any kind of property;

(10) To adopt and amend bylaws and any other rules and regulations not in conflict with the constitution and laws of this state, necessary for the carrying on of the business, objects, and affairs of the board and of the district; and

(11) To have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted by this section.

[9.**]** **10.** There is hereby created the "Exhibition Center and Recreational Facility District Sales Tax Trust Fund", which shall consist of all sales tax revenue collected pursuant to this section. The director of revenue shall be custodian of the trust fund, and moneys in the trust fund shall be used solely for the purposes authorized in this section. Moneys in the trust fund shall be considered nonstate funds pursuant to section 15, article IV, Constitution of Missouri. The director of revenue shall invest moneys in the trust fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the trust fund. All sales taxes collected by the director of revenue pursuant to this section on behalf of the district, less one percent for the cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in the trust fund. The director of revenue shall keep accurate records of the amount of moneys in the trust fund which was collected in the district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of the officers of each district and the general public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the district. The director of revenue may authorize refunds from the amounts in the trust fund and credited to the district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of the district.

[10.**]** **11.** The sales tax authorized by this section is in addition to all other sales taxes allowed by law. Except as modified in this section, all provisions of sections 32.085 and 32.087, RSMo, apply to the sales tax imposed pursuant to this section.

[11.**]** **12.** Any sales tax imposed pursuant to this section shall not extend past the initial term approved by the voters unless an extension of the sales tax is submitted to and approved by the qualified voters in each county in the manner provided in this section. Each extension of the sales tax shall be for a period not to exceed twenty years. The ballot of submission for the extension shall be in substantially the following form:

Shall the ..... (name of district) extend the sales tax of one-fourth of one percent for a period of ..... (insert number of years) years to fund the acquisition, construction, maintenance, operation, improvement, and promotion of an exhibition center and recreational facilities?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

If a majority of the votes cast favor the extension, then the sales tax shall remain in effect at the rate and for the time period approved by the voters. If a sales tax extension is not approved, the district may submit another sales tax proposal as authorized in this section, but the district shall not submit such a proposal to the voters sooner than twelve months from the date of the last extension submitted.

[12.**]** **13.** Once the sales tax authorized by this section is abolished or terminated by any means, all funds remaining in the trust fund shall be used solely for the purposes approved in the ballot question authorizing the sales tax. The sales tax shall not be abolished or terminated while the district has any financing or other obligations outstanding; provided that any new financing, debt, or other obligation or any restructuring or refinancing of an existing debt or obligation incurred more than ten years after voter approval of the sales tax provided in this section or more than ten years after any voter-approved extension thereof shall not cause the extension of the sales tax provided in this section or cause the final maturity of any financing or other obligations outstanding to be extended. Any funds in the trust fund which are not needed for current expenditures may be invested by the district in the securities described in subdivisions (1) to (12) of subsection 1 of section 30.270, RSMo, or repurchase agreements secured by such securities. If the district abolishes the sales tax, the district shall notify the director of revenue of the action at least ninety days before the effective date of the repeal, and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the sales tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the sales tax in the district, the director of revenue shall remit the balance in the account to the district and close the account of the district. The director of revenue shall notify the district of each instance of any amount refunded or any check redeemed from receipts due the district.

[13.**]** **14.** In the event that the district is dissolved or terminated by any means, the governing bodies of the counties in the district shall appoint a person to act as trustee for the district so dissolved or terminated. Before beginning the discharge of duties, the trustee shall take and subscribe an oath to faithfully discharge the duties of the office, and shall give bond with sufficient security, approved by the governing bodies of the counties, to the use of the dissolved or terminated district, for the faithful discharge of duties. The trustee shall have and exercise all powers necessary to liquidate the district, and upon satisfaction of all remaining obligations of the district, shall pay over to the county treasurer of each county in the district and take receipt for all remaining moneys in amounts based on the ratio the levy of each county bears to the total levy for the district in the previous three years or since the establishment of the district, whichever time period is shorter. Upon payment to the county treasurers, the trustee shall deliver to the clerk of the governing body of any county in the district all books, papers, records, and deeds belonging to the dissolved district.

70.220. POLITICAL SUBDIVISIONS MAY COOPERATE WITH EACH OTHER, WITH OTHER STATES, THE UNITED STATES OR PRIVATE PERSONS — TAX DISTRIBUTION AGREEMENT,

AUTHORIZED FOR CERTAIN COUNTIES AND CITIES (BUCHANAN COUNTY AND CITY OF ST. JOSEPH;GREENE COUNTY AND CITY OF SPRINGFIELD). — 1. Any municipality or political subdivision of this state, as herein defined, may contract and cooperate with any other municipality or political subdivision, or with an elective or appointive official thereof, or with a duly authorized agency of the United States, or of this state, or with other states or their municipalities or political subdivisions, or with any private person, firm, association or corporation, for the planning, development, construction, acquisition or operation of any public improvement or facility, or for a common service; provided, that the subject and purposes of any such contract or cooperative action made and entered into by such municipality or political subdivision shall be within the scope of the powers of such municipality or political subdivision.

2. Any municipality or political subdivision of this state may contract with one or more adjacent municipalities or political subdivisions to share the tax revenues of such cooperating entities that are generated from real property and the improvements constructed thereon, if such real property is located within the boundaries of either or both municipalities or subdivisions and within three thousand feet of a common border of the contracting municipalities or political subdivisions. The purpose of such contract shall be within the scope of powers of each municipality or political subdivision. Municipalities or political subdivisions separated only by a public street, easement, or right-of-way shall be considered to share a common border for purposes of this subsection.

3. **Any home rule city with more than seventy-three thousand but fewer than seventy-five thousand inhabitants may contract with any county of the first classification with more than eighty-five thousand nine hundred but fewer than eighty-six thousand inhabitants to share tax revenues for the purpose of promoting tourism and the construction, maintenance, and improvement of convention center and recreational facilities. In the event an agreement for the distribution of tax revenues is entered into between a county of the first classification with more than eighty-five thousand nine hundred but fewer than eighty-six thousand inhabitants and a home rule city with more than seventy-three thousand but fewer than seventy-five thousand inhabitants, then all revenue received from such taxes shall be distributed in accordance with the terms of said agreement. For purposes of this subsection, the term "tax revenues" shall include tax revenues generated from the imposition of a transient guest tax imposed under the provisions of section 67.1361.**

4. If any contract or cooperative action entered into under this section is between a municipality or political subdivision and an elective or appointive official of another municipality or political subdivision, such contract or cooperative action shall be approved by the governing body of the unit of government in which such elective or appointive official resides.

[4.**]** **5.** In the event an agreement for the distribution of tax revenues is entered into between a county of the first classification without a charter form of government and a constitutional charter city with a population of more than one hundred forty thousand that is located in said county prior to a vote to authorize the imposition of such tax, then all revenue received from such tax shall be distributed in accordance with said agreement for so long as the tax remains in effect or until the agreement is modified by mutual agreement of the parties.

Approved July 8, 2010

SB 649 [SB 649]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Requires the Governor to issue an annual proclamation designating March 12th as "Girl Scout Day"

AN ACT to amend chapter 9, RSMo, by adding thereto one new section relating to the designation of Girl Scout day.

SECTION
A. Enacting clause.
9.167. Girl Scout Day to be proclaimed on March 12.

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

SECTION A. ENACTING CLAUSE. — Chapter 9, RSMo, is amended by adding thereto one new section, to be known as section 9.167, to read as follows:

9.167. GIRL SCOUT DAY TO BE PROCLAIMED ON MARCH 12. — The governor shall annually issue a proclamation setting apart the twelfth day of March as "Girl Scout Day", and recommending to the people of the state that the day be appropriately observed in recognition of the Girl Scout program which seeks to promote the social welfare of young women, build self-esteem, and teach values such as honesty, fairness, courage, compassion, character, sisterhood, confidence, and citizenship through activities including camping, community service, learning first aid, and earning badges by acquiring practical skills.

Approved June 29, 2010

SB 733 [CCS HCS SCS SB 733]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions of the Bright Flight Scholarship Program

AN ACT to repeal sections 173.250, 173.1105, and 173.1108, RSMo, and to enact in lieu thereof four new sections relating to higher education, with an emergency clause for a certain section.

SECTION
A. Enacting clause.
173.250. Higher education academic scholarship program, definitions, board to administer — requirements, amounts — transfer, withdrawal, illness or disability of student.
173.1105. Award amounts, minimums and maximums — adjustment in awards, when.
173.1108. Inapplicability of sunset act.
173.1205. Ownership or membership interest in entities, not deemed governmental or quasi-governmental bodies, when.
B. Emergency clause.

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

SECTION A. ENACTING CLAUSE. — Sections 173.250, 173.1105, and 173.1108, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 173.250, 173.1105, 173.1108, and 173.1205, to read as follows:

173.250. HIGHER EDUCATION ACADEMIC SCHOLARSHIP PROGRAM, DEFINITIONS, BOARD TO ADMINISTER — REQUIREMENTS, AMOUNTS — TRANSFER, WITHDRAWAL, ILLNESS OR DISABILITY OF STUDENT. — 1. There is hereby established a "Higher Education Academic Scholarship Program" and any moneys appropriated by the general assembly for this program shall be used to provide scholarships for Missouri citizens to attend a Missouri college or university of their choice pursuant to the provisions of this section.

2. The definitions of terms set forth in section **[**173.205**] 173.1102** shall be applicable to such terms as used in this section. **[**The term "academic scholarship" means an amount of money paid by the state of Missouri to a qualified college or university student who has demonstrated superior academic achievement pursuant to the provisions of this section.**] In addition, the following definitions shall apply:**

(1) "Academic scholarship", an amount of money paid by the state of Missouri to a student pursuant to the provisions of this section;

(2) "ACT", the American College Testing program examination;

(3) "Approved institution", an approved public or approved private institution as defined in section 173.1102;

(4) "Eligible student", an individual who meets the criteria set forth in section 173.1104, excluding the requirements of financial need and undergraduate status and, in addition, meets the following requirements:

(a) Has achieved a qualifying score on the ACT or SAT;

(b) Is a Missouri resident who has completed secondary coursework through graduation from high school or the virtual public school established in section 161.670, receipt of a general education development (GED) diploma, completion of a program of study through homeschooling or any other program of academic instruction that satisfies the compulsory attendance requirement under section 167.031; and

(c) Is enrolled full-time or accepted for full-time enrollment as a postsecondary student at an approved institution during the academic year immediately following the completion of his or her secondary coursework;

(5) "Missouri test-takers", all Missouri high school seniors who take the ACT or the SAT;

(6) "Qualifying score", a composite score on the ACT or the SAT achieved in an eligible student's high school sophomore, junior, or senior year, that is in the top five percent of Missouri test-takers, as established at the beginning of an eligible student's final year of secondary coursework;

(7) "Recipient", an eligible or renewal student who receives an academic scholarship pursuant to this section;

(8) "Renewal student", an eligible student who remains in compliance with the provisions of section 173.1104, maintains continuous enrollment, and makes satisfactory academic degree progress; and

(9) "SAT", the Scholastic Aptitude Test.

3. The coordinating board for higher education shall be the administrative agency for the implementation of the program established by this section, and shall:

(1) Promulgate reasonable rules and regulations for the exercise of its functions and the effectuation of the purposes of this section, including regulations for granting scholarship deferments;

(2) Prescribe the form and the time and method of awarding academic scholarships, and shall supervise the processing thereof; and

(3) Select qualified recipients to receive academic scholarships, make such awards of academic scholarships to qualified recipients and determine the manner and method of payment to the recipient.

4. **[**A student shall be eligible for initial or renewed academic scholarship if he or she is in compliance with the eligibility requirements set forth in section 173.215 excluding the requirement of financial need and undergraduate status, and in addition meets the following requirements:

(1) Initial academic scholarships shall be offered in the academic year immediately following graduation from high school to Missouri high school seniors whose composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board are in the top five percent of all Missouri students taking those tests during the school year in which the scholarship recipients graduate from high school. In the freshman year of college, scholarship recipients are required to maintain status as a full-time student;

(2) Academic scholarships are renewable if the recipient remains in compliance with the applicable provisions of section 173.215 and the recipient makes satisfactory academic degree progress as a full-time student.

5. A student who is enrolled or has been accepted for enrollment as a postsecondary student at an approved private or public institution beginning with the fall 1987, term and who meets the other eligibility requirements for an academic scholarship shall, within the limits of the funds appropriated and made available, be offered an academic scholarship in the amount of two thousand dollars for each eligible student whose composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board are in the top three percent of all Missouri students taking those tests during the school year in which the scholarship recipients graduate from high school for each fiscal year prior to fiscal year 2011, and, subject to appropriations, three thousand dollars for fiscal year 2011 and every fiscal year thereafter, and one thousand dollars for fiscal year 2011 and every fiscal year thereafter for each eligible student whose composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board are between the top five and three percent of all Missouri students taking those tests during the school year in which the scholarship recipients graduate from high school, for the first academic year of study, which scholarship shall be renewable in the amount of two thousand dollars for each eligible student whose composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board are in the top three percent of all Missouri students taking those tests during the school year in which the scholarship recipients graduate from high school for each fiscal year prior to fiscal year 2011, and, subject to appropriations, three thousand dollars for fiscal year 2011 and every fiscal year thereafter, and one thousand dollars for fiscal year 2011 and every fiscal year thereafter for each eligible student whose composite scores on the American College Testing Program (ACT) or the Scholastic Aptitude Test (SAT) of the College Board are between the top five and three percent of all Missouri students taking those tests during the school year in which the scholarship recipients graduate from high school, annually for the second, third and fourth academic years or as long as the recipient is in compliance with the applicable eligibility requirements set forth in section 173.215, provided those years of study are continuous and the student continues to meet eligibility requirements for the scholarship; provided, however, if a recipient ceases all attendance at an approved public or private institution for the purpose of providing service to a nonprofit organization, a state or federal government agency or any branch of the armed forces of the United States, the recipient shall be eligible for a renewal scholarship upon return to any approved public or private institution, provided the recipient:

(1) Returns to full-time status within twenty-seven months;

(2) Provides verification in compliance with coordinating board for higher education rules that the service to the nonprofit organization was satisfactorily completed and was not compensated other than for expenses or that the service to the state or federal governmental agency or branch of the armed forces of the United States was satisfactorily completed; and

(3) Meets all other requirements established for eligibility to receive a renewal scholarship.

6.] **Eligible students shall be offered academic scholarships in the following amounts and in the following order of priority, within the limits of the funds appropriated and made available:**

(1) Each eligible student with a qualifying score in the top three percent of all Missouri test-takers shall be offered an academic scholarship of up to three thousand dollars per year. All students in the top three percent shall receive awards of three thousand dollars before any student in the top fourth and fifth percentiles receives any award.

(2) Provided sufficient funds are appropriated, each eligible student with a qualifying score in the top fourth and fifth percentiles shall be offered an academic scholarship of up to one thousand dollars per year.

5. Eligible students may renew academic scholarships for their second, third, and fourth years of postsecondary education, or as long as the recipient is in compliance with the criteria to be a renewal student.

6. If an eligible student is unable to enroll during the first academic year or a renewal student ceases attendance at an approved institution for the purpose of providing service to a nonprofit organization, a state or federal government agency, or any branch of the armed forces of the United States, such student shall be offered an academic scholarship upon enrollment in any approved institution after the completion of their service, if the student meets all other requirements for an initial or renewal award and if the following criteria are met:

(1) For an eligible student who cannot attend an approved institution as a result of service to a non-profit organization or the state or federal government, the student returns to full-time status within twenty-seven months and provides verification to the coordinating board for higher education that the service to the nonprofit organization was satisfactorily completed and was not compensated other than for expenses, or that the service to the state or federal government was satisfactorily completed; or

(2) For an eligible student who cannot attend an approved institution as a result of military service in the armed forces of the United States, the student returns to full-time status within six months after the eligible student first ceases service to the armed forces and provides verification to the coordinating board for higher education that the military service was satisfactorily completed.

7. A recipient of **an** academic scholarship awarded under this section may transfer from one approved **[**Missouri public or private**]** institution to another without losing eligibility for the **academic** scholarship.

8. If a recipient of **[**the**] an academic** scholarship at any time withdraws from an approved **[**private or public**]** institution so that under the rules and regulations of that institution he or she is entitled to a refund of any tuition, fees or other charges, the institution shall pay the portion of the refund attributable to the **academic** scholarship for that term to the coordinating board for higher education.

[7.**] 9.** Other provisions of this section to the contrary notwithstanding, if **[**a recipient**] an eligible student** has been awarded an initial academic scholarship pursuant to the provisions of this section but is unable to **[**use the scholarship**] attend an approved institution** during the first academic year because of illness, disability, pregnancy or other medical need or if a **[**recipient**] renewal student** ceases all attendance at an approved **[**public or private**]** institution because of illness, disability, pregnancy or other medical need, the recipient shall be eligible for an initial or renewal **academic** scholarship upon enrollment in or return to any approved **[**public or private**]** institution, provided the recipient:

(1) Enrolls in or returns to full-time status within twenty-seven months;

(2) Provides verification in compliance with coordinating board for higher education rules of sufficient medical evidence documenting an illness, disability, pregnancy or other medical

need of such person to require that that person will not be able to use the **[**initial or renewal**]** **academic** scholarship during the time period for which it was originally offered; and

(3) Meets all other requirements established for eligibility to receive an **[**initial or a renewal**]** **academic** scholarship.

173.1105. AWARD AMOUNTS, MINIMUMS AND MAXIMUMS — ADJUSTMENT IN AWARDS, WHEN. — 1. **[**Beginning with the 2007-08 academic year,**]** An applicant who is an undergraduate postsecondary student at an approved private or public institution and who meets the other eligibility criteria shall be eligible for financial assistance, with a minimum and maximum award amount as follows:

(1) **For academic years 2010-2011, 2011-2012, 2012-2013, and 2013-2014:**

(a) One thousand dollars maximum and three hundred dollars minimum for students attending institutions classified as part of the public two-year sector;

[(2)**]** **(b)** Two thousand one hundred fifty dollars maximum and one thousand dollars minimum for students attending institutions classified as part of the public four-year sector, including Linn State Technical College; and

[(3)**]** **(c)** Four thousand six hundred dollars maximum and two thousand dollars minimum for students attending approved private institutions.

(2) For the 2014-2015 academic year and subsequent years:

(a) One thousand three hundred dollars maximum and three hundred dollars minimum for students attending institutions classified as part of the public two-year sector; and

(b) Two thousand eight hundred fifty dollars maximum and one thousand five hundred dollars minimum for students attending institutions classified as part of the public four-year sector, including Linn State Technical College, or approved private institutions.

2. All students with an expected family contribution of twelve thousand dollars or less shall receive at least the minimum award amount for his or her institution. Maximum award amounts for an eligible student with an expected family contribution above seven thousand dollars shall be reduced by ten percent of the maximum expected family contribution for his or her increment group. Any award amount shall be reduced by the amount of a student's **[**reimbursement pursuant to section 160.545, RSMo**]** **payment from the A+ schools program or any successor program to it**. For purposes of this subsection, the term "increment group" shall mean a group organized by expected family contribution in five hundred dollar increments into which all eligible students shall be placed.

3. If appropriated funds are insufficient to fund the program as described, the maximum award shall be reduced across all sectors by the percentage of the shortfall. If appropriated funds exceed the amount necessary to fund the program, the additional funds shall be used to increase the number of recipients by raising the cutoff for the expected family contribution rather than by increasing the size of the award.

4. Every three years, beginning with academic year 2009-10, the award amount may be adjusted to increase no more than the Consumer Price Index for All Urban Consumers (CPI-U), 1982-1984 = 100, not seasonally adjusted, as defined and officially recorded by the United States Department of Labor, or its successor agency, for the previous academic year. The coordinating board shall prepare a report prior to the legislative session for use of the general assembly and the governor in determining budget requests which shall include the amount of funds necessary to maintain full funding of the program based on the baseline established for the program upon the **[**passage**]** **effective date** of sections 173.1101 to 173.1107. Any increase in the award amount shall not become effective unless an increase in the amount of money appropriated to the program necessary to cover the increase in award amount is passed by the general assembly.

173.1108. INAPPLICABILITY OF SUNSET ACT. — [Under section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under sections 173.1101 to 173.1107 shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under sections 173.1101 to 173.1107 shall automatically sunset twelve years after the effective date of the reauthorization of sections 173.1101 to 173.1107; and

(3) Sections 173.1101 to 173.1107 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 173.1101 to 173.1107 is sunset**] Section 23.253 of the Missouri sunset act shall not apply to the provisions of sections 173.1101 to 173.1107**.

173.1205. OWNERSHIP OR MEMBERSHIP INTEREST IN ENTITIES, NOT DEEMED GOVERNMENTAL OR QUASI-GOVERNMENTAL BODIES, WHEN. — 1. Notwithstanding any other provision of law, a for-profit or not-for-profit entity in which a public institution of higher education holds an ownership or membership interest shall not be deemed to be a public governmental body, quasi-public governmental body, or part of a public governmental body or quasi-public governmental body or otherwise subject to chapter 610, if such entity is engaged primarily in activities involving current or prospective commercialization of the skills or knowledge of the institution's faculty or of the institution's research, research capabilities, intellectual property, technology, or technological resources, provided that the public institution of higher education maintains as an open record an annual report, available no later than October first each year, identifying:

(1) The name and address of the entity, the amount of funds paid to such entity by the institution, any nonmonetary benefits received by the entity from the institution, and the purpose for which such funds were paid or benefits provided;

(2) The amount of funds received by the institution from such entity; and

(3) Any employees of the institution who received funds or other things of value from such entity and the purpose and amount of such funds or other things of value.

2. This provision shall not be construed to broaden the definition of public governmental body found in section 610.010, nor shall it otherwise be construed to mean, imply, or suggest that any entity constitutes a public governmental body unless such entity meets the definition of that term found in section 610.010.

3. Notwithstanding any other provision of law, meetings, records, and votes may be closed to the extent that they relate to records or information submitted by an individual, corporation, or other business entity to a public institution of higher education in connection with a proposal or agreement to license intellectual property or perform sponsored research, in connection with opportunities for or results of collaboration involving students, faculty, or staff, or in connection with activities by the public institution of higher education to promote or pursue economic development and which contain sales projections or other business plan, financial information, or trade secrets the disclosure of which may endanger the competitiveness of a business.

SECTION B. EMERGENCY CLAUSE. — Because immediate action is necessary to protect the intellectual property of the state's higher education institutions while permitting its timely development through technology transfer, the enactment of section 173.1205 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the

enactment of section 173.1205 of this act shall be in full force and effect upon its passage and approval.

Approved July 14, 2010

SB 739 [HCS SB 739]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies the provisions governing fire department residency requirements

AN ACT to repeal section 320.097, RSMo, and to enact in lieu thereof one new section relating to fire department employee residency requirements.

SECTION
A. Enacting clause.
320.097. Residency requirements prohibited, when.

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

SECTION A. ENACTING CLAUSE. — Section 320.097, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 320.097, to read as follows:

320.097. RESIDENCY REQUIREMENTS PROHIBITED, WHEN. — 1. As used in this section, "fire department" means any agency or organization that provides fire suppression and related activities, including but not limited to fire prevention, rescue, emergency medical services, hazardous material response, dispatching, or special operations to a population within a fixed and legally recorded geographical area.

2. **[**Upon approval of the board of aldermen,**]** No employee of a fire department **who has worked for seven years for such department** shall, as a condition of employment, be required to reside within a fixed and legally recorded geographical area of the fire department if the only public school district available to the employee within such fire department's geographical area is a public school district that is or has been unaccredited or provisionally accredited in the last five years of such employee's employment. **Employees who have satisfied the seven-year requirement in this subsection and who choose to reside outside the geographical boundaries of the department shall reside within a one-hour response time.** No charter school shall be deemed a public school for purposes of this section.

3. No employee of a fire department who has not resided in such fire department's fixed and legally recorded geographical area, or who has changed such employee's residency because of conditions described in subsection 2 of this section, shall as a condition of employment be required to reside within the fixed and legally recorded geographical area of the fire department if such school district subsequently becomes fully accredited.

[4. Unless the voters of a city not within a county vote to supersede this section by the same majority needed to change the charter of said city by September 1, 2008, this section shall be in force for the city not within a county. In addition, any employee who resides outside the city will forfeit one percent of his or her salary for the time the employee is not living in the city to offset any lost revenue to the city.

5. The ballot of submission for this authorization shall be in substantially the following form:

Shall ..... (insert name of city) be allowed to prevent fire department employees from paying one percent of their salaries to the city in order to reside outside the city limits when the public school system is or has been unaccredited or provisionally accredited?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".**]**

Approved June 25, 2010

SB 753 [SB 753]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Allows county commissions to invest cemetery trust funds in certificates of deposit

AN ACT to repeal section 214.160, RSMo, and to enact in lieu thereof one new section relating to the investment of certain cemetery trust funds.

SECTION
A. Enacting clause.
214.160. Shall invest or loan trust funds.

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

SECTION A. ENACTING CLAUSE. — Section 214.160, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 214.160, to read as follows:

214.160. SHALL INVEST OR LOAN TRUST FUNDS. — The county commission shall invest or loan said trust fund or funds only in United States government, state, county or municipal bonds, **[**or**] certificates of deposit,** first real estate mortgages**,** or deeds of trust. They shall use the net income from said trust fund or funds or so much thereof as is necessary to support and maintain and beautify any public or private cemetery or any particular part thereof which may be designated by the person, persons or firm or association making said gift or bequest. In maintaining or supporting the cemetery or any particular part or portion thereof the commission shall as nearly as possible follow the expressed wishes of the creator of said trust fund.

Approved July 2, 2010

SB 754 [CCS#2 HCS SCS SB 754]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provision related to cemeteries

AN ACT to repeal sections 193.145, 193.265, 195.080, 208.010, 214.160, 214.270, 214.276, 214.277, 214.283, 214.290, 214.300, 214.310, 214.320, 214.325, 214.330, 214.335, 214.340, 214.345, 214.360, 214.363, 214.365, 214.367, 214.387, 214.392, 214.400, 214.410, 214.500, 214.504, 214.508, 214.512, 214.516, 214.550, 301.142, 334.735,

337.528, 338.100, 339.010, 339.020, 339.030, 339.040, 339.080, 339.110, 339.160, 339.170, 339.710, 344.010, and 344.020, RSMo, and to enact in lieu thereof fifty-two new sections relating to the licensing of certain professions, with penalty provisions.

SECTION

A. Enacting clause.
193.145. Death certificate — electronic system — contents, filing, locale, duties of certain persons, time allowed — certificate marked presumptive, when.
193.265. Fees for certification and other services — distribution — services free, when.
195.080. Excepted substances — prescription or dispensing limitation on amount of supply, exception — may be increased by physician, procedure.
208.010. Eligibility for public assistance, how determined — means test — certain medical assistance benefits to include payment of deductible and coinsurance — prevention of spousal impoverishments, division of assets, community spouse defined — burial lots defined — diversion of institutionalized spouse's income.
208.198. Same or similar services, equal reimbursement rate required.
214.160. Shall invest or loan trust funds.
214.270. Definitions.
214.276. Refusal to issue license — notice — hearing.
214.277. Injunctions, restraining orders, other court remedies available — venue.
214.282. Voidability of contracts, exceptions.
214.283. Notification of burial lands — registry of cemeteries to be kept by division — fee may be charged for copies — surveyor locating unregistered cemetery to file with division, form.
214.300. Nonendowed cemetery may qualify as endowed, when — minimum care and maintenance fund to be established.
214.310. Endowed care and maintenance fund, minimum amount — bond — posting of sign, when, information required.
214.320. Deposits in fund required, amount — annual report, form furnished by division — audits may be conducted, when — exemption from chapter 436 requirements, when.
214.325. Required deposits — deficiency — effect — penalty.
214.330. Endowed care fund held in trust or segregated account — requirements — duties of trustee or independent investment advisor — operator's duties — endowed care fund agreement.
214.335. Contributions to endowed care fund for memorial or monument — deficiency, effect of.
214.340. Report required — content — oath — filing required.
214.345. Sale of cemetery plot — written statement to be given to purchaser — copy of annual report to be available to public.
214.360. Private use of trust funds prohibited.
214.363. Bankruptcy, assignment for benefit of creditors, endowed care fund exempt.
214.365. Cemetery failing to provide maintenance — abandonment or ceasing to operate, division's duties.
214.367. Sale of assets, notice required — prospective purchaser of endowed care cemetery, right to recent audit — right to continue operation, notification by division.
214.387. Burial merchandise or services, deferral of delivery, when — escrow arrangement — distribution of moneys — cancellation.
214.389. Suspension of distribution, when, procedure.
214.392. Division of professional registration, duties and powers in regulation of cemeteries — rulemaking authority.
214.400. Citation of law.
214.410. Violation of law, penalty.
214.500. Cemeteries acquired by a city at tax sales or as nuisances may be sold.
214.504. No liability for new cemetery operators, when — rights of holders of contracts for burial.
214.508. Previous cemetery owner liable, when.
214.512. New cemetery owner not liable for deficiencies, exception.
214.516. Registration as an endowed care cemetery, when — compliance with endowed care cemetery law required.
214.550. Scatter gardens, operation by churches maintaining religious cemeteries — maintenance of garden and records, duty of operator.
301.142. Definitions — plates for disabled and placard for windshield, issued when — physician statements, requirements — death of disabled person, effect — lost or stolen placard, replacement of, fee — recertification and review by director, when — penalties for certain fraudulent acts.
334.735. Definitions — rules — scope of practice — prohibited activities — board of healing arts to administer licensing program — supervision agreements — duties and liability of physicians.
337.528. Confidentiality of complaint documentation, when — destruction of information permitted, when.
338.100. Records required to be kept — requirements.
339.010. Definitions — applicability of chapter.
339.020. Brokers and salespersons, unlawful to act without license.
339.030. Business entities may be licensed, when, fee.

339.040. Licenses granted to whom — examination — qualifications — fee — temporary broker's license, when — renewal, requirements.
339.080. Denial of application or license, when, notice — hearing.
339.110. Refusal of licenses, when.
339.160. Real estate brokers and salespersons may not bring legal action for compensation unless licensed.
339.170. Penalty for violation.
339.710. Definitions.
339.845. Notice of delinquent taxes to be sent by commission.
344.010. Definitions.
344.020. License required — separate license for assisted living facilities administrators, limitations of license.
630.575. Council created, members, duties, terms, meetings.
630.580. Education and awareness programs established — cooperation of state agencies.
214.290. Minimum endowed care and maintenance fund on election.

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

SECTION A. ENACTING CLAUSE. — Sections 193.145, 193.265, 195.080, 208.010, 214.160, 214.270, 214.276, 214.277, 214.283, 214.290, 214.300, 214.310, 214.320, 214.325, 214.330, 214.335, 214.340, 214.345, 214.360, 214.363, 214.365, 214.367, 214.387, 214.392, 214.400, 214.410, 214.500, 214.504, 214.508, 214.512, 214.516, 214.550, 301.142, 334.735, 337.528, 338.100, 339.010, 339.020, 339.030, 339.040, 339.080, 339.110, 339.160, 339.170, 339.710, 344.010, and 344.020, are repealed and fifty-two new sections enacted in lieu thereof, to be known as sections 193.145, 193.265, 195.080, 208.010, 208.198, 214.160, 214.270, 214.276, 214.277, 214.282, 214.283, 214.300, 214.310, 214.320, 214.325, 214.330, 214.335, 214.340, 214.345, 214.360, 214.363, 214.365, 214.367, 214.387, 214.389, 214.392, 214.400, 214.410, 214.500, 214.504, 214.508, 214.512, 214.516, 214.550, 301.142, 334.735, 337.528, 338.100, 339.010, 339.020, 339.030, 339.040, 339.080, 339.110, 339.160, 339.170, 339.710, 339.845, 344.010, 344.020, 630.575, and 630.580, to read as follows:

193.145. DEATH CERTIFICATE — ELECTRONIC SYSTEM — CONTENTS, FILING, LOCALE, DUTIES OF CERTAIN PERSONS, TIME ALLOWED — CERTIFICATE MARKED PRESUMPTIVE, WHEN. — 1. A certificate of death for each death which occurs in this state shall be filed with the local registrar, or as otherwise directed by the state registrar, within five days after death and shall be registered if such certificate has been completed and filed pursuant to this section. **All data providers in the death registration process, including but not limited to the state registrar, local registrars, the state medical examiner, county medical examiners, coroners, funeral directors or persons acting as such, embalmers, sheriffs, attending physicians and resident physicians, and the chief medical officers of licensed health care facilities, and other public or private institutions providing medical care, treatment, or confinement to persons shall be required to utilize any electronic death registration system adopted under subsection 1 of section 193.265 within six months of the system being certified by the director of the department of health and senior services, or the director's designee, to be operational and available to all data providers in the death registration process. Nothing in this subsection shall prevent the state registrar from adopting pilot programs or voluntary electronic death registration programs until such time as the system can be certified; however, no such pilot or voluntary electronic death registration program shall prevent the filing of a death certificate with the local registrar or the ability to obtain certified copies of death certificated under subsection 2 of section 193.265 until six months after such certification that the system is operational.**

2. If the place of death is unknown but the dead body is found in this state, the certificate of death shall be completed and filed pursuant to the provisions of this section. The place where the body is found shall be shown as the place of death. The date of death shall be the date on which the remains were found.

3. When death occurs in a moving conveyance in the United States and the body is first removed from the conveyance in this state, the death shall be registered in this state and the place

where the body is first removed shall be considered the place of death. When a death occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the body is first removed from the conveyance in this state, the death shall be registered in this state but the certificate shall show the actual place of death if such place may be determined.

4. The funeral director or person in charge of final disposition of the dead body shall file the certificate of death. The funeral director or person in charge of the final disposition of the dead body shall obtain or verify:

(1) The personal data from the next of kin or the best qualified person or source available; and

(2) The medical certification from the person responsible for such certification.

5. The medical certification shall be completed, attested to its accuracy either by signature or an electronic process approved by the department, and returned to the funeral director or person in charge of final disposition within seventy-two hours after death by the physician in charge of the patient's care for the illness or condition which resulted in death. In the absence of the physician or with the physician's approval the certificate may be completed and attested to its accuracy either by signature or an approved electronic process by the physician's associate physician, the chief medical officer of the institution in which death occurred, or the physician who performed an autopsy upon the decedent, provided such individual has access to the medical history of the case, views the deceased at or after death and death is due to natural causes. The state registrar may approve alternate methods of obtaining and processing the medical certification and filing the death certificate. The Social Security number of any individual who has died shall be placed in the records relating to the death and recorded on the death certificate.

6. When death occurs from natural causes more than thirty-six hours after the decedent was last treated by a physician, the case shall be referred to the county medical examiner or coroner or physician or local registrar for investigation to determine and certify the cause of death. If the death is determined to be of a natural cause, the medical examiner or coroner or local registrar shall refer the certificate of death to the attending physician for such physician's certification. If the attending physician refuses or is otherwise unavailable, the medical examiner or coroner or local registrar shall attest to the accuracy of the certificate of death either by signature or an approved electronic process within thirty-six hours.

7. If the circumstances suggest that the death was caused by other than natural causes, the medical examiner or coroner shall determine the cause of death and shall complete and attest to the accuracy either by signature or an approved electronic process the medical certification within seventy-two hours after taking charge of the case.

8. If the cause of death cannot be determined within seventy-two hours after death, the attending medical examiner or coroner or attending physician or local registrar shall give the funeral director, or person in charge of final disposition of the dead body, notice of the reason for the delay, and final disposition of the body shall not be made until authorized by the medical examiner or coroner, attending physician or local registrar.

9. When a death is presumed to have occurred within this state but the body cannot be located, a death certificate may be prepared by the state registrar upon receipt of an order of a court of competent jurisdiction which shall include the finding of facts required to complete the death certificate. Such a death certificate shall be marked "Presumptive", show on its face the date of registration, and identify the court and the date of decree.

193.265. FEES FOR CERTIFICATION AND OTHER SERVICES — DISTRIBUTION — SERVICES FREE, WHEN. — 1. For the issuance of a certification or copy of a death record, the applicant shall pay a fee of thirteen dollars for the first certification or copy and a fee of ten dollars for each additional copy ordered at that time. For the issuance of a certification or copy of a birth, marriage, divorce, or fetal death record, the applicant shall pay a fee of fifteen dollars.

All fees shall be deposited to the state department of revenue. Beginning August 28, 2004, for each vital records fee collected, the director of revenue shall credit four dollars to the general revenue fund, five dollars to the children's trust fund, one dollar shall be credited to the endowed care cemetery audit fund, and three dollars for the first copy of death records and five dollars for birth, marriage, divorce, and fetal death records shall be credited to the Missouri public services health fund established in section 192.900, RSMo. Money in the endowed care cemetery audit fund shall be available by appropriation to the division of professional registration to pay its expenses in administering sections 214.270 to 214.410, RSMo. All interest earned on money deposited in the endowed care cemetery audit fund shall be credited to the endowed care cemetery fund. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, money placed in the endowed care cemetery audit fund shall not be transferred and placed to the credit of general revenue until the amount in the fund at the end of the biennium exceeds three times the amount of the appropriation from the endowed care cemetery audit fund for the preceding fiscal year. The money deposited in the public health services fund under this section shall be deposited in a separate account in the fund, and moneys in such account, upon appropriation, shall be used to automate and improve the state vital records system, and develop and maintain an electronic birth and death registration system **[**which shall be implemented no later than December 31, 2009**]**. For any search of the files and records, when no record is found, the state shall be entitled to a fee equal to the amount for a certification of a vital record for a five-year search to be paid by the applicant. For the processing of each legitimation, adoption, court order or recording after the registrant's twelfth birthday, the state shall be entitled to a fee equal to the amount for a certification of a vital record. Except whenever a certified copy or copies of a vital record is required to perfect any claim of any person on relief, or any dependent of any person who was on relief for any claim upon the government of the state or United States, the state registrar shall, upon request, furnish a certified copy or so many certified copies as are necessary, without any fee or compensation therefor.

2. For the issuance of a certification of a death record by the local registrar, the applicant shall pay a fee of thirteen dollars for the first certification or copy and a fee of ten dollars for each additional copy ordered at that time. For the issuance of a certification or copy of a birth, marriage, divorce, or fetal death record, the applicant shall pay a fee of fifteen dollars. All fees shall be deposited to the official city or county health agency. A certified copy of a death record by the local registrar can only be issued within twenty-four hours of receipt of the record by the local registrar. Computer-generated certifications of death records may be issued by the local registrar after twenty-four hours of receipt of the records. The fees paid to the official county health agency shall be retained by the local agency for local public health purposes.

195.080. EXCEPTED SUBSTANCES — PRESCRIPTION OR DISPENSING LIMITATION ON AMOUNT OF SUPPLY, EXCEPTION — MAY BE INCREASED BY PHYSICIAN, PROCEDURE. — 1. Except as otherwise in sections 195.005 to 195.425 specifically provided, sections 195.005 to 195.425 shall not apply to the following cases: prescribing, administering, dispensing or selling at retail of liniments, ointments, and other preparations that are susceptible of external use only and that contain controlled substances in such combinations of drugs as to prevent the drugs from being readily extracted from such liniments, ointments, or preparations, except that sections 195.005 to 195.425 shall apply to all liniments, ointments, and other preparations that contain coca leaves in any quantity or combination.

2. The quantity of Schedule II controlled substances prescribed or dispensed at any one time shall be limited to a thirty-day supply. The quantity of Schedule III, IV or V controlled substances prescribed or dispensed at any one time shall be limited to a ninety-day supply and shall be prescribed and dispensed in compliance with the general provisions of sections 195.005 to 195.425. The supply limitations provided in this subsection may be increased up to three months if the physician describes on the prescription form or indicates via telephone, fax, or electronic communication to the pharmacy to be entered on or attached to the prescription form

the medical reason for requiring the larger supply. **The supply limitations provided in this subsection shall not apply if the prescription is dispensed directly to a member of the United States armed forces serving outside the United States.**

3. The partial filling of a prescription for a Schedule II substance is permissible as defined by regulation by the department of health and senior services.

208.010. ELIGIBILITY FOR PUBLIC ASSISTANCE, HOW DETERMINED — MEANS TEST — CERTAIN MEDICAL ASSISTANCE BENEFITS TO INCLUDE PAYMENT OF DEDUCTIBLE AND COINSURANCE — PREVENTION OF SPOUSAL IMPOVERISHMENTS, DIVISION OF ASSETS, COMMUNITY SPOUSE DEFINED — BURIAL LOTS DEFINED — DIVERSION OF INSTITUTIONALIZED SPOUSE'S INCOME. — 1. In determining the eligibility of a claimant for public assistance pursuant to this law, it shall be the duty of the division of family services to consider and take into account all facts and circumstances surrounding the claimant, including his or her living conditions, earning capacity, income and resources, from whatever source received, and if from all the facts and circumstances the claimant is not found to be in need, assistance shall be denied. In determining the need of a claimant, the costs of providing medical treatment which may be furnished pursuant to sections 208.151 to 208.158 and 208.162 shall be disregarded. The amount of benefits, when added to all other income, resources, support, and maintenance shall provide such persons with reasonable subsistence compatible with decency and health in accordance with the standards developed by the division of family services; provided, when a husband and wife are living together, the combined income and resources of both shall be considered in determining the eligibility of either or both. "Living together" for the purpose of this chapter is defined as including a husband and wife separated for the purpose of obtaining medical care or nursing home care, except that the income of a husband or wife separated for such purpose shall be considered in determining the eligibility of his or her spouse, only to the extent that such income exceeds the amount necessary to meet the needs (as defined by rule or regulation of the division) of such husband or wife living separately. In determining the need of a claimant in federally aided programs there shall be disregarded such amounts per month of earned income in making such determination as shall be required for federal participation by the provisions of the federal Social Security Act (42 U.S.C.A. 301 et seq.), or any amendments thereto. When federal law or regulations require the exemption of other income or resources, the division of family services may provide by rule or regulation the amount of income or resources to be disregarded.

2. Benefits shall not be payable to any claimant who:

(1) Has or whose spouse with whom he or she is living has, prior to July 1, 1989, given away or sold a resource within the time and in the manner specified in this subdivision. In determining the resources of an individual, unless prohibited by federal statutes or regulations, there shall be included (but subject to the exclusions pursuant to subdivisions (4) and (5) of this subsection, and subsection 5 of this section) any resource or interest therein owned by such individual or spouse within the twenty-four months preceding the initial investigation, or at any time during which benefits are being drawn, if such individual or spouse gave away or sold such resource or interest within such period of time at less than fair market value of such resource or interest for the purpose of establishing eligibility for benefits, including but not limited to benefits based on December, 1973, eligibility requirements, as follows:

(a) Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance pursuant to this chapter unless such individual furnishes convincing evidence to establish that the transaction was exclusively for some other purpose;

(b) The resource shall be considered in determining eligibility from the date of the transfer for the number of months the uncompensated value of the disposed of resource is divisible by the average monthly grant paid or average Medicaid payment in the state at the time of the

investigation to an individual or on his or her behalf under the program for which benefits are claimed, provided that:

a. When the uncompensated value is twelve thousand dollars or less, the resource shall not be used in determining eligibility for more than twenty-four months; or

b. When the uncompensated value exceeds twelve thousand dollars, the resource shall not be used in determining eligibility for more than sixty months;

(2) The provisions of subdivision (1) of this subsection shall not apply to a transfer, other than a transfer to claimant's spouse, made prior to March 26, 1981, when the claimant furnishes convincing evidence that the uncompensated value of the disposed of resource or any part thereof is no longer possessed or owned by the person to whom the resource was transferred;

(3) Has received, or whose spouse with whom he or she is living has received, benefits to which he or she was not entitled through misrepresentation or nondisclosure of material facts or failure to report any change in status or correct information with respect to property or income as required by section 208.210. A claimant ineligible pursuant to this subsection shall be ineligible for such period of time from the date of discovery as the division of family services may deem proper; or in the case of overpayment of benefits, future benefits may be decreased, suspended or entirely withdrawn for such period of time as the division may deem proper;

(4) Owns or possesses resources in the sum of one thousand dollars or more; provided, however, that if such person is married and living with spouse, he or she, or they, individually or jointly, may own resources not to exceed two thousand dollars; and provided further, that in the case of a temporary assistance for needy families claimant, the provision of this subsection shall not apply;

(5) Prior to October 1, 1989, owns or possesses property of any kind or character, excluding amounts placed in an irrevocable prearranged funeral or burial contract **[**pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMO**] under chapter 436**, or has an interest in property, of which he or she is the record or beneficial owner, the value of such property, as determined by the division of family services, less encumbrances of record, exceeds twenty-nine thousand dollars, or if married and actually living together with husband or wife, if the value of his or her property, or the value of his or her interest in property, together with that of such husband and wife, exceeds such amount;

(6) In the case of temporary assistance for needy families, if the parent, stepparent, and child or children in the home owns or possesses property of any kind or character, or has an interest in property for which he or she is a record or beneficial owner, the value of such property, as determined by the division of family services and as allowed by federal law or regulation, less encumbrances of record, exceeds one thousand dollars, excluding the home occupied by the claimant, amounts placed in an irrevocable prearranged funeral or burial contract **[**pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMO**] under chapter 436**, one automobile which shall not exceed a value set forth by federal law or regulation and for a period not to exceed six months, such other real property which the family is making a good-faith effort to sell, if the family agrees in writing with the division of family services to sell such property and from the net proceeds of the sale repay the amount of assistance received during such period. If the property has not been sold within six months, or if eligibility terminates for any other reason, the entire amount of assistance paid during such period shall be a debt due the state;

(7) Is an inmate of a public institution, except as a patient in a public medical institution.

3. In determining eligibility and the amount of benefits to be granted pursuant to federally aided programs, the income and resources of a relative or other person living in the home shall be taken into account to the extent the income, resources, support and maintenance are allowed by federal law or regulation to be considered.

4. In determining eligibility and the amount of benefits to be granted pursuant to federally aided programs, the value of burial lots or any amounts placed in an irrevocable prearranged funeral or burial contract **[**pursuant to subsection 2 of section 436.035, RSMo, and subdivision

(5) of subsection 1 of section 436.053, RSMO,**] under chapter 436** shall not be taken into account or considered an asset of the burial lot owner or the beneficiary of an irrevocable prearranged funeral or funeral contract. For purposes of this section, "burial lots" means any burial space as defined in section 214.270, RSMo, and any memorial, monument, marker, tombstone or letter marking a burial space. If the beneficiary, as defined in chapter 436, RSMo, of an irrevocable prearranged funeral or burial contract receives any public assistance benefits pursuant to this chapter and if the purchaser of such contract or his or her successors in interest **[**cancel or amend**] transfer, amend, or take any other such actions regarding** the contract so that any person will be entitled to a refund, such refund shall be paid to the state of Missouri **[**up to the amount of public assistance benefits provided pursuant to this chapter with any remainder to be paid to those persons designated in chapter 436, RSMO**] with any amount in excess of the public assistance benefits provided under this chapter to be refunded by the state of Missouri to the purchaser or his or her successors. In determining eligibility and the amount of benefits to be granted under federally aided programs, the value of any life insurance policy where a seller or provider is made the beneficiary or where the life insurance policy is assigned to a seller or provider, either being in consideration for an irrevocable prearranged funeral contract under chapter 436, shall not be taken into account or considered an asset of the beneficiary of the irrevocable prearranged funeral contract**.

5. In determining the total property owned pursuant to subdivision (5) of subsection 2 of this section, or resources, of any person claiming or for whom public assistance is claimed, there shall be disregarded any life insurance policy, or prearranged funeral or burial contract, or any two or more policies or contracts, or any combination of policies and contracts, which provides for the payment of one thousand five hundred dollars or less upon the death of any of the following:

(1) A claimant or person for whom benefits are claimed; or

(2) The spouse of a claimant or person for whom benefits are claimed with whom he or she is living. If the value of such policies exceeds one thousand five hundred dollars, then the total value of such policies may be considered in determining resources; except that, in the case of temporary assistance for needy families, there shall be disregarded any prearranged funeral or burial contract, or any two or more contracts, which provides for the payment of one thousand five hundred dollars or less per family member.

6. Beginning September 30, 1989, when determining the eligibility of institutionalized spouses, as defined in 42 U.S.C. Section 1396r-5, for medical assistance benefits as provided for in section 208.151 and 42 U.S.C. Sections 1396a et seq., the division of family services shall comply with the provisions of the federal statutes and regulations. As necessary, the division shall by rule or regulation implement the federal law and regulations which shall include but not be limited to the establishment of income and resource standards and limitations. The division shall require:

(1) That at the beginning of a period of continuous institutionalization that is expected to last for thirty days or more, the institutionalized spouse, or the community spouse, may request an assessment by the division of family services of total countable resources owned by either or both spouses;

(2) That the assessed resources of the institutionalized spouse and the community spouse may be allocated so that each receives an equal share;

(3) That upon an initial eligibility determination, if the community spouse's share does not equal at least twelve thousand dollars, the institutionalized spouse may transfer to the community spouse a resource allowance to increase the community spouse's share to twelve thousand dollars;

(4) That in the determination of initial eligibility of the institutionalized spouse, no resources attributed to the community spouse shall be used in determining the eligibility of the institutionalized spouse, except to the extent that the resources attributed to the community

spouse do exceed the community spouse's resource allowance as defined in 42 U.S.C. Section 1396r-5;

(5) That beginning in January, 1990, the amount specified in subdivision (3) of this subsection shall be increased by the percentage increase in the Consumer Price Index for All Urban Consumers between September, 1988, and the September before the calendar year involved; and

(6) That beginning the month after initial eligibility for the institutionalized spouse is determined, the resources of the community spouse shall not be considered available to the institutionalized spouse during that continuous period of institutionalization.

7. Beginning July 1, 1989, institutionalized individuals shall be ineligible for the periods required and for the reasons specified in 42 U.S.C. Section 1396p.

8. The hearings required by 42 U.S.C. Section 1396r-5 shall be conducted pursuant to the provisions of section 208.080.

9. Beginning October 1, 1989, when determining eligibility for assistance pursuant to this chapter there shall be disregarded unless otherwise provided by federal or state statutes, the home of the applicant or recipient when the home is providing shelter to the applicant or recipient, or his or her spouse or dependent child. The division of family services shall establish by rule or regulation in conformance with applicable federal statutes and regulations a definition of the home and when the home shall be considered a resource that shall be considered in determining eligibility.

10. Reimbursement for services provided by an enrolled Medicaid provider to a recipient who is duly entitled to Title XIX Medicaid and Title XVIII Medicare Part B, Supplementary Medical Insurance (SMI) shall include payment in full of deductible and coinsurance amounts as determined due pursuant to the applicable provisions of federal regulations pertaining to Title XVIII Medicare Part B, except the applicable Title XIX cost sharing.

11. A "community spouse" is defined as being the noninstitutionalized spouse.

12. An institutionalized spouse applying for Medicaid and having a spouse living in the community shall be required, to the maximum extent permitted by law, to divert income to such community spouse to raise the community spouse's income to the level of the minimum monthly needs allowance, as described in 42 U.S.C. Section 1396r-5. Such diversion of income shall occur before the community spouse is allowed to retain assets in excess of the community spouse protected amount described in 42 U.S.C. Section 1396r-5.

208.198. SAME OR SIMILAR SERVICES, EQUAL REIMBURSEMENT RATE REQUIRED. — Subject to appropriations, the department of social services shall establish a rate for the reimbursement of physicians and optometrists for services rendered to patients under the MO HealthNet program which provides equal reimbursement for the same or similar services rendered.

214.160. SHALL INVEST OR LOAN TRUST FUNDS. — The county commission shall invest or loan said trust fund or funds only in United States government, state, county or municipal bonds, **[**or**] certificates of deposit,** first real estate mortgages**,** or deeds of trust. They shall use the net income from said trust fund or funds or so much thereof as is necessary to support and maintain and beautify any public or private cemetery or any particular part thereof which may be designated by the person, persons or firm or association making said gift or bequest. In maintaining or supporting the cemetery or any particular part or portion thereof the commission shall as nearly as possible follow the expressed wishes of the creator of said trust fund.

214.270. DEFINITIONS. — As used in sections 214.270 to 214.410, the following terms mean:

(1) "Agent" or "authorized agent", any person empowered by the cemetery operator to represent the operator in dealing with the general public, including owners of the burial space in the cemetery;

(2) "Burial space", one or more than one plot, grave, mausoleum, crypt, lawn, surface lawn crypt, niche or space used or intended for the interment of the human dead;

(3) "Burial merchandise", a monument, marker, memorial, tombstone, headstone, urn, outer burial container, or similar article which may contain specific lettering, shape, color, or design as specified by the purchaser;

(4) "Cemetery", property restricted in use for the interment of the human dead by formal dedication or reservation by deed but shall not include any of the foregoing held or operated by the state or federal government or any political subdivision thereof, any incorporated city or town, any county or any religious organization, cemetery association or fraternal society holding the same for sale solely to members and their immediate families;

(5) "Cemetery association", any number of persons who shall have associated themselves by articles of agreement in writing as a not-for-profit association or organization, whether incorporated or unincorporated, formed for the purpose of ownership, preservation, care, maintenance, adornment and administration of a cemetery. Cemetery associations shall be governed by a board of directors. Directors shall serve without compensation;

(6) "Cemetery operator" or "operator", any person who owns, controls, operates or manages a cemetery;

(7) "Cemetery prearranged contract", any contract with a **cemetery or** cemetery operator for **[**goods and services covered by this chapter which includes a sale of burial merchandise in which delivery of merchandise or a valid warehouse receipt under sections 214.270 to 214.550 is deferred pursuant to written instructions from the purchaser. It shall also mean any contract for goods and services covered by sections 214.270 to 214.550 which includes a sale of burial services to be performed at a future date**] burial merchandise or burial services covered by sections 214.270 to 214.410 which is entered into before the death of the individual for whom the burial merchandise or burial services are intended**;

(8) "Cemetery service" or "burial service", those services performed by a cemetery owner or operator licensed as an endowed care or nonendowed cemetery including setting a monument or marker, setting a tent, excavating a grave, interment, entombment, inurnment, setting a vault, or other related services within the cemetery;

(9) "Columbarium", a building or structure for the inurnment of cremated human remains;

(10) "Community mausoleum", a mausoleum containing a substantial area of enclosed space and having either a heating, ventilating or air conditioning system;

(11) "Department", department of insurance, financial institutions and professional registration;

(12) "Developed acreage", the area which has been platted into grave spaces and has been developed with roads, paths, features, or ornamentations and in which burials can be made;

(13) "Director", director of the division of professional registration;

(14) "Division", division of professional registration;

(15) "Endowed care", the maintenance, repair and care of all burial space subject to the endowment within a cemetery, including any improvements made for the benefit of such burial space. Endowed care shall include the general overhead expenses needed to accomplish such maintenance, repair, care and improvements. Endowed care shall include the terms perpetual care, permanent care, continual care, eternal care, care of duration, or any like term;

(16) "Endowed care cemetery", a cemetery, or a section of a cemetery, which represents itself as offering endowed care and which complies with the provisions of sections 214.270 to 214.410;

(17) "Endowed care fund", "endowed care trust", or "trust", any cash or cash equivalent, to include any income therefrom, impressed with a trust by the terms of any gift, grant, contribution, payment, devise or bequest to an endowed care cemetery, or its endowed care trust,

or funds to be delivered to an endowed care cemetery's trust received pursuant to a contract and accepted by any endowed care cemetery operator or his agent. This definition includes the terms endowed care funds, maintenance funds, memorial care funds, perpetual care funds, or any like term;

(18) "Escrow account", an account established in lieu of an endowed care fund as provided under section 214.330 or an account used to hold deposits under section 214.387;

(19) "Escrow agent", an attorney, title company, certified public accountant or other person authorized by the division to exercise escrow powers under the laws of this state;

(20) "Escrow agreement", an agreement subject to approval by the office between an escrow agent and a cemetery operator or its agent or related party with common ownership, to receive and administer payments under cemetery prearranged contracts sold by the cemetery operator;

(21) "Family burial ground", a cemetery in which no burial space is sold to the public and in which interments are restricted to persons related by blood or marriage;

(22) "Fraternal cemetery", a cemetery owned, operated, controlled or managed by any fraternal organization or auxiliary organizations thereof, in which the sale of burial space is restricted solely to its members and their immediate families;

(23) "Garden mausoleum", a mausoleum without a substantial area of enclosed space and having its crypt and niche fronts open to the atmosphere. Ventilation of the crypts by forced air or otherwise does not constitute a garden mausoleum as a community mausoleum;

(24) "Government cemetery", or "municipal cemetery", a cemetery owned, operated, controlled or managed by the federal government, the state or a political subdivision of the state, including a county or municipality or instrumentality thereof;

(25) "Grave" or "plot", a place of ground in a cemetery, used or intended to be used for burial of human remains;

(26) "Human remains", the body of a deceased person in any state of decomposition, as well as cremated remains;

(27) "Inurnment", placing an urn containing cremated remains in a burial space;

(28) "Lawn crypt", a burial vault or other permanent container for a casket which is permanently installed below ground prior to the time of the actual interment. A lawn crypt may permit single or multiple interments in a grave space;

(29) "Mausoleum", a structure or building for the entombment of human remains in crypts;

(30) "Niche", a space in a columbarium used or intended to be used for inurnment of cremated remains;

(31) "Nonendowed care cemetery", or "nonendowed cemetery", a cemetery or a section of a cemetery for which no endowed care trust fund has been established in accordance with sections 214.270 to 214.410;

(32) "Office", the office of endowed care cemeteries within the division of professional registration;

(33) "Owner of burial space", a person to whom the cemetery operator or his authorized agent has transferred the right of use of burial space;

(34) "Person", an individual, corporation, partnership, joint venture, association, trust or any other legal entity;

(35) "Registry", the list of cemeteries maintained in the division office for public review. The division may charge a fee for copies of the registry;

(36) "Religious cemetery", a cemetery owned, operated, controlled or managed by any church, convention of churches, religious order or affiliated auxiliary thereof in which the sale of burial space is restricted solely to its members and their immediate families;

(37) "Surface lawn crypt", a sealed burial chamber whose lid protrudes above the land surface;

(38) "Total acreage", the entire tract which is dedicated to or reserved for cemetery purposes;

(39) "Trustee of an endowed care fund", the separate legal entity **qualified under section 214.330** appointed as trustee of an endowed care fund.

214.276. REFUSAL TO ISSUE LICENSE — NOTICE — HEARING. — 1. The division may refuse to issue or renew any license, required pursuant to sections 214.270 to 214.516 for one or any combination of causes stated in subsection 2 of this section. The division shall notify the applicant in writing of the reasons for the refusal and shall advise the applicant of his or her right to file a complaint with the administrative hearing commission as provided by chapter 621, RSMo.

2. The division may cause a complaint to be filed with the administrative hearing commission as provided in chapter 621, RSMo, against any holder of any license, required by sections 214.270 to 214.516 or any person who has failed to surrender his or her license, for any one or any combination of the following causes:

(1) Use of any controlled substance, as defined in chapter 195, RSMo, or alcoholic beverage to an extent that such use impairs a person's ability to perform the work of any profession licensed or regulated by sections 214.270 to 214.516;

(2) The person has been finally adjudicated and found guilty, or entered a plea of guilty or nolo contendere, in a criminal prosecution pursuant to the laws of any state or of the United States, for any offense reasonably related to the qualifications, functions or duties of any profession licensed or regulated pursuant to sections 214.270 to 214.516, for any offense an essential element of which is fraud, dishonesty or an act of violence, or for any offense involving moral turpitude, whether or not sentence is imposed;

(3) Use of fraud, deception, misrepresentation or bribery in securing any license, issued pursuant to sections 214.270 to 214.516 or in obtaining permission to take any examination given or required pursuant to sections 214.270 to 214.516;

(4) Obtaining or attempting to obtain any fee, charge or other compensation by fraud, deception or misrepresentation;

(5) Incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties of any profession regulated by sections 214.270 to 214.516;

(6) Violation of, or assisting or enabling any person to violate, any provision of sections 214.270 to 214.516, or any lawful rule or regulation adopted pursuant to sections 214.270 to 214.516;

(7) Impersonation of any person holding a license or allowing any person to use his or her license;

(8) Disciplinary action against the holder of a license or other right to practice any profession regulated by sections 214.270 to 214.516 granted by another state, territory, federal agency or country upon grounds for which revocation or suspension is authorized in this state;

(9) A person is finally adjudged insane or incompetent by a court of competent jurisdiction;

(10) Assisting or enabling any person to practice or offer to practice any profession licensed or regulated by sections 214.270 to 214.516 who is not registered and currently eligible to practice pursuant to sections 214.270 to 214.516;

(11) Issuance of a license based upon a material mistake of fact;

(12) Failure to display a valid license;

(13) Violation of any professional trust or confidence;

(14) Use of any advertisement or solicitation which is false, misleading or deceptive to the general public or persons to whom the advertisement or solicitation is primarily directed;

(15) Willfully and through undue influence selling a burial space, cemetery services or merchandise.

3. After the filing of such complaint, the proceedings shall be conducted in accordance with the provisions of chapter 621, RSMo. Upon a finding by the administrative hearing commission that the grounds, provided in subsection 2 of this section, for disciplinary action are met, the

division may singly or in combination, censure or place the person named in the complaint on probation on such terms and conditions as the division deems appropriate for a period not to exceed five years, or may suspend, or revoke the license or permit **or may impose a penalty allowed by subsection 4 of section 214.410**. No new license shall be issued to the owner or operator of a cemetery or to any corporation controlled by such owner for three years after the revocation of the certificate of the owner or of a corporation controlled by the owner.

4. **[**Operators of all existing endowed care or nonendowed care cemeteries shall, prior to August twenty-eighth following August 28, 2001, apply for a license pursuant to this section. All endowed care or nonendowed care cemeteries operating in compliance with sections 214.270 to 214.516 prior to August twenty-eighth following August 28, 2001, shall be granted a license by the division upon receipt of application.

5.**]** The division may settle disputes arising under subsections 2 and 3 of this section by consent agreement or settlement agreement between the division and the holder of a license. Within such a settlement agreement, the division may singly or in combination impose any discipline or penalties allowed by this section or subsection 4 of section 214.410. Settlement of such disputes shall be entered into pursuant to the procedures set forth in section 621.045, RSMo.

5. Use of the procedures set out in this section shall not preclude the application of any other remedy provided by this chapter.

214.277. INJUNCTIONS, RESTRAINING ORDERS, OTHER COURT REMEDIES AVAILABLE — VENUE. — 1. Upon application by the division, and the necessary burden having been met, a court of general jurisdiction may grant an injunction, restraining order or other order as may be appropriate to enjoin a person from:

(1) Offering to engage or engaging in the performance of any acts or practices for which a certificate of registration or authority, permit or license is required upon a showing that such acts or practices were performed or offered to be performed without a certificate of registration or authority, permit or license; or

(2) Engaging in any practice or business authorized by a certificate of registration or authority, permit or license issued pursuant to this chapter upon a showing that the holder presents a substantial probability of serious danger to the health, safety or welfare of any resident of this state or client or patient of the licensee.

2. **[**Any such action shall be commenced either in the county in which such conduct occurred or in the county in which the defendant resides.

3.**]** Any action brought pursuant to this section shall be in addition to and not in lieu of any penalty provided by this chapter and may be brought concurrently with other actions to enforce this chapter.

214.282. VOIDABILITY OF CONTRACTS, EXCEPTIONS. — 1. Each contract sold by a cemetery operator for cemetery services or for grave lots, grave spaces, markers, monuments, memorials, tombstones, crypts, niches, mausoleums, or other receptacles shall be voidable by the purchaser and deemed unenforceable unless:

(1) It is in writing;

(2) It is executed by a cemetery operator who is in compliance with the licensing provisions of this chapter;

(3) It identifies the contract purchaser and identifies the cemetery services or other items to be provided;

(4) It identifies the name and address of any trustee or escrow agent that will receive payments made pursuant to the contract under the provisions of sections 214.320, 214.330, or 214.387, if applicable;

(5) It contains the name and address of the cemetery operator; and

(6) It identifies any grounds for cancellation by the purchaser or by the cemetery operator on default of payment.

2. If a cemetery prearranged contract does not substantially comply with the provisions of this section, all payments made under such contract shall be recoverable by the purchaser, or the purchaser's legal representative, from the contract seller or other payee thereof, together with interest at the rate of ten percent per annum and all reasonable costs of collection, including attorneys' fees.

214.283. NOTIFICATION OF BURIAL LANDS — REGISTRY OF CEMETERIES TO BE KEPT BY DIVISION — FEE MAY BE CHARGED FOR COPIES — SURVEYOR LOCATING UNREGISTERED CEMETERY TO FILE WITH DIVISION, FORM. — 1. Any person, entity, association, city, town, village, county or political subdivision that purchases, receives or holds any real estate used for the burial of dead human bodies, excluding a family burial ground, shall notify the office of the endowed care cemeteries of the name, location and address of such real estate on a form approved by the office, before October 1, 2010, or within thirty days of purchasing, receiving or holding such land or of being notified by the office of the requirements of this provision. No fee shall be charged for such notification nor shall any penalty be assessed for failure to register. This section shall not be deemed to exempt any operator of an endowed care cemetery or non-endowed care cemetery from being duly licensed as required by this chapter.

2. The division shall establish and maintain a registry of cemeteries and the registry shall be available to the public for review at the division office or copied upon request. The division may charge a fee for copies of the register.

(1) If, in the course of a land survey of property located in this state, a surveyor licensed pursuant to chapter 327, RSMo, locates any cemetery which has not been previously registered, the surveyor shall file a statement with the division regarding the location of the cemetery. The statement shall be filed on a form as defined by division rule. No fee shall be charged to the surveyor for such filing.

(2) Any person, family, group, association, society or county surveyor may submit to the division, on forms provided by the division, the names and locations of any cemetery located in this state for inclusion in the registry. No fee shall be charged for such submissions.

214.300. NONENDOWED CEMETERY MAY QUALIFY AS ENDOWED, WHEN — MINIMUM CARE AND MAINTENANCE FUND TO BE ESTABLISHED. — Any cemetery operator may, after October 13, 1961, qualify to operate a cemetery which has been operated as a nonendowed cemetery for a minimum of two years, as an endowed care cemetery by**:**

(1) So electing in compliance with section 214.280;

(2) Establishing an endowed care **trust** fund in cash of one thousand dollars for each acre in said cemetery with a minimum of five thousand dollars and a maximum of twenty-five thousand dollars;

(3) Filing the report required by section 214.340.

214.310. ENDOWED CARE AND MAINTENANCE FUND, MINIMUM AMOUNT — BOND — POSTING OF SIGN, WHEN, INFORMATION REQUIRED. — 1. Any cemetery operator who elects to operate a new cemetery as an endowed care cemetery or who represents to the public that perpetual, permanent, endowed, continual, eternal care, care of duration or similar care will be furnished cemetery property sold shall create an endowed care **trust** fund and shall deposit a minimum of twenty-five thousand dollars for cemeteries that have in excess of one hundred burials annually or a minimum of five thousand dollars for cemeteries that have one hundred or less burials annually in such fund before selling or disposing of any burial space in said cemetery, or in lieu thereof such cemetery owner may furnish a surety bond issued by a bonding company or insurance company authorized to do business in this state in the face amount of thirty thousand

dollars, and such bond shall run to the office of endowed care cemeteries for the benefit of the care **trust** funds held by such cemetery. This bond shall be for the purpose of guaranteeing an accumulation of twenty-five thousand dollars in such care **trust** fund and also for the further purpose of assuring that the cemetery owner shall provide annual perpetual or endowment care in an amount equal to the annual reasonable return on a secured cash investment of twenty-five thousand dollars until twenty-five thousand dollars is accumulated in said endowed care **trust** funds, and these shall be the conditions of such surety bond; provided, however, the liability of the principal and surety on the bond shall in no event exceed thirty thousand dollars. Provided further, that whenever a cemetery owner which has made an initial deposit to the endowed care **trust** fund demonstrates to the satisfaction of the administrator of the office of endowed care cemeteries that more than twenty-five thousand dollars has been accumulated in the endowed care **trust** fund, the cemetery owner may petition the administrator of the office of endowed care cemeteries for an order to dissolve the surety bond requirement, so long as at least twenty-five thousand dollars always remains in the endowed care **trust** fund.

2. Construction of a mausoleum, lawn crypt, columbarium or crematorium as part of a cemetery then operated as an endowed care cemetery shall not be considered the establishment of a new cemetery for purposes of this section.

3. Any endowed care cemetery which does not maintain a **[**fully**] adequately** staffed office in the county in which the cemetery is located shall have prominently displayed on the premises a sign clearly stating the operator's name, address and telephone number. If the operator does not reside in the county in which the cemetery is located, the sign shall also state the name, address and telephone number of a resident of the county who is the authorized agent of the operator or the location of an office of the cemetery which is within ten miles of such cemetery. In jurisdictions where ordinances require signs to meet certain specifications, a weatherproof notice containing the information required by this subsection shall be sufficient.

214.320. DEPOSITS IN FUND REQUIRED, AMOUNT — ANNUAL REPORT, FORM FURNISHED BY DIVISION — AUDITS MAY BE CONDUCTED, WHEN — EXEMPTION FROM CHAPTER 436 REQUIREMENTS, WHEN. — 1. An operator of an endowed care cemetery shall establish and deposit in an endowed care **trust** fund not less than the following amounts for burial space sold or disposed of, with such deposits to the endowed care **trust** fund to be made **[**semiannually**] monthly** on all burial space that has been fully paid for to the date of deposit:

(1) A minimum of fifteen percent of the gross sales price, or twenty dollars, whichever is greater, for each grave space sold;

(2) A minimum of ten percent of the gross sales price of each crypt or niche sold in a community mausoleum, or a minimum of one hundred dollars for each crypt or **[**ten dollars for each niche sold in a garden mausoleum**] fifty dollars for each niche sold in a community mausoleum, whichever is greater**;

(3) **A minimum of ten percent of the gross sales price of each crypt or niche sold in a garden mausoleum, or a minimum of one hundred dollars for each crypt or twenty-five dollars for each niche sold in a garden mausoleum, whichever is greater;**

(4) A minimum of **[**seventy-five dollars per grave space for**] ten percent of the gross sales price of** each lawn crypt sold **or a minimum of seventy-five dollars, whichever is greater**.

2. Notwithstanding the provisions of subdivision (2) of subsection 1 of this section, a cemetery operator who has made the initial deposit in trust as required by sections 214.270 to 214.410 from his own funds, and not from funds deposited with respect to sales of burial space, may deposit only one-half the minimum amounts set forth in subdivisions (1) and (2) of subsection 1 of this section, until he shall have recouped his entire initial deposit. Thereafter, he shall make the minimum deposits required under subdivisions (1), (2) **[**and**],** (3**), and (4)** of subsection 1 of this section.

3. **As required by section 214.340,** each operator of an endowed care cemetery shall**[**, after August 28, 1990,**]** file with the division of professional registration, on a form provided by

the division, an annual endowed care trust fund report. The operator of any cemetery representing the cemetery, or any portion of the cemetery, as an endowed care cemetery shall make available to the division for inspection or audit at any reasonable time only those cemetery records and trust fund records necessary to determine whether the cemetery's endowed care **trust** fund is in compliance with sections 214.270 to 214.410. Each cemetery operator who has established a **[**segregated**]** **escrow** account pursuant to section **[**214.385**]** **214.387** shall make available to the division for inspection or audit at any reasonable time those cemetery records and financial institution records necessary to determine whether the cemetery operator is in compliance with the provisions of section **[**214.385. All documents, records, and work product from any inspections or audits performed by or at the direction of the division shall remain in the possession of the division of professional registration and shall not be sent to the state board of embalmers and funeral directors. No charge shall be made for such inspections or audits**]** **214.387**.

4. **[**If any endowed care cemetery operator conducts the trust fund accounting and record keeping outside of this state, then such operator shall maintain current and accurate copies of such accounting and record keeping within this state and such copies shall be readily available to the division for inspection or audit purposes.

5.**]** No cemetery operator shall operate or represent to the public by any title, description, or similar terms that a cemetery provides endowed care unless the cemetery is in compliance with the provisions of sections 214.270 to 214.410.

5. A cemetery operator shall be exempt from the provisions of chapter 436 for the sale of cemetery services or for grave lots, grave spaces, markers, monuments, memorials, tombstones, crypts, niches or mausoleums, outer burial containers or other receptacle. A cemetery operator shall be prohibited from adjusting or establishing the sales price of items with the intent of evading the trusting or escrow provisions of this chapter.

214.325. REQUIRED DEPOSITS — DEFICIENCY — EFFECT — PENALTY. — If the deposits to any endowed care **trust** fund **[**required by sections 214.270 to 214.410**]** are less than the total sum required to be set aside and deposited since the effective date of such sections, the cemetery operator shall correct such deficiency by depositing not less than twenty percent of such deficiency each year for five years **[**following August 28, 1990,**]** and shall file, on the form provided by the division, a statement outlining the date and amount such deposits were made. If the cemetery operator fails to correct the deficiency **with respect to funds maintained under section 214.330**, the cemetery operator shall thereafter not represent the cemetery as an endowed care cemetery. Any funds held in the cemetery's endowed care trust shall continue to be used for endowed care for that cemetery. The cemetery operator shall remain subject to the provisions of sections 214.270 to 214.410 for any cemetery or any section of the cemetery for which endowed care payments have been collected, subject to the penalties contained in section 214.410, and civil actions as well as subject to any regulations promulgated by the division. **For purposes of this section, the term "deficiency" shall mean a deficiency in the amount required to be deposited pursuant to section 214.320, or a deficiency created by disbursements in excess of what is permitted under section 214.330 and shall not include or be affected by deficiencies or shortages caused by the fluctuating value of investments.**

214.330. ENDOWED CARE FUND HELD IN TRUST OR SEGREGATED ACCOUNT — REQUIREMENTS — DUTIES OF TRUSTEE OR INDEPENDENT INVESTMENT ADVISOR — OPERATOR'S DUTIES — ENDOWED CARE FUND AGREEMENT. — 1. **[**The endowed care fund required by sections 214.270 to 214.410 shall be permanently set aside in trust or in accordance with the provisions of subsection 2 of this section. The trustee of the endowed care trust shall be a state- or federally chartered financial institution authorized to exercise trust powers in Missouri and located in this state. The income from the endowed care fund shall be distributed to the cemetery operator at least annually or in other convenient installments. The cemetery

operator shall have the duty and responsibility to apply the income to provide care and maintenance only for that part of the cemetery in which burial space shall have been sold and with respect to which sales the endowed care fund shall have been established and not for any other purpose. The principal of such funds shall be kept intact and appropriately invested by the trustee, or the independent investment advisor. An endowed care trust agreement may provide that when the principal in an endowed care trust exceeds two hundred fifty thousand dollars, investment decisions regarding the principal and undistributed income may be made by a federally registered or Missouri-registered independent qualified investment advisor designated by the cemetery owner, relieving the trustee of all liability regarding investment decisions made by such qualified investment advisor. It shall be the duty of the trustee, or the investment advisor, in the investment of such funds to exercise the diligence and care men of ordinary prudence, intelligence and discretion would employ, but with a view to permanency of investment considering probable safety of capital investment, income produced and appreciation of capital investment. The trustee's duties shall be the maintenance of records and the accounting for and investment of moneys deposited by the operator to the endowed care fund. For the purposes of sections 214.270 to 214.410, the trustee or investment advisor shall not be deemed to be responsible for the care, the maintenance, or the operation of the cemetery, or for any other matter relating to the cemetery, including, but not limited to, compliance with environmental laws and regulations. With respect to cemetery property maintained by cemetery care funds, the cemetery operator shall be responsible for the performance of the care and maintenance of the cemetery property owned by the cemetery operator and for the opening and closing of all graves, crypts, or niches for human remains in any cemetery property owned by the cemetery operator.

2. If the endowed care cemetery fund is not permanently set aside in a trust fund as required by subsection 1 of this section then the funds shall be permanently set aside in a segregated bank account which requires the signature of the cemetery owner and either the administrator of the office of endowed care cemeteries, or the signature of a licensed practicing attorney with escrow powers in this state as joint signatories for any distribution from the trust fund. No funds shall be expended without the signature of either the administrator of the office of endowed care cemeteries, or a licensed practicing attorney with escrow powers in this state. The account shall be insured by the Federal Deposit Insurance Corporation or comparable deposit insurance and held in the state- or federally chartered financial institution authorized to do business in Missouri and located in this state. The income from the endowed care fund shall be distributed to the cemetery operator at least in annual or semiannual installments. The cemetery operator shall have the duty and responsibility to apply the income to provide care and maintenance only for that part of the cemetery in which burial space shall have been sold and with respect to which sales the endowed care fund shall have been established and not for any other purpose. The principal of such funds shall be kept intact and appropriately invested by the cemetery operator with written approval of either the administrator of the office of endowed care cemeteries or a licensed practicing attorney with escrow powers in this state. It shall be the duty of the cemetery owner in the investment of such funds to exercise the diligence and care a person of reasonable prudence, intelligence and discretion would employ, but with a view to permanency of investment considering probable safety of capital investment, income produced and appreciation of capital investment. The cemetery owner's duties shall be the maintenance of records and the accounting for an investment of moneys deposited by the operator to the endowed care fund. For purposes of sections 214.270 to 214.410, the administrator of the office of endowed care cemeteries or the licensed practicing attorney with escrow powers in this state shall not be deemed to be responsible for the care, maintenance, or operation of the cemetery. With respect to cemetery property maintained by cemetery care funds, the cemetery operator shall be responsible for the performance of the care and maintenance of the cemetery property owned by the cemetery operator and for the opening and closing of all graves, crypts, or niches for human remains in any cemetery property owned by the cemetery operator.

3. The cemetery operator shall be accountable to the owners of burial space in the cemetery for compliance with sections 214.270 to 214.410.

4. All endowed care funds shall be administered in accordance with an endowed care fund agreement. The endowed care fund agreement shall be subject to review and approval by the office of endowed care cemeteries or by a licensed practicing attorney with escrow powers in this state. The endowed care cemetery shall be notified in writing by the office of endowed care cemeteries or by a licensed practicing attorney with escrow powers in this state regarding the approval or disapproval of the endowed care fund agreement and regarding any changes required to be made for compliance with this chapter and the rules and regulations promulgated thereunder. A copy of the proposed endowed care fund agreement shall be submitted to the office of endowed care cemeteries. The office of endowed care cemeteries or a licensed practicing attorney with escrow powers in this state shall notify the endowed care cemetery in writing of approval and of any required change. Any amendment or change to the endowed care fund agreement shall be submitted to the office of endowed care cemeteries or to a licensed practicing attorney with escrow powers in this state for review and approval. Said amendment or change shall not be effective until approved by the office of endowed care cemeteries or by a licensed practicing attorney with escrow powers in this state. All endowed care cemeteries shall be under a continuing duty to file with the office of endowed care cemeteries or with a licensed practicing attorney with escrow powers in this state and to submit for approval any and all changes, amendment, or revisions of the endowed care fund agreement.

5. No principal shall be distributed from an endowed care trust fund except to the extent that a unitrust election is in effect with respect to such trust under the provisions of section 469.411, RSMo.**] The endowed care trust fund required by sections 214.270 to 214.410 shall be permanently set aside in trust or in accordance with the provisions of subsection 2 of this section. The trustee of the endowed care trust shall be a state or federally chartered financial institution authorized to exercise trust powers in Missouri. The contact information for a trust officer or duly appointed representative of the trustee with knowledge and access to the trust fund accounting and trust fund records must be disclosed to the office or its duly authorized representative upon request.**

(1) The trust fund records, including all trust fund accounting records, shall be maintained in the state of Missouri at all times or shall be electronically stored so that the records may be made available in the state of Missouri within fifteen business days of receipt of a written request. The operator of an endowed care cemetery shall maintain a current name and address of the trustee and the records custodian for the endowed care trust fund and shall supply such information to the office, or its representative, upon request.

(2) Missouri law shall control all endowed care trust funds and the Missouri courts shall have jurisdiction over endowed care trusts regardless of where records may be kept or various administrative tasks may be performed.

2. An endowed care trust fund shall be administered in accordance with Missouri law governing trusts, including but not limited to the applicable provisions of chapters 456 and 469, except as specifically provided in this subsection or where the provisions of sections 214.270 to 214.410 provide differently, provided that a cemetery operator shall not in any circumstances be authorized to restrict, enlarge, change, or modify the requirements of this section or the provisions of chapters 456 and 469 by agreement or otherwise.

(1) Income and principal of an endowed care trust fund shall be determined under the provisions of law applicable to trusts, except that the provisions of section 469.405 shall not apply.

(2) No principal shall be distributed from an endowed care trust fund except to the extent that a unitrust election is in effect with respect to such trust under the provisions of section 469.411.

(3) No right to transfer jurisdiction from Missouri under section 456.1-108 shall exist for endowed care trusts.

(4) All endowed care trusts shall be irrevocable.

(5) No trustee shall have the power to terminate an endowed care trust fund under the provisions of section 456.4-414.

(6) A unitrust election made in accordance with the provisions of chapter 469 shall be made by the cemetery operator in the terms of the endowed care trust fund agreement itself, not by the trustee.

(7) No contract of insurance shall be deemed a suitable investment for an endowed care trust fund.

(8) The income from the endowed care fund may be distributed to the cemetery operator at least annually on a date designated by the cemetery operator, but no later than sixty days following the end of the trust fund year. Any income not distributed within sixty days following the end of the trust's fiscal year shall be added to and held as part of the principal of the trust fund.

3. The cemetery operator shall have the duty and responsibility to apply the income distributed to provide care and maintenance only for that part of the cemetery designated as an endowed care section and not for any other purpose.

4. In addition to any other duty, obligation, or requirement imposed by sections 214.270 to 214.410 or the endowed care trust agreement, the trustee's duties shall be the maintenance of records related to the trust and the accounting for and investment of moneys deposited by the operator to the endowed care trust fund.

(1) For the purposes of sections 214.270 to 214.410, the trustee shall not be deemed responsible for the care, the maintenance, or the operation of the cemetery, or for any other matter relating to the cemetery, or the proper expenditure of funds distributed by the trustee to the cemetery operator, including, but not limited to, compliance with environmental laws and regulations.

(2) With respect to cemetery property maintained by endowed care funds, the cemetery operator shall be responsible for the performance of the care and maintenance of the cemetery property.

5. If the endowed care cemetery fund is not permanently set aside in a trust fund as required by subsection 1 of this section, then the funds shall be permanently set aside in an escrow account in the state of Missouri. Funds in an escrow account shall be placed in an endowed care trust fund under subsection 1 if the funds in the escrow account exceed three hundred fifty thousand dollars, unless otherwise approved by the division for good cause. The account shall be insured by the Federal Deposit Insurance Corporation or comparable deposit insurance and held in a state or federally chartered financial institution authorized to do business in Missouri and located in this state.

(1) The interest from the escrow account may be distributed to the cemetery operator at least in annual or semiannual installments, but not later than six months following the calendar year. Any interest not distributed within six months following the end of the calendar year shall be added to and held as part of the principal of the account.

(2) The cemetery operator shall have the duty and responsibility to apply the interest to provide care and maintenance only for that part of the cemetery in which burial space shall have been sold and with respect to which sales the escrow account shall have been established and not for any other purpose. The principal of such funds shall be kept intact. The cemetery operator's duties shall be the maintenance of records and the accounting for an investment of moneys deposited by the operator to the escrow account. For purposes of sections 214.270 to 214.410, the administrator of the office of endowed care cemeteries shall not be deemed to be responsible for the care, maintenance, or operation of the cemetery. With respect to cemetery property maintained by cemetery

care funds, the cemetery operator shall be responsible for the performance of the care and maintenance of the cemetery property owned by the cemetery operator.

(3) The division may approve an escrow agent if the escrow agent demonstrates the knowledge, skill, and ability to handle escrow funds and financial transactions and is of good moral character.

6. The cemetery operator shall be accountable to the owners of burial space in the cemetery for compliance with sections 214.270 to 214.410.

7. Excluding funds held in an escrow account, all endowed care trust funds shall be administered in accordance with an endowed care trust fund agreement, which shall be submitted to the office by the cemetery operator for review and approval. The endowed care cemetery shall be notified in writing by the office of endowed care cemeteries regarding the approval or disapproval of the endowed care trust fund agreement and regarding any changes required to be made for compliance with sections 214.270 to 214.410 and the rules and regulations promulgated thereunder.

8. All endowed care cemeteries shall be under a continuing duty to file with the office of endowed care cemeteries and to submit for prior approval any and all changes, amendments, or revisions of the endowed care trust fund agreement, at least thirty days before the effective date of such change, amendment, or revision.

9. If the endowed care trust fund agreement, or any changes, amendments, or revisions filed with the office, are not disapproved by the office within thirty days after submission by the cemetery operator, the endowed care trust fund agreement, or the related change, amendment, or revision, shall be deemed approved and may be used by the cemetery operator and the trustee. Notwithstanding any other provision of this section, the office may review and disapprove an endowed care trust fund agreement, or any submitted change, amendment, or revision, after the thirty days provided herein or at any other time if the agreement is not in compliance with sections 214.270 to 214.410 or the rules promulgated thereunder. Notice of disapproval by the office shall be in writing and delivered to the cemetery operator and the trustee within ten days of disapproval.

10. Funds in an endowed care trust fund or escrow account may be commingled with endowed care funds for other endowed care cemeteries, provided that the cemetery operator and the trustee shall maintain adequate accounting records of the disbursements, contributions, and income allocated for each cemetery.

11. By accepting the trusteeship of an endowed care trust or accepting funds as an escrow agent pursuant to sections 214.270 to 214.410, the trustee or escrow agent submits personally to the jurisdiction of the courts of this state and the office of endowed care cemeteries regarding the administration of the trust or escrow account. A trustee or escrow agent shall consent in writing to the jurisdiction of the state of Missouri and the office in regards to the trusteeship or the operation of the escrow account and to the appointment of the office of secretary of state as its agent for service of process regarding any administrative or legal actions relating to the trust or the escrow account, if it has no designated agent for service of process located in this state. Such consent shall be filed with the office prior to accepting funds pursuant to sections 214.270 to 214.410 as trustee or as an escrow agent on a form provided by the office by rule.

214.335. CONTRIBUTIONS TO ENDOWED CARE FUND FOR MEMORIAL OR MONUMENT — DEFICIENCY, EFFECT OF. — 1. Any endowed care cemetery may require a contribution to the endowed care fund or to a separate memorial care fund for each memorial or monument installed on a grave in the cemetery. Such contribution, if required by a cemetery, shall not exceed twenty cents per square inch of base area, and shall be charged on every installation regardless of the person performing the installation. Each contribution made pursuant to a contract or agreement entered into after August 28, 1990, shall be entrusted and administered

pursuant to sections 214.270 to 214.410 for the endowed care fund. Each contribution made pursuant to a contract or agreement entered into before August 28, 1990, shall be governed by the law in effect at the time the contract or agreement was entered into.

2. If the deposits to any endowed care trust fund are less than the total sum required to be set aside and deposited since the effective date of such sections, the cemetery operator shall correct such deficiency by depositing not less than twenty percent of such deficiency each year for five years and shall file, on the form provided by the division, a statement outlining the date and amount such deposits were made. If the cemetery operator fails to correct the deficiency with respect to funds maintained under section 214.330, the cemetery operator shall thereafter not represent the cemetery as an endowed care cemetery. Any funds held in the cemetery's endowed care trust shall continue to be used for endowed care for that cemetery. The cemetery operator shall remain subject to the provisions of sections 214.270 to 214.410 for any cemetery or any section of the cemetery for which endowed care payments have been collected, subject to the penalties contained in section 214.410, and civil actions, as well as subject to any regulations promulgated by the division. For purposes of this section, the term "deficiency" shall mean a deficiency in the amount required to be deposited pursuant to subsection 1 of this section, or a deficiency created by disbursements in excess of what is permitted under section 214.330 and shall not include or be affected by deficiencies or shortages caused by the fluctuating value of investments.

214.340. REPORT REQUIRED — CONTENT — OATH — FILING REQUIRED. — 1. Each operator of an endowed care cemetery shall maintain at an office in the cemetery or, if the cemetery has no office in the cemetery, at an office within a reasonable distance of the cemetery, the reports of the endowed care **trust** fund's operation for the preceding seven years. Each report shall contain, at least, the following information:

(1) Name and address of the trustee of the endowed care **trust** fund and the depository, if different from the trustee;

(2) Balance per previous year's report;

(3) Principal contributions received since previous report;

(4) Total earnings since previous report;

(5) Total distribution to the cemetery operator since the previous report;

(6) Current balance;

(7) A statement of all assets listing cash, real or personal property, stocks, bonds, and other assets, showing cost, acquisition date and current market value of each asset;

(8) Total expenses, excluding distributions to cemetery operator, since previous report; and

(9) A statement of the cemetery's total acreage and of its developed acreage.

2. Subdivisions (1) through (7) of the report described in subsection 1 above shall be certified to under oath as complete and correct by a corporate officer of the trustee. Subdivision (8) of such report shall be certified under oath as complete and correct by an officer of the cemetery operator. Both the trustee and cemetery operator or officer shall be subject to the penalty of making a false affidavit or declaration.

3. The report shall be placed in the cemetery's office within ninety days of the close of the trust's fiscal year. A copy of this report shall be filed by the cemetery operator with the division of professional registration as condition of license renewal as required by subsection 4 of section 214.275. **[**The report shall not be sent to the state board of embalmers and funeral directors.**]**

4. Each cemetery operator who establishes **[**a segregated**] an escrow or trust** account pursuant to **[**subsection 1 of section 214.385**] section 214.387** shall file with the report required under subsection 1 of this section **[**a segregated**] an escrow or trust** account report that shall provide the following information:

(1) The **[**number of monuments, markers and memorials**] total face value of all contracts for burial merchandise and services** that have been deferred for delivery by purchase designation; **and**

(2) **[**The aggregate wholesale cost of all such monuments, markers and memorials; and

(3)**]** The amount on deposit in the **[**segregated**] escrow or trust** account established pursuant to section **[**214.385**] 214.387**, and the account number **in the case of an escrow account**.

214.345. SALE OF CEMETERY PLOT — WRITTEN STATEMENT TO BE GIVEN TO PURCHASER — COPY OF ANNUAL REPORT TO BE AVAILABLE TO PUBLIC. — 1. Any cemetery operator who negotiates the sale of burial space in any cemetery located in this state shall provide each prospective owner of burial space a written statement, which may be a separate form or a part of the sales contract, which states and explains in plain language that the burial space is part of an endowed care cemetery; that the cemetery has established and maintains the endowed care **trust** fund required by law; and that the information regarding the fund described in section 214.340 is available to the prospective purchaser. If the burial space is in a nonendowed cemetery, or in a nonendowed section of an endowed care cemetery, the cemetery operator shall state he has elected not to establish an endowed care **trust** fund.

2. The operator of each endowed care cemetery shall, upon request, give to the public for retention a copy of the endowed care **trust** fund annual report prepared pursuant to the provisions of subsection 1 of section 214.340.

214.360. PRIVATE USE OF TRUST FUNDS PROHIBITED. — No cemetery operator, nor any director, officer or shareholder of any cemetery may borrow or in any other way make use of the endowed care **trust** funds for his own use, directly or indirectly, or for furthering or developing his or any other cemetery, nor may any trustee lend or make such funds available for said purpose or for the use of any operator or any director, officer or shareholder of any cemetery.

214.363. BANKRUPTCY, ASSIGNMENT FOR BENEFIT OF CREDITORS, ENDOWED CARE FUND EXEMPT. — In the event of a cemetery's bankruptcy, insolvency, or assignment for the benefit of creditors, the endowed care **trust** funds shall not be available to any creditor as assets of the cemetery's owner or to pay any expenses of any bankruptcy or similar proceeding, but shall be retained intact to provide for the future maintenance of the cemetery.

214.365. CEMETERY FAILING TO PROVIDE MAINTENANCE — ABANDONMENT OR CEASING TO OPERATE, DIVISION'S DUTIES. — Prior to any action as provided in subsection 2 of section 214.205, and when the division has information that a **[**public**]** cemetery is not providing maintenance and care, has been abandoned, or has ceased operation, the division may investigate the cemetery to determine the cemetery's current status. If the division finds evidence that the cemetery is abandoned, is not conducting business, or is not providing maintenance and care, the division may apply to the circuit court for appointment as receiver, trustee, or successor in trust.

214.367. SALE OF ASSETS, NOTICE REQUIRED — PROSPECTIVE PURCHASER OF ENDOWED CARE CEMETERY, RIGHT TO RECENT AUDIT — RIGHT TO CONTINUE OPERATION, NOTIFICATION BY DIVISION. — 1. Prior to selling or otherwise disposing of a majority of the business assets of a cemetery, or a majority of its stock or other ownership interest, if a corporation or other organized business entity, the cemetery operator shall provide written notification to the division of its intent at least thirty days prior to the date set for the transfer, or the closing of the sale, or the date set for termination of its business. Such notice is confidential and shall not be considered a public record subject to the provisions of chapter 610 until the sale of the cemetery has been effectuated. Upon receipt of the

written notification, the division may take reasonable and necessary action to determine that the cemetery operator has made proper plans to assure that trust funds or funds held in an escrow account for or on behalf of the cemetery will be set aside and used as provided in sections 214.270 to 214.410, including, but not limited to, an audit or examination of books and records. The division may waive the requirements of this subsection or may shorten the period of notification for good cause or if the division determines in its discretion that compliance with its provisions are not necessary.

2. A cemetery operator may complete the sale, transfer, or cessation if the division does not disapprove the transaction within thirty days after receiving notice. Nothing in this section shall be construed to restrict any other right or remedy vested in the division or the attorney general.

3. A prospective purchaser or transferee of **[**any endowed care**] endowed or unendowed** cemetery, with the written consent of the cemetery operator, may obtain a copy of the cemetery's most recent audit or inspection report from the division. The division shall inform the prospective purchaser or transferee, within thirty days, whether the cemetery may continue to operate and be represented as **[**an endowed care**] a** cemetery.

214.387. BURIAL MERCHANDISE OR SERVICES, DEFERRAL OF DELIVERY, WHEN — ESCROW ARRANGEMENT — DISTRIBUTION OF MONEYS — CANCELLATION. — 1. **[**Upon written instructions from the purchaser of burial merchandise or burial services set forth in a cemetery prearranged contract, a cemetery may defer delivery of such burial merchandise or a warehouse receipt for the same under section 214.385, or performance of services, to a date designated by the purchaser, provided the cemetery operator, after deducting sales and administrative costs not to exceed twenty percent of the purchase price, deposits the remaining portion of the purchase price into an escrow or trust account as herein provided, within sixty days following receipt of payment from the purchaser. Funds so deposited pursuant to this section shall be maintained in such account until delivery of the property or the performance of services is made or the contract for the purchase of such property or services is canceled. The account is subject to inspection, examination or audit by the division. No withdrawals may be made from the escrow or trust account established pursuant to this section except as herein provided.

2. Upon written instructions from the purchaser of an interment, entombment, or inurnment cemetery service, a cemetery may defer performance of such service to a date designated by the purchaser, provided the cemetery operator, within forty-five days of the date the agreement is paid in full, deposits from its own funds an amount equal to eighty percent of the published retail price into a trusteed account. Funds deposited in a trusteed account pursuant to this section and section 214.385 shall be maintained in such account until delivery of the service is made or the agreement for the purchase of the service is canceled. No withdrawals may be made from the trusteed account established pursuant to this section and section 214.385 except as provided herein. Money in this account shall be invested utilizing the prudent man theory and is subject to audit by the division. Names and addresses of depositories of such money shall be submitted with the annual report.

3. Upon the delivery of the interment, entombment, or inurnment cemetery service agreed upon by the cemetery or its agent, or the cancellation of the agreement for the purchase of such service, the cemetery operator may withdraw from the trusteed account an amount equal to (i) the market value of the trusteed account based on the most recent account statement issued to the cemetery operator, times (ii) the ratio the service's deposit in the account bears to the aggregate deposit of all services which are paid in full but not delivered. The trusteed account may be inspected or audited by the division.

4. The provisions of this section shall apply to all agreements entered into after August 28, 2002.**] With the exception of sales made pursuant to section 214.385, all sales of prearranged burial merchandise and services shall be made pursuant to this section.**

2. Upon written instructions from the purchaser of burial merchandise or burial services set forth in a cemetery prearranged contract, a cemetery may defer delivery of such burial merchandise or a warehouse receipt for the same under section 214.385, or performance of services, to a date designated by the purchaser, provided the cemetery operator, after deducting sales and administrative costs associated with the sale, not to exceed twenty percent of the purchase price, deposits the remaining portion of the purchase price into an escrow or trust account as herein provided, within sixty days following receipt of payment from the purchaser. Funds so deposited pursuant to this section shall be maintained in such account until delivery of the property or the performance of services is made or the contract for the purchase of such property or services is cancelled, and fees and costs associated with the maintenance of the trust or escrow arrangement shall be charged to these funds. The account is subject to inspection, examination or audit by the division. No withdrawals may be made from the escrow or trust account established pursuant to this section except as herein provided.

3. Each escrow arrangement must comply with the following:

(1) The escrow agent shall be located in Missouri, authorized to exercise escrow powers, and shall maintain the escrow records so that they may be accessed and produced for inspection within five business days of the agent's receipt of a written request made by the office or its duly authorized representative. A cemetery operator shall not serve as an escrow agent for the cemetery operator's account nor shall the escrow agent be employed by or under common ownership with the cemetery operator. The cemetery operator shall maintain a current name and address for the escrow agent with the office, and shall obtain written approval from the office before making any change in the name or address of the escrow agent. Notwithstanding any other provision of law, information regarding the escrow agent shall be deemed an open record;

(2) The escrow account funds shall be maintained in depository accounts at a Missouri financial institution that provides Federal Deposit Insurance Corporation or comparable deposit insurance;

(3) The escrow arrangement shall be administered by the escrow agent pursuant to an agreement approved by the office under the same filing and approval procedure as that set forth for endowed care trust fund agreements in section 214.330;

(4) The operator shall establish a separate depository account for each cemetery prearranged contract administered pursuant to this subsection;

(5) The division may promulgate by rule a form escrow agreement to be used by a cemetery operator operating pursuant to this section.

4. Each trust must comply with the following:

(1) The trustee shall be a state or federally chartered financial institution authorized to exercise trust powers in Missouri, provided that a foreign financial institution must be approved by the office;

(2) The trust fund records, including all trust fund accounting records, shall either be maintained in the state of Missouri or shall be electronically stored so that the records may be made available within fifteen business days of the trustee's receipt of a written request made by the office or its duly authorized representative. The cemetery operator shall maintain a current name and address of the trustee and the records custodian and shall supply such information to the office or its representative upon request;

(3) The principal of such funds shall be appropriately invested pursuant to the prudent investor rule under chapter 469, provided that no trust funds shall be invested in any term insurance product;

(4) Payments regarding two or more cemetery prearranged contracts may be deposited into and commingled in the same trust, so long as adequate records are made available to the trustee to account for cemetery prearranged contracts on an individual basis with regard to deposits, earnings, distributions, and any taxes;

(5) Trust instruments shall be subject to the same filing and approval procedure as that set forth for endowed care trust fund agreements under section 214.330;

(6) A trustee may commingle the funds from trusts of unrelated cemetery operators for investment purposes if the trustee has adequate accounting for the allocations, disbursements, payments, and income among the participating trusts.

5. The income from escrow accounts, after payment of expenses associated with the arrangement, shall be distributed to the cemetery operator. All other distributions from trusts and escrow accounts shall be made pursuant to forms approved by the office. For performance of a cemetery prearranged contract, a certificate of performance form signed by the cemetery operator shall be required for distribution. For cancellation of a cemetery prearranged contract, a certificate of cancellation form signed by the cemetery operator and the purchaser shall be required for distribution.

6. A cemetery prearranged contract is subject to cancellation as follows:

(1) At any time before the final disposition of the deceased, or before the services or merchandise described in this section are provided, the purchaser may cancel the contract without cause by delivering written notice thereof to the operator. Within fifteen days after its receipt of such notice, the cemetery operator shall pay to the purchaser a net amount equal to eighty percent of all payments made under the contract. The cemetery operator shall be entitled to keep one-half of the interest earned on trust funds. Upon delivery of the purchaser's receipt for such payment to the escrow agent or trustee, the escrow agent or trustee shall distribute to the cemetery operator from the escrow account or trust an amount equal to all deposits made into the escrow account or trust for the contract;

(2) Notwithstanding the provisions of subdivision (1) of this subsection, if a purchaser is eligible, becomes eligible, or desires to become eligible, to receive public assistance under chapter 208 or any other applicable state or federal law, the purchaser may irrevocably waive and renounce his right to cancel the contract pursuant to the provisions of subdivision (1) of this section, which waiver and renunciation shall be made in writing and delivered to the cemetery operator;

(3) Notwithstanding the provisions of subdivision (1) of this subsection, any purchaser, within thirty days of receipt of the executed contract, may cancel the contract without cause by delivering written notice thereof to the cemetery operator, and receive a full refund of all payments made on the contract;

(4) Notwithstanding the provisions of subdivision (1) of this subsection, once any purchase order is entered for the production or manufacture of burial merchandise, per the purchaser's written request, the purchaser's obligation to pay for said burial merchandise shall be noncancellable;

(5) No funds subject to a purchaser's right of cancellation hereunder shall be subject to the claims of the cemetery operator's creditors.

7. Burial merchandise sold through a contract with a cemetery or cemetery operator which is entered into after the death of the individual for whom the burial merchandise is intended shall not be subject to any trusting or escrow requirement of this section.

8. This section shall apply to all agreements entered into after August 28, 2010.

214.389. SUSPENSION OF DISTRIBUTION, WHEN, PROCEDURE. — 1. The division may direct a trustee, financial institution, or escrow agent to suspend distribution from an endowed care trust fund or escrow account if the cemetery operator does not have a current and active cemetery operator license, has failed to file an annual report, or if, after an audit or examination, the division determines there is a deficiency in an endowed care trust fund or escrow account maintained under section 214.330 and the cemetery operator has failed to file a corrective action plan detailing how the deficiency shall be remedied. For purposes of this section, a deficiency shall only be deemed to exist if, after an audit or

examination, the division determines a cemetery operator has failed to deposit the total aggregate of funds required to be deposited in trust or an escrow account pursuant to section 214.320 or subsection 1 of section 214.335, or has received disbursements from the trust or escrow account in excess of what is permitted under section 214.330. No deficiency shall be deemed to be created by fluctuations in the value of investments held in trust or escrow.

2. The division shall provide written notification to the cemetery operator and the trustee, financial institution, or escrow agent within fourteen days of discovering a potential violation as described in this section. Upon receipt of written notification from the division, the cemetery operator shall have sixty days to cure any alleged violations or deficiencies cited in the notification without a suspension of distribution. If, after the sixty-day time period, the division feels the cemetery has not cured the alleged violations or deficiencies cited in the notification, the division may send a notice of suspension to the cemetery operator that the division is ordering a suspension of distribution as described in this section. In the event of a suspension of distribution, the amount of any distribution suspended shall become principal, with credit against the deficiency, unless the cemetery operator files an appeal with a court of competent jurisdiction or with the administrative hearing commission, as provided herein. In the event of an appeal, a cemetery operator may request the court or administrative hearing commission stay the suspension of distribution after a showing of necessity and good cause or authorize payment from the endowed care trust fund or escrow account for necessary expenses from any amount subject to distribution.

3. Upon receipt of an order from the division suspending distribution pursuant to this section, a trustee, financial institution, or escrow agent shall immediately suspend distribution as required by the order. A trustee, financial institution, or escrow agent shall be exempt from liability for failure to distribute funds as ordered by the division.

4. A cemetery operator may appeal an order suspending distribution pursuant to this section to the administrative hearing commission. The administrative hearing commission shall receive notice of such appeal within thirty days from the date the notice of suspension was mailed by certified mail. Failure of a person whose license was suspended to notify the administrative hearing commission of his or her intent to appeal waives all rights to appeal the suspension. Upon notice of such person's intent to appeal, a hearing shall be held before the administrative hearing commission pursuant to chapter 621.

5. A cemetery operator may apply for reinstatement of distributions upon demonstration that the deficiencies or other problems have been cured or that the operator has otherwise come into compliance.

6. The division 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 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, 2010, shall be invalid and void.

214.392. DIVISION OF PROFESSIONAL REGISTRATION, DUTIES AND POWERS IN REGULATION OF CEMETERIES — RULEMAKING AUTHORITY. — 1. The division shall:

(1) Recommend prosecution for violations of the provisions of sections 214.270 to 214.410 to the appropriate prosecuting, circuit attorney or to the attorney general;

(2) Employ, within limits of the funds appropriated, such employees as are necessary to carry out the provisions of sections 214.270 to 214.410;

(3) Be allowed to convey full authority to each city or county governing body the use of inmates controlled by the department of corrections and the board of probation and parole to care for abandoned cemeteries located within the boundaries of each city or county;

(4) Exercise all budgeting, purchasing, reporting and other related management functions;

(5) **Be authorized, within the limits of the funds appropriated, to conduct investigations, examinations, or audits to determine compliance with sections 214.270 to 214.410;**

(6) The division may promulgate rules necessary to implement the provisions of sections 214.270 to 214.516, including but not limited to:

(a) Rules setting the amount of fees authorized pursuant to sections 214.270 to 214.516. The fees shall be set at a level to produce revenue that shall not substantially exceed the cost and expense of administering sections 214.270 to 214.516. All moneys received by the division pursuant to sections 214.270 to 214.516 shall be collected by the director who shall transmit such moneys to the department of revenue for deposit in the state treasury to the credit of the endowed care cemetery audit fund created in section 193.265, RSMo;

(b) Rules to administer the inspection and audit provisions of the endowed care cemetery law;

(c) Rules for the establishment and maintenance of the cemetery registry pursuant to section 214.283.

2. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, 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, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, 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, 2001, shall be invalid and void.

214.400. CITATION OF LAW. — Sections 214.270 to 214.410 shall be known as the "Cemetery Endowed Care **Trust** Fund Law".

214.410. VIOLATION OF LAW, PENALTY. — 1. Any cemetery operator who shall willfully violate any provisions of sections 214.270 to 214.410 for which no penalty is otherwise prescribed shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined a sum not to exceed five hundred dollars or shall be confined not more than six months or both.

2. Any cemetery operator who shall willfully violate any provision of **[**section**] sections** 214.320, 214.330, 214.335, 214.340, 214.360 **[**or**],** 214.385**, or 214.387** shall be deemed guilty of a class D felony and upon conviction thereof shall be fined a sum not to exceed ten thousand dollars or shall be confined not more than five years or both. This section shall not apply to cemeteries or cemetery associations which do not sell lots in the cemetery.

3. Any trustee who shall willfully violate any applicable provisions of sections 214.270 to 214.410 shall have committed an unsafe and unsound banking practice and shall be penalized as authorized by chapters 361 and 362, RSMo. This subsection shall be enforced exclusively by the Missouri division of finance for state chartered institutions and the Missouri attorney general for federally chartered institutions.

4. Any person who shall willfully violate any provision of section 214.320, 214.330, 214.335, 214.340, 214.360 or 214.385 or violates any rule, regulation or order of the division may, in accordance with the regulations issued by the division, be assessed an administrative penalty by the division. The penalty shall not exceed five thousand dollars for each violation and each day of the continuing violation shall be deemed a separate violation for purposes of administrative penalty assessment. However, no administrative penalty may be assessed until the person charged with the violation has been given the opportunity for a hearing on the

violation. Penalty assessments received shall be deposited in the endowed care cemetery audit fund created in section 193.265, RSMo.

214.500. CEMETERIES ACQUIRED BY A CITY AT TAX SALES OR AS NUISANCES MAY BE SOLD. — Any cemetery located in a city **[**not within a county,**]** which has become the property of such city pursuant to section 214.205 or a public tax sale may be sold to another cemetery operator or a not-for-profit corporation which is unrelated to the previous cemetery operator.

214.504. NO LIABILITY FOR NEW CEMETERY OPERATORS, WHEN — RIGHTS OF HOLDERS OF CONTRACTS FOR BURIAL. — Any cemetery operator who purchases a cemetery from a city **[**not within a county**]** pursuant to sections 214.500 to 214.516 shall not be liable for any wrongful interments or errors made in the sale of plots prior to the cemetery operator's purchase of the cemetery, nor shall such cemetery operator be liable for multiple ownership of plots sold by such cemetery operator due to a lack of adequate records in such cemetery operator's possession at the time of such cemetery operator's purchase of such cemetery from the city, provided the cemetery operator offers a plot of equal value for the interment, if such party can prove ownership of the right to bury a person by presenting a contract for the right to burial.

214.508. PREVIOUS CEMETERY OWNER LIABLE, WHEN. — Any cemetery operator who purchases a cemetery from a city **[**not within a county**]** shall not be held liable or responsible for any conditions existing or actions taken which occurred prior to the cemetery operator's purchase from such city; except that, the exemption provided in this section shall not relieve any previous owner or wrongdoer for their actions related to such cemetery.

214.512. NEW CEMETERY OWNER NOT LIABLE FOR DEFICIENCIES, EXCEPTION. — Any subsequent cemetery owner after a city **[**not within a county**]** shall be exempt from the provisions of section 214.325 and section 214.410 for any deficiency existing prior to such city's ownership; except that, such exemption shall not relieve any previous cemetery owners or wrongdoers from the provisions of such sections.

214.516. REGISTRATION AS AN ENDOWED CARE CEMETERY, WHEN — COMPLIANCE WITH ENDOWED CARE CEMETERY LAW REQUIRED. — Any cemetery owner subsequent to a city **[**not within a county**]**, regardless of whether such cemetery was previously registered as an endowed care cemetery, held itself out to be an endowed care cemetery or was a nonendowed care cemetery, shall comply with section 214.310 and register such cemetery as an endowed care cemetery as if it were a newly created cemetery with no interments at the time of such registration. Any contracts for the right of burial sold after compliance with section 214.310 and all subsequent action of a subsequent cemetery owner shall comply fully with the provisions of sections 214.270 to 214.410.

214.550. SCATTER GARDENS, OPERATION BY CHURCHES MAINTAINING RELIGIOUS CEMETERIES — MAINTENANCE OF GARDEN AND RECORDS, DUTY OF OPERATOR. — 1. For purposes of this section, the following terms mean:

(1) "Cremains", the **[**ashes that remain after cremation of a human corpse**]** **remains of a human corpse after cremation**;

(2) "Operator", a church that owns and maintains a religious cemetery;

(3) "Religious cemetery", a cemetery owned, operated, controlled, or managed by any church that has or would qualify for federal tax-exempt status as a nonprofit religious organization pursuant to section 501(c) of the Internal Revenue Code as amended;

(4) "Scatter garden", a location for the spreading of cremains set aside within a cemetery.

2. It shall be lawful for any operator of a religious cemetery adjacent to a church building or other building regularly used as a place of worship to establish a scatter garden for the purpose of scattering human cremains.

3. The operator of any religious cemetery containing a scatter garden shall maintain, protect, and supervise the scatter garden, and shall be responsible for all costs incurred for such maintenance, protection, and supervision. Such operator shall also maintain a record of all cremains scattered in the scatter garden that shall include the name, date of death, and Social Security number of each person whose cremains are scattered, and the date the cremains were scattered.

4. A scatter garden established pursuant to this section shall be maintained by the operator of the religious cemetery for as long as such operator is in existence. Upon dissolution of such operator, all records of cremains shall be transferred to the clerk of the city, town, or village in which the scatter garden is located, or if the scatter garden is located in any unincorporated area, to the county recorder.

301.142. DEFINITIONS — PLATES FOR DISABLED AND PLACARD FOR WINDSHIELD, ISSUED WHEN — PHYSICIAN STATEMENTS, REQUIREMENTS — DEATH OF DISABLED PERSON, EFFECT — LOST OR STOLEN PLACARD, REPLACEMENT OF, FEE — RECERTIFICATION AND REVIEW BY DIRECTOR, WHEN — PENALTIES FOR CERTAIN FRAUDULENT ACTS. — 1. As used in sections 301.141 to 301.143, the following terms mean:

(1) "Department", the department of revenue;

(2) "Director", the director of the department of revenue;

(3) "Other authorized health care practitioner" includes advanced practice registered nurses licensed pursuant to chapter 335, RSMo, **physician assistants licensed pursuant to chapter 334,** chiropractors licensed pursuant to chapter 331, RSMo, podiatrists licensed pursuant to chapter 330, RSMo, and optometrists licensed pursuant to chapter 336, RSMo;

(4) "Physically disabled", a natural person who is blind, as defined in section 8.700, RSMo, or a natural person with medical disabilities which prohibits, limits, or severely impairs one's ability to ambulate or walk, as determined by a licensed physician or other authorized health care practitioner as follows:

(a) The person cannot ambulate or walk fifty or less feet without stopping to rest due to a severe and disabling arthritic, neurological, orthopedic condition, or other severe and disabling condition; or

(b) The person cannot ambulate or walk without the use of, or assistance from, a brace, cane, crutch, another person, prosthetic device, wheelchair, or other assistive device; or

(c) Is restricted by a respiratory or other disease to such an extent that the person's forced respiratory expiratory volume for one second, when measured by spirometry, is less than one liter, or the arterial oxygen tension is less than sixty mm/hg on room air at rest; or

(d) Uses portable oxygen; or

(e) Has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association; or

(f) A person's age, in and of itself, shall not be a factor in determining whether such person is physically disabled or is otherwise entitled to disabled license plates and/or disabled windshield hanging placards within the meaning of sections 301.141 to 301.143;

(5) "Physician", a person licensed to practice medicine pursuant to chapter 334, RSMo;

(6) "Physician's statement", a statement personally signed by a duly authorized person which certifies that a person is disabled as defined in this section;

(7) "Temporarily disabled person", a disabled person as defined in this section whose disability or incapacity is expected to last no more than one hundred eighty days;

(8) "Temporary windshield placard", a placard to be issued to persons who are temporarily disabled persons as defined in this section, certification of which shall be indicated on the physician's statement;

(9) "Windshield placard", a placard to be issued to persons who are physically disabled as defined in this section, certification of which shall be indicated on the physician's statement.

2. Other authorized health care practitioners may furnish to a disabled or temporarily disabled person a physician's statement for only those physical health care conditions for which such health care practitioner is legally authorized to diagnose and treat.

3. A physician's statement shall:

(1) Be on a form prescribed by the director of revenue;

(2) Set forth the specific diagnosis and medical condition which renders the person physically disabled or temporarily disabled as defined in this section;

(3) Include the physician's or other authorized health care practitioner's license number; and

(4) Be personally signed by the issuing physician or other authorized health care practitioner.

4. If it is the professional opinion of the physician or other authorized health care practitioner issuing the statement that the physical disability of the applicant, user, or member of the applicant's household is permanent, it shall be noted on the statement. Otherwise, the physician or other authorized health care practitioner shall note on the statement the anticipated length of the disability which period may not exceed one hundred eighty days. If the physician or health care practitioner fails to record an expiration date on the physician's statement, the director shall issue a temporary windshield placard for a period of thirty days.

5. A physician or other authorized health care practitioner who issues or signs a physician's statement so that disabled plates or a disabled windshield placard may be obtained shall maintain in such disabled person's medical chart documentation that such a certificate has been issued, the date the statement was signed, the diagnosis or condition which existed that qualified the person as disabled pursuant to this section and shall contain sufficient documentation so as to objectively confirm that such condition exists.

6. The medical or other records of the physician or other authorized health care practitioner who issued a physician's statement shall be open to inspection and review by such practitioner's licensing board, in order to verify compliance with this section. Information contained within such records shall be confidential unless required for prosecution, disciplinary purposes, or otherwise required to be disclosed by law.

7. Owners of motor vehicles who are residents of the state of Missouri, and who are physically disabled, owners of motor vehicles operated at least fifty percent of the time by a physically disabled person, or owners of motor vehicles used to primarily transport physically disabled members of the owner's household may obtain disabled person license plates. Such owners, upon application, accompanied by the documents and fees provided for in this section, a current physician's statement which has been issued within ninety days proceeding the date the application is made and proof of compliance with the state motor vehicle laws relating to registration and licensing of motor vehicles, shall be issued motor vehicle license plates for vehicles, other than commercial vehicles with a gross weight in excess of twenty-four thousand pounds, upon which shall be inscribed the international wheelchair accessibility symbol and the word "DISABLED" in addition to a combination of letters and numbers. Such license plates shall be made with fully reflective material with a common color scheme and design, shall be clearly visible at night, and shall be aesthetically attractive, as prescribed by section 301.130.

8. The director shall further issue, upon request, to such applicant one, and for good cause shown, as the director may define by rule and regulations, not more than two, removable disabled windshield hanging placards for use when the disabled person is occupying a vehicle or when a vehicle not bearing the permanent handicap plate is being used to pick up, deliver, or collect the physically disabled person issued the disabled motor vehicle license plate or disabled windshield hanging placard.

9. No additional fee shall be paid to the director for the issuance of the special license plates provided in this section, except for special personalized license plates and other license plates described in this subsection. Priority for any specific set of special license plates shall be given to the applicant who received the number in the immediately preceding license period subject to the applicant's compliance with the provisions of this section and any applicable rules or regulations issued by the director. If determined feasible by the advisory committee established in section 301.129, any special license plate issued pursuant to this section may be adapted to also include the international wheelchair accessibility symbol and the word "DISABLED" as prescribed in this section and such plate may be issued to any applicant who meets the requirements of this section and the other appropriate provision of this chapter, subject to the requirements and fees of the appropriate provision of this chapter.

10. Any physically disabled person, or the parent or guardian of any such person, or any not-for-profit group, organization, or other entity which transports more than one physically disabled person, may apply to the director of revenue for a removable windshield placard. The placard may be used in motor vehicles which do not bear the permanent handicap symbol on the license plate. Such placards must be hung from the front, middle rearview mirror of a parked motor vehicle and may not be hung from the mirror during operation. These placards may only be used during the period of time when the vehicle is being used by a disabled person, or when the vehicle is being used to pick up, deliver, or collect a disabled person. When there is no rearview mirror, the placard shall be displayed on the dashboard on the driver's side.

11. The removable windshield placard shall conform to the specifications, in respect to size, color, and content, as set forth in federal regulations published by the Department of Transportation. The removable windshield placard shall be renewed every four years. The director may stagger the expiration dates to equalize workload. Only one removable placard may be issued to an applicant who has been issued disabled person license plates. Upon request, one additional windshield placard may be issued to an applicant who has not been issued disabled person license plates.

12. A temporary windshield placard shall be issued to any physically disabled person, or the parent or guardian of any such person who otherwise qualifies except that the physical disability, in the opinion of the physician, is not expected to exceed a period of one hundred eighty days. The temporary windshield placard shall conform to the specifications, in respect to size, color, and content, as set forth in federal regulations published by the Department of Transportation. The fee for the temporary windshield placard shall be two dollars. Upon request, and for good cause shown, one additional temporary windshield placard may be issued to an applicant. Temporary windshield placards shall be issued upon presentation of the physician's statement provided by this section and shall be displayed in the same manner as removable windshield placards. A person or entity shall be qualified to possess and display a temporary removable windshield placard for six months and the placard may be renewed once for an additional six months if a physician's statement pursuant to this section is supplied to the director of revenue at the time of renewal.

13. Application for license plates or windshield placards issued pursuant to this section shall be made to the director of revenue and shall be accompanied by a statement signed by a licensed physician or other authorized health care practitioner which certifies that the applicant, user, or member of the applicant's household is a physically disabled person as defined by this section.

14. The placard shall be renewable only by the person or entity to which the placard was originally issued. Any placard issued pursuant to this section shall only be used when the physically disabled occupant for whom the disabled plate or placard was issued is in the motor vehicle at the time of parking or when a physically disabled person is being delivered or collected. A disabled license plate and/or a removable windshield hanging placard are not transferable and may not be used by any other person whether disabled or not.

15. At the time the disabled plates or windshield hanging placards are issued, the director shall issue a registration certificate which shall include the applicant's name, address, and other

identifying information as prescribed by the director, or if issued to an agency, such agency's name and address. This certificate shall further contain the disabled license plate number or, for windshield hanging placards, the registration or identifying number stamped on the placard. The validated registration receipt given to the applicant shall serve as the registration certificate.

16. The director shall, upon issuing any disabled registration certificate for license plates and/or windshield hanging placards, provide information which explains that such plates or windshield hanging placards are nontransferable, and the restrictions explaining who and when a person or vehicle which bears or has the disabled plates or windshield hanging placards may be used or be parked in a disabled reserved parking space, and the penalties prescribed for violations of the provisions of this act.

17. Every new applicant for a disabled license plate or placard shall be required to present a new physician's statement dated no more than ninety days prior to such application. Renewal applicants will be required to submit a physician's statement dated no more than ninety days prior to such application upon their first renewal occurring on or after August 1, 2005. Upon completing subsequent renewal applications, a physician's statement dated no more than ninety days prior to such application shall be required every fourth year. Such physician's statement shall state the expiration date for the temporary windshield placard. If the physician fails to record an expiration date on the physician's statement, the director shall issue the temporary windshield placard for a period of thirty days. The director may stagger the requirement of a physician's statement on all renewals for the initial implementation of a four-year period.

18. The director of revenue upon receiving a physician's statement pursuant to this subsection shall check with the state board of registration for the healing arts created in section 334.120, RSMo, or the Missouri state board of nursing established in section 335.021, RSMo, with respect to physician's statements signed by advanced practice registered nurses, or the Missouri state board of chiropractic examiners established in section 331.090, RSMo, with respect to physician's statements signed by licensed chiropractors, or with the board of optometry established in section 336.130, RSMo, with respect to physician's statements signed by licensed optometrists, or the state board of podiatric medicine created in section 330.100, RSMo, with respect to physician's statements signed by physicians of the foot or podiatrists to determine whether the physician is duly licensed and registered pursuant to law. If such applicant obtaining a disabled license plate or placard presents proof of disability in the form of a statement from the United States Veterans' Administration verifying that the person is permanently disabled, the applicant shall be exempt from the four-year certification requirement of this subsection for renewal of the plate or placard. Initial applications shall be accompanied by the physician's statement required by this section. Notwithstanding the provisions of paragraph (f) of subdivision (4) of subsection 1 of this section, any person seventy-five years of age or older who provided the physician's statement with the original application shall not be required to provide a physician's statement for the purpose of renewal of disabled persons license plates or windshield placards.

19. The boards shall cooperate with the director and shall supply information requested pursuant to this subsection. The director shall, in cooperation with the boards which shall assist the director, establish a list of all Missouri physicians and other authorized health care practitioners and of any other information necessary to administer this section.

20. Where the owner's application is based on the fact that the vehicle is used at least fifty percent of the time by a physically disabled person, the applicant shall submit a statement stating this fact, in addition to the physician's statement. The statement shall be signed by both the owner of the vehicle and the physically disabled person. The applicant shall be required to submit this statement with each application for license plates. No person shall willingly or knowingly submit a false statement and any such false statement shall be considered perjury and may be punishable pursuant to section 301.420.

21. The director of revenue shall retain all physicians' statements and all other documents received in connection with a person's application for disabled license plates and/or disabled windshield placards.

22. The director of revenue shall enter into reciprocity agreements with other states or the federal government for the purpose of recognizing disabled person license plates or windshield placards issued to physically disabled persons.

23. When a person to whom disabled person license plates or a removable or temporary windshield placard or both have been issued dies, the personal representative of the decedent or such other person who may come into or otherwise take possession of the disabled license plates or disabled windshield placard shall return the same to the director of revenue under penalty of law. Failure to return such plates or placards shall constitute a class B misdemeanor.

24. The director of revenue may order any person issued disabled person license plates or windshield placards to submit to an examination by a chiropractor, osteopath, or physician, or to such other investigation as will determine whether such person qualifies for the special plates or placards.

25. If such person refuses to submit or is found to no longer qualify for special plates or placards provided for in this section, the director of revenue shall collect the special plates or placards, and shall furnish license plates to replace the ones collected as provided by this chapter.

26. In the event a removable or temporary windshield placard is lost, stolen, or mutilated, the lawful holder thereof shall, within five days, file with the director of revenue an application and an affidavit stating such fact, in order to purchase a new placard. The fee for the replacement windshield placard shall be four dollars.

27. Fraudulent application, renewal, issuance, procurement or use of disabled person license plates or windshield placards shall be a class A misdemeanor. It is a class B misdemeanor for a physician, chiropractor, podiatrist or optometrist to certify that an individual or family member is qualified for a license plate or windshield placard based on a disability, the diagnosis of which is outside their scope of practice or if there is no basis for the diagnosis.

334.735. DEFINITIONS — RULES — SCOPE OF PRACTICE — PROHIBITED ACTIVITIES — BOARD OF HEALING ARTS TO ADMINISTER LICENSING PROGRAM — SUPERVISION AGREEMENTS — DUTIES AND LIABILITY OF PHYSICIANS. — 1. As used in sections 334.735 to 334.749, the following terms mean:

(1) "Applicant", any individual who seeks to become licensed as a physician assistant;

(2) "Certification" or "registration", a process by a certifying entity that grants recognition to applicants meeting predetermined qualifications specified by such certifying entity;

(3) "Certifying entity", the nongovernmental agency or association which certifies or registers individuals who have completed academic and training requirements;

(4) "Department", the department of insurance, financial institutions and professional registration or a designated agency thereof;

(5) "License", a document issued to an applicant by the board acknowledging that the applicant is entitled to practice as a physician assistant;

(6) "Physician assistant", a person who has graduated from a physician assistant program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or by its successor agency, who has passed the certifying examination administered by the National Commission on Certification of Physician Assistants and has active certification by the National Commission on Certification of Physician Assistants who provides health care services delegated by a licensed physician. A person who has been employed as a physician assistant for three years prior to August 28, 1989, who has passed the National Commission on Certification of Physician Assistants examination, and has active certification of the National Commission on Certification of Physician Assistants;

(7) "Recognition", the formal process of becoming a certifying entity as required by the provisions of sections 334.735 to 334.749;

(8) "Supervision", control exercised over a physician assistant working within the same facility as the supervising physician sixty-six percent of the time a physician assistant provides patient care, except a physician assistant may make follow-up patient examinations in hospitals, nursing homes, patient homes, and correctional facilities, each such examination being reviewed, approved and signed by the supervising physician, except as provided by subsection 2 of this section. For the purposes of this section, the percentage of time a physician assistant provides patient care with the supervising physician on-site shall be measured each calendar quarter. The supervising physician must be readily available in person or via telecommunication during the time the physician assistant is providing patient care. The board shall promulgate rules pursuant to chapter 536, RSMo, for documentation of joint review of the physician assistant activity by the supervising physician and the physician assistant. The physician assistant shall be limited to practice at locations where the supervising physician is no further than thirty miles by road using the most direct route available, or in any other fashion so distanced as to create an impediment to effective intervention and supervision of patient care or adequate review of services. Any other provisions of this chapter notwithstanding, for up to ninety days following the effective date of rules promulgated by the board to establish the waiver process under subsection 2 of this section, any physician assistant practicing in a health professional shortage area as of April 1, 2007, shall be allowed to practice under the on-site requirements stipulated by the supervising physician on the supervising physician form that was in effect on April 1, 2007.

2. The board shall promulgate rules under chapter 536, RSMo, to direct the advisory commission on physician assistants to establish a formal waiver mechanism by which an individual physician-physician assistant team may apply for alternate minimum amounts of on-site supervision and maximum distance from the supervising physician. After review of an application for a waiver, the advisory commission on physician assistants shall present its recommendation to the board for its advice and consent on the approval or denial of the application. The rule shall establish a process by which the public is invited to comment on the application for a waiver, and shall specify that a waiver may only be granted if a supervising physician and physician assistant demonstrate to the board's satisfaction in accordance with its uniformly applied criteria that:

(1) Adequate supervision will be provided by the physician for the physician assistant, given the physician assistant's training and experience and the acuity of patient conditions normally treated in the clinical setting;

(2) The physician assistant shall be limited to practice at locations where the supervising physician is no further than fifty miles by road using the most direct route available, or in any other fashion so distanced as to create an impediment to effective intervention and supervision of patient care or adequate review of services;

(3) The community or communities served by the supervising physician and physician assistant would experience reduced access to health care services in the absence of a waiver;

(4) The applicant will practice in an area designated at the time of application as a health professional shortage area;

(5) Nothing in this section shall be construed to require a physician-physician assistant team to increase their on-site requirement allowed in their initial waiver in order to qualify for renewal of such waiver;

(6) If a waiver has been granted by the board of healing arts **on or after August 28, 2009,** to a **[**physician**] physician-physician** assistant **team** working in a rural health clinic under the federal Rural Health Clinic Services Act, P.L. 95-210, as amended, no additional waiver shall be required **for the physician-physician assistant team**, so long as the rural health clinic maintains its status as a rural health clinic under such federal act, and such **[**physician assistant and supervising physician**] physician-physician assistant team** comply with federal supervision requirements**. No supervision requirements in addition to the minimum federal law shall be required for the physician-physician assistant team in a rural health clinic if a waiver has been granted by the board. However, the board shall be able to void a current waiver**

after conducting a hearing and upon a finding of fact that the physician-physician assistant team has failed to comply with such federal act or either member of the team has violated a provision of this chapter;

(7) A physician assistant shall only be required to seek a renewal of a waiver every five years or when his or her supervising physician is a different physician than the physician shown on the waiver application or they move their primary practice location more than ten miles from the location shown on the waiver application.

3. The scope of practice of a physician assistant shall consist only of the following services and procedures:

(1) Taking patient histories;

(2) Performing physical examinations of a patient;

(3) Performing or assisting in the performance of routine office laboratory and patient screening procedures;

(4) Performing routine therapeutic procedures;

(5) Recording diagnostic impressions and evaluating situations calling for attention of a physician to institute treatment procedures;

(6) Instructing and counseling patients regarding mental and physical health using procedures reviewed and approved by a licensed physician;

(7) Assisting the supervising physician in institutional settings, including reviewing of treatment plans, ordering of tests and diagnostic laboratory and radiological services, and ordering of therapies, using procedures reviewed and approved by a licensed physician;

(8) Assisting in surgery;

(9) Performing such other tasks not prohibited by law under the supervision of a licensed physician as the physician's assistant has been trained and is proficient to perform;

(10) Physician assistants shall not perform abortions.

4. Physician assistants shall not prescribe nor dispense any drug, medicine, device or therapy **[**independent of consultation with the supervising physician**] unless pursuant to a physician supervision agreement in accordance with the law**, nor prescribe lenses, prisms or contact lenses for the aid, relief or correction of vision or the measurement of visual power or visual efficiency of the human eye, nor administer or monitor general or regional block anesthesia during diagnostic tests, surgery or obstetric procedures. Prescribing and dispensing of drugs, medications, devices or therapies by a physician assistant shall be pursuant to a physician assistant supervision agreement which is specific to the clinical conditions treated by the supervising physician and the physician assistant shall be subject to the following:

(1) A physician assistant shall only prescribe controlled substances in accordance with section 334.747;

(2) The types of drugs, medications, devices or therapies prescribed or dispensed by a physician assistant shall be consistent with the scopes of practice of the physician assistant and the supervising physician;

(3) All prescriptions shall conform with state and federal laws and regulations and shall include the name, address and telephone number of the physician assistant and the supervising physician;

(4) A physician assistant or advanced practice nurse as defined in section 335.016, RSMo, may request, receive and sign for noncontrolled professional samples and may distribute professional samples to patients;

(5) A physician assistant shall not prescribe any drugs, medicines, devices or therapies the supervising physician is not qualified or authorized to prescribe; and

(6) A physician assistant may only dispense starter doses of medication to cover a period of time for seventy-two hours or less.

5. A physician assistant shall clearly identify himself or herself as a physician assistant and shall not use or permit to be used in the physician assistant's behalf the terms "doctor", "Dr." or "doc" nor hold himself or herself out in any way to be a physician or surgeon. No physician

assistant shall practice or attempt to practice without physician supervision or in any location where the supervising physician is not immediately available for consultation, assistance and intervention, except as otherwise provided in this section, and in an emergency situation, nor shall any physician assistant bill a patient independently or directly for any services or procedure by the physician assistant.

6. For purposes of this section, the licensing of physician assistants shall take place within processes established by the state board of registration for the healing arts through rule and regulation. The board of healing arts is authorized to establish rules pursuant to chapter 536, RSMo, establishing licensing and renewal procedures, supervision, supervision agreements, fees, and addressing such other matters as are necessary to protect the public and discipline the profession. An application for licensing may be denied or the license of a physician assistant may be suspended or revoked by the board in the same manner and for violation of the standards as set forth by section 334.100, or such other standards of conduct set by the board by rule or regulation. Persons licensed pursuant to the provisions of chapter 335, RSMo, shall not be required to be licensed as physician assistants. All applicants for physician assistant licensure who complete a physician assistant training program after January 1, 2008, shall have a master's degree from a physician assistant program.

7. "Physician assistant supervision agreement" means a written agreement, jointly agreed-upon protocols or standing order between a supervising physician and a physician assistant, which provides for the delegation of health care services from a supervising physician to a physician assistant and the review of such services.

8. When a physician assistant supervision agreement is utilized to provide health care services for conditions other than acute self-limited or well-defined problems, the supervising physician or other physician designated in the supervision agreement shall see the patient for evaluation and approve or formulate the plan of treatment for new or significantly changed conditions as soon as practical, but in no case more than two weeks after the patient has been seen by the physician assistant.

9. At all times the physician is responsible for the oversight of the activities of, and accepts responsibility for, health care services rendered by the physician assistant.

10. It is the responsibility of the supervising physician to determine and document the completion of at least a one-month period of time during which the licensed physician assistant shall practice with a supervising physician continuously present before practicing in a setting where a supervising physician is not continuously present.

11. No contract or other agreement shall require a physician to act as a supervising physician for a physician assistant against the physician's will. A physician shall have the right to refuse to act as a supervising physician, without penalty, for a particular physician assistant. No contract or other agreement shall limit the supervising physician's ultimate authority over any protocols or standing orders or in the delegation of the physician's authority to any physician assistant, but this requirement shall not authorize a physician in implementing such protocols, standing orders, or delegation to violate applicable standards for safe medical practice established by hospital's medical staff.

12. Physician assistants shall file with the board a copy of their supervising physician form.

13. No physician shall be designated to serve as supervising physician for more than three full-time equivalent licensed physician assistants. This limitation shall not apply to physician assistant agreements of hospital employees providing inpatient care service in hospitals as defined in chapter 197, RSMo.

337.528. CONFIDENTIALITY OF COMPLAINT DOCUMENTATION, WHEN — DESTRUCTION OF INFORMATION PERMITTED, WHEN. — 1. If the committee finds merit to a complaint by an individual incarcerated or under the care and control of the department of corrections **or by an individual who has been ordered to be taken into custody, detained, or held under sections 632.480 to 632.513** and takes further investigative action, no documentation may appear on file

or disciplinary action may be taken in regards to the licensee's license unless the provisions of subsection 2 of section 337.525 have been violated. Any case file documentation that does not result in the committee filing an action under subsection 2 of section 337.525 shall be destroyed within three months after the final case disposition by the board. No notification to any other licensing board in another state or any national registry regarding any investigative action shall be made unless the provisions of subsection 2 of section 337.525 have been violated.

2. Upon written request of the licensed professional counselor subject to a complaint, prior to August 28, 2007, by an individual incarcerated or under the care and control of the department of corrections **or prior to August 28, 2010, by an individual who has been ordered to be taken into custody, detained, or held under sections 632.480 to 632.513** that did not result in the committee filing an action under subsection 2 of section 337.525, the committee and the division of professional registration shall in a timely fashion:

(1) Destroy all documentation regarding the complaint;

(2) Notify any other licensing board in another state or any national registry regarding the committee's actions if they have been previously notified of the complaint; and

(3) Send a letter to the licensee that clearly states that the committee found the complaint to be unsubstantiated, that the committee has taken the requested action, and notify the licensee of the provisions of subsection 3 of this section.

3. Any person who has been the subject of an unsubstantiated complaint as provided in subsection 1 or 2 of this section shall not be required to disclose the existence of such complaint in subsequent applications or representations relating to their counseling professions.

338.100. RECORDS REQUIRED TO BE KEPT — REQUIREMENTS. — 1. Every permit holder of a licensed pharmacy shall cause to be kept in a uniform fashion consistent with this section a suitable **book,** file**, or electronic recordkeeping system** in which shall be preserved, for a period of not less than five years, the original or order of each drug which has been compounded or dispensed at such pharmacy, according to and in compliance with standards provided by the board, and shall produce the same in court or before any grand jury whenever lawfully required. A licensed pharmacy may maintain its prescription file on readable microfilm for records maintained over three years. After September, 1999, a licensed pharmacy may preserve prescription files on microfilm or by electronic media storage for records maintained over three years. The pharmacist in charge shall be responsible for complying with the permit holder's record-keeping system in compliance with this section. Records maintained by a pharmacy that contain medical or drug information on patients or their care shall be considered as confidential and shall only be released according to standards provided by the board. Upon request, the pharmacist in charge of such pharmacy shall furnish to the **[**prescribe**]** **prescriber**, and may furnish to the person for whom such prescription was compounded or dispensed, a true and correct copy of the original prescription. The file of original prescriptions **kept in any format in compliance with this section,** and other confidential records, as defined by law, shall at all times be open for inspection by board of pharmacy representatives. **Records maintained in an electronic recordkeeping system shall contain all information otherwise required in a manual recordkeeping system. Electronic records shall be readily retrievable. Pharmacies may electronically maintain the original prescription or prescription order for each drug and may electronically annotate any change or alteration to a prescription record in the electronic recordkeeping system as authorized by law; provided however, original written and faxed prescriptions shall be physically maintained on file at the pharmacy under state and federal controlled substance laws.**

2. An institutional pharmacy located in a hospital shall be responsible for maintaining records of the transactions of the pharmacy as required by federal and state laws and as necessary to maintain adequate control and accountability of all drugs. This shall include a system of controls and records for the requisitioning and dispensing of pharmaceutical supplies where applicable to patients, nursing care units and to other departments or services of the institution.

Inspection performed pursuant to this subsection shall be consistent with the provisions of section 197.100, RSMo.

3. "Electronic recordkeeping system", as used in this section, shall mean a system, including machines, methods of organization, and procedures, that provides input, storage, processing, communications, output, and control functions for digitized images of original prescriptions.

339.010. DEFINITIONS — APPLICABILITY OF CHAPTER. — 1. A "real estate broker" is any person, partnership, **limited partnership, limited liability company,** association, **professional corporation,** or corporation, foreign or domestic who, for another, and for a compensation or valuable consideration, does, or attempts to do, any or all of the following:

(1) Sells, exchanges, purchases, rents, or leases real estate;

(2) Offers to sell, exchange, purchase, rent or lease real estate;

(3) Negotiates or offers or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;

(4) Lists or offers or agrees to list real estate for sale, lease, rental or exchange;

(5) Buys, sells, offers to buy or sell or otherwise deals in options on real estate or improvements thereon;

(6) Advertises or holds himself or herself out as a licensed real estate broker while engaged in the business of buying, selling, exchanging, renting, or leasing real estate;

(7) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;

(8) Assists or directs in the negotiation of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;

(9) Engages in the business of charging to an unlicensed person an advance fee in connection with any contract whereby the real estate broker undertakes to promote the sale of that person's real estate through its listing in a publication issued for such purpose intended to be circulated to the general public;

(10) Performs any of the foregoing acts on behalf of the owner of real estate, or interest therein, or improvements affixed thereon, for compensation.

2. A "real estate salesperson" is any person**, partnership, limited partnership, limited liability company, association, professional corporation, or corporation, domestic or foreign** who for a compensation or valuable consideration becomes associated, either as an independent contractor or employee, either directly or indirectly, with a real estate broker to do any of the things above mentioned. The provisions of sections 339.010 to 339.180 and sections 339.710 to 339.860 shall not be construed to deny a real estate salesperson who is compensated solely by commission the right to be associated with a broker as an independent contractor.

3. A "real estate broker-salesperson" is any person, partnership, limited partnership, limited liability company, association, professional corporation, or corporation, domestic or foreign, who has a real estate broker license in good standing, who for a compensation or valuable consideration becomes associated, either as an independent contractor or employee, either directly or indirectly, with a real estate broker to do any of the things above mentioned. A real estate broker-salesperson may not also operate as a real estate broker. The provisions of sections 339.010 to 339.180 and sections 339.710 to 339.860 shall not be construed to deny a real estate salesperson who is compensated solely by commission the right to be associated with a broker as an independent contractor.

[3.**]** **4.** The term "commission" as used in sections 339.010 to 339.180 and sections 339.710 to 339.860 means the Missouri real estate commission.

[4.**]** **5.** "Real estate" for the purposes of sections 339.010 to 339.180 and sections 339.710 to 339.860 shall mean, and include, leaseholds, as well as any other interest or estate in land,

whether corporeal, incorporeal, freehold or nonfreehold, and the real estate is situated in this state.

[5.**]** **6.** "Advertising" shall mean any communication, whether oral or written, between a licensee or other entity acting on behalf of one or more licensees and the public, and shall include, but not be limited to, business cards, signs, insignias, letterheads, radio, television, newspaper and magazine ads, Internet advertising, websites, display or group ads in telephone directories, and billboards.

[6.**]** **7.** The provisions of sections 339.010 to 339.180 and sections 339.710 to 339.860 shall not apply to:

(1) Any person, partnership, **limited partnership, limited liability company,** association, **professional corporation,** or corporation who as owner, lessor, or lessee shall perform any of the acts described in subsection 1 of this section with reference to property owned or leased by them, or to the regular employees thereof;

(2) Any licensed attorney-at-law;

(3) An auctioneer employed by the owner of the property;

(4) Any person acting as receiver, trustee in bankruptcy, administrator, executor, or guardian or while acting under a court order or under the authority of a will, trust instrument or deed of trust or as a witness in any judicial proceeding or other proceeding conducted by the state or any governmental subdivision or agency;

(5) Any person employed or retained to manage real property by, for, or on behalf of the agent or the owner of any real estate shall be exempt from holding a license, if the person is limited to one or more of the following activities:

(a) Delivery of a lease application, a lease, or any amendment thereof, to any person;

(b) Receiving a lease application, lease, or amendment thereof, a security deposit, rental payment, or any related payment, for delivery to, and made payable to, a broker or owner;

(c) Showing a rental unit to any person, as long as the employee is acting under the direct instructions of the broker or owner, including the execution of leases or rental agreements;

(d) Conveying information prepared by a broker or owner about a rental unit, a lease, an application for lease, or the status of a security deposit, or the payment of rent, by any person;

(e) Assisting in the performance of brokers' or owners' functions, administrative, clerical or maintenance tasks;

(f) If the person described in this section is employed or retained by, for, or on behalf of a real estate broker, the real estate broker shall be subject to discipline under this chapter for any conduct of the person that violates this chapter or the regulations promulgated thereunder;

(6) Any officer or employee of a federal agency or the state government or any political subdivision thereof performing official duties;

(7) Railroads and other public utilities regulated by the state of Missouri, or their subsidiaries or affiliated corporations, or to the officers or regular employees thereof, unless performance of any of the acts described in subsection 1 of this section is in connection with the sale, purchase, lease or other disposition of real estate or investment therein unrelated to the principal business activity of such railroad or other public utility or affiliated or subsidiary corporation thereof;

(8) Any bank, trust company, savings and loan association, credit union, insurance company, mortgage banker, or farm loan association organized under the laws of this state or of the United States when engaged in the transaction of business on its own behalf and not for others;

(9) Any newspaper, magazine, periodical, Internet site, Internet communications, or any form of communications regulated or licensed by the Federal Communications Commission or any successor agency or commission whereby the advertising of real estate is incidental to its operation;

(10) Any developer selling Missouri land owned by the developer;

(11) Any employee acting on behalf of a nonprofit community, or regional economic development association, agency or corporation which has as its principal purpose the general promotion and economic advancement of the community at large, provided that such entity:

(a) Does not offer such property for sale, lease, rental or exchange on behalf of another person or entity;

(b) Does not list or offer or agree to list such property for sale, lease, rental or exchange; or

(c) Receives no fee, commission or compensation, either monetary or in kind, that is directly related to sale or disposal of such properties. An economic developer's normal annual compensation shall be excluded from consideration as commission or compensation related to sale or disposal of such properties; or

(12) Any neighborhood association, as that term is defined in section 441.500, RSMo, that without compensation, either monetary or in kind, provides to prospective purchasers or lessors of property the asking price, location, and contact information regarding properties in and near the association's neighborhood, including any publication of such information in a newsletter, Internet site, or other medium.

339.020. BROKERS AND SALESPERSONS, UNLAWFUL TO ACT WITHOUT LICENSE. — It shall be unlawful for any person, partnership, **limited partnership, limited liability company,** association, **professional corporation,** or corporation, foreign or domestic, to act as a real estate broker**, real estate broker-salesperson,** or real estate salesperson, or to advertise or assume to act as such without a license first procured from the commission.

339.030. BUSINESS ENTITIES MAY BE LICENSED, WHEN, FEE. — A corporation, partnership, **limited partnership, limited liability company, professional corporation,** or association shall be granted a **broker's, broker-salesperson's, or salesperson's** license when **the required fee is paid and:**

(1) For a real estate broker individual licenses have been issued to every member, **general** partner**, associate, manager, member,** or officer of such partnership, **limited partnership, limited liability company,** association, **professional corporation,** or corporation who actively participates in its brokerage business and to every person**, partnership, limited partnership, limited liability company, professional corporation, or corporation** who acts as a salesperson for such partnership, **limited partnership, limited liability company,** association, **professional corporation,** or corporation **[**and when the required fee is paid.**]; or**

(2) For a real estate broker-salesperson when an individual broker-salesperson license has been issued to every general partner, associate, manager, member, or officers of such partnership, limited partnership, limited liability company, association, professional corporation, or corporation who acts as a broker-salesperson, and individual salesperson licenses have been issued to all general partners, associates, managers, members, or officers of such partnership, limited partnership, limited liability company, association, professional corporation, or corporation who act as salesperson; or

(3) For a real estate salesperson when individual salesperson licenses have been issued to all general partners, associates, managers, members, or officers of such partnership, limited partnership, limited liability company, association, professional corporation, or corporation who act as a salesperson.

339.040. LICENSES GRANTED TO WHOM — EXAMINATION — QUALIFICATIONS — FEE — TEMPORARY BROKER'S LICENSE, WHEN — RENEWAL, REQUIREMENTS. — 1. Licenses shall be granted only to persons who present, and corporations, associations, **[**or**]** partnerships**, limited partnerships and limited liability companies** whose officers, **professional corporations, managers,** associates, **[**or**] general** partners**, or members who actively**

participate in such entity's brokerage, broker-salesperson, or salesperson business present, satisfactory proof to the commission that they:

(1) Are persons of good moral character; and

(2) Bear a good reputation for honesty, integrity, and fair dealing; and

(3) Are competent to transact the business of a broker or salesperson in such a manner as to safeguard the interest of the public.

2. In order to determine an applicant's qualifications to receive a license under sections 339.010 to 339.180 and sections 339.710 to 339.860, the commission shall hold oral or written examinations at such times and places as the commission may determine.

3. Each applicant for a broker or salesperson license shall be at least eighteen years of age and shall pay the broker examination fee or the salesperson examination fee.

4. Each applicant for a broker license shall be required to have satisfactorily completed the salesperson license examination prescribed by the commission. For the purposes of this section only, the commission may permit a person who is not associated with a licensed broker to take the salesperson examination.

5. Each application for a broker license shall include a certificate from the applicant's broker or brokers that the applicant has been actively engaged in the real estate business as a licensed salesperson for at least two years immediately preceding the date of application, and shall include a certificate from a school accredited by the commission under the provisions of section 339.045 that the applicant has, within six months prior to the date of application, successfully completed the prescribed broker curriculum or broker correspondence course offered by such school, except that the commission may waive all or part of the requirements set forth in this subsection when an applicant presents proof of other educational background or experience acceptable to the commission. **Each application for a broker-salesperson license shall include evidence of the current broker license held by the applicant.**

6. Each application for a salesperson license shall include a certificate from a school accredited by the commission under the provisions of section 339.045 that the applicant has, within six months prior to the date of application, successfully completed the prescribed salesperson curriculum or salesperson correspondence course offered by such school, except that the commission may waive all or part of the educational requirements set forth in this subsection when an applicant presents proof of other educational background or experience acceptable to the commission.

7. The commission may issue a temporary work permit pending final review and printing of the license to an applicant who appears to have satisfied the requirements for licenses. The commission may, at its discretion, withdraw the work permit at any time.

8. Every active broker, **broker-salesperson,** salesperson, officer, **manager, general** partner, **member** or associate shall provide upon request to the commission evidence that during the two years preceding he or she has completed twelve hours of real estate instruction in courses approved by the commission. The commission may, by rule and regulation, provide for individual waiver of this requirement.

9. Each entity that provides continuing education required under the provisions of subsection 8 of this section may make available instruction courses that the entity conducts through means of distance delivery. The commission shall by rule set standards for such courses. The commission may by regulation require the individual completing such distance-delivered course to complete an examination on the contents of the course. Such examination shall be designed to ensure that the licensee displays adequate knowledge of the subject matter of the course, and shall be designed by the entity producing the course and approved by the commission.

10. In the event of the death or incapacity of a licensed broker, or of one or more of the licensed **general** partners, officers, **managers, members** or associates of a real estate partnership, **limited partnership, limited liability company, professional corporation,** corporation, or association whereby the affairs of the broker, partnership, **[**or**]** **limited**

partnership, limited liability company, professional corporation, corporation**, or association** cannot be carried on, the commission may issue, without examination or fee, to the legal representative or representatives of the deceased or incapacitated individual, or to another individual approved by the commission, a temporary broker license which shall authorize such individual to continue for a period to be designated by the commission to transact business for the sole purpose of winding up the affairs of the broker, partnership **[**or**], limited partnership, limited liability company, professional corporation,** corporation**, or association** under the supervision of the commission.

339.080. DENIAL OF APPLICATION OR LICENSE, WHEN, NOTICE — HEARING. — 1. The commission may refuse to examine or issue a license to any person known by it to be guilty of any of the acts or practices specified in subsection 2 of section 339.100, or to any person previously licensed whose license has been revoked, or may refuse to issue a license to any association **[**or**],** partnership**, corporation, professional corporation, limited partnership, or limited liability company** of which such person is a **[**member**] manager, officer or general partner, or in which as a member, partner or associates such person has or exercises a controlling interest either directly or indirectly**, or to any corporation of which such person is an officer or in which as a stockholder such person has or exercises a controlling interest either directly or indirectly.

2. Any person denied a license or the right to be examined shall be so notified by the commission in writing stating the reasons for denial or refusal to examine and informing the person so denied of his right to file a complaint with the administrative hearing commission in accordance with the applicable provisions of sections 621.015 to 621.198, RSMo, and the rules promulgated thereunder. All notices hereunder shall be sent by registered or certified mail to the last known address of the applicant.

339.110. REFUSAL OF LICENSES, WHEN. — The commission may refuse to issue a license to any person who is known by it to have been found guilty of forgery, embezzlement, obtaining money under false pretenses, extortion, criminal conspiracy to defraud, or other like offense, or to any association **[**or**],** partnership**, corporation, professional corporation, limited partnership, or limited liability company** of which **[**the person is a member**] such person is a manager, officer or general partner, or in which as a member, partner or associate such person has or exercises a controlling interest either directly or indirectly**, or to any corporation of which **[**the**] such** person is an officer or in which as a stockholder **[**the**] such** person has or exercises a controlling interest either directly or indirectly.

339.160. REAL ESTATE BROKERS AND SALESPERSONS MAY NOT BRING LEGAL ACTION FOR COMPENSATION UNLESS LICENSED. — No person, partnership, **limited partnership, limited liability company, professional corporations,** corporation, or association engaged within this state in the business or acting in the capacity of a real estate broker**, real estate broker-salesperson** or real estate salesperson shall bring or maintain an action in any court in this state for the recovery of compensation for services rendered in the buying, selling, exchanging, leasing, renting or negotiating a loan upon any real estate without alleging and proving that such person, partnership, **limited partnership, limited liability company, professional corporation,** corporation, or association**, or its member, manager, officer, general partner or associate, as applicable,** was a licensed real estate broker**, broker-salesperson** or salesperson at the time when the alleged cause of action arose.

339.170. PENALTY FOR VIOLATION. — Any person or corporation**, professional corporation, partnership, limited partnership, limited liability company or association** knowingly violating any provision of sections 339.010 to 339.180 and sections 339.710 to 339.860 shall be guilty of a class B misdemeanor. Any officer or agent of a corporation, or **any**

member**, manager, officer, associate, general partner** or agent of a partnership **[**or**],** association**, corporation, professional corporation, limited partnership, or limited liability company who actively participate in such entity's brokerage business**, who shall knowingly and personally participate in or be an accessory to any violation of sections 339.010 to 339.180 and sections 339.710 to 339.860, shall be guilty of a class B misdemeanor. This section shall not be construed to release any person from civil liability or criminal prosecution under any other law of this state. The commission may cause complaint to be filed for violation of section 339.020 in any court of competent jurisdiction, and perform such other acts as may be necessary to enforce the provisions hereof.

339.710. DEFINITIONS. — For purposes of sections 339.010 to 339.180, and sections 339.710 to 339.860, the following terms mean:

(1) "Adverse material fact", a fact related to the property not reasonably ascertainable or known to a party which negatively affects the value of the property. Adverse material facts may include matters pertaining to:

(a) Environmental hazards affecting the property;

(b) Physical condition of the property which adversely affects the value of the property;

(c) Material defects in the property;

(d) Material defects in the title to the property;

(e) Material limitation of the party's ability to perform under the terms of the contract;

(2) "Affiliated licensee", any broker or salesperson who works under the supervision of a designated broker;

(3) "Agent", a person or entity acting pursuant to the provisions of this chapter;

(4) "Broker disclosure form", the current form prescribed by the commission for presentation to a seller, landlord, buyer or tenant who has not entered into a written agreement for brokerage services;

(5) "Brokerage relationship", the relationship created between a designated broker, the broker's affiliated licensees, and a client relating to the performance of services of a broker as defined in section 339.010, and sections 339.710 to 339.860.

If a designated broker makes an appointment of an affiliated licensee or affiliated licensees pursuant to section 339.820, such brokerage relationships are created between the appointed licensee or licensees and the client. Nothing in this subdivision shall:

(a) Alleviate the designated broker from duties of supervision of the appointed licensee or licensees; or

(b) Alter the designated broker's underlying contractual agreement with the client;

(6) "Client", a seller, landlord, buyer, or tenant who has entered into a brokerage relationship with a licensee pursuant to sections 339.710 to 339.860;

(7) "Commercial real estate", any real estate other than real estate containing one to four residential units or real estate classified as agricultural and horticultural property for assessment purposes pursuant to section 137.016, RSMo. Commercial real estate does not include single family residential units including condominiums, townhouses, or homes in a subdivision when that real estate is sold, leased, or otherwise conveyed on a unit-by-unit basis even though the units may be part of a larger building or parcel of real estate containing more than four units;

(8) "Commission", the Missouri real estate commission;

(9) "Confidential information", information obtained by the licensee from the client and designated as confidential by the client, information made confidential by sections 339.710 to 339.860 or any other statute or regulation, or written instructions from the client unless the information is made public or becomes public by the words or conduct of the client to whom the information pertains or by a source other than the licensee;

(10) "Customer", an actual or potential seller, landlord, buyer, or tenant in a real estate transaction in which a licensee is involved but who has not entered into a brokerage relationship with the licensee;

(11) "Designated agent", a licensee named by a designated broker as the limited agent of a client as provided for in section 339.820;

(12) "Designated broker", any individual licensed as a broker who is operating pursuant to the definition of real estate broker as defined in section 339.010, or any individual licensed as a broker who is appointed by a partnership, **limited partnership,** association, limited liability corporation, **professional corporation,** or a corporation engaged in the real estate brokerage business to be responsible for the acts of the partnership, **limited partnership,** association, limited liability **[**corporation,**] company, professional corporation** or corporation. Every real estate **broker** partnership, **limited partnership,** association, **[**or**]** limited liability **[**corporation**] company**, **professional corporation** or corporation shall appoint a designated broker;

(13) "Designated transaction broker", a licensee named by a designated broker or deemed appointed by a designated broker as the transaction broker for a client pursuant to section 339.820;

(14) "Dual agency", a form of agency which may result when an agent licensee or someone affiliated with the agent licensee represents another party to the same transaction;

(15) "Dual agent", a limited agent who, with the written consent of all parties to a contemplated real estate transaction, has entered into an agency brokerage relationship, and not a transaction brokerage relationship, with and therefore represents both the seller and buyer or both the landlord and tenant;

(16) "Exclusive brokerage agreement", means a written brokerage agreement which provides that the broker has the sole right, through the broker or through one or more affiliated licensees, to act as the exclusive limited agent, representative, or transaction broker of the client or customer that meets the requirements of section 339.780;

(17) "Licensee", a real estate broker or salesperson as defined in section 339.010;

(18) "Limited agent", a licensee whose duties and obligations to a client are those set forth in sections 339.730 to 339.750;

(19) "Ministerial acts", those acts that a licensee may perform for a person or entity that are informative in nature and do not rise to the level which requires the creation of a brokerage relationship. Examples of these acts include, but are not limited to:

(a) Responding to telephone inquiries by consumers as to the availability and pricing of brokerage services;

(b) Responding to telephone inquiries from a person concerning the price or location of property;

(c) Attending an open house and responding to questions about the property from a consumer;

(d) Setting an appointment to view property;

(e) Responding to questions of consumers walking into a licensee's office concerning brokerage services offered on particular properties;

(f) Accompanying an appraiser, inspector, contractor, or similar third party on a visit to a property;

(g) Describing a property or the property's condition in response to a person's inquiry;

(h) Showing a customer through a property being sold by an owner on his or her own behalf; or

(i) Referral to another broker or service provider;

(20) "Residential real estate", all real property improved by a structure that is used or intended to be used primarily for residential living by human occupants and that contains not more than four dwelling units or that contains single dwelling units owned as a condominium or in a cooperative housing association, and vacant land classified as residential property. The term "cooperative housing association" means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property in Missouri, the shareholders or members of which, by reason of their ownership of a stock or

membership certificate, a proprietary lease, or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement;

(21) "Single agent", a licensee who has entered into a brokerage relationship with and therefore represents only one party in a real estate transaction. A single agent may be one of the following:

(a) "Buyer's agent", which shall mean a licensee who represents the buyer in a real estate transaction;

(b) "Landlord's agent", which shall mean a licensee who represents a landlord in a leasing transaction;

(c) "Seller's agent", which shall mean a licensee who represents the seller in a real estate transaction; and

(d) "Tenant's agent", which shall mean a licensee who represents the tenant in a leasing transaction;

(22) "Subagent", a designated broker, together with the broker's affiliated licensees, engaged by another designated broker, together with the broker's affiliated or appointed affiliated licensees, to act as a limited agent for a client, or a designated broker's unappointed affiliated licensees engaged by the designated broker, together with the broker's appointed affiliated licensees, to act as a limited agent for a client. A subagent owes the same obligations and responsibilities to the client pursuant to sections 339.730 to 339.740 as does the client's designated broker;

(23) "Transaction broker", any licensee acting pursuant to sections 339.710 to 339.860, who:

(a) Assists the parties to a transaction without an agency or fiduciary relationship to either party and is, therefore, neutral, serving neither as an advocate or advisor for either party to the transaction;

(b) Assists one or more parties to a transaction and who has not entered into a specific written agency agreement to represent one or more of the parties; or

(c) Assists another party to the same transaction either solely or through licensee affiliates. Such licensee shall be deemed to be a transaction broker and not a dual agent, provided that, notice of assumption of transaction broker status is provided to the buyer and seller immediately upon such default to transaction broker status, to be confirmed in writing prior to execution of the contract.

339.845. NOTICE OF DELINQUENT TAXES TO BE SENT BY COMMISSION. — If the commission receives a notice of delinquent taxes from the director of revenue under the provisions of section 324.010 regarding a real estate broker or salesperson, the commission shall immediately send a copy of such notice to the real estate broker with which the real estate broker or salesperson is associated.

344.010. DEFINITIONS. — As used in this chapter the following words or phrases mean:

(1) "Board", the Missouri board of nursing home administrators;

(2) "Long-term care facility", any residential care facility, assisted living facility, intermediate care facility or skilled nursing facility, as defined in section 198.006, RSMo, or similar facility licensed by states other than Missouri;

(3) "Nursing home", any institution or facility defined as an assisted living facility, **residential care facility,** intermediate care facility, or skilled nursing facility for licensing purposes by section 198.006, RSMo, whether proprietary or nonprofit;

(4) "Nursing home administrator", a person who administers, manages, supervises, or is in general administrative charge of a nursing home, whether such individual has an ownership interest in the home, and whether his functions and duties are shared with one or more individuals.

344.020. LICENSE REQUIRED — SEPARATE LICENSE FOR ASSISTED LIVING FACILITIES ADMINISTRATORS, LIMITATIONS OF LICENSE. — No person shall act or serve in the capacity of a nursing home administrator without first procuring a license from the Missouri board of nursing home administrators as provided in sections 344.010 to 344.108. The board may issue a separate license to administrators of **residential care facilities that were licensed as a residential care facility II on or before August 27, 2006, that continues to meet the licensure standards for a residential care facility II in effect on August 27, 2006, and** assisted living facilities, as defined in section 198.006, RSMo. Any individual who receives a license to operate **a residential care facility or** an assisted living facility is not thereby authorized to operate any intermediate care facility or skilled nursing facility as those terms are defined in section 198.006, RSMo.

630.575. COUNCIL CREATED, MEMBERS, DUTIES, TERMS, MEETINGS. — 1. There is hereby established within the department of mental health the "Missouri Eating Disorder Council" which shall consist of the following persons to be selected by and the number of members to be determined by the director of the department of mental health:

(1) Director's designees from the department of mental health;

(2) Eating disorder researchers, clinicians, and patient advocacy groups; and

(3) The general public.

2. The council shall:

(1) Oversee the eating disorder education and awareness programs established in section 630.580.

(2) Identify whether adequate treatment and diagnostic services are available in the state; and

(3) Assist the department of mental health in identifying eating disorder research projects.

3. Members of the council shall serve four-year terms, with the initial terms of the members staggered as two-year, three-year, and four-year terms. The members of the council may be reappointed. The members of the council shall not receive compensation for their service on the council, but may, subject to appropriation, be reimbursed for their actual and necessary expenses incurred as members of the council.

4. The council shall conduct an organizational meeting at the call of the director of the department of mental health. At such meeting, the council shall select a chair and vice chair of the council. Subsequent meetings of the council shall be called as necessary by the chair of the council or the director of the department of mental health.

630.580. EDUCATION AND AWARENESS PROGRAMS ESTABLISHED — COOPERATION OF STATE AGENCIES. — 1. The department of mental health, in collaboration with the departments of health and senior services, elementary and secondary education, and higher education and in consultation with the Missouri eating disorder council established in section 630.575, shall develop and implement the following education and awareness programs:

(1) Health care professional education and training programs designed to prevent and treat eating disorders. Such programs shall include:

(a) Discussion of various strategies with patients from at-risk and diverse populations to promote positive behavior change and healthy lifestyles to prevent eating disorders;

(b) Identification of individuals with eating disorders and those who are at risk for developing an eating disorder;

(c) Conducting a comprehensive assessment of individual and familial health risk factors;

(2) Education and training programs for elementary and secondary and higher education professionals. Such programs shall include:

(a) Distribution of educational materials to middle and high school students in both public and private schools, including but not limited to utilization of the National Women's Health Information Center's Body Wise materials;

(b) Development of a curriculum which focuses on a healthy body image, identifying the warning signs and behaviors associated with an eating disorder, and ways to assist the individual, friends, or family members who may have an eating disorder; and

(3) General eating disorder awareness and education programs.

2. The department of mental health may seek the cooperation and assistance of any state department or agency, as the department deems necessary, in the development and implementation of the awareness and education programs implemented under this section.

[214.290. MINIMUM ENDOWED CARE AND MAINTENANCE FUND ON ELECTION. — Any cemetery operator who within ninety days from the effective date of sections 214.270 to 214.410 elects to operate a cemetery which exists on the effective date of sections 214.270 to 214.410 as an endowed care cemetery or who represents to the public that perpetual, permanent, endowed, continual, eternal care, care of duration or similar care will be furnished cemetery property sold, shall before selling or disposing of any interment space or lots in said cemetery after the date of such election, establish a minimum endowed care and maintenance fund in cash in the amount required by section 214.300 unless an endowed care fund is already in existence to which regular deposits have been made (whether or not the fund then existing shall be in the minimum amount required under section 214.300).**]**

Approved July 9, 2010

SB 758 [SB 758]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Requires notes, bonds, and other instruments in writing issued by the bi-state development agency to mature not more than forty years from the date of issuance, rather than thirty years

AN ACT to repeal section 70.373, RSMo, and to enact in lieu thereof one new section relating to interstate compact agencies.

SECTION

A. Enacting clause.
70.373. Additional powers of bi-state agency.

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

SECTION A. ENACTING CLAUSE. — Section 70.373, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 70.373, to read as follows:

70.373. ADDITIONAL POWERS OF BI-STATE AGENCY. — In further effectuation of that certain compact between the states of Missouri and Illinois heretofore made and entered into on September 20, 1949, the bi-state development agency, created by and under the aforesaid compact, is authorized to exercise the following powers in addition to those heretofore expressly authorized by the aforesaid compact:

(1) To acquire by gift, purchase or lease, sell or otherwise dispose of, and to plan, construct, operate and maintain, or lease to others for operation and maintenance, airports, wharves, docks,

harbors, and industrial parks adjacent to and necessary and convenient thereto, bridges, tunnels, warehouses, grain elevators, commodity and other storage facilities, sewage disposal plants, passenger transportation facilities, and air, water, rail, motor vehicle and other terminal or parking facilities;

(2) To acquire by gift, purchase or lease; to plan, construct, operate, maintain, or lease to or contract with others for operation and maintenance; or lease, sell or otherwise dispose of to any person, firm or corporation, subject to such mortgage, pledge or other security arrangements that the bi-state development agency may require, facilities for the receiving, transferring, sorting, processing, treatment, storage, recovery and disposal of refuse or waste, and facilities for the production, conversion, recovery, storage, use, or use and sale of refuse or waste derived resources, fuel or energy and industrial parks adjacent to and necessary and convenient thereto;

(3) To contract with municipalities or other political subdivisions for the services or use of any facility owned or operated by the bi-state agency, or owned or operated by any such municipality or other political subdivision;

(4) To borrow money for any of the authorized purposes of the bi-state development agency and to issue the negotiable notes, bonds or other instruments in writing of the bi-state development agency in evidence of the sum or sums to be borrowed;

(5) To issue negotiable refunding notes, bonds or other instruments in writing for the purpose of refunding, extending or unifying the whole or any part of its valid indebtedness from time to time outstanding, whether evidenced by notes, bonds or other instruments in writing;

(6) To provide that all negotiable notes, bonds or other instruments in writing issued either pursuant to subdivision (4) or pursuant to subdivision (5) hereof shall be payable, both as to principal and interest, out of the revenues collected for the use of any facility or combination of facilities owned or operated or owned and operated by the bi-state development agency, or out of any other resources of the bi-state development agency, and may be further secured by a mortgage or deed of trust upon any property owned by the bi-state development agency. All notes, bonds or other instruments in writing issued by the bi-state development agency as herein provided shall mature in not to exceed **[**thirty**]** **forty** years from the date thereof, shall bear interest at a rate not exceeding fourteen percent per annum, and shall be sold for not less than ninety-five percent of the par value thereof. The bi-state development agency shall have the power to prescribe the details of such notes, bonds or other instruments in writing, and of the issuance and sale thereof, and shall have power to enter into covenants with the holders of such notes, bonds or other instruments in writing, not inconsistent with the powers herein granted to the bi-state development agency, without further legislative authority;

(7) To condemn any and all rights or property, of any kind or character, necessary for the purposes of the bi-state development agency, subject, however, to the provisions of the aforesaid compact; provided, however, that no rights or property of any kind or character, now or hereafter owned, leased, controlled, operated or used, in whole or in part, by any common carrier engaged in interstate commerce or by any grain elevator, shall be taken or appropriated by the bi-state development agency without first obtaining the written consent and approval of such common carrier or of the owner or operator of such grain elevator. If the property to be condemned be situated in the state of Illinois, the said agency shall follow the procedure of the act of the state of Illinois providing for the exercise of the right of eminent domain, and if the property to be condemned be situated in the state of Missouri, the said agency shall follow the procedure provided by the laws of the state of Missouri for the appropriation of land or other property taken for telegraph, telephone or railroad rights-of-way;

(8) To contract and to be contracted with, and to sue and to be sued in contract;

(9) To issue bonds for industrial, manufacturing or commercial facilities located within the bi-state metropolitan district upon the security of the revenue to be derived from such facilities; and, or upon any property held or to be held by it.

Approved July 7, 2010

SB 771 [SB 771]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions relating to financial institutions offering bids to become the official county depositary

AN ACT to repeal sections 110.140, 110.150, and 110.170, RSMo, and to enact in lieu thereof three new sections relating to depositaries for public funds, with penalty provisions.

SECTION

A. Enacting clause.
110.140. Procedure for bidders — disclosure of bids a misdemeanor.
110.150. Public opening of bids — computation and payment of interest — rejected bids.
110.170. Transferring funds to depositary — liability of collector-treasurer and depositary — duties of township trustees.

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

SECTION A. ENACTING CLAUSE. — Sections 110.140, 110.150, and 110.170, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 110.140, 110.150, and 110.170, to read as follows:

110.140. PROCEDURE FOR BIDDERS — DISCLOSURE OF BIDS A MISDEMEANOR. — 1. Any banking corporation or association in the county desiring to bid shall deliver to the clerk of the commission, on or before the first Monday of July at which the selection of depositaries is to be made, a sealed proposal, stating the rate of interest that the banking corporation, or association offers to pay on the funds of the county for the term of two or four years next ensuing the date of the bid, or, if the selection is made for a less term than two or four years, as provided in sections 110.180 and 110.190, then for the time between the date of the bid and the next regular time for the selection of depositaries as fixed by section 110.130.

2. Each bid shall be accompanied by a certified check for not less than the proportion of one and one-half percent of the county **general** revenue of the preceding year as the sum of the part or parts of funds bid for bears to the whole number of the parts, as a guaranty of good faith on the part of the bidder, that if his or her bid should be the highest he or she will provide the security required by section 110.010. Upon his or her failure to give the security required by law, the amount of the certified check shall go to the county as liquidated damages, and the commission may order the county clerk to readvertise for bids.

3. It shall be a misdemeanor, and punishable as such, for the clerk of the commission, or any deputy of the clerk, to directly or indirectly disclose the amount of any bid before the selection of depositaries.

110.150. PUBLIC OPENING OF BIDS — COMPUTATION AND PAYMENT OF INTEREST — REJECTED BIDS. — 1. The county commission, at noon on or before the first Monday of July for the year in which a bid is requested and every second or fourth year thereafter, shall publicly open the bids, and cause each bid to be entered upon the records of the commission, and shall select as the depositaries of all the public funds of every kind and description going into the hands of the county treasurer, and also all the public funds of every kind and description going into the hands of the **[**ex officio collector**]** **collector-treasurer** in counties under township organization, the deposit of which is not otherwise provided for by law, the banking corporations or associations whose bids respectively made for one or more of the parts of the funds shall in

the aggregate constitute the largest offer for the payment of interest per annum for the funds; but the commission may reject any and all bids.

2. The interest upon each fund shall be computed upon the daily balances with the depositary, and shall be payable to the county treasurer monthly, who shall place the interest to the credit of each individual fund held by the county treasurer; provided, that the interest on any funds collected by the collector of any county of the first classification not having a charter form of government on behalf of any political subdivision or special district shall be credited to such political subdivision or special district.

3. The county clerk shall, in opening the bids, return the certified checks deposited with him to the banks whose bids are rejected, and on approval of the security of the successful bidders return the certified checks to the banks whose bids are accepted.

110.170. TRANSFERRING FUNDS TO DEPOSITARY — LIABILITY OF COLLECTOR-TREASURER AND DEPOSITARY — DUTIES OF TOWNSHIP TRUSTEES. — 1. As soon as the required security is given and approved, the commission shall make an order designating the successful bidders as depositaries of the funds until sixty-five days after the time fixed by sections 110.130 to 110.260 for another selection, and thereupon the county treasurer, **[**and the ex officio collector**] or the collector-treasurer** if the county be under township organization, shall immediately upon the making of the order, transfer to the depositaries the part or parts of all funds respectively let to the depositaries under the selection, and immediately upon the receipt of any money thereafter deposit it with the depositaries to the credit of the county. The said treasurer shall, as nearly as may be, maintain with each of the depositaries selected its due and proportionate share of the total of the funds let.

2. For any failure of the county treasurer to make transfer of the funds or to deposit all of the funds with the depositaries, whether the same shall come into his hands as treasurer or as **[**ex officio collector**] collector-treasurer** of the revenue, or otherwise, he is liable to the depositaries, respectively, for ten percent per month, during such failure, upon the respective part or parts of said funds not so deposited, to be recovered by civil action.

3. In counties under township organization the township trustee shall deposit all school taxes received by him with the depositary selected by the township board of his township as the depositary of the township funds; and in default of the selection of a depositary by the township board, and during the time when any township has no depositary of its funds, the township trustee shall deposit all school taxes and all township funds received by him in any county depositary within the township, if there be one; if not, then in the county depositary most convenient to the township, and such county depositary shall thereupon pay to the township the same rate of interest upon the moneys which it has contracted to pay the county upon its funds, and the township may recover the same by civil action.

Approved July 2, 2010

SB 772 [SCS SB 772]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Removes the minimum time for holding investments in the Missouri higher education savings program

AN ACT to repeal sections 166.420 and 166.532, RSMo, and to enact in lieu thereof one new section relating to higher education savings programs.

SECTION
A. Enacting clause.
166.420. Participation agreements, terms and conditions — contribution limitation — penalty.
166.532. Sunset provision.

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

SECTION A. ENACTING CLAUSE. — Sections 166.420 and 166.532, RSMo, are repealed and one new section enacted in lieu thereof, to be known as section 166.420, to read as follows:

166.420. PARTICIPATION AGREEMENTS, TERMS AND CONDITIONS — CONTRIBUTION LIMITATION — PENALTY. — 1. The board may enter into savings program participation agreements with participants on behalf of beneficiaries pursuant to the provisions of sections 166.400 to 166.455, including the following terms and conditions:

(1) A participation agreement shall stipulate the terms and conditions of the savings program in which the participant makes contributions;

(2) A participation agreement shall specify the method for calculating the return on the contribution made by the participant;

(3) The execution of a participation agreement by the board shall not guarantee that the beneficiary named in any participation agreement will be admitted to an eligible educational institution, be allowed to continue to attend an eligible educational institution after having been admitted or will graduate from an eligible educational institution;

(4) A participation agreement shall clearly and prominently disclose to participants the risk associated with depositing moneys with the board;

(5) Participation agreements shall be organized and presented in a way and with language that is easily understandable by the general public; and

(6) A participation agreement shall clearly and prominently disclose to participants the existence of any load charge or similar charge assessed against the accounts of the participants for administration or services.

2. The board shall establish the maximum amount which may be contributed annually by a participant with respect to a beneficiary.

3. The board shall establish a total contribution limit for savings accounts established under the savings program with respect to a beneficiary to permit the savings program to qualify as a "qualified state tuition program" pursuant to Section 529 of the Internal Revenue Code. No contribution may be made to a savings account for a beneficiary if it would cause the balance of all savings accounts of the beneficiary to exceed the total contribution limit established by the board. The board may establish other requirements that it deems appropriate to provide adequate safeguards to prevent contributions on behalf of a beneficiary from exceeding what is necessary to provide for the qualified higher education expenses of the beneficiary.

4. The board shall establish the minimum length of time that contributions and earnings must be held by the savings program to qualify pursuant to section 166.435**[**, provided that the minimum length of time shall be at least twelve months for the amount of any single contribution**]**. Any contributions or earnings that are withdrawn or distributed from a savings account prior to the expiration of the minimum length of time, as established by the board, shall be subject to a penalty pursuant to section 166.430.

[166.532. SUNSET PROVISION. — Pursuant to section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under sections 166.500 to 166.532 shall automatically sunset six years after August 28, 2004, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under sections 166.500 to 166.532 shall automatically sunset twelve years after the effective date of the reauthorization of sections 166.500 to 166.532; and

(3) Sections 166.500 to 166.532 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 166.500 to 166.532 is sunset.**]**

Approved June 14, 2010

SB 774 [SCS SB 774]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Creates additional measures intended to increase safety at the Department of Mental Health

AN ACT to repeal section 630.220, RSMo, and to enact in lieu thereof two new sections relating to department of mental health protection measures, with penalty provisions.

SECTION

A. Enacting clause.
565.086. Endangering a mental health employee, visitor, or another offender, definitions, penalty.
630.220. Court actions by department on behalf of institutions — interest on accounts of patients.

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

SECTION A. ENACTING CLAUSE. — Section 630.220, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 565.086 and 630.220, to read as follows:

565.086. ENDANGERING A MENTAL HEALTH EMPLOYEE, VISITOR, OR ANOTHER OFFENDER, DEFINITIONS, PENALTY. — 1. An offender commits the crime of endangering a department of mental health employee, a visitor or other person at a secure facility, or another offender if he or she attempts to cause or knowingly causes such individual to come into contact with blood, seminal fluid, urine, feces, or saliva.

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

(1) "Department of mental health employee", a person who is an employee of the department of mental health, an employee or contracted employee of a subcontractor of the department of mental health, or an employee or contracted employee of a subcontractor of an entity responsible for confining offenders as authorized by section 632.495;

(2) "Offender", persons ordered to the department of mental health after a determination by the court that such persons may meet the definition of a sexually violent predator, persons ordered to the department of mental health after a finding of probable cause under section 632.489, and persons committed for control, care, and treatment by the department of mental health under sections 632.480 to 632.513;

(3) "Secure facility", a facility operated by the department of mental health or an entity responsible for confining offenders as authorized by section 632.495.

3. Endangering a department of mental health employee, a visitor or other person at a secure facility, or another offender is a class D felony unless the substance is unidentified, in which case it is a class A misdemeanor. If an offender is knowingly infected with the human immunodeficiency virus (HIV), hepatitis B, or hepatitis C and

exposes another individual to HIV or hepatitis B or hepatitis C by committing the crime of endangering a department of mental health employee, a visitor or other person at a mental health facility, or another offender, it is a class C felony.

630.220. COURT ACTIONS BY DEPARTMENT ON BEHALF OF INSTITUTIONS — INTEREST ON ACCOUNTS OF PATIENTS. — For all debts and demands whatsoever to any of the residential facilities or day programs subject to the control of the department, and for all damages for failure of contract, for trespass and other wrongs to a facility operated by the department, or any of its property thereof, real or personal, actions in any court of competent jurisdiction may be maintained in the name of the director. Interest shall be recovered on any and all sums due any facility or program operated or funded by the department on account of any patient or resident thereof, the account therefor, certified by the **[**head of the facility, with the seal of the institution attached,**] director or his or her designee** shall be prima facie evidence of the amount due.

Approved June 18, 2010

SB 791 [CCS HCS SB 791]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions pertaining to sewer districts

AN ACT to repeal sections 204.300, 204.472, 204.571, and 250.233, RSMo, and to enact in lieu thereof five new sections relating to utilities.

SECTION

A. Enacting clause.
204.300. Trustees, how appointed, qualifications, expenses reimbursement, compensation — registered professional engineer, may employ.
204.472. Sewer service to be provided by agreement for certain annexed areas, procedure (Poplar Bluff, Butler County, counties of the third classification).
204.571. Authorized representative, advisory board — organization — recommendations.
250.233. Charges for sewer services — notice and public hearing required.
393.320. Acquisition of small water utilities, establishment of ratemaking rate base, procedure.

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

SECTION A. ENACTING CLAUSE. — Sections 204.300, 204.472, 204.571, and 250.233, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 204.300, 204.472, 204.571, 250.233, and 393.320, to read as follows:

204.300. TRUSTEES, HOW APPOINTED, QUALIFICATIONS, EXPENSES REIMBURSEMENT, COMPENSATION — REGISTERED PROFESSIONAL ENGINEER, MAY EMPLOY. — 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. 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. 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 subsection 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.** 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. 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 [an eight-member] **a ten-member** board of trustees to consist of the county executive, the mayors of the [four] **five** cities constituting the largest users by flow during the previous fiscal year, the mayors of [two] **three** cities which are not among the [four] **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 [nine] **eleven** and the presiding commissioner or county executive of the adjoining county shall be an additional member of the board of trustees. The trustees shall receive no compensation for their services, but may be compensated for their reasonable expenses normally incurred in the performance of their duties. 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.

204.472. SEWER SERVICE TO BE PROVIDED BY AGREEMENT FOR CERTAIN ANNEXED AREAS, PROCEDURE (POPLAR BLUFF, BUTLER COUNTY, COUNTIES OF THE THIRD CLASSIFICATION). — 1. **(1)** Whenever all or any part of a territory located within a sewer district that is located in any county of the third classification without a township form of government and with more than forty thousand eight hundred but less than forty thousand nine hundred inhabitants is included by annexation within the corporate limits of any city of the third classification with more than sixteen thousand six hundred but less than sixteen thousand seven hundred inhabitants, but is not receiving sewer service from such district or city at the time of such annexation, the city and the board of trustees of the district may, within six months after such annexation becomes effective, develop an agreement to provide sewer service to the annexed territory. Such an agreement may also be developed for territory that was annexed between January 1, 1996, and August 28, 2002, but was not receiving sewer service from such district or such city on August 28, 2002. For the purposes of this section, "not receiving sewer service" shall mean that no sewer services are being sold within the annexed territory by such district or city. If the city and the board reach an agreement that detaches any territory from such district, the agreement shall be submitted to the circuit court having jurisdiction over the major portion, and the circuit court shall make an order and judgment detaching the territory described in the agreement from the remainder of the district and stating the boundary lines of the district after such detachment. At such time that the circuit court's order and judgment becomes final, the clerk of the circuit court shall file certified copies of such order and judgment with the secretary of state and with the recorder of deeds and the county clerk of the county or counties in which the district is located. If an agreement is developed between a city and a sewer district pursuant to this subsection, subsections 2 to 8 of this section shall not apply to such agreement.

(2) Whenever all or any part of a territory located within a sewer district that is located in any county of the third classification is included by annexation within the corporate limits of any city, but is not receiving sewer service from such district or city at the time of such annexation, the city and the board of trustees of the district may, within six months after such annexation becomes effective, develop an agreement to provide sewer service to the annexed territory. Such an agreement may also be developed for territory that was annexed prior to August 28, 2010, but was not receiving sewer service from such district or such city as of August 28, 2010. For the purposes of this section, "not receiving sewer service" shall mean that no sewer services are being sold within the annexed territory by such district or city. If the city and the board reach an agreement that detaches any territory from such district, the agreement shall be submitted to the circuit court having jurisdiction over the major portion, and the circuit court shall make an order and judgment detaching the territory described in the agreement from the remainder of the district and stating the boundary lines of the district after such detachment. At such time that the circuit court's order and judgment becomes final, the clerk of the circuit court shall file certified copies of such order and judgment with the secretary of state and with the recorder of deeds and the county clerk of the county or counties in which the district is located. If an agreement is developed between a city and a sewer district pursuant to this subsection, subsections 2 to 8 of this section shall not apply to such agreement.

2. In the event that the board of trustees of such district and the city cannot reach such an agreement, an application may be made by the board or the city to the circuit court requesting

that three commissioners develop such an agreement. Such application shall include the name of one commissioner appointed by the applying party. The second party shall appoint one commissioner within thirty days of the service of the application upon the second party. If the second party fails to appoint a commissioner within such time period, the circuit court shall appoint a commissioner on behalf of the second party. Such two named commissioners may agree to appoint a third disinterested commissioner within thirty days after the appointment of the second commissioner. In the event that the two named commissioners cannot agree on or fail to appoint the third disinterested commissioner within thirty days after the appointment of the second commissioner, the circuit court shall appoint the third disinterested commissioner.

3. Upon the filing of such application and the appointment of three such commissioners, the circuit court shall set a time for one or more hearings and shall order a public notice including the nature of the application, the annexed area affected, the names of the commissioners, and the time and place of such hearings, to be published for three weeks consecutively in a newspaper published in the county in which the application is pending, the last publication to be not more than seven days before the date set for the first hearing.

4. The commissioners shall develop an agreement between the district and the city to provide sewer service to the annexed territory. In developing the agreement, the commissioners shall consider information presented to them at hearings and any other information at their disposal including, but not limited to:

(1) The estimated future loss of revenue and costs for the sewer district related to the agreement;

(2) The amount of indebtedness of the sewer district within the annexed territory;

(3) Any contractual obligations of the sewer district within the annexed area; and

(4) The effect of the agreement on the sewer rates of the district.

The agreement shall also include a recommendation for the apportionment of costs incurred pursuant to subsections 2 to 8 of this section, including reasonable compensation for the commissioners, between the city and the district.

5. If the circuit court finds that the agreement provides for necessary sewer service in the annexed territory, then such agreement shall be fully effective upon approval by the circuit court. The circuit court shall also review the recommended apportionment of court costs incurred and the reasonable compensation for the commissioners and affirm or modify such recommendations.

6. The order and judgment of the circuit court shall be subject to appeal as provided by law.

7. If the circuit court approves a detachment as part of the territorial agreement, it shall make its order and judgment detaching the territory described in the application from the remainder of the district and stating the boundary lines of the district after such detachment.

8. At such time that the circuit court's order and judgment becomes final, the clerk of the circuit court shall file certified copies of such order and judgment with the secretary of state and with the recorder of deeds and the county clerk of the county or counties in which the district is located.

9. The proportion of the sum of all outstanding bonds and debt, with interest thereon, that is required to be paid to the sewer district pursuant to this section, shall be the same as the proportion of the assessed valuation of the real and tangible personal property within the area sought to be detached bears to the assessed valuation of all of the real and tangible personal property within the entire area of the sewer district.

204.571. AUTHORIZED REPRESENTATIVE, ADVISORY BOARD — ORGANIZATION — RECOMMENDATIONS. — An authorized representative, not a member of the common sewer district's advisory board under section 204.310, from each political subdivision which lies partially within a sewer subdistrict formed pursuant to sections 204.565 to 204.573 and which operates or is served by a sewage collection system, together with the representatives of all other such political subdivisions and of each county having territory within the subdistrict, shall

constitute an advisory board for the subdistrict. The advisory board shall organize by electing one of its members as chairman, one as vice chairman, and one as a representative to the common sewer district's advisory board formed pursuant to section 204.310**, however, if the subdistrict advisory board consists of less than three members, then one subdistrict advisory board member may serve in more than one such capacity**. The board of trustees of the common sewer district shall keep the subdistrict advisory board informed, either directly or through the district advisory board, as to all phases of the planning and operations of the subdistrict, and the subdistrict advisory board shall make such recommendations to the common sewer district advisory board as the subdistrict board deems advisable with regard to the construction and operation of sewers and facilities in the subdistrict. **If a county or political subdivision with the right of appointment under this section fails to appoint any subdistrict advisory board member within sixty days after receiving a written request from the common sewer district, then the board of trustees of the common sewer district may make such appointment.**

250.233. CHARGES FOR SEWER SERVICES — NOTICE AND PUBLIC HEARING REQUIRED. — Any city, town [or]**,** village**, or sewer district** operating a sewerage system or waterworks may establish, make and collect charges for sewerage services, including tap-on fees. The charges may be set as a flat fee or based upon the amount of water supplied to the premises and shall be in addition to those charges which may be levied and collected for maintenance, repair and administration, including debt service expenses. Any private water company or public water supply district supplying water to the premises located within said city, town [or]**,** village**, or sewer district** shall, at reasonable charge upon reasonable request, make available to such city, town [or]**,** village**, or sewer district** its records and books so that such city, town [or]**,** village**, or sewer district** may obtain therefrom such data as may be necessary to calculate the charges for sewer service. Prior to establishing any such sewer charges, public hearings shall be held thereon and at least thirty days' notice shall be given thereof.

393.320. ACQUISITION OF SMALL WATER UTILITIES, ESTABLISHMENT OF RATEMAKING RATE BASE, PROCEDURE. — 1. As used in this section, the following terms mean:

(1) "Large water public utility", a public utility that regularly provides water service or sewer service to more than eight thousand customer connections and 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.

6. 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.

7. 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.

Approved July 7, 2010

SB 793 [SS SCS SB 793]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Enacts provisions regarding informed consent for abortions

AN ACT to repeal sections 188.027, 188.039, and 376.805, RSMo, and to enact in lieu thereof four new sections relating to abortion, with penalty provisions.

SECTION

A. Enacting clause.
188.027. Consent, voluntary and informed, required — procedure, contents — information to be presented in person — alleviation of pain, requirements — medical emergency, procedure — payment prohibited, when — written materials required, when — emergency rules authorized.
188.039. Twenty-four hour waiting period for abortions required — medical emergency exception, definition — informed consent requirements — department to provide model consent forms.
334.245. Abortions, only physicians to perform — violations, penalty.
376.805. Elective abortion to be by optional rider and requires additional premium — elective abortion defined — health insurance exchanges not to offer coverage for elective abortions.

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

SECTION A. ENACTING CLAUSE. — Sections 188.027, 188.039, and 376.805, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 188.027, 188.039, 334.245, and 376.805, to read as follows:

188.027. CONSENT, VOLUNTARY AND INFORMED, REQUIRED — PROCEDURE, CONTENTS — INFORMATION TO BE PRESENTED IN PERSON — ALLEVIATION OF PAIN, REQUIREMENTS — MEDICAL EMERGENCY, PROCEDURE — PAYMENT PROHIBITED, WHEN — WRITTEN MATERIALS REQUIRED, WHEN — EMERGENCY RULES AUTHORIZED. — 1. Except in the case of medical emergency, no abortion shall be performed **[**except with the prior, informed and written consent freely given of the pregnant woman.**] or induced on a woman without her voluntary and informed consent, given freely and without coercion. Consent to an abortion is voluntary and informed and given freely and without coercion, if and only if, at least twenty-four hours prior to the abortion:**

(1) The physician who is to perform or induce the abortion or a qualified professional has informed the woman, orally, reduced to writing, and in person, of the following:

(a) The name of the physician who will perform or induce the abortion;

(b) Medically accurate information that a reasonable patient would consider material to the decision of whether or not to undergo the abortion, including:

a. A description of the proposed abortion method;

b. The immediate and long-term medical risks to the woman associated with the proposed abortion method including, but not limited to, infection, hemorrhage, cervical tear or uterine perforation, harm to subsequent pregnancies or the ability to carry a subsequent child to term, and possible adverse psychological effects associated with the abortion; and

c. The immediate and long-term medical risks to the woman, in light of the anesthesia and medication that is to be administered, the unborn child's gestational age, and the woman's medical history and medical condition;

(c) Alternatives to the abortion which shall include making the woman aware that information and materials shall be provided to her detailing such alternatives to the abortion;

(d) A statement that the physician performing or inducing the abortion is available for any questions concerning the abortion, together with the telephone number that the physician may be later reached to answer any questions that the woman may have;

(e) The location of the hospital that offers obstetrical or gynecological care located within thirty miles of the location where the abortion is performed or induced and at which the physician performing or inducing the abortion has clinical privileges and where the woman may receive follow-up care by the physician if complications arise;

(f) The gestational age of the unborn child at the time the abortion is to be performed or induced; and

(g) The anatomical and physiological characteristics of the unborn child at the time the abortion is to be performed or induced;

(2) The physician who is to perform or induce the abortion or a qualified professional has presented the woman, in person, printed materials provided by the department, which describe the probable anatomical and physiological characteristics of the unborn child at two-week gestational increments from conception to full term, including color photographs or images of the developing unborn child at two-week gestational increments. Such descriptions shall include information about brain and heart functions, the presence of external members and internal organs during the applicable stages of development and information on when the unborn child is viable. The printed materials shall prominently display the following statement: "The life of each human being begins at conception. Abortion will terminate the life of a separate, unique, living human being.";

(3) The physician who is to perform or induce the abortion or a qualified professional has presented the woman, in person, printed materials provided by the department, which describe the various surgical and drug-induced methods of abortion relevant to the stage of pregnancy, as well as the immediate and long-term medical risks commonly associated with each abortion method including, but not limited to, infection, hemorrhage, cervical tear or uterine perforation, harm to subsequent pregnancies or the ability to carry a subsequent child to term, and the possible adverse psychological effects associated with an abortion;

(4) The physician who is to perform or induce the abortion or a qualified professional shall provide the woman with the opportunity to view at least twenty-four hours prior to the abortion an active ultrasound of the unborn child and hear the heartbeat of the unborn child if the heartbeat is audible. The woman shall be provided with a geographically indexed list maintained by the department of health care providers, facilities, and clinics that perform ultrasounds, including those that offer ultrasound services free of charge. Such materials shall provide contact information for each provider, facility, or clinic including telephone numbers and, if available, web site addresses. Should the woman decide to obtain an ultrasound from a provider, facility, or clinic other than the abortion facility, the woman shall be offered a reasonable time to obtain the ultrasound examination before the date and time set for performing or inducing an abortion. The person conducting the ultrasound shall ensure that the active ultrasound image is of a quality consistent with standard medical practice in the community, contains the dimensions of the unborn child, and accurately portrays the presence of external members and internal organs, if present or viewable, of the unborn child. The auscultation of fetal heart tone must also be of a quality consistent with standard medical practice in the community. If the woman chooses to view the ultrasound or hear the heartbeat or both at the abortion facility, the viewing or hearing or both shall be provided to her at the abortion facility at least twenty-four hours prior to the abortion being performed or induced;

(5) Prior to an abortion being performed or induced on an unborn child of twenty-two weeks gestational age or older, the physician who is to perform or induce the abortion or a qualified professional has presented the woman, in person, printed materials

provided by the department that offer information on the possibility of the abortion causing pain to the unborn child. This information shall include, but need not be limited to, the following:

(a) At least by twenty-two weeks of gestational age, the unborn child possesses all the anatomical structures, including pain receptors, spinal cord, nerve tracts, thalamus, and cortex, that are necessary in order to feel pain;

(b) A description of the actual steps in the abortion procedure to be performed or induced, and at which steps the abortion procedure could be painful to the unborn child;

(c) There is evidence that by twenty-two weeks of gestational age, unborn children seek to evade certain stimuli in a manner that in an infant or an adult would be interpreted as a response to pain;

(d) Anesthesia is given to unborn children who are twenty-two weeks or more gestational age who undergo prenatal surgery;

(e) Anesthesia is given to premature children who are twenty-two weeks or more gestational age who undergo surgery;

(f) Anesthesia or an analgesic is available in order to minimize or alleviate the pain to the unborn child;

(6) The physician who is to perform or induce the abortion or a qualified professional has presented the woman, in person, printed materials provided by the department explaining to the woman alternatives to abortion she may wish to consider. Such materials shall:

(a) Identify on a geographical basis public and private agencies available to assist a woman in carrying her unborn child to term, and to assist her in caring for her dependent child or placing her child for adoption, including agencies commonly known and generally referred to as pregnancy resource centers, crisis pregnancy centers, maternity homes, and adoption agencies. Such materials shall provide a comprehensive list by geographical area of the agencies, a description of the services they offer, and the telephone numbers and addresses of the agencies; provided that such materials shall not include any programs, services, organizations, or affiliates of organizations, that perform or induce, or assist in the performing or inducing, of abortions or that refer for abortions;

(b) Explain the Missouri alternatives to abortion services program under section 188.325, and any other programs and services available to pregnant women and mothers of newborn children offered by public or private agencies which assist a woman in carrying her unborn child to term and assist her in caring for her dependent child or placing her child for adoption, including, but not limited to prenatal care; maternal health care; newborn or infant care; mental health services; professional counseling services; housing programs; utility assistance; transportation services; food, clothing, and supplies related to pregnancy; parenting skills; educational programs; job training and placement services; drug and alcohol testing and treatment; and adoption assistance;

(c) Identify the state web site for the Missouri alternatives to abortion services program under section 188.325, and any toll-free number established by the state operated in conjunction with the program;

(d) Prominently display the statement: "There are public and private agencies willing and able to help you carry your child to term, and to assist you and your child after your child is born, whether you choose to keep your child or place him or her for adoption. The state of Missouri encourages you to contact those agencies before making a final decision about abortion. State law requires that your physician or a qualified professional give you the opportunity to call agencies like these before you undergo an abortion.";

(7) The physician who is to perform or induce the abortion or a qualified professional has presented the woman, in person, printed materials provided by the department explaining that the father of the unborn child is liable to assist in the support of the child,

even in instances where he has offered to pay for the abortion. Such materials shall include information on the legal duties and support obligations of the father of a child, including, but not limited to, child support payments, and the fact that paternity may be established by the father's name on a birth certificate or statement of paternity, or by court action. Such printed materials shall also state that more information concerning paternity establishment and child support services and enforcement may be obtained by calling the family support division within the Missouri department of social services; and

(8) The physician who is to perform or induce the abortion or a qualified professional shall inform the woman that she is free to withhold or withdraw her consent to the abortion at any time without affecting her right to future care or treatment and without the loss of any state or federally funded benefits to which she might otherwise be entitled.

2. All information required to be provided to a woman considering abortion by subsection 1 of this section shall be presented to the woman individually, in the physical presence of the woman and in a private room, to protect her privacy, to maintain the confidentiality of her decision, to ensure that the information focuses on her individual circumstances, to ensure she has an adequate opportunity to ask questions, and to ensure that she is not a victim of coerced abortion. Should a woman be unable to read materials provided to her, they shall be read to her. Should a woman need an interpreter to understand the information presented in the written materials, an interpreter shall be provided to her. Should a woman ask questions concerning any of the information or materials, answers shall be provided in a language she can understand.

3. No abortion shall be performed or induced unless and until the woman upon whom the abortion is to be performed or induced certifies in writing on a checklist form provided by the department that she has been presented all the information required in subsection 1 of this section, that she has been provided the opportunity to view an active ultrasound image of the unborn child and hear the heartbeat of the unborn child if it is audible, and that she further certifies that she gives her voluntary and informed consent, freely and without coercion, to the abortion procedure.

4. No abortion shall be performed or induced on an unborn child of twenty-two weeks gestational age or older unless and until the woman upon whom the abortion is to be performed or induced has been provided the opportunity to choose to have an anesthetic or analgesic administered to eliminate or alleviate pain to the unborn child caused by the particular method of abortion to be performed or induced. The administration of anesthesia or analgesics shall be performed in a manner consistent with standard medical practice in the community.

5. No physician shall perform or induce an abortion unless and until the physician has obtained from the woman her voluntary and informed consent given freely and without coercion. If the physician has reason to believe that the woman is being coerced into having an abortion, the physician or qualified professional shall inform the woman that services are available for her and shall provide her with private access to a telephone and information about such services, including but not limited to the following:

(1) Rape crisis centers, as defined in section 455.003;

(2) Shelters for victims of domestic violence, as defined in section 455.200; and

(3) Orders of protection, pursuant to chapter 455.

6. No physician shall perform or induce an abortion unless and until the physician has received and signed a copy of the form prescribed in subsection 3 of this section. The physician shall retain a copy of the form in the patient's medical record.

7. In the event of a medical emergency as provided by section 188.075, the physician who performed or induced the abortion shall clearly certify in writing the nature and circumstances of the medical emergency. This certification shall be signed by the physician who performed or induced the abortion, and shall be maintained under section 188.060.

8. No person or entity shall require, obtain, or accept payment for an abortion from or on behalf of a patient until at least twenty-four hours has passed since the time that the information required by subsection 1 has been provided to the patient. Nothing in this subsection shall prohibit a person or entity from notifying the patient that payment for the abortion will be required after the twenty-four-hour period has expired if she voluntarily chooses to have the abortion.

9. The term "qualified professional" as used in this section shall refer to a physician, physician assistant, registered nurse, licensed practical nurse, psychologist, licensed professional counselor, or licensed social worker, licensed or registered under chapter 334, 335, or 337, acting under the supervision of the physician performing or inducing the abortion, and acting within the course and scope of his or her authority provided by law. The provisions of this section shall not be construed to in any way expand the authority otherwise provided by law relating to the licensure, registration, or scope of practice of any such qualified professional.

10. By November 30, 2010, the department shall produce the written materials and forms described in this section. Any written materials produced shall be printed in a typeface large enough to be clearly legible. All information shall be presented in an objective, unbiased manner designed to convey only accurate scientific and medical information. The department shall furnish the written materials and forms at no cost and in sufficient quantity to any person who performs or induces abortions, or to any hospital or facility that provides abortions. The department shall make all information required by subsection 1 of this section available to the public through its department web site. The department shall maintain a toll-free, twenty-four-hour hotline telephone number where a caller can obtain information on a regional basis concerning the agencies and services described in subsection 1 of this section. No identifying information regarding persons who use the web site shall be collected or maintained. The department shall monitor the web site on a regular basis to prevent tampering and correct any operational deficiencies.

11. In order to preserve the compelling interest of the state to ensure that the choice to consent to an abortion is voluntary and informed, and given freely and without coercion, the department shall use the procedures for adoption of emergency rules under section 536.025 in order to promulgate all necessary rules, forms, and other necessary material to implement this section by November 30, 2010.

188.039. TWENTY-FOUR HOUR WAITING PERIOD FOR ABORTIONS REQUIRED — MEDICAL EMERGENCY EXCEPTION, DEFINITION — INFORMED CONSENT REQUIREMENTS — DEPARTMENT TO PROVIDE MODEL CONSENT FORMS. — 1. For purposes of this section, "medical emergency" means a condition which, on the basis of the physician's good faith clinical judgment, so complicates the medical condition of a pregnant woman as to necessitate the immediate abortion of her pregnancy to avert her death or for which a delay will create a serious risk of substantial and irreversible impairment of a major bodily function.

2. Except in the case of medical emergency, no person shall perform or induce an abortion unless at least twenty-four hours prior thereto **[**a treating physician**]** **the physician who is to perform or induce the abortion or a qualified professional** has conferred with the patient and discussed with her the indicators and contraindicators, and risk factors including any physical, psychological, or situational factors for the proposed procedure and the use of medications, including but not limited to mifepristone, in light of her medical history and medical condition. For an abortion performed or an abortion induced by a drug or drugs, such conference shall take place at least twenty-four hours prior to the writing or communication of the first prescription for such drug or drugs in connection with inducing an abortion. Only one such conference shall be required for each abortion.

3. The patient shall be evaluated by **[**a treating physician**]** **the physician who is to perform or induce the abortion or a qualified professional** during the conference for indicators and

contraindicators, risk factors including any physical, psychological, or situational factors which would predispose the patient to or increase the risk of experiencing one or more adverse physical, emotional, or other health reactions to the proposed procedure or drug or drugs in either the short or long term as compared with women who do not possess such risk factors.

4. At the end of the conference, and if the woman chooses to proceed with the abortion, **[**a treating physician**] the physician who is to perform or induce the abortion or a qualified professional** shall sign and shall cause the patient to sign a written statement that the woman gave her informed consent freely and without coercion after the physician **or qualified professional** had discussed with her the indicators and contraindicators, and risk factors, including any physical, psychological, or situational factors. All such executed statements shall be maintained as part of the patient's medical file, subject to the confidentiality laws and rules of this state.

5. The director of the department of health and senior services shall disseminate a model form that physicians **or qualified professionals** may use as the written statement required by this section, but any lack or unavailability of such a model form shall not affect the duties of the physician **or qualified professional** set forth in subsections 2 to 4 of this section.

6. As used in this section, the term "qualified professional" shall refer to a physician, physician assistant, registered nurse, licensed practical nurse, psychologist, licensed professional counselor, or licensed social worker, licensed or registered under chapter 334, 335, or 337, acting under the supervision of the physician performing or inducing the abortion, and acting within the course and scope of his or her authority provided by law. The provisions of this section shall not be construed to in any way expand the authority otherwise provided by law relating to the licensure, registration, or scope of practice of any such qualified professional.

334.245. ABORTIONS, ONLY PHYSICIANS TO PERFORM — VIOLATIONS, PENALTY. — 1. Notwithstanding any other provision of law to the contrary that may allow a person to provide services relating to pregnancy, including prenatal, delivery, and postpartum services, no person other than a licensed physician is authorized to perform or induce an abortion.

2. Any person who violates the provisions of this section is guilty of a class B felony.

376.805. ELECTIVE ABORTION TO BE BY OPTIONAL RIDER AND REQUIRES ADDITIONAL PREMIUM — ELECTIVE ABORTION DEFINED — HEALTH INSURANCE EXCHANGES NOT TO OFFER COVERAGE FOR ELECTIVE ABORTIONS. — 1. No health insurance contracts, plans, or policies delivered or issued for delivery in the state shall provide coverage for elective abortions except by an optional rider for which there must be paid an additional premium. For purposes of this section, an "elective abortion" means an abortion for any reason other than a spontaneous abortion or to prevent the death of the female upon whom the abortion is performed.

2. **Subsection 1 of** this section shall be applicable to all contracts, plans or policies of:

(1) All health insurers subject to this chapter; and

(2) All nonprofit hospital, medical, surgical, dental, and health service corporations subject to chapter 354, RSMo; and

(3) All health maintenance organizations.

3. **No health insurance exchange established within this state or any health insurance exchange administered by the federal government or its agencies within this state shall offer health insurance contracts, plans, or policies that provide coverage for elective abortions, nor shall any health insurance exchange operating within this state offer coverage for elective abortions through the purchase of an optional rider.**

4. This section shall be applicable only to contracts, plans or policies written, issued, renewed or revised, after September 28, 1983. For the purposes of this subsection, if new

premiums are charged for a contract, plan or policy, it shall be determined to be a new contract, plan or policy.

No action taken by Governor, bill becomes law pursuant to Article III, Section 31, of the Missouri Constitution.

SB 795 [CCS HCS SB 795]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Exempts individuals in the Southeast Missouri Regional Water District who use explosive materials for unclogging agricultural irrigation wells from certain blasting safety requirements

AN ACT to repeal sections 196.316, 266.355, 270.260, 270.400, 273.327, 273.329, 274.180, 281.260, 311.550, 319.306, 319.321, 393.1025, and 393.1030, RSMo, and to enact in lieu thereof thirty new sections relating to animals and agriculture, with penalty provisions, and an emergency clause for a certain section.

SECTION

A. Enacting clause.
196.316. License requirements — applications — kinds of licenses — fees — posting.
246.310. Inapplicability of certain law regarding abeyance of water and sewer assessments.
261.200. Fund created, use of moneys.
266.355. Anhydrous ammonia, rules and standards for equipment and handling — director's duties — minimum standards.
270.260. Release of swine to live in wild or feral state, penalties.
270.270. Russian or European wild boar or wild-caught swine, possessing or transporting through public land without a permit, penalty.
270.400. Killing of feral hogs, permitted when — Russian or European wild boar or wild-caught swine, fencing and health standards — animal health fund created.
273.327. License annually required to operate animal boarding facilities, pet shops, pounds, dealers and commercial breeders — fees, exemption from fees for certain licensees.
273.329. Director may refuse to license or may revoke licenses, grounds — operation without license, penalty.
274.180. Fees paid in lieu of other license or tax.
281.260. Registration of pesticides — renewal — fees — powers of director — cancellation of registration on notice and hearing — experimental use permit issued when — revocation.
311.550. Additional revenue charges — fines and penalties.
319.306. Blaster's license required, when — application, contents — fee — qualifications — expiration — documentation required — training required — rulemaking authority.
319.321. Inapplicability of law, when.
393.1025. Definitions.
393.1030. Electric utilities, portfolio requirements — tracking requirements — rulemaking authority — rebate offers — certification of electricity generated.
578.600. Citation of law — definitions.
578.602. Prohibited acts — purpose of act — permit required, procedure.
578.604. Identification number on animal required.
578.606. USDA regulations and standards, compliance with required — death of animal, notification of department required.
578.608. Animal may be killed, when, by whom — immunity from liability, when — trespass by animal, when.
578.610. Death or injury of a human by animal, liability of owner — liability insurance required — escape or release of animal, notification required.
578.612. Permit for transport of animal required.
578.614. Violations, penalty — exceptions.
578.616. Civil forfeiture, when.
578.618. Local laws, more restrictive permitted.
578.620. Inapplicability of act.
578.622. Addition exemptions
578.624. Large carnivore fund created, use of moneys.

1. Unavailability of use of certain moneys.
B. Emergency clause.

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

SECTION A. ENACTING CLAUSE. — Sections 196.316, 266.355, 270.260, 270.400, 273.327, 273.329, 274.180, 281.260, 311.550, 319.306, 319.321, 393.1025, and 393.1030, RSMo, are repealed and thirty new sections enacted in lieu thereof, to be known as sections 196.316, 246.310, 261.200, 266.355, 270.260, 270.270, 270.400, 273.327, 273.329, 274.180, 281.260, 311.550, 319.306, 319.321, 393.1025, 393.1030, 578.600, 578.602, 578.604, 578.606, 578.608, 578.610, 578.612, 578.614, 578.616, 578.618, 578.620, 578.622, 578.624, and 1, to read as follows:

196.316. LICENSE REQUIREMENTS — APPLICATIONS — KINDS OF LICENSES — FEES — POSTING. — 1. All persons engaged in buying, selling, trading or trafficking in, or processing eggs, except those listed in section 196.313, shall be required to be licensed under sections 196.311 to 196.361. Such persons shall file an annual application for such license on forms to be prescribed by the director, and shall obtain an annual license for each separate place of business from the director. The following types of licenses shall be issued:

(1) A "retailer's license" shall be required of any person defined as a retailer in section 196.311. A holder of a retailer's license shall not, by virtue of such license, be permitted or authorized to buy eggs from any person other than a licensed dealer, and any retailer desiring to buy eggs from persons other than licensed dealers, shall obtain a dealer's license in addition to a retailer's license.

(2) A "dealer's license" shall be required of any person defined as a dealer in section 196.311. A holder of a dealer's license shall not, by virtue of such license, be authorized or permitted to sell eggs to consumers, and any dealer desiring to sell eggs to consumers shall obtain a retailer's license in addition to a dealer's license.

(3) A "processor's license" shall be required of any person defined as a processor in section 196.311. A holder of a processor's license shall not, by virtue of such license, be authorized or permitted to sell eggs in the shell to other persons, and any person desiring to sell eggs in the shell to other persons, shall obtain a dealer's license in addition to a processor's license.

2. The annual license fee shall be:

(1) Retailers . . . . . $ 5.00

(2) Dealers — License fees for dealers shall be determined on the basis of cases (30 dozen per case) of eggs sold in the shell in any one week, as follows:

(a) 1 to 25 cases . . . . . $ 5.00
(b) 26 to 50 cases 12.50
(c) 51 to 100 cases 25.00
(d) more than 100 cases 50.00

(3) Processors — License fees for processors shall be determined on the basis of cases (30 dozen per case) of eggs, or the equivalent in liquid or frozen eggs, processed in any one day, as follows:

(a) Less than 50 cases . . . . . $ 25.00
(b) More than 50 and less than 250 cases 50.00
(c) More than 250 and less than 1000 cases 75.00
(d) More than 1000 cases 100.00

3. All licenses shall be conspicuously posted in the place of business to which it applies. The license year shall be twelve months, or any fraction thereof, beginning July first and ending June thirtieth.

4. No license shall be transferable, but it may be moved from one place to another by the consent of the director.

5. All moneys received from license fees collected hereunder shall be deposited in the state treasury to the credit of the **[**agricultural fees**]** **agriculture protection** fund **created in section 261.200**.

246.310. INAPPLICABILITY OF CERTAIN LAW REGARDING ABEYANCE OF WATER AND SEWER ASSESSMENTS. — The provisions of section 262.802 shall not apply to any drainage district or levee district formed under the laws of this state.

261.200. FUND CREATED, USE OF MONEYS. — 1. Any laws to the contrary notwithstanding, there is hereby created in the state treasury the "Agriculture Protection Fund", which shall consist of any monies or fees appropriated to the fund as well as all fees assessed and collected by the department of agriculture which are not otherwise placed in the state treasury to the credit of the particular purpose or fund for which the fees are collected. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements of the fund. Upon appropriation by the general assembly, money in the fund shall be used solely by the department of agriculture for the purposes of carrying out its functions and responsibilities, and no money shall be paid out of the fund created under this section except by appropriation of the general assembly for the administration of the program from which the fee was collected; except that, the provisions of this section shall not apply to any moneys credited to the fund under subdivision (2) of subsection 1 of section 311.550.

2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

3. 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.

266.355. ANHYDROUS AMMONIA, RULES AND STANDARDS FOR EQUIPMENT AND HANDLING — DIRECTOR'S DUTIES — MINIMUM STANDARDS. — Unless provided for by federal law, rule or regulation, the director of the department of agriculture shall promulgate, pursuant to chapter 536, RSMo, and enforce regulations setting forth minimum general standards covering the design, construction, location, installation, and operation of equipment for storing, handling, transporting by tank truck, tank trailer, tank car and utilizing anhydrous ammonia. The provisions of this section shall not apply to equipment which is in use for storing anhydrous ammonia as of **[**September 28, 1983**]** **August 28, 2010**, and which is found by the department to be in substantial compliance with generally accepted standards of safety regarding life and property. **The department shall adopt the minimum general safety standards for the storage and handling of anhydrous ammonia set forth in ANSI Standard K61.1-1999, Safety Requirements for the Storage and Handling of Anhydrous Ammonia; except that, ANSI Standard K61.1-1999 shall not be adopted by the department prior to December 1, 2012. For purposes of this section, "ANSI" means the American National Standards Institute.**

270.260. RELEASE OF SWINE TO LIVE IN WILD OR FERAL STATE, PENALTIES. — 1. Any person who **recklessly or** knowingly releases any swine to live in a wild or feral state upon any public land or private land not completely enclosed by a fence capable of containing such animals is guilty of a class A misdemeanor. Each swine so released shall be a separate offense.

2. Every person who has previously pled guilty to or been found guilty of violating the provisions of this section, committed on two separate occasions where such offense

occurred within ten years of the date of the occurrence of the present offense and who subsequently pleads guilty to or is found guilty of violating this section shall be guilty of a class D felony.

3. Nothing in this section shall be construed to criminalize the accidental escape of domestic swine.

270.270. RUSSIAN OR EUROPEAN WILD BOAR OR WILD-CAUGHT SWINE, POSSESSING OR TRANSPORTING THROUGH PUBLIC LAND WITHOUT A PERMIT, PENALTY. — 1. Any person possessing or transporting live Russian or European wild boar or wild-caught swine on or through public land without a Missouri department of agriculture permit is guilty of a class A misdemeanor. Each violation of this subsection shall be a separate offense.

2. Any law enforcement officer, any agent of the conservation commission, or the state veterinarian is authorized to enforce the provisions of this section, section 270.260, and section 270.400.

270.400. KILLING OF FERAL HOGS, PERMITTED WHEN — RUSSIAN OR EUROPEAN WILD BOAR OR WILD-CAUGHT SWINE, FENCING AND HEALTH STANDARDS — ANIMAL HEALTH FUND CREATED. — 1. For purposes of this section, the term "feral hog" means any hog, including Russian and European wild boar, that is not conspicuously identified by ear tags or other forms of identification and is roaming freely upon public or private lands without the landowner's permission.

2. A person may kill a feral hog roaming freely upon such person's land and shall not be liable to the owner of the hog for the loss of the hog.

3. Any person may take or kill a feral hog on public land or private land with the consent of the landowner; except that, during the firearms deer and turkey hunting season the regulations of the Missouri wildlife code shall apply. Such person shall not be liable to the owner of the hog for the loss of such hog.

4. No person except a landowner or such landowner's agent on such landowner's property shall take**, attempt to take,** or kill a feral hog with the use of an artificial light.

5. The director of the department of agriculture shall promulgate rules for fencing and health standards for Russian and European wild boar and wild-caught swine held alive on private land. Any person holding Russian or European wild boar or wild-caught swine on private land shall annually submit an application to the department for a permit. Any applicant that successfully meets the requirements under this section as determined by the department and pays an application fee shall be issued a permit.

6. Russian and European wild boar and wild-caught swine may move only from a farm to a farm or directly to slaughter or to a slaughter-only market. The department shall promulgate rules for exemption permits and a fee structure to offset the actual and necessary costs incurred to enforce the provisions of this section.

7. (1) There is hereby created in the state treasury the "Animal Health Fund", which shall consist of all fees and administrative penalties collected by the department of agriculture under this section and section 270.260. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. Upon appropriation, moneys in the fund shall be used for the administration of this section and section 270.260.

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(3) 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.

8. Any person who violates subsection 2 of section 270.260 may, in addition to the penalty imposed under section 270.260, be assessed an administrative penalty of up to one thousand dollars per violation. Any person who is assessed an administrative penalty under this section shall be notified in writing of the right to appeal. Such person may request a hearing before the director of the department of agriculture. Such request shall be made in writing no later than thirty days after the date on which the person was notified of the violation of section 270.260.

9. 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, 2010, shall be invalid and void.

10. Nothing in this section shall be construed to apply to domestic swine.

273.327. LICENSE ANNUALLY REQUIRED TO OPERATE ANIMAL BOARDING FACILITIES, PET SHOPS, POUNDS, DEALERS AND COMMERCIAL BREEDERS — FEES, EXEMPTION FROM FEES FOR CERTAIN LICENSEES. — No person shall operate an animal shelter, pound or dog pound, boarding kennel, commercial kennel, contract kennel, pet shop, or exhibition facility, other than a limited show or exhibit, or act as a dealer or commercial breeder, unless **[**he**] such person** has obtained a license for such operations from the director. An applicant shall obtain a separate license for each separate physical facility subject to sections 273.325 to 273.357 which is operated by the applicant. Any person exempt from the licensing requirements of sections 273.325 to 273.357 may voluntarily apply for a license. Application for such license shall be made in the manner provided by the director. The license shall expire annually unless revoked. As provided by rules to be promulgated by the director, the license fee shall range from one hundred to five hundred dollars per year. Pounds**[**,**] or** dog pounds **[**and animal shelters**]** shall be exempt from payment of such fee. License fees shall be levied for each license issued or renewed on or after January 1, 1993.

273.329. DIRECTOR MAY REFUSE TO LICENSE OR MAY REVOKE LICENSES, GROUNDS — OPERATION WITHOUT LICENSE, PENALTY. — 1. The director may refuse to issue or renew or may revoke a license on any one or more of the following grounds:

(1) Material and deliberate misstatement in the application for any original license or for any renewal license under sections 273.325 to 273.357;

(2) Disregard or violation of sections 273.325 to 273.357 or of any rules promulgated pursuant thereto;

(3) Conviction of any violation of any state or federal law relating to the disposition or treatment of animals;

(4) Failure to provide adequate food, water, housing or sanitary facilities for animals under the control of an animal shelter, boarding kennel, commercial breeder, commercial kennel, contract kennel, dealer, pet shop, pound, or exhibitor as defined by regulations of the USDA.

2. **The department of agriculture shall not retain, contract with, or otherwise utilize the services of the personnel of any nonprofit organization for the purpose of inspection or licensing of any animal shelter, pound, or dog pound, boarding kennel, commercial kennel, contract kennel, commercial breeder, hobby or show breeder, or pet shop under sections 273.325 to 273.357.**

3. Operation of an animal shelter, pound or dog pound, boarding kennel, commercial kennel, contract kennel, pet shop, or exhibition facility, or activity as a commercial breeder or dealer without a valid license shall constitute a class A misdemeanor.

274.180. FEES PAID IN LIEU OF OTHER LICENSE OR TAX. — Each association organized hereunder shall pay an annual fee of ten dollars only, in lieu of all franchise or license or corporation or other taxes, **including state sales taxes,** or taxes or charges upon reserves held by it for members.

281.260. REGISTRATION OF PESTICIDES — RENEWAL — FEES — POWERS OF DIRECTOR — CANCELLATION OF REGISTRATION ON NOTICE AND HEARING — EXPERIMENTAL USE PERMIT ISSUED WHEN — REVOCATION. — 1. Every pesticide which is distributed, sold, offered for sale or held for sale within this state, or which is delivered for transportation or transported in intrastate commerce or between points within this state through any point outside of this state, shall be registered in the office of the director, and the registration shall be renewed annually.

2. The registrant shall file with the director a statement including:

(1) The name and address of the registrant and the name and address of the person whose name will appear on the label, if other than the registrant;

(2) The name of the pesticide;

(3) Classification of the pesticide; and

(4) A complete copy of the labeling accompanying the pesticide and a statement of all claims to be made for it, including directions for use.

3. The registrant shall pay an annual fee of **[**fifteen**] one hundred fifty** dollars for each product registered in any calendar year or part thereof. The fee shall be deposited in the state treasury to the credit of the **[**general revenue fund**] agriculture protection fund created in section 261.200 to be used solely to administer the pest and pesticide programs of the department of agriculture. If the funding exceeds the reasonable costs to administer the programs as set forth herein, the department of agriculture shall reduce fees for all registrants if the fees derived exceed the reasonable cost of administering the pest and pesticide programs of the department of agriculture**. All such registrations shall expire on December thirty-first of any one year, unless sooner canceled. A registration for a special local need pursuant to subsection 6 of this section, which is disapproved by the federal government, shall expire on the effective date of the disapproval.

4. Any registration approved by the director and in effect on the thirty-first day of December for which a renewal application has been made and the proper fee paid shall continue in full force and effect until such time as the director notifies the applicant that the registration has been renewed, or otherwise denied, in accord with the provisions of subsection 8 of this section. Forms for reregistration shall be mailed to registrants at least ninety days prior to the expiration date.

5. If the renewal of a pesticide registration is not filed prior to January first of any one year, an additional fee of **[**five**] fifty** dollars shall be assessed and added to the original fee and shall be paid by the applicant before the registration renewal for that pesticide shall be issued; provided, that, such additional fee shall not apply if the applicant furnishes an affidavit certifying that he did not distribute such unregistered pesticide during the period of nonregistration. The payment of such additional fee is not a bar to any prosecution for doing business without proper registry. **The fee shall be credited to the agriculture protection fund created under section 261.200 to be used solely to administer the pest and pesticide programs of the department of agriculture. If the funding exceeds the reasonable cost to administer the programs as set forth herein, the department of agriculture shall reduce fees for all registrants if the fees derived exceed the reasonable cost of administering the pest and pesticide programs of the department of agriculture.**

6. Provided the state complies with requirements of the federal government to register pesticides to meet special local needs, the director shall require that registrants comply with sections 281.210 to 281.310 and pertinent federal laws and regulations. Where two or more pesticides meet the requirements of this subsection, one shall not be registered in preference to the other.

7. The director may require the submission of the complete formula of any pesticide to approve or deny product registration. If it appears to the director that the composition and efficacy of the pesticide is such as to warrant the proposed claims for it and if the pesticide and its labeling and other material required to be submitted comply with the requirements of sections 281.210 to 281.310, he shall register the pesticide.

8. Provided the state is authorized to issue experimental use permits, the director may:

(1) Issue an experimental use permit to any person applying for an experimental use permit if he determines that the applicant needs such permit in order to accumulate information necessary to register a pesticide under sections 281.210 to 281.310. An application for an experimental use permit may be filed at the time of or before or after an application for registration is filed;

(2) Prescribe terms, conditions, and period of time for the experimental permit which shall be under the supervision of the director;

(3) Revoke any experimental permit, at any time, if he finds that its terms or conditions are being violated, or that its terms and conditions are inadequate to avoid unreasonable adverse effects on the environment.

9. If it does not appear to the director that the pesticide is such as to warrant the proposed claims for it or if the pesticide and its labeling and other material required to be submitted do not comply with the provisions of sections 281.210 to 281.310 or with federal laws, he shall notify the registrant of the manner in which the pesticide, labeling, or other material required to be submitted fail to comply with sections 281.210 to 281.310 or with federal laws so as to afford the registrant an opportunity to make the necessary corrections. If, upon receipt of such notice, the registrant insists that such corrections are not necessary and requests in writing that the pesticide be registered or, in the case of a pesticide that is already registered, that it not be canceled, the director, within ninety days, shall hold a public hearing to determine if the pesticide in question should be registered or canceled. If, after such hearing, it is determined that the pesticide should not be registered or that its registration should be canceled, the director may refuse registration or cancel an existing registration until the required label changes are accomplished. If the pesticide is shown to be in compliance with sections 281.210 to 281.310 and federal laws, the pesticide will be registered. Any appeals resulting from administrative decisions by the director will be taken in accordance with sections 536.100 to 536.140, RSMo.

10. Notwithstanding any other provision of sections 281.210 to 281.310, registration is not required in the case of a pesticide shipped from one plant or warehouse within this state to another plant or warehouse within this state when such plants are operated by the same persons.

11. The director shall not make any lack of essentiality a criterion for denying registration of a pesticide except where none of the labeled uses are present in the state. Where two or more pesticides meet the requirements of sections 281.210 to 281.310, one shall not be registered in preference to the other.

12. Notwithstanding any other provision of law to the contrary, the director may allow a reasonable period of time for the retailer to dispose of existing stocks of pesticides after the manufacturer or distributor has ceased to register the product with the state. The method of disposal shall be determined by the director.

311.550. ADDITIONAL REVENUE CHARGES — FINES AND PENALTIES. — 1. In addition to all other licenses and charges, there shall be paid to and collected by the director of revenue charges as follows:

(1) For the privilege of selling in the state of Missouri spirituous liquors, including brandy, rum, whiskey, and gin, and other spirituous liquors and alcohol for beverage purposes, there shall be paid, and the director of revenue shall be entitled to receive, the sum of two dollars per gallon or fraction thereof;

(2) For the privilege of selling wines, the sum of thirty cents per gallon **to the credit of the agriculture protection fund created under section 261.200 to be used solely for agricultural business development and marketing-related functions of the department of agriculture**.

2. The person who shall first sell such liquor to any person in this state shall be liable for the payment, except that no refund of any tax collected and remitted to the director of revenue by a retail seller upon gross receipts from a sale of beer, liquor or wine subject to the charges contained in sections 311.520, 311.550 and 311.554 shall be claimed for refund under chapter 144, RSMo, for any amount illegally or erroneously overcharged or overcollected as a result of imposition of sales tax by the retail seller upon amounts representing the charges imposed under this chapter.

3. Any person who sells to any person within this state any intoxicating liquors mentioned in subdivision (1) of subsection 1, unless the charge hereby imposed is paid, is guilty of a felony and shall be punished by imprisonment by the state department of corrections for a term of not less than two years nor more than five years, or by imprisonment in the county jail for a term of not less than one month nor more than one year, or by a fine of not less than fifty dollars nor more than one thousand dollars, or by both such fine and imprisonment.

4. It shall be unlawful for any person to remove the contents of any container containing any of the intoxicating liquors mentioned in subdivision (1) of subsection 1 without destroying such container, or to refill any such container, in whole or in part, with any of the liquors mentioned in subdivision (1) of subsection 1. Any person violating the provisions of this subsection shall be guilty of a misdemeanor.

5. Every manufacturer, out-state solicitor and wholesale dealer licensed under this chapter shall make a true duplicate invoice of the same, showing the date, amount and value of each class of such liquors shipped or delivered, and retain a duplicate thereof, subject to the use and inspection of the supervisor of liquor control and his representatives for two years.

6. Any person who shall sell in this state any intoxicating liquor without first having procured a license from the supervisor of liquor control authorizing him to sell such intoxicating liquor is guilty of a felony and upon conviction shall be punished by imprisonment by the state department of corrections for a term of not less than two years nor more than five years, or by imprisonment in the county jail for a term of not less than three months nor more than one year, or by a fine of not less than one hundred dollars nor more than one thousand dollars, or by both such fine and imprisonment.

319.306. BLASTER'S LICENSE REQUIRED, WHEN — APPLICATION, CONTENTS — FEE — QUALIFICATIONS — EXPIRATION — DOCUMENTATION REQUIRED — TRAINING REQUIRED — RULEMAKING AUTHORITY. — 1. Any individual who uses explosives in Missouri shall obtain a blaster's license, except those exempted in subsection 18 of this section. A person using explosives shall not be required to hold a blaster's license, but all blasting on behalf of a person using explosives shall be performed only by licensed blasters. Applications for a blaster's license or renewal of a blaster's license shall be on a form designated by the Missouri division of fire safety, and shall contain the following:

(1) The applicant's full name;

(2) The applicant's home address;

(3) The applicant's date of birth;

(4) The applicant's sex;

(5) The applicant's physical description;

(6) The applicant's driver's license number;

(7) The applicant's current place of employment;

(8) A listing of any other blasting license or certification held by the applicant, to include the name, address, and phone number of the regulatory authority that issued the license or certification;

(9) Any other information required to fulfill the obligations of sections 319.300 to 319.345.

2. Any individual who has met the qualifications set forth in subsection 4 of this section may apply for a blaster's license.

3. An applicant for a blaster's license shall submit an application fee and two copies of the applicant's photograph with the application submitted to the division of fire safety. The amount of such fee shall be established by rule promulgated by the division of fire safety. The fee established by rule shall be no greater than the cost of administering this section, but shall not exceed one hundred dollars.

4. An applicant for a blaster's license shall:

(1) Be at least twenty-one years of age;

(2) Not have willfully violated any provisions of sections 319.300 to 319.345;

(3) Not have knowingly withheld information or **[**has not**]** **have** made any false or fictitious statement intended or likely to deceive in connection with the application;

(4) Have familiarity and understanding of relevant federal and state laws relating to explosives materials;

(5) Not have been convicted in any court of, or pled guilty to, a felony;

(6) Not be a fugitive from justice;

(7) Not be an unlawful user of any controlled substance in violation of chapter 195, RSMo;

(8) Except as provided in subsections 11 and 13 of this section, have completed an approved blaster's training course that meets the requirements of subsection 14 of this section and **[**has**]** **have** successfully passed the licensing examination under the provisions of subdivisions (1) to (5) of subsection 15 of this section;

(9) Have accumulated at least one thousand hours of experience directly relating to the use of explosives within two years immediately prior to applying for a blaster's license and shall provide signed documentation from an employer, supervisor, or other responsible party verifying the applicant's experience;

(10) Not have been adjudicated as mentally defective; and

(11) Not advocate or knowingly belong to any organization or group that advocates violent action against any federal, state, or local government, or against any person.

5. Any individual holding a blaster's license under the provisions of this section shall promptly notify the division of fire safety if he or she has had any change of material fact relating to any qualification for holding a blaster's license.

6. If the division of fire safety finds that the requirements for a blaster's license have been satisfied, a license shall be issued to the applicant.

7. A blaster's license shall expire three years from the date of issuance. To qualify for a renewal of a blaster's license, an individual will be required to provide documentation of completing eight hours of training in an explosives-related course of instruction that is approved by the division of fire safety, at least half of which shall have been completed within the year prior to renewal. The remainder of such training for renewal of the license may be acquired at any time during the three-year period that a license is valid. Additional training beyond an accumulated eight hours during any three-year period is not valid for more than one subsequent renewal of the license.

8. Each license issued under the provisions of this section shall provide documentation to the license holder in the form of a letter or letter-sized certificate and a card that is approximately two inches by three inches in size. Each shall specify a unique license number, the name of the individual, his or her driver's license number, the individual's photograph, the blaster's license's effective date and its expiration date, and any other record-keeping information needed by the division of fire safety. In addition, the card form of the license shall contain a photographic image of the license holder.

9. Each individual required to have a blaster's license shall keep at least one form of license documentation on his or her person or at the site of blasting and shall provide documentation that he or she has a currently valid license to a representative of the division of fire safety upon a written or verbal request. No enforcement action shall be taken against any individual that

cannot comply with such a request so long as the division of fire safety's records provide documentation that the individual has a valid blaster's license.

10. (1) A blaster's license issued under the provisions of this section may be suspended or revoked by the division of fire safety upon substantial proof that the individual holding the license has:

(a) Knowingly failed to monitor the use of explosives as provided in section 319.309;

(b) Negligently or habitually exceeded the limits established under section 319.312;

(c) Knowingly or habitually failed to create a record of blasts as required by section 319.315;

(d) Had a change in material fact relating to their qualifications for holding a blaster's license as described in subsection 4 of this section;

(e) Failed to advise the division of fire safety of any change of material fact relating to his or her qualifications for holding a blaster's license; or

(f) Knowingly made a material misrepresentation of any information by any means of false pretense, deception, fraud, misrepresentation, or cheating for the purpose of obtaining training or otherwise meeting the qualifications of obtaining a license.

(2) The division of fire safety shall provide any notice of suspension or revocation, as provided in subdivision (1) of this subsection, in writing, sent by certified mail to the last known address of the holder of the license. The notice may also be verbal, but this does not eliminate the requirement for written notice. Upon receipt of a verbal or written notice of suspension or revocation from the division of fire safety, the individual holding the license shall immediately surrender all copies of the license to a representative of the division of fire safety and shall immediately cease all blasting activity.

(3) The individual holding the license may appeal any suspension or revocation to the state blasting safety board established under section 319.324 within forty-five days of the date written notice was received. The division of fire safety shall immediately notify the chairman of the board that an appeal has been received and a hearing before the board shall be held. The board shall consider and make a decision on any appeal received by the division of fire safety within thirty days of the date the appeal is received by the division of fire safety. The board shall make a decision on the appeal by majority vote of the board and shall immediately notify the licensee of its decision in writing. The written statement of the board's decision shall be prepared by the division of fire safety or its designee and shall be approved by the chairman of the board. The approved statement of the board's decision shall be sent by certified mail to the last known address of the holder of the license.

11. Any individual whose license has been expired for a period of three years or less shall be required to successfully pass the examination as provided in subdivisions (1) to (5) of subsection 15 of this section and attend the eight hours of training required for renewal of a license as minimum qualifications for submitting an application for reinstatement of the license. Any individual whose license has been expired for a period of more than three years shall meet the qualifications set forth in subsection 4 of this section, including completing twenty hours of training and passing the examination, prior to applying for a blaster's license.

12. A license may be granted to applicants who within the last three years have held a valid license or certification from any other source if all of the qualifications for obtaining the license or certification meet or exceed the provisions of this section. It is the duty of the division of fire safety to investigate the qualifications required for obtaining a license or certification from any other source. Licenses or certification held prior to the effective date of the rule required by subsection 19 of this section shall be deemed to meet requirements for this subsection, provided that they meet requirements of the rule.

13. A license may be granted upon the application of an individual employed as a blaster on or before December 31, 2000, **[**and**]** who has accumulated one thousand hours of training or education pertaining to blasting and experience working for a specific person using explosives within two years immediately prior to applying for a license. The application shall include a

statement of hours of experience in the form of an affidavit signed by the person using explosives who has employed or contracted with the blaster for the preceding two years. Such applicant also shall meet the requirement of subdivisions (1), (2), (3), (4), (5), (6), (7), (10), and (11) of subsection 4 of this section. Any individual granted a license under this subsection shall be limited to blasting performed for the person using explosives submitting the affidavit required by this subsection. Such licensee shall meet the requirements for continuing training required by subsection 7 of this section.

14. (1) The division of fire safety or its authorized agent shall offer annually at least two courses of instruction that fulfill the training requirement **[**of qualifying**] to qualify** for a blaster's license and two courses that fulfill the training requirement for renewal of a blaster's license. In addition, any person may apply to the division of fire safety for approval of a course of instruction that meets the training requirement of obtaining a blaster's license or renewal of a blaster's license. The application shall include a description of the qualifications of the instructor, a description of instructional materials to be used in the course, and an outline of the subject matter to be taught, including minimum hours of instruction on each topic. The division of fire safety shall review the application regarding the knowledge and experience of proposed instructors, the total hours of training and the adequacy of proposed training in subject matter with regard to the provisions of sections 319.300 to 319.345. If the division of fire safety determines that training proposed by the applicant is adequate, a letter of approval shall be issued to the applicant. The letter of approval shall be effective for a period of three years. If at any time the division of fire safety determines that an approved training course no longer meets the standards of this section, the letter of approval may be revoked with written notice. The division of fire safety or any person providing a course of instruction may charge an appropriate fee to recover the cost of conducting such instruction.

(2) To be approved by the division of fire safety, a blaster's training course shall contain at least twenty hours of instruction to prepare attendees for obtaining a blaster's license the first time, or eight hours of instruction to prepare attendees for obtaining a license renewal.

(3) Any person providing training in a course of instruction approved by the division of fire safety shall submit a list of individuals that attended any such course to the division of fire safety within ten business days after completion of the course.

(4) The division of fire safety shall maintain a current list of persons who provide approved training and shall make this list available by any reasonable means to professional and trade associations, labor organizations, universities, vocational schools, and others upon request.

15. (1) The division of fire safety shall approve a standard examination or examinations for the purpose of qualifying an individual to obtain a blaster's license. Each individual taking the examination shall pay a fee to the division of fire safety, or the division's agent, that is established by rule. Testing fees shall be no greater than what is required to administer the testing provisions of this section and shall not exceed fifty dollars per test.

(2) Except as provided in subsection 11 of this section, no individual shall be allowed to take an examination for purposes of obtaining a blaster's license unless that individual has completed a training course approved by the division of fire safety. The individual must have completed an approved course of instruction as provided in subdivision (1) of subsection 14 of this section no longer than two years prior to taking the examination. The examination may be administered by any person approved to provide a course of instruction, as provided in subdivision (1) of subsection 14 of this section, at the site of instruction, provided that any such examination may, at the discretion of the state fire marshal, be conducted under the supervision of the division of fire safety. The division of fire safety may also administer such examinations at other times and locations.

(3) Standards for passing the examination shall be set by the division of fire safety by rule.

(4) The division of fire safety or its authorized agent shall provide a written statement within thirty days to the individual taking the examination as to whether that individual passed or failed.

(5) Any individual failing to pass the examination may retake the examination within six months without having to complete an additional approved course of instruction. If the individual fails the second examination, the person must complete another course of instruction as required in subdivision (1) of subsection 14 of this section before taking the examination again. No limit will be placed on how many times any individual may take the examination, subject to the provisions of this subdivision.

(6) Individuals having previously taken an approved blaster's training course, and **having** passed an approved examination, and having taken an approved blaster's renewal training course, or that have obtained a blaster's license as provided in subsections 12 and 13 of this section are eligible for renewal of a blaster's license after meeting the requirements of subsection 7 of this section. The fee for renewal of a license shall be the same as the fee specified in subsection 3 of this section.

16. No individual shall load or fire explosives or direct, order, or otherwise cause any individual to load or fire explosives in this state unless that individual has a valid blaster's license or is under the direct supervision and responsibility of an individual having a valid blaster's license. For purposes of this section, "direct supervision" means the supervisor is physically present on the same job site as the individual who is loading or firing explosives. An individual without a blaster's license who is loading or firing explosives while under the direct supervision and responsibility of someone having a blaster's license shall not be in violation of sections 319.300 to 319.345.

17. **[**Persons**] A person** found guilty of loading or firing explosives, or directing, ordering, or otherwise causing any individual to load or fire explosives in this state without having a valid blaster's license, or that loads and fires explosives without being under the direct supervision and responsibility of an individual holding a blaster's license as provided in sections 319.300 to 319.345, **[**shall be**] is** guilty of a class B misdemeanor for the first offense or a class A misdemeanor for a second or subsequent offense. Any individual convicted of a class A misdemeanor under the provisions of sections 319.300 to 319.345 shall be permanently prohibited from obtaining a blaster's license in this state.

18. The requirement for obtaining a blaster's license shall not apply to:

(1) Individuals employed by universities, colleges, or trade schools when the use of explosives is confined to instruction or research;

(2) Individuals using explosive materials in the forms prescribed by the official U.S. Pharmacopoeia or the National Formulary and used in medicines and medicinal agents;

(3) Individuals conducting training or emergency operations of any federal, state, or local government including all departments, agencies, and divisions thereof, provided they are acting in their official capacity and in the proper performance of their duties or functions;

(4) Individuals that are members of the armed forces or any military unit of Missouri or the United States who are using explosives while on official training exercises or who are on active duty;

(5) Individuals using pyrotechnics, commonly known as fireworks, including signaling devices such as flares, fuses, and torpedoes;

(6) Individuals using small arms ammunition and components thereof which are subject to the Gun Control Act of 1968, 18 U.S.C., Section 44, and regulations promulgated thereunder;

(7) Any individual performing duties in underground mines regulated by 30 CFR Part 48, Subpart A, 30 CFR Part 57, or performing duties in coal mining regulated by 30 CFR Part 75, and 30 CFR Part 77 of the Code of Federal Regulations, as amended, or using explosives within an industrial furnace;

(8) Any individual having a valid blaster's license or certificate issued under the provisions of any requirement of the U.S. government in which the requirements for obtaining the license or certificate meet or exceed the requirements of sections 319.300 to 319.345;

(9) Individuals using agricultural fertilizers when used for agricultural or horticultural purposes;

(10) Individuals handling explosives while in the act of transporting them from one location to another;

(11) Individuals assisting or training under the direct supervision of a licensed blaster;

(12) Individuals handling explosives while engaged in the process of explosives manufacturing;

(13) Employees, agents, or contractors of rural electric cooperatives organized or operating under chapter 394, RSMo; **[**and**]**

(14) Individuals discharging historic firearms and cannon or reproductions of historic firearms and cannon**; and**

(15) Individuals using explosive materials along with a well screen cleaning device for the purpose of unblocking clogged screens of agricultural irrigation wells located within the southeast Missouri regional water district as created in section 256.643.

19. The division of fire safety shall promulgate rules under this section to become effective no later than July 1, 2008. Any individual loading or firing explosives after the effective date of such rule shall obtain a license within one hundred eighty days of the effective date of such rule. Any experience or training prior to the effective date of such rule that meets the standards established by the rule shall be deemed to comply with this section.

319.321. INAPPLICABILITY OF LAW, WHEN. — Sections 319.309, 319.312, 319.315, and 319.318 shall not apply to:

(1) Universities, colleges, or trade schools when confined to the purpose of instruction or research;

(2) The use of explosive materials in the forms prescribed by the official U.S. Pharmacopoeia or the National Formulary and used in medicines and medicinal agents;

(3) The training or emergency operations of any federal, state, or local government including all departments, agencies, and divisions thereof, provided they are acting in their official capacity and in the proper performance of their duties or functions;

(4) The use of explosives by the military or any agency of the United States;

(5) The use of pyrotechnics, commonly known as fireworks, including signaling devices such as flares, fuses, and torpedoes;

(6) The use of small arms ammunition and components thereof which are subject to the Gun Control Act of 1968, 18 U.S.C. Section 44, and regulations promulgated thereunder. Any small arms ammunition and components thereof exempted by the Gun Control Act of 1968 and regulations promulgated thereunder are also exempted from the provisions of sections 319.300 to 319.345;

(7) Any person performing duties using explosives within an industrial furnace;

(8) The use of agricultural fertilizers when used for agricultural or horticultural purposes;

(9) The use of explosives for lawful demolition of structures;

(10) The use of explosives by employees, agents, or contractors of rural electric cooperatives organized or operating under chapter 394, RSMo; **[**and**]**

(11) Individuals discharging historic firearms and cannon or reproductions of historic firearms and cannon**; and**

(12) Any person using explosive materials along with a well screen cleaning device for the purpose of unblocking clogged screens of agricultural irrigation wells located within the southeast Missouri regional water district as created in section 256.643.

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

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

(2) "Department", the department of 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.

393.1030. ELECTRIC UTILITIES, PORTFOLIO REQUIREMENTS — TRACKING REQUIREMENTS — RULEMAKING AUTHORITY — REBATE OFFERS — CERTIFICATION OF ELECTRICITY GENERATED. — 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. 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;

(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. 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 department's energy center 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. Each electric utility shall make available to its retail customers a standard rebate offer of at least two dollars per installed watt for new or expanded solar electric systems sited on customers' premises, up to a maximum of twenty-five kilowatts per system, that become operational after 2009.

4. 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. 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.

578.600. CITATION OF LAW — DEFINITIONS. — 1. Sections 578.600 to 578.624 shall be known and may be cited as the "Large Carnivore Act".

2. As used in sections 578.600 to 578.624, the following terms mean:

(1) "Circus", an incorporated, class C licensee that is licensed under Chapter I of Title 9 of the Code of Federal Regulations, that is temporarily in this state, and that offers skilled performances by live animals, clowns, and acrobats for public entertainment;

(2) "Department", the Missouri department of agriculture;

(3) "Division", the division of animal health of the Missouri department of agriculture;

(4) "Facility", an indoor or outdoor cage, pen, or similar enclosure where a large carnivore is kept;

(5) "Humane killing", the same meaning as such term is defined in section 578.005;

(6) "Large carnivore", either of the following:

(a) Any of the following large cats of the Felidae family that are nonnative to this state held in captivity: tiger, lion, jaguar, leopard, snow leopard, clouded leopard, and cheetah, including a hybrid cross with such cat, but excluding any unlisted nonnative cat, or any common domestic or house cat; or

(b) A bear of a species that is nonnative to this state and held in captivity;

(7) "Livestock", the same meaning as such term is defined in section 267.565;

(8) "Permit", a permit issued under section 578.602;

(9) "Qualified veterinarian", a person licensed to practice veterinary medicine under chapter 340.

578.602. PROHIBITED ACTS — PURPOSE OF ACT — PERMIT REQUIRED, PROCEDURE. — 1. Except as permitted under sections 578.600 to 578.624, no person shall:

(1) Own or possess a large carnivore;

(2) Breed a large carnivore;

(3) Transfer ownership or possession of or receive a transfer of ownership or possession of a large carnivore, with or without remuneration; or

(4) Transport a large carnivore.

2. The division shall implement and enforce the provisions of sections 578.600 to 578.624 for the following purposes:

(1) The standardization of ownership, transport, and breeding of large carnivores;

(2) Identification and location of large carnivores;

(3) Protection of members of the public from large carnivores; and

(4) Practice best husbandry and health care protocols to ensure the humane and safe treatment of large carnivores on behalf of their physical well-being.

3. Any person possessing, breeding, or transporting a large carnivore on or after January 1, 2012, shall apply for and obtain a permit from the division. Any person possessing, breeding, or transporting a large carnivore as of January 1, 2012, shall apply for a permit from the division within sixty days of such date. One permit shall be required for each large carnivore. Any permit so issued by the division shall set forth all of the following:

(1) The name and address of the permit holder and the address where each large carnivore will be kept, if different from that of the permit holder;

(2) The identification number of each large carnivore required under section 578.604 for which a permit is sought;

(3) The name and address of the veterinarian who is expected to provide veterinary care to the large carnivore and, if different, the name and address of the veterinarian who has inserted the subcutaneous microchip required under section 578.604. The selected veterinarian shall install the microchip, collect an appropriate sample for DNA registration, provide a written summary of the physical examination, and provide a signed health certificate as needed for transport; and

(4) Any other reasonable information as determined by the department, including the amount of the permit fee, not to exceed two thousand five hundred dollars, as set by the division to offset the actual and necessary costs incurred to enforce the provisions of sections 578.600 to 578.624 and the amount of the annual renewal fee, not to exceed five hundred dollars, for such permits.

4. No permit shall be issued to any person under the age of twenty-one years of age or who has been found guilty of, or pled guilty to, a violation of any state or local law prohibiting neglect or mistreatment of any animal or, within the previous ten years, any felony.

578.604. IDENTIFICATION NUMBER ON ANIMAL REQUIRED. — The owner of a large carnivore shall have an identification number placed in the large carnivore via subcutaneous microchip, at the expense of the owner, by or under the supervision of a veterinarian.

578.606. USDA REGULATIONS AND STANDARDS, COMPLIANCE WITH REQUIRED — DEATH OF ANIMAL, NOTIFICATION OF DEPARTMENT REQUIRED. — 1. Any person who owns, possesses, breeds, or sells a large carnivore shall adhere to all United States Department of Agriculture regulations and standards.

2. Upon the death of a large carnivore, the owner shall notify the state department of agriculture of such death within ten business days. Such notification shall include the identification number from the animal's subcutaneous microchip.

578.608. ANIMAL MAY BE KILLED, WHEN, BY WHOM — IMMUNITY FROM LIABILITY, WHEN — TRESPASS BY ANIMAL, WHEN. — 1. A law enforcement officer or other person may kill a large carnivore if such officer or person observes or has reason to believe that the large carnivore is chasing, attacking, injuring, or killing:

(1) A human being, whether the large carnivore is contained in or is outside of its enclosure;
(2) Livestock;
(3) Poultry; or
(4) A mammalian pet, only if the large carnivore is outside of its enclosure.
2. No law enforcement officer, animal control officer, or person shall be held civilly liable for damages or otherwise for killing or attempting to kill a large carnivore under subsection 1 of this section.
3. A large carnivore's entry onto a field or enclosure that is owned by or leased by a person producing livestock or poultry constitutes a trespass, and the person who owns or possesses the large carnivore is liable in damages.

578.610. DEATH OR INJURY OF A HUMAN BY ANIMAL, LIABILITY OF OWNER — LIABILITY INSURANCE REQUIRED — ESCAPE OR RELEASE OF ANIMAL, NOTIFICATION REQUIRED. — 1. Any person who owns or possesses a large carnivore is liable in a civil action for the death or injury of a human and for property damage, including but not limited to the death or injury of another animal, caused by the large carnivore. Sections 578.600 to 578.624 do not limit the common law liability of the owner of a large carnivore for the death or injury of a human or for property damage caused by the large carnivore.
2. Any person who owns or possesses a large carnivore shall maintain liability insurance in an amount of not less than two hundred fifty thousand dollars. Each person subject to the provisions of this subsection shall provide verification to the department on an annual basis that such liability insurance is being maintained.
3. If a large carnivore escapes or is released, intentionally or unintentionally, the person who owns or possesses the large carnivore shall immediately contact law enforcement to report the loss, escape, or release. The person who owns or possesses the large carnivore is liable for all expenses associated with efforts to recapture the large carnivore that is released or escapes.

578.612. PERMIT FOR TRANSPORT OF ANIMAL REQUIRED. — A person lawfully in possession of a large carnivore under sections 578.600 to 578.624 shall be required to obtain a permit to transport the large carnivore in a vehicle in compliance with all federal and division requirements applicable to such large carnivores.

578.614. VIOLATIONS, PENALTY — EXCEPTIONS. — 1. Subject to subsection 2 of this section, any person who violates sections 578.600 to 578.624 is guilty of a class A misdemeanor. Any person who fails to obtain a permit as required by sections 578.600 to 578.624 is guilty of a class A misdemeanor. Any person who intentionally releases a large carnivore except to the care, custody, and control of another person is guilty of a class D felony. In addition, a person who violates sections 578.600 to 578.624 may be punished by one or more of the following:
(1) Community service work for not more than five hundred hours;
(2) The loss of privileges to own or possess any animal.
2. Subsection 1 of this section does not apply to a law enforcement officer, animal control officer, qualified veterinarian, or department of agriculture employee with respect to the performance of the duties of a law enforcement officer, animal control officer, qualified veterinarian, or department of agriculture employee under sections 578.600 to 578.624.

578.616. CIVIL FORFEITURE, WHEN. — 1. If a person who owns, possesses, breeds, or sells a large carnivore violates sections 578.600 to 578.624, such large carnivore and any other large carnivore owned or possessed by such person are subject to civil forfeiture.

2. The prosecuting attorney in an action under section 578.614 may file a petition requesting that the court issue an order for civil forfeiture of all of the large carnivores owned or possessed by the person violating sections 578.600 to 578.624.

578.618. LOCAL LAWS, MORE RESTRICTIVE PERMITTED. — A political subdivision may adopt an ordinance governing large carnivores that is more restrictive than sections 578.600 to 578.624. The requirements of sections 578.600 to 578.624 are in addition to any other requirements governing a large carnivore under state and federal law.

578.620. INAPPLICABILITY OF ACT. — 1. Sections 578.602 and 578.604 shall not apply to any of the following:

(1) An animal control shelter or animal protection shelter that is providing temporary care to a large carnivore for ninety days or less and has proper facilities to handle the large carnivore;

(2) A law enforcement officer or department of agriculture employee acting under the authority of sections 578.600 to 578.624;

(3) A veterinarian temporarily in possession of a large carnivore to provide veterinary care for or humanely euthanize the large carnivore;

(4) A class C licensee that possesses and maintains a class C license under 9 C.F.R. 1.1 that meets the following conditions:

(a) The business is not conducted in connection with another business as a means of attracting customers to such other business;

(b) The class C licensee currently owns or possesses a large carnivore on August 28, 2010; except that, any class C licensee whose license is revoked after August 28, 2010, shall be required to obtain a state permit. For any large carnivore acquired after August 28, 2010, the class C licensee shall obtain a state permit.

2. Sections 578.602 and 578.604 shall not apply to a person who is not a resident of this state and who is in this state only for the purpose of travel between locations outside of this state and is not exhibiting in this state.

578.622. ADDITION EXEMPTIONS — Sections 578.600 to 578.624 shall not apply to a circus, the University of Missouri-Columbia College of Veterinary Medicine, or a zoological park that is a part of a district created under chapter 184.

578.624. LARGE CARNIVORE FUND CREATED, USE OF MONEYS. — 1. (1) There is hereby created in the state treasury the "Large Carnivore Fund", which shall consist of moneys collected under sections 578.600 to 578.624, and any gifts, donations, bequests, or appropriations. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. Upon appropriation, money in the fund shall be used solely for the administration of sections 578.600 to 578.624.

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(3) 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. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 578.600 to 578.624 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. Sections 578.600 to 578.624 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, 2010, shall be invalid and void.

SECTION 1. UNAVAILABILITY OF USE OF CERTAIN MONEYS. — No moneys collected under section 273.327 shall be used to operate or administer sections 578.600 to 578.624.

SECTION B. EMERGENCY CLAUSE. — Because immediate action is necessary to ensure compliance with the Missouri administrative hearing commission decision, the repeal and reenactment of section 274.180 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the repeal and reenactment of section 274.180 of section A of this act shall be in full force and effect upon its passage and approval.

Approved July 9, 2010

SB 808 [SCS SB 808]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies compensation and continuing education requirements for public administrators

AN ACT to repeal sections 473.739 and 473.742, RSMo, and to enact in lieu thereof two new sections relating to public administrators.

SECTION

A. Enacting clause.
473.739. Compensation for attendance at training session, certain public administrators, expenses shall be reimbursed, when (certain counties of the first classification).
473.742. Salary schedule for public administrators, certain counties — administrator to choose salary or fee collection — certain administrators may join LAGERS.

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

SECTION A. ENACTING CLAUSE. — Sections 473.739 and 473.742, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 473.739 and 473.742, to read as follows:

473.739. COMPENSATION FOR ATTENDANCE AT TRAINING SESSION, CERTAIN PUBLIC ADMINISTRATORS, EXPENSES SHALL BE REIMBURSED, WHEN (CERTAIN COUNTIES OF THE FIRST CLASSIFICATION). — 1. Each public administrator in counties of the first classification without a charter form of government who does not receive at least twenty-five thousand dollars in fees as otherwise allowed by law shall receive annual compensation of four thousand dollars and each such public administrator who does not receive at least forty-five thousand dollars in fees may request the county salary commission for an increase in annual compensation and the county salary commission may authorize an additional increase in annual compensation not to exceed ten thousand dollars.

2. Two thousand dollars of the compensation authorized in this section shall be payable to the public administrator only if he **or she** has completed at least twenty hours of **[**classroom**]** instruction each calendar year relating to the operations of the public administrator's office when approved by a professional association of the county public administrators of Missouri unless exempted from the training by the professional association. The professional association

approving the program shall provide a certificate of completion to each public administrator who completes the training program and shall send a list of certified public administrators to the treasurer of each county. Expenses incurred for attending the training session shall be reimbursed to the county public administrator in the same manner as other expenses as may be appropriated for that purpose.

473.742. SALARY SCHEDULE FOR PUBLIC ADMINISTRATORS, CERTAIN COUNTIES — ADMINISTRATOR TO CHOOSE SALARY OR FEE COLLECTION — CERTAIN ADMINISTRATORS MAY JOIN LAGERS. — 1. Each public administrator in counties of the second, third or fourth classification and in the city of St. Louis shall make a determination within thirty days after taking office whether such public administrator shall elect to receive a salary as defined herein or receive fees as may be allowed by law to executors, administrators and personal representatives. The election by the public administrator shall be made in writing to the county clerk. Should the public administrator elect to receive a salary, the public administrator's office may not then elect to change at any future time to receive fees in lieu of salary.

2. If a public administrator elects to be placed on salary, the salary shall be based upon the average number of open letters in the two years preceding the term when the salary is elected, based upon the following schedule:

(1) Zero to five letters: Salary shall be a minimum of seven thousand five hundred dollars;

(2) Six to fifteen letters: Salary shall be a minimum of fifteen thousand dollars;

(3) Sixteen to twenty-five letters: Salary shall be a minimum of twenty thousand dollars;

(4) Twenty-six to thirty-nine letters: Salary shall be a minimum of twenty-five thousand dollars;

(5) Public administrators with forty or more letters shall be considered full-time county officials and shall be paid according to the assessed valuation schedule set forth below:

Assessed valuation	Salary
$8,000,000 to 40,999,999	$29,000
$41,000,000 to 53,999,999	$30,000
$54,000,000 to 65,999,999	$32,000
$66,000,000 to 85,999,999	$34,000
$86,000,000 to 99,999,999	$36,000
$100,000,000 to 130,999,999	$38,000
$131,000,000 to 159,999,999	$40,000
$160,000,000 to 189,999,999	$41,000
$190,000,000 to 249,999,999	$41,500
$250,000,000 to 299,999,999	$43,000
$300,000,000 to 449,999,999	$45,000
$450,000,000 to 599,999,999	$47,000
$600,000,000 to 749,999,999	$49,000
$750,000,000 to 899,999,999	$51,000
$900,000,000 to 1,049,999,999	$53,000
$1,050,000,000 to 1,199,999,999	$55,000
$1,200,000,000 to 1,349,999,999	$57,000
$1,350,000,000 and over	$59,000;

(6) The public administrator in the city of St. Louis shall receive a salary not less than sixty-five thousand dollars**;**

(7) Two thousand dollars of the compensation authorized in this section shall be payable to the public administrator only if he or she has completed at least twenty hours of instruction each calendar year relating to the operations of the public administrator's office when approved by a professional association of the county public administrators of Missouri unless exempted from the training by the professional association. The professional association approving the program shall provide a certificate of completion

to each public administrator who completes the training program and shall send a list of certified public administrators to the treasurer of each county. Expenses incurred for attending the training session shall be reimbursed to the county public administrator in the same manner as other expenses as may be appropriated for that purpose.

3. The initial compensation of the public administrator who elects to be put on salary shall be determined by the average number of letters for the two years preceding the term when the salary is elected. Salary increases or decreases according to the minimum schedule set forth in subsection 1 of this section shall be adjusted only after the number of open letters places the workload in a different subdivision for two consecutive years. Minimum salary increases or decreases shall only take effect upon a new term of office of the public administrator. The number of letters each year shall be determined in accordance with the reporting requirements set forth in law.

4. All fees collected by a public administrator who elects to be salaried shall be deposited in the county treasury or with the treasurer for the city of St. Louis.

5. Any public administrator in a county of the first classification without a charter form of government with a population of less than one hundred thousand inhabitants who elects to receive fees in lieu of a salary pursuant to this section may elect to join the Missouri local government employees' retirement system created pursuant to sections 70.600 to 70.755, RSMo.

Approved June 29, 2010

SB 834 [SCS SB 834]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Establishes a procedure for the voluntary liquidation and dissolution of domestic stock insurance companies

AN ACT to repeal section 375.1175, RSMo, and to enact in lieu thereof one new section relating to the liquidation of certain domestic insurance companies.

SECTION

A. Enacting clause.
375.1175. Grounds for liquidation — voluntary dissolution and liquidation, conditions.

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

SECTION A. ENACTING CLAUSE. — Section 375.1175, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 375.1175, to read as follows:

375.1175. GROUNDS FOR LIQUIDATION — VOLUNTARY DISSOLUTION AND LIQUIDATION, CONDITIONS. — 1. The director may petition the court for an order directing him to liquidate a domestic insurer or an alien insurer domiciled in this state on the basis:

(1) Of any ground for an order of rehabilitation as specified in section 375.1165, whether or not there has been a prior order directing the rehabilitation of the insurer;

(2) That the insurer is insolvent;

(3) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors or the public;

(4) That the insurer is found to be in such condition after examination that it could not meet the requirements for incorporation and authorization specified in the law under which it was incorporated or is doing business; or

(5) That the insurer has ceased to transact the business of insurance for a period of one year.

2. Notwithstanding any other provision of this chapter, a domestic insurer organized as a stock insurance company may voluntarily dissolve and liquidate as a corporation pursuant to sections 351.462 to 351.482, provided that:

(1) The director, in his or her sole discretion, approves the articles of dissolution prior to filing such articles with the secretary of state. In determining whether to approve or disapprove the articles of dissolution, the director shall consider, among other factors, whether:

(a) The insurer's annual financial statements filed with the director show no written insurance premiums for five years; and

(b) The insurer has demonstrated that all policyholder claims have been satisfied or have been transferred to another insurer in a transaction approved by the director; and

(c) An examination of the insurer pursuant to sections 374.202 to 374.207 has been completed within the last five years; and

(2) The domestic insurer files with the secretary of state a copy of the director's approval, certified by the director, along with articles of dissolution as provided in section 351.462 or 351.468.

Approved July 9, 2010

SB 842 [CCS HCS SCS SBs 842, 799 & 809]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions regarding MO HealthNet's authority to collect payment from third party payers

AN ACT to repeal sections 208.010, 208.215, 208.453, 208.895, 208.909, 208.918, 660.300, 660.425, 660.430, 660.435, 660.445, 660.455, 660.460, and 660.465, RSMo, and to enact in lieu thereof sixteen new sections relating to public assistance programs administered by the state, with penalty provisions, and an expiration date for a certain section.

SECTION

A. Enacting clause.
208.010. Eligibility for public assistance, how determined — means test — certain medical assistance benefits to include payment of deductible and coinsurance — prevention of spousal impoverishments, division of assets, community spouse defined — burial lots defined — diversion of institutionalized spouse's income.
208.198. Same or similar services, equal reimbursement rate required.
208.215. Payer of last resort — liability for debt due the state, ceiling — rights of department, when, procedure, exception — report of injuries required, form, recovery of funds — recovery of medical assistance paid, when — court may adjudicate rights of parties, when.
208.453. Hospitals to pay a federal reimbursement allowance for privilege of providing inpatient care, defined — elimination of allowance for certain hospitals.
208.895. Referral for services, department duties — contracting for assessments, requirements — expiration date.
208.909. Responsibilities of recipients and vendors.
208.918. Vendor requirements, philosophy and services.
660.023. In-home services providers, telephone tracking system required, use of — rulemaking authority.
660.300. Report of abuse or neglect of in-home services or home health agency client, duty — penalty — contents of report — investigation, procedure — confidentiality of report — immunity — retaliation prohibited, penalty — employee disqualification list — safe at home evaluations, procedure.
660.425. Home services providers tax imposed, definitions.
660.430. Amount of tax, formula — rulemaking authority — appeals.
660.435. List of vendors to be provided — record-keeping requirements — report of total payments.
660.445. Determination of tax amount — notification to provider — quarterly tax adjustments permitted.
660.455. Remittance of tax — fund created — record-keeping requirements.

660.460. Notification of taxes due — unpaid or delinquent amounts, effect of — failure to pay, penalty.
660.465. Expiration date.

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

SECTION A. ENACTING CLAUSE. — Sections 208.010, 208.215, 208.453, 208.895, 208.909, 208.918, 660.300, 660.425, 660.430, 660.435, 660.445, 660.455, 660.460, and 660.465, RSMo, are repealed and sixteen new sections enacted in lieu thereof, to be known as sections 208.010, 208.198, 208.215, 208.453, 208.895, 208.909, 208.918, 660.023, 660.300, 660.425, 660.430, 660.435, 660.445, 660.455, 660.460, and 660.465, to read as follows:

208.010. ELIGIBILITY FOR PUBLIC ASSISTANCE, HOW DETERMINED — MEANS TEST — CERTAIN MEDICAL ASSISTANCE BENEFITS TO INCLUDE PAYMENT OF DEDUCTIBLE AND COINSURANCE — PREVENTION OF SPOUSAL IMPOVERISHMENTS, DIVISION OF ASSETS, COMMUNITY SPOUSE DEFINED — BURIAL LOTS DEFINED — DIVERSION OF INSTITUTIONALIZED SPOUSE'S INCOME. — 1. In determining the eligibility of a claimant for public assistance pursuant to this law, it shall be the duty of the division of family services to consider and take into account all facts and circumstances surrounding the claimant, including his or her living conditions, earning capacity, income and resources, from whatever source received, and if from all the facts and circumstances the claimant is not found to be in need, assistance shall be denied. In determining the need of a claimant, the costs of providing medical treatment which may be furnished pursuant to sections 208.151 to 208.158 and 208.162 shall be disregarded. The amount of benefits, when added to all other income, resources, support, and maintenance shall provide such persons with reasonable subsistence compatible with decency and health in accordance with the standards developed by the division of family services; provided, when a husband and wife are living together, the combined income and resources of both shall be considered in determining the eligibility of either or both. "Living together" for the purpose of this chapter is defined as including a husband and wife separated for the purpose of obtaining medical care or nursing home care, except that the income of a husband or wife separated for such purpose shall be considered in determining the eligibility of his or her spouse, only to the extent that such income exceeds the amount necessary to meet the needs (as defined by rule or regulation of the division) of such husband or wife living separately. In determining the need of a claimant in federally aided programs there shall be disregarded such amounts per month of earned income in making such determination as shall be required for federal participation by the provisions of the federal Social Security Act (42 U.S.C.A. 301 et seq.), or any amendments thereto. When federal law or regulations require the exemption of other income or resources, the division of family services may provide by rule or regulation the amount of income or resources to be disregarded.

2. Benefits shall not be payable to any claimant who:

(1) Has or whose spouse with whom he or she is living has, prior to July 1, 1989, given away or sold a resource within the time and in the manner specified in this subdivision. In determining the resources of an individual, unless prohibited by federal statutes or regulations, there shall be included (but subject to the exclusions pursuant to subdivisions (4) and (5) of this subsection, and subsection 5 of this section) any resource or interest therein owned by such individual or spouse within the twenty-four months preceding the initial investigation, or at any time during which benefits are being drawn, if such individual or spouse gave away or sold such resource or interest within such period of time at less than fair market value of such resource or interest for the purpose of establishing eligibility for benefits, including but not limited to benefits based on December, 1973, eligibility requirements, as follows:

(a) Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance pursuant to this chapter unless such individual furnishes convincing evidence to establish that the transaction was exclusively for some other purpose;

(b) The resource shall be considered in determining eligibility from the date of the transfer for the number of months the uncompensated value of the disposed of resource is divisible by the average monthly grant paid or average Medicaid payment in the state at the time of the investigation to an individual or on his or her behalf under the program for which benefits are claimed, provided that:

a. When the uncompensated value is twelve thousand dollars or less, the resource shall not be used in determining eligibility for more than twenty-four months; or

b. When the uncompensated value exceeds twelve thousand dollars, the resource shall not be used in determining eligibility for more than sixty months;

(2) The provisions of subdivision (1) of this subsection shall not apply to a transfer, other than a transfer to claimant's spouse, made prior to March 26, 1981, when the claimant furnishes convincing evidence that the uncompensated value of the disposed of resource or any part thereof is no longer possessed or owned by the person to whom the resource was transferred;

(3) Has received, or whose spouse with whom he or she is living has received, benefits to which he or she was not entitled through misrepresentation or nondisclosure of material facts or failure to report any change in status or correct information with respect to property or income as required by section 208.210. A claimant ineligible pursuant to this subsection shall be ineligible for such period of time from the date of discovery as the division of family services may deem proper; or in the case of overpayment of benefits, future benefits may be decreased, suspended or entirely withdrawn for such period of time as the division may deem proper;

(4) Owns or possesses resources in the sum of one thousand dollars or more; provided, however, that if such person is married and living with spouse, he or she, or they, individually or jointly, may own resources not to exceed two thousand dollars; and provided further, that in the case of a temporary assistance for needy families claimant, the provision of this subsection shall not apply;

(5) Prior to October 1, 1989, owns or possesses property of any kind or character, excluding amounts placed in an irrevocable prearranged funeral or burial contract pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMo, or has an interest in property, of which he or she is the record or beneficial owner, the value of such property, as determined by the division of family services, less encumbrances of record, exceeds twenty-nine thousand dollars, or if married and actually living together with husband or wife, if the value of his or her property, or the value of his or her interest in property, together with that of such husband and wife, exceeds such amount;

(6) In the case of temporary assistance for needy families, if the parent, stepparent, and child or children in the home owns or possesses property of any kind or character, or has an interest in property for which he or she is a record or beneficial owner, the value of such property, as determined by the division of family services and as allowed by federal law or regulation, less encumbrances of record, exceeds one thousand dollars, excluding the home occupied by the claimant, amounts placed in an irrevocable prearranged funeral or burial contract pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMo, one automobile which shall not exceed a value set forth by federal law or regulation and for a period not to exceed six months, such other real property which the family is making a good-faith effort to sell, if the family agrees in writing with the division of family services to sell such property and from the net proceeds of the sale repay the amount of assistance received during such period. If the property has not been sold within six months, or if eligibility terminates for any other reason, the entire amount of assistance paid during such period shall be a debt due the state;

(7) Is an inmate of a public institution, except as a patient in a public medical institution.

3. In determining eligibility and the amount of benefits to be granted pursuant to federally aided programs, the income and resources of a relative or other person living in the home shall be taken into account to the extent the income, resources, support and maintenance are allowed by federal law or regulation to be considered.

4. In determining eligibility and the amount of benefits to be granted pursuant to federally aided programs, the value of burial lots or any amounts placed in an irrevocable prearranged funeral or burial contract pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMo, shall not be taken into account or considered an asset of the burial lot owner or the beneficiary of an irrevocable prearranged funeral or funeral contract. For purposes of this section, "burial lots" means any burial space as defined in section 214.270, RSMo, and any memorial, monument, marker, tombstone or letter marking a burial space. If the beneficiary, as defined in chapter 436, RSMo, of an irrevocable prearranged funeral or burial contract receives any public assistance benefits pursuant to this chapter and if the purchaser of such contract or his or her successors in interest cancel or amend the contract so that any person will be entitled to a refund, such refund shall be paid to the state of Missouri up to the amount of public assistance benefits provided pursuant to this chapter with any remainder to be paid to those persons designated in chapter 436, RSMo.

5. In determining the total property owned pursuant to subdivision (5) of subsection 2 of this section, or resources, of any person claiming or for whom public assistance is claimed, there shall be disregarded any life insurance policy, or prearranged funeral or burial contract, or any two or more policies or contracts, or any combination of policies and contracts, which provides for the payment of one thousand five hundred dollars or less upon the death of any of the following:

(1) A claimant or person for whom benefits are claimed; or

(2) The spouse of a claimant or person for whom benefits are claimed with whom he or she is living. If the value of such policies exceeds one thousand five hundred dollars, then the total value of such policies may be considered in determining resources; except that, in the case of temporary assistance for needy families, there shall be disregarded any prearranged funeral or burial contract, or any two or more contracts, which provides for the payment of one thousand five hundred dollars or less per family member.

6. Beginning September 30, 1989, when determining the eligibility of institutionalized spouses, as defined in 42 U.S.C. Section 1396r-5, for medical assistance benefits as provided for in section 208.151 and 42 U.S.C. Sections 1396a et seq., the division of family services shall comply with the provisions of the federal statutes and regulations. As necessary, the division shall by rule or regulation implement the federal law and regulations which shall include but not be limited to the establishment of income and resource standards and limitations. The division shall require:

(1) That at the beginning of a period of continuous institutionalization that is expected to last for thirty days or more, the institutionalized spouse, or the community spouse, may request an assessment by the division of family services of total countable resources owned by either or both spouses;

(2) That the assessed resources of the institutionalized spouse and the community spouse may be allocated so that each receives an equal share;

(3) That upon an initial eligibility determination, if the community spouse's share does not equal at least twelve thousand dollars, the institutionalized spouse may transfer to the community spouse a resource allowance to increase the community spouse's share to twelve thousand dollars;

(4) That in the determination of initial eligibility of the institutionalized spouse, no resources attributed to the community spouse shall be used in determining the eligibility of the institutionalized spouse, except to the extent that the resources attributed to the community spouse do exceed the community spouse's resource allowance as defined in 42 U.S.C. Section 1396r-5;

(5) That beginning in January, 1990, the amount specified in subdivision (3) of this subsection shall be increased by the percentage increase in the Consumer Price Index for All Urban Consumers between September, 1988, and the September before the calendar year involved; and

(6) That beginning the month after initial eligibility for the institutionalized spouse is determined, the resources of the community spouse shall not be considered available to the institutionalized spouse during that continuous period of institutionalization.

7. Beginning July 1, 1989, institutionalized individuals shall be ineligible for the periods required and for the reasons specified in 42 U.S.C. Section 1396p.

8. The hearings required by 42 U.S.C. Section 1396r-5 shall be conducted pursuant to the provisions of section 208.080.

9. Beginning October 1, 1989, when determining eligibility for assistance pursuant to this chapter there shall be disregarded unless otherwise provided by federal or state statutes, the home of the applicant or recipient when the home is providing shelter to the applicant or recipient, or his or her spouse or dependent child. The division of family services shall establish by rule or regulation in conformance with applicable federal statutes and regulations a definition of the home and when the home shall be considered a resource that shall be considered in determining eligibility.

10. Reimbursement for services provided by an enrolled Medicaid provider to a recipient who is duly entitled to Title XIX Medicaid and Title XVIII Medicare Part B, Supplementary Medical Insurance (SMI) shall include payment in full of deductible and coinsurance amounts as determined due pursuant to the applicable provisions of federal regulations pertaining to Title XVIII Medicare Part B, except **for hospital outpatient services or** the applicable Title XIX cost sharing.

11. A "community spouse" is defined as being the noninstitutionalized spouse.

12. An institutionalized spouse applying for Medicaid and having a spouse living in the community shall be required, to the maximum extent permitted by law, to divert income to such community spouse to raise the community spouse's income to the level of the minimum monthly needs allowance, as described in 42 U.S.C. Section 1396r-5. Such diversion of income shall occur before the community spouse is allowed to retain assets in excess of the community spouse protected amount described in 42 U.S.C. Section 1396r-5.

208.198. SAME OR SIMILAR SERVICES, EQUAL REIMBURSEMENT RATE REQUIRED. — Subject to appropriations, the department of social services shall establish a rate for the reimbursement of physicians and optometrists for services rendered to patients under the MO HealthNet program which provides equal reimbursement for the same or similar services rendered.

208.215. PAYER OF LAST RESORT — LIABILITY FOR DEBT DUE THE STATE, CEILING — RIGHTS OF DEPARTMENT, WHEN, PROCEDURE, EXCEPTION — REPORT OF INJURIES REQUIRED, FORM, RECOVERY OF FUNDS — RECOVERY OF MEDICAL ASSISTANCE PAID, WHEN — COURT MAY ADJUDICATE RIGHTS OF PARTIES, WHEN. — 1. MO HealthNet is payer of last resort unless otherwise specified by law. When any person, corporation, institution, public agency or private agency is liable, either pursuant to contract or otherwise, to a participant receiving public assistance on account of personal injury to or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled, payments made by the department of social services or MO HealthNet division shall be a debt due the state and recoverable from the liable party or participant for all payments made **[**in**] on** behalf of the participant and the debt due the state shall not exceed the payments made from MO HealthNet benefits provided under sections 208.151 to 208.158 and section 208.162 and section 208.204 on behalf of the participant, minor or estate for payments on account of the injury, disease, or disability or benefits arising from a health insurance program to which the participant may be entitled. **Any health benefit plan as defined in section 376.1350, third party administrator, administrative service organization, and pharmacy benefits manager, shall process and pay all properly submitted medical assistance subrogation claims or MO HealthNet subrogation claims using standard electronic transactions or paper claim forms:**

(1) For a period of three years from the date services were provided or rendered; however, an entity:

(a) Shall not be required to reimburse for items or services which are not covered under MO HealthNet;

(b) Shall not deny a claim submitted by the state solely on the basis of the date of submission of the claim, the type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to provide prior authorization;

(c) Shall not be required to reimburse for items or services for which a claim was previously submitted to the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager by the health care provider or the participant and the claim was properly denied by the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager for procedural reasons, except for timely filing, type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to obtain prior authorization;

(d) Shall not be required to reimburse for items or services which are not covered under or were not covered under the plan offered by the entity against which a claim for subrogation has been filed; and

(e) Shall reimburse for items or services to the same extent that the entity would have been liable as if it had been properly billed at the point of sale, and the amount due is limited to what the entity would have paid as if it had been properly billed at the point of sale; and

(2) If any action by the state to enforce its rights with respect to such claim is commenced within six years of the state's submission of such claim.

2. The department of social services, MO HealthNet division, or its contractor may maintain an appropriate action to recover funds paid by the department of social services or MO HealthNet division or its contractor that are due under this section in the name of the state of Missouri against the person, corporation, institution, public agency, or private agency liable to the participant, minor or estate.

3. Any participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death who pursues legal rights against a person, corporation, institution, public agency, or private agency liable to that participant or minor for injuries, disease or disability or benefits arising from a health insurance plan to which the participant may be entitled as outlined in subsection 1 of this section shall upon actual knowledge that the department of social services or MO HealthNet division has paid MO HealthNet benefits as defined by this chapter promptly notify the MO HealthNet division as to the pursuit of such legal rights.

4. Every applicant or participant by application assigns his right to the department of social services or MO HealthNet division of any funds recovered or expected to be recovered to the extent provided for in this section. All applicants and participants, including a person authorized by the probate code, shall cooperate with the department of social services, MO HealthNet division in identifying and providing information to assist the state in pursuing any third party who may be liable to pay for care and services available under the state's plan for MO HealthNet benefits as provided in sections 208.151 to 208.159 and sections 208.162 and 208.204. All applicants and participants shall cooperate with the agency in obtaining third-party resources due to the applicant, participant, or child for whom assistance is claimed. Failure to cooperate without good cause as determined by the department of social services, MO HealthNet division in accordance with federally prescribed standards shall render the applicant or participant ineligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204. A **[**recipient**]** **participant** who has notice or who has actual knowledge of the department's rights to third-party benefits who receives any third-party benefit or proceeds for a covered illness or injury is either required to pay the division within sixty days after receipt of

settlement proceeds the full amount of the third-party benefits up to the total MO HealthNet benefits provided or to place the full amount of the third-party benefits in a trust account for the benefit of the division pending judicial or administrative determination of the division's right to third-party benefits.

5. Every person, corporation or partnership who acts for or on behalf of a person who is or was eligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204 for purposes of pursuing the applicant's or participant's claim which accrued as a result of a nonoccupational or nonwork-related incident or occurrence resulting in the payment of MO HealthNet benefits shall notify the MO HealthNet division upon agreeing to assist such person and further shall notify the MO HealthNet division of any institution of a proceeding, settlement or the results of the pursuit of the claim and give thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or participant to recover damages for such injuries, disease, or disability, or benefits arising from a health insurance program to which the participant may be entitled.

6. Every participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death, or his attorney or legal representative shall promptly notify the MO HealthNet division of any recovery from a third party and shall immediately reimburse the department of social services, MO HealthNet division, or its contractor from the proceeds of any settlement, judgment, or other recovery in any action or claim initiated against any such third party. A judgment, award, or settlement in an action by a **[**recipient**] participant** to recover damages for injuries or other third-party benefits in which the division has an interest may not be satisfied without first giving the division notice and a reasonable opportunity to file and satisfy the claim or proceed with any action as otherwise permitted by law.

7. The department of social services, MO HealthNet division or its contractor shall have a right to recover the amount of payments made to a provider under this chapter because of an injury, disease, or disability, or benefits arising from a health insurance plan to which the participant may be entitled for which a third party is or may be liable in contract, tort or otherwise under law or equity. Upon request by the MO HealthNet division, all third-party payers shall provide the MO HealthNet division with information contained in a 270/271 Health Care Eligibility Benefits Inquiry and Response standard transaction mandated under the federal Health Insurance Portability and Accountability Act, except that third-party payers shall not include accident-only, specified disease, disability income, hospital indemnity, or other fixed indemnity insurance policies.

8. The department of social services or MO HealthNet division shall have a lien upon any moneys to be paid by any insurance company or similar business enterprise, person, corporation, institution, public agency or private agency in settlement or satisfaction of a judgment on any claim for injuries or disability or disease benefits arising from a health insurance program to which the participant may be entitled which resulted in medical expenses for which the department or MO HealthNet division made payment. This lien shall also be applicable to any moneys which may come into the possession of any attorney who is handling the claim for injuries, or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled which resulted in payments made by the department or MO HealthNet division. In each case, a lien notice shall be served by certified mail or registered mail, upon the party or parties against whom the applicant or participant has a claim, demand or cause of action. The lien shall claim the charge and describe the interest the department or MO HealthNet division has in the claim, demand or cause of action. The lien shall attach to any verdict or judgment entered and to any money or property which may be recovered on account of such claim, demand, cause of action or suit from and after the time of the service of the notice.

9. On petition filed by the department, or by the participant, or by the defendant, the court, on written notice of all interested parties, may adjudicate the rights of the parties and enforce the charge. The court may approve the settlement of any claim, demand or cause of action either

before or after a verdict, and nothing in this section shall be construed as requiring the actual trial or final adjudication of any claim, demand or cause of action upon which the department has charge. The court may determine what portion of the recovery shall be paid to the department against the recovery. In making this determination the court shall conduct an evidentiary hearing and shall consider competent evidence pertaining to the following matters:

(1) The amount of the charge sought to be enforced against the recovery when expressed as a percentage of the gross amount of the recovery; the amount of the charge sought to be enforced against the recovery when expressed as a percentage of the amount obtained by subtracting from the gross amount of the recovery the total attorney's fees and other costs incurred by the participant incident to the recovery; and whether the department should, as a matter of fairness and equity, bear its proportionate share of the fees and costs incurred to generate the recovery from which the charge is sought to be satisfied;

(2) The amount, if any, of the attorney's fees and other costs incurred by the participant incident to the recovery and paid by the participant up to the time of recovery, and the amount of such fees and costs remaining unpaid at the time of recovery;

(3) The total hospital, doctor and other medical expenses incurred for care and treatment of the injury to the date of recovery therefor, the portion of such expenses theretofore paid by the participant, by insurance provided by the participant, and by the department, and the amount of such previously incurred expenses which remain unpaid at the time of recovery and by whom such incurred, unpaid expenses are to be paid;

(4) Whether the recovery represents less than substantially full recompense for the injury and the hospital, doctor and other medical expenses incurred to the date of recovery for the care and treatment of the injury, so that reduction of the charge sought to be enforced against the recovery would not likely result in a double recovery or unjust enrichment to the participant;

(5) The age of the participant and of persons dependent for support upon the participant, the nature and permanency of the participant's injuries as they affect not only the future employability and education of the participant but also the reasonably necessary and foreseeable future material, maintenance, medical rehabilitative and training needs of the participant, the cost of such reasonably necessary and foreseeable future needs, and the resources available to meet such needs and pay such costs;

(6) The realistic ability of the participant to repay in whole or in part the charge sought to be enforced against the recovery when judged in light of the factors enumerated above.

10. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party seeking such reduction. **The computerized records of the MO HealthNet division, certified by the director or his or her designee, shall be prima facie evidence of proof of moneys expended and the amount of the debt due the state.**

11. The court may reduce and apportion the department's or MO HealthNet division's lien proportionate to the recovery of the claimant. The court may consider the nature and extent of the injury, economic and noneconomic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs, physician costs, and all other appropriate costs. The department or MO HealthNet division shall pay its pro rata share of the attorney's fees based on the department's or MO HealthNet division's lien as it compares to the total settlement agreed upon. This section shall not affect the priority of an attorney's lien under section 484.140, RSMo. The charges of the department or MO HealthNet division or contractor described in this section, however, shall take priority over all other liens and charges existing under the laws of the state of Missouri with the exception of the attorney's lien under such statute.

12. Whenever the department of social services or MO HealthNet division has a statutory charge under this section against a recovery for damages incurred by a participant because of its advancement of any assistance, such charge shall not be satisfied out of any recovery until the attorney's claim for fees is satisfied, **[**irrespective**]** **regardless** of whether **[**or not**]** an action based on participant's claim has been filed in court. Nothing herein shall prohibit the director from

entering into a compromise agreement with any participant, after consideration of the factors in subsections 9 to 13 of this section.

13. This section shall be inapplicable to any claim, demand or cause of action arising under the workers' compensation act, chapter 287, RSMo. From funds recovered pursuant to this section the federal government shall be paid a portion thereof equal to the proportionate part originally provided by the federal government to pay for MO HealthNet benefits to the participant or minor involved. The department or MO HealthNet division shall enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on permanently institutionalized individuals. The department or MO HealthNet division shall have the right to enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on all other institutionalized individuals. For the purposes of this subsection, "permanently institutionalized individuals" includes those people who the department or MO HealthNet division determines cannot reasonably be expected to be discharged and return home, and "property" includes the homestead and all other personal and real property in which the participant has sole legal interest or a legal interest based upon co-ownership of the property which is the result of a transfer of property for less than the fair market value within thirty months prior to the participant's entering the nursing facility. The following provisions shall apply to such liens:

(1) The lien shall be for the debt due the state for MO HealthNet benefits paid or to be paid on behalf of a participant. The amount of the lien shall be for the full amount due the state at the time the lien is enforced;

(2) The MO HealthNet division shall file for record, with the recorder of deeds of the county in which any real property of the participant is situated, a written notice of the lien. The notice of lien shall contain the name of the participant and a description of the real estate. The recorder shall note the time of receiving such notice, and shall record and index the notice of lien in the same manner as deeds of real estate are required to be recorded and indexed. The director or the director's designee may release or discharge all or part of the lien and notice of the release shall also be filed with the recorder. The department of social services, MO HealthNet division, shall provide payment to the recorder of deeds the fees set for similar filings in connection with the filing of a lien and any other necessary documents;

(3) No such lien may be imposed against the property of any individual prior to the individual's death on account of MO HealthNet benefits paid except:

(a) In the case of the real property of an individual:

a. Who is an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution, to spend for costs of medical care all but a minimal amount of his or her income required for personal needs; and

b. With respect to whom the director of the MO HealthNet division or the director's designee determines, after notice and opportunity for hearing, that he cannot reasonably be expected to be discharged from the medical institution and to return home. The hearing, if requested, shall proceed under the provisions of chapter 536, RSMo, before a hearing officer designated by the director of the MO HealthNet division; or

(b) Pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual;

(4) No lien may be imposed under paragraph (b) of subdivision (3) of this subsection on such individual's home if one or more of the following persons is lawfully residing in such home:

(a) The spouse of such individual;

(b) Such individual's child who is under twenty-one years of age, or is blind or permanently and totally disabled; or

(c) A sibling of such individual who has an equity interest in such home and who was residing in such individual's home for a period of at least one year immediately before the date of the individual's admission to the medical institution;

(5) Any lien imposed with respect to an individual pursuant to subparagraph b of paragraph (a) of subdivision (3) of this subsection shall dissolve upon that individual's discharge from the medical institution and return home.

14. The debt due the state provided by this section is subordinate to the lien provided by section 484.130, RSMo, or section 484.140, RSMo, relating to an attorney's lien and to the participant's expenses of the claim against the third party.

15. Application for and acceptance of MO HealthNet benefits under this chapter shall constitute an assignment to the department of social services or MO HealthNet division of any rights to support for the purpose of medical care as determined by a court or administrative order and of any other rights to payment for medical care.

16. All participants receiving benefits as defined in this chapter shall cooperate with the state by reporting to the family support division or the MO HealthNet division, within thirty days, any occurrences where an injury to their persons or to a member of a household who receives MO HealthNet benefits is sustained, on such form or forms as provided by the family support division or MO HealthNet division.

17. If a person fails to comply with the provision of any judicial or administrative decree or temporary order requiring that person to maintain medical insurance on or be responsible for medical expenses for a dependent child, spouse, or ex-spouse, in addition to other remedies available, that person shall be liable to the state for the entire cost of the medical care provided pursuant to eligibility under any public assistance program on behalf of that dependent child, spouse, or ex-spouse during the period for which the required medical care was provided. Where a duty of support exists and no judicial or administrative decree or temporary order for support has been entered, the person owing the duty of support shall be liable to the state for the entire cost of the medical care provided on behalf of the dependent child or spouse to whom the duty of support is owed.

18. The department director or the director's designee may compromise, settle or waive any such claim in whole or in part in the interest of the MO HealthNet program. Notwithstanding any provision in this section to the contrary, the department of social services, MO HealthNet division is not required to seek reimbursement from a liable third party on claims for which the amount it reasonably expects to recover will be less than the cost of recovery or for which recovery efforts will not be cost-effective. Cost-effectiveness is determined based on the following:

(1) Actual and legal issues of liability as may exist between the **[**recipient**]** **participant** and the liable party;

(2) Total funds available for settlement; and

(3) An estimate of the cost to the division of pursuing its claim.

208.453. HOSPITALS TO PAY A FEDERAL REIMBURSEMENT ALLOWANCE FOR PRIVILEGE OF PROVIDING INPATIENT CARE, DEFINED — ELIMINATION OF ALLOWANCE FOR CERTAIN HOSPITALS. — Every hospital as defined by section 197.020, RSMo, except **[**public hospitals which are operated primarily for the care and treatment of mental disorders and**]** any hospital operated by the department of health and senior services, shall, in addition to all other fees and taxes now required or paid, pay a federal reimbursement allowance for the privilege of engaging in the business of providing inpatient health care in this state. For the purpose of this section, the phrase "engaging in the business of providing inpatient health care in this state" shall mean accepting payment for inpatient services rendered. The federal reimbursement allowance to be paid by a hospital which has an unsponsored care ratio that exceeds sixty-five percent or hospitals owned or operated by the board of curators, as defined in chapter 172, RSMo, may be eliminated by the director of the department of social services. The unsponsored care ratio shall be calculated by the department of social services.

208.895. REFERRAL FOR SERVICES, DEPARTMENT DUTIES — CONTRACTING FOR ASSESSMENTS, REQUIREMENTS — EXPIRATION DATE. — Upon receipt of a properly completed referral for MO HealthNet-funded home- and community-based care containing a nurse assessment or physician's order, the department of health and senior services **[**shall**] may**:

(1) Review the recommendations regarding services and process the referral within fifteen business days;

(2) Issue a prior-authorization for home and community-based services when information contained in the referral is sufficient to establish eligibility for MO HealthNet-funded long-term care and determine the level of service need as required under state and federal regulations;

(3) Arrange for the provision of services by an in-home provider;

(4) Reimburse the in-home provider for one nurse visit to conduct an assessment and recommendation for a care plan and, where necessary based on case circumstances, a second nurse visit may be authorized to gather additional information or documentation necessary to constitute a completed referral;

(5) Notify the referring entity upon the authorization of MO HealthNet eligibility and provide MO HealthNet reimbursement for personal care benefits effective the date of the assessment or physician's order, and MO HealthNet reimbursement for waiver services effective the date the state reviews and approves the care plan;

(6) Notify the referring entity within five business days of receiving the referral if additional information is required to process the referral; and

(7) Inform the provider and contact the individual when information is insufficient or the proposed care plan requires additional evaluation by state staff that is not obtained from the referring entity to schedule an in-home assessment to be conducted by the state staff within thirty days.

2. The department of health and senior services may contract for initial home and community based assessments, including a care plan, through an independent third-party assessor. The contract shall include a requirement that:

(1) Within fifteen days of receipt of a referral for service, the contractor shall have made a face-to-face assessment of care need and developed a plan of care; and

(2) The contractor notify the referring entity within five days of receipt of referral if additional information is needed to process the referral.

The contract shall also include the same requirements for such assessments as of January 1, 2010, related to timeliness of assessments and the beginning of service. The contract shall be bid under chapter 34 and shall not be a risk-based contract.

3. The two nurse visits authorized by subsection 16 of section 660.300 shall continue to be performed by home and community based providers for including, but not limited to, reassessment and level of care recommendations. These reassessments and care plan changes shall be reviewed and approved by the independent third party assessor. In the event of dispute over the level of care required, the third party assessor shall conduct a face to face review with the client in question.

4. The provisions of this section shall expire three years after the effective date of this section.

208.909. RESPONSIBILITIES OF RECIPIENTS AND VENDORS. — 1. Consumers receiving personal care assistance services shall be responsible for:

(1) Supervising their personal care attendant;

(2) Verifying wages to be paid to the personal care attendant;

(3) Preparing and submitting time sheets, signed by both the consumer and personal care attendant, to the vendor on a biweekly basis;

(4) Promptly notifying the department within ten days of any changes in circumstances affecting the personal care assistance services plan or in the consumer's place of residence; **[**and**]**

(5) Reporting any problems resulting from the quality of services rendered by the personal care attendant to the vendor. If the consumer is unable to resolve any problems resulting from the quality of service rendered by the personal care attendant with the vendor, the consumer shall report the situation to the department**; and**

(6) Providing the vendor with all necessary information to complete required paperwork for establishing the employer identification number.

2. Participating vendors shall be responsible for:

(1) Collecting time sheets **or reviewing reports of delivered services** and certifying **[**their**] the** accuracy **thereof**;

(2) The Medicaid reimbursement process, including the filing of claims and reporting data to the department as required by rule;

(3) Transmitting the individual payment directly to the personal care attendant on behalf of the consumer;

(4) Monitoring the performance of the personal care assistance services plan.

3. No state or federal financial assistance shall be authorized or expended to pay for services provided to a consumer under sections 208.900 to 208.927, if the primary benefit of the services is to the household unit, or is a household task that the members of the consumer's household may reasonably be expected to share or do for one another when they live in the same household, unless such service is above and beyond typical activities household members may reasonably provide for another household member without a disability.

4. No state or federal financial assistance shall be authorized or expended to pay for personal care assistance services provided by a personal care attendant who is listed on any of the background check lists in the family care safety registry under sections 210.900 to 210.937, RSMo, unless a good cause waiver is first obtained from the department in accordance with section 660.317, RSMo.

5. (1) All vendors shall, by July 1, 2015, have, maintain, and use a telephone tracking system for the purpose of reporting and verifying the delivery of consumer-directed services as authorized by the department of health and senior services or its designee. Use of such a system prior to July 1, 2015, shall be voluntary. The telephone tracking system shall be used to process payroll for employees and for submitting claims for reimbursement to the MO HealthNet division. At a minimum, the telephone tracking system shall:

(a) Record the exact date services are delivered;

(b) Record the exact time the services begin and exact time the services end;

(c) Verify the telephone number from which the services are registered;

(d) Verify that the number from which the call is placed is a telephone number unique to the client;

(e) Require a personal identification number unique to each personal care attendant;

(f) Be capable of producing reports of services delivered, tasks performed, client identity, beginning and ending times of service and date of service in summary fashion that constitute adequate documentation of service; and

(g) Be capable of producing reimbursement requests for consumer approval that assures accuracy and compliance with program expectations for both the consumer and vendor.

(2) The department of health and senior services, in collaboration with other appropriate agencies, including centers for independent living, shall establish telephone tracking system pilot projects, implemented in two regions of the state, with one in an urban area and one in a rural area. Each pilot project shall meet the requirements of this section and section 208.918. The department of health and senior services shall, by December 31, 2013, submit a report to the governor and general assembly detailing the outcomes of these pilot projects. The report shall take into consideration the impact of a

telephone tracking system on the quality of the services delivered to the consumer and the principles of self-directed care.

(3) As new technology becomes available, the department may allow use of a more advanced tracking system, provided that such system is at least as capable of meeting the requirements of this subsection.

(4) The department of health and senior services shall promulgate by rule the minimum necessary criteria of the telephone tracking system. 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, 2010, shall be invalid and void.

6. In the event that a consensus between centers for independent living and representatives from the executive branch cannot be reached, the telephony report issued to the general assembly and governor shall include a minority report which shall detail those elements of substantial dissent from the main report.

7. No interested party, including a center for independent living, shall be required to contract with any particular vendor or provider of telephony services nor bear the full cost of the pilot program.

208.918. VENDOR REQUIREMENTS, PHILOSOPHY AND SERVICES. — 1. In order to qualify for an agreement with the department, the vendor shall have a philosophy that promotes the consumer's ability to live independently in the most integrated setting or the maximum community inclusion of persons with physical disabilities, and shall demonstrate the ability to provide, directly or through contract, the following services:

(1) Orientation of consumers concerning the responsibilities of being an employer, supervision of personal care attendants including the preparation and verification of time sheets;

(2) Training for consumers about the recruitment and training of personal care attendants;

(3) Maintenance of a list of persons eligible to be a personal care attendant;

(4) Processing of inquiries and problems received from consumers and personal care attendants;

(5) Ensuring the personal care attendants are registered with the family care safety registry as provided in sections 210.900 to 210.937, RSMo; and

(6) The capacity to provide fiscal conduit services **through a telephone tracking system by the date required under section 208.909**.

2. In order to maintain its agreement with the department, a vendor shall comply with the provisions of subsection 1 of this section and shall:

(1) Demonstrate sound fiscal management as evidenced on accurate quarterly financial reports and annual audit submitted to the department; and

(2) Demonstrate a positive impact on consumer outcomes regarding the provision of personal care assistance services as evidenced on accurate quarterly and annual service reports submitted to the department;

(3) Implement a quality assurance and supervision process that ensures program compliance and accuracy of records; and

(4) Comply with all provisions of sections 208.900 to 208.927, and the regulations promulgated thereunder.

660.023. IN-HOME SERVICES PROVIDERS, TELEPHONE TRACKING SYSTEM REQUIRED, USE OF — RULEMAKING AUTHORITY. — 1. All in-home services provider agencies shall, by July 1, 2015, have, maintain, and use a telephone tracking system for the purpose of

reporting and verifying the delivery of home and community based services as authorized by the department of health and senior services or its designee. Use of such system prior to July 1, 2015, shall be voluntary. At a minimum, the telephone tracking system shall:

(1) Record the exact date services are delivered;

(2) Record the exact time the services begin and exact time the services end;

(3) Verify the telephone number from which the services were registered;

(4) Verify that the number from which the call is placed is a telephone number unique to the client;

(5) Require a personal identification number unique to each personal care attendant; and

(6) Be capable of producing reports of services delivered, tasks performed, client identity, beginning and ending times of service and date of service in summary fashion that constitute adequate documentation of service.

2. The telephone tracking system shall be used to process payroll for employees and for submitting claims for reimbursement to the MO HealthNet division.

3. The department of health and senior services shall promulgate by rule the minimum necessary criteria of the telephone tracking system. 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, 2010, shall be invalid and void.

4. As new technology becomes available, the department may allow use of a more advance tracking system, provided that such system is at least as capable of meeting the requirements listed in subsection 1 of this section.

5. The department of health and senior services, in collaboration with other appropriate agencies, including in-home services providers, shall establish telephone tracking system pilot projects, implemented in two regions of the state, with one in an urban area and one in a rural area. Each pilot project shall meet the requirements of this section. The department of health and senior services shall, by December 31, 2013, submit a report to the governor and general assembly detailing the outcomes of these pilot projects. The report shall take into consideration the impact of a telephone tracking system on the quality of the services delivered to the consumer and the principles of self-directed care.

6. In the event that a consensus between in-home service providers and representatives from the executive branch cannot be reached, the telephony report issued to the general assembly and governor shall include a minority report which will detail those elements of substantial dissent from the main report.

7. No interested party, including in-home service providers, shall be required to contract with any particular vendor or provider of telephony services nor bear the full cost of the pilot program.

660.300. REPORT OF ABUSE OR NEGLECT OF IN-HOME SERVICES OR HOME HEALTH AGENCY CLIENT, DUTY — PENALTY — CONTENTS OF REPORT — INVESTIGATION, PROCEDURE — CONFIDENTIALITY OF REPORT — IMMUNITY — RETALIATION PROHIBITED, PENALTY — EMPLOYEE DISQUALIFICATION LIST — SAFE AT HOME EVALUATIONS, PROCEDURE. — 1. When any adult day care worker; chiropractor; Christian Science practitioner; coroner; dentist; embalmer; employee of the departments of social services, mental health, or health and senior services; employee of a local area agency on aging or an organized area agency on aging program; funeral director; home health agency or home health agency

employee; hospital and clinic personnel engaged in examination, care, or treatment of persons; in-home services owner, provider, operator, or employee; law enforcement officer; long-term care facility administrator or employee; medical examiner; medical resident or intern; mental health professional; minister; nurse; nurse practitioner; optometrist; other health practitioner; peace officer; pharmacist; physical therapist; physician; physician's assistant; podiatrist; probation or parole officer; psychologist; or social worker has reasonable cause to believe that an in-home services client has been abused or neglected, as a result of in-home services, he or she shall immediately report or cause a report to be made to the department. If the report is made by a physician of the in-home services client, the department shall maintain contact with the physician regarding the progress of the investigation.

2. When a report of deteriorating physical condition resulting in possible abuse or neglect of an in-home services client is received by the department, the client's case manager and the department nurse shall be notified. The client's case manager shall investigate and immediately report the results of the investigation to the department nurse. The department may authorize the in-home services provider nurse to assist the case manager with the investigation.

3. If requested, local area agencies on aging shall provide volunteer training to those persons listed in subsection 1 of this section regarding the detection and report of abuse and neglect pursuant to this section.

4. Any person required in subsection 1 of this section to report or cause a report to be made to the department who fails to do so within a reasonable time after the act of abuse or neglect is guilty of a class A misdemeanor.

5. The report shall contain the names and addresses of the in-home services provider agency, the in-home services employee, the in-home services client, the home health agency, the home health agency employee, information regarding the nature of the abuse or neglect, the name of the complainant, and any other information which might be helpful in an investigation.

6. In addition to those persons required to report under subsection 1 of this section, any other person having reasonable cause to believe that an in-home services client or home health patient has been abused or neglected by an in-home services employee or home health agency employee may report such information to the department.

7. If the investigation indicates possible abuse or neglect of an in-home services client or home health patient, the investigator shall refer the complaint together with his or her report to the department director or his or her designee for appropriate action. If, during the investigation or at its completion, the department has reasonable cause to believe that immediate action is necessary to protect the in-home services client or home health patient from abuse or neglect, the department or the local prosecuting attorney may, or the attorney general upon request of the department shall, file a petition for temporary care and protection of the in-home services client or home health patient in a circuit court of competent jurisdiction. The circuit court in which the petition is filed shall have equitable jurisdiction to issue an ex parte order granting the department authority for the temporary care and protection of the in-home services client or home health patient, for a period not to exceed thirty days.

8. Reports shall be confidential, as provided under section 660.320.

9. Anyone, except any person who has abused or neglected an in-home services client or home health patient, who makes a report pursuant to this section or who testifies in any administrative or judicial proceeding arising from the report shall be immune from any civil or criminal liability for making such a report or for testifying except for liability for perjury, unless such person acted negligently, recklessly, in bad faith, or with malicious purpose.

10. Within five working days after a report required to be made under this section is received, the person making the report shall be notified in writing of its receipt and of the initiation of the investigation.

11. No person who directs or exercises any authority in an in-home services provider agency or home health agency shall harass, dismiss or retaliate against an in-home services client or home health patient, or an in-home services employee or a home health agency employee

because he or any member of his or her family has made a report of any violation or suspected violation of laws, standards or regulations applying to the in-home services provider agency or home health agency or any in-home services employee or home health agency employee which he has reasonable cause to believe has been committed or has occurred.

12. Any person who abuses or neglects an in-home services client or home health patient is subject to criminal prosecution under section 565.180, 565.182, or 565.184, RSMo. If such person is an in-home services employee and has been found guilty by a court, and if the supervising in-home services provider willfully and knowingly failed to report known abuse by such employee to the department, the supervising in-home services provider may be subject to administrative penalties of one thousand dollars per violation to be collected by the department and the money received therefor shall be paid to the director of revenue and deposited in the state treasury to the credit of the general revenue fund. Any in-home services provider which has had administrative penalties imposed by the department or which has had its contract terminated may seek an administrative review of the department's action pursuant to chapter 621, RSMo. Any decision of the administrative hearing commission may be appealed to the circuit court in the county where the violation occurred for a trial de novo. For purposes of this subsection, the term "violation" means a determination of guilt by a court.

13. The department shall establish a quality assurance and supervision process for clients that requires an in-home services provider agency to conduct random visits to verify compliance with program standards and verify the accuracy of records kept by an in-home services employee.

14. The department shall maintain the employee disqualification list and place on the employee disqualification list the names of any persons who have been finally determined by the department, pursuant to section 660.315, to have recklessly, knowingly or purposely abused or neglected an in-home services client or home health patient while employed by an in-home services provider agency or home health agency. For purposes of this section only, "knowingly" and "recklessly" shall have the meanings that are ascribed to them in this section. A person acts "knowingly" with respect to the person's conduct when a reasonable person should be aware of the result caused by his or her conduct. A person acts "recklessly" when the person consciously disregards a substantial and unjustifiable risk that the person's conduct will result in serious physical injury and such disregard constitutes a gross deviation from the standard of care that a reasonable person would exercise in the situation.

15. At the time a client has been assessed to determine the level of care as required by rule and is eligible for in-home services, the department shall conduct a "Safe at Home Evaluation" to determine the client's physical, mental, and environmental capacity. The department shall develop the safe at home evaluation tool by rule in accordance with chapter 536, RSMo. The purpose of the safe at home evaluation is to assure that each client has the appropriate level of services and professionals involved in the client's care. The plan of service or care for each in-home services client shall be authorized by a nurse. The department may authorize the licensed in-home services nurse, in lieu of the department nurse, to conduct the assessment of the client's condition and to establish a plan of services or care. The department may use the expertise, services, or programs of other departments and agencies on a case-by-case basis to establish the plan of service or care. The department may, as indicated by the safe at home evaluation, refer any client to a mental health professional, as defined in 9 CSR 30-4.030, for evaluation and treatment as necessary.

16. Authorized nurse visits shall occur at least twice annually to assess the client and the client's plan of services. The provider nurse shall report the results of his or her visits to the client's case manager. If the provider nurse believes that the plan of service requires alteration, the department shall be notified and the department shall make a client evaluation. All authorized nurse visits shall be reimbursed to the in-home services provider. All authorized nurse visits shall be reimbursed outside of the nursing home cap for in-home services clients whose services have reached one hundred percent of the average statewide charge for care and

treatment in an intermediate care facility, provided that the services have been preauthorized by the department.

17. All in-home services clients shall be advised of their rights by the department **or the department's designee** at the initial evaluation. The rights shall include, but not be limited to, the right to call the department for any reason, including dissatisfaction with the provider or services. **The department may contract for services relating to receiving such complaints.** The department shall establish a process to receive such nonabuse and neglect calls other than the elder abuse and neglect hotline.

18. Subject to appropriations, all nurse visits authorized in sections 660.250 to 660.300 shall be reimbursed to the in-home services provider agency.

660.425. HOME SERVICES PROVIDERS TAX IMPOSED, DEFINITIONS. — 1. In addition to all other fees and taxes required or paid, a tax is hereby imposed upon in-home services providers for the privilege of providing in-home services **[**under chapter 208, RSMo**]**. The tax is imposed upon payments received by an in-home services provider for the provision of in-home services **[**under chapter 208, RSMo**]**.

2. For purposes of sections 660.425 to 660.465, the following terms shall mean:

(1) "Engaging in the business of providing in-home services", all payments received by an in-home services provider for the provision of in-home services **[**under chapter 208, RSMo**]**;

(2) "In-home services", homemaker services, personal care services, chore services, respite services, consumer-directed services, and services, when provided in the individual's home and under a plan of care created by a physician, necessary to keep children out of hospitals. "In-home services" shall not include home health services as defined by federal and state law;

(3) "In-home services provider", any provider or vendor, as defined in section 208.900, RSMo, of compensated in-home services **[**under chapter 208, RSMo**]**, and under a provider agreement or contracted with the department of social services or the department of health and senior services.

660.430. AMOUNT OF TAX, FORMULA — RULEMAKING AUTHORITY — APPEALS. — 1. Each in-home services provider in this state providing in-home services **[**under chapter 208, RSMo,**]** shall, in addition to all other fees and taxes now required or paid, pay an in-home services gross receipts tax, not to exceed six and one-half percent of gross receipts, for the privilege of engaging in the business of providing in-home services in this state.

2. Each in-home services provider's tax shall be based on a formula set forth in rules promulgated by the department of social services. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, 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, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, 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, 2009, shall be invalid and void.

3. The director of the department of social services or the director's designee may prescribe the form and contents of any forms or other documents required by sections 660.425 to 660.465.

4. Notwithstanding any other provision of law to the contrary, appeals regarding the promulgation of rules under this section shall be made to the circuit court of Cole County. The circuit court of Cole County shall hear the matter as the court of original jurisdiction.

660.435. LIST OF VENDORS TO BE PROVIDED — RECORD-KEEPING REQUIREMENTS — REPORT OF TOTAL PAYMENTS. — 1. For purposes of assessing the tax under sections 660.425 to 660.465, the department of health and senior services shall make available to the department of social services a list of all providers and vendors under this section.

2. Each in-home services provider subject to sections 660.425 to 660.465 shall keep such records as may be necessary to determine the total payments received for the provision of in-home services **[**under chapter 208, RSMo,**]** by the in-home services provider. Every in-home services provider shall submit to the department of social services a statement that accurately reflects such information as is necessary to determine such in-home services provider's tax due.

3. The director of the department of social services may prescribe the form and contents of any forms or other documents required by this section.

4. Each in-home services provider shall report the total payments received for the provision of in-home services **[**under chapter 208, RSMo,**]** to the department of social services.

660.445. DETERMINATION OF TAX AMOUNT — NOTIFICATION TO PROVIDER — QUARTERLY TAX ADJUSTMENTS PERMITTED. — 1. The determination of the amount of tax due shall be the total amount of payments reported to the department multiplied by the tax rate established by rule by the department of social services.

2. The department of social services shall notify each in-home services provider of the amount of tax due. Such amount may be paid in increments over the balance of the assessment period.

3. The department of social services may adjust the tax due quarterly on a prospective basis. The department of social services may adjust the tax due more frequently for individual providers if there is a substantial and statistically significant change in the in-home services provided or in the payments received for such services provided **[**under chapter 208, RSMo**]**. The department of social services may define such adjustment criteria by rule.

660.455. REMITTANCE OF TAX — FUND CREATED — RECORD-KEEPING REQUIREMENTS. — 1. The in-home services tax owed or, if an offset has been made, the balance after such offset, if any, shall be remitted by the in-home services provider to the department of social services. The remittance shall be made payable to the director of the department of social services and shall be deposited in the state treasury to the credit of the "In-home Services Gross Receipts Tax Fund" which is hereby created to provide payments for in-home services provided **[**under chapter 208, RSMo**]**. All investment earnings of the fund shall be credited to the fund.

2. An offset authorized by section 660.450 or a payment to the in-home services gross receipts tax fund shall be accepted as payment of the obligation set forth in section 660.425.

3. The state treasurer shall maintain records showing the amount of money in the in-home services gross receipts tax fund at any time and the amount of investment earnings on such amount. 4. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any unexpended balance in the in-home services gross receipts tax fund at the end of the biennium shall not revert to the credit of the general revenue fund.

660.460. NOTIFICATION OF TAXES DUE — UNPAID OR DELINQUENT AMOUNTS, EFFECT OF — FAILURE TO PAY, PENALTY. — 1. The department of social services shall notify each in-home services provider with a tax due of more than ninety days of the amount of such balance. If any in-home services provider fails to pay its in-home services tax within thirty days of such notice, the in-home services tax shall be delinquent.

2. If any tax imposed under sections 660.425 to 660.465 is unpaid and delinquent, the department of social services may proceed to enforce the state's lien against the property of the in-home services provider and compel the payment of such assessment in the circuit court having jurisdiction in the county where the in-home services provider is located. In addition, the department of social services may cancel or refuse to issue, extend, or reinstate a Medicaid provider agreement to any in-home services provider that fails to pay the tax imposed by section 660.425.

3. Failure to pay the tax imposed under section 660.425 shall be grounds for failure to renew a provider agreement for services **[**under chapter 208, RSMo,**]** or failure to renew a provider contract. The department of social services may revoke the provider agreement of any in-home services provider that fails to pay such tax, or notify the department of health and senior services to revoke the provider contract.

660.465. EXPIRATION DATE. — 1. The in-home services tax required by sections 660.425 to 660.465 shall expire:

(1) Ninety days after any one or more of the following conditions are met:

(a) The aggregate in-home services fee as appropriated by the general assembly paid to in-home services providers for in-home services provided **[**under chapter 208, RSMo,**]** is less than the fiscal year 2010 in-home services fees reimbursement amount; or

(b) The formula used to calculate the reimbursement as appropriated by the general assembly for in-home services provided is changed resulting in lower reimbursement to in-home services providers in the aggregate than provided in fiscal year 2010; or

(2) September 1, **[**2011**] 2012**.

The director of the department of social services shall notify the revisor of statutes of the expiration date as provided in this subsection.

2. Sections 660.425 to 660.465 shall expire on September 1, **[**2011**] 2012**.

Approved June 25, 2010

SB 844 [CCS#3 HCS#2 SB 844]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Allows statewide officials to request the office of administration to determine the lowest and best bidders for their purchasing, printing, and service contracts

AN ACT to repeal sections 105.456, 105.473, 105.485, 105.955, 105.957, 105.959, 105.961, 105.963, 105.966, 130.011, 130.021, 130.026, 130.028, 130.031, 130.041, 130.044, 130.046, 130.057, 130.071, and 226.033, RSMo, and to enact in lieu thereof twenty-six new sections relating to ethics, with penalty provisions.

SECTION

A. Enacting clause.
8.016. State capitol dome key, members of general assembly to be provided with — training required.
34.048. General Services Administration vendors, purchase of supplies authorized.
37.900. Statewide elected officials may request determination of lowest and best bidder, procedure.
105.456. Prohibited acts by members of general assembly and statewide elected officials, exceptions.
105.463. Appointment to board or commission, financial interest statement required.
105.473. Duties of lobbyist — report required, contents — exception — penalties — supersession of local ordinances or charters.
105.485. Financial interest statements — form — contents — political subdivisions, compliance.
105.955. Ethics commission established — appointment — qualifications — terms — vacancies — removal — s required — investigators — powers and duties of commission — advisory opinions, effect — audits.
105.957. Receipt of complaints — form — investigation — dismissal of frivolous complaints, damages, public report.
105.959. Review of reports and statements, notice — investigations — report — referral of report — confidentiality.
105.961. Special investigator — report — commission review, determination — special prosecutor — hearings — action of commission — formal proceedings — appropriate disciplinary authorities — powers of investigators — fees and expenses — confidentiality, penalty — compensation.

105.963. Assessments of committees, campaign disclosure reports — notice — penalty — assessments of financial interest statements — notice — penalties — effective date.
105.966. Ethics commission to complete all complaint investigations, procedure.
115.364. Previously disqualified candidate not eligible for selection by party nominating committee.
130.011. Definitions.
130.021. Treasurer for candidates and committees, when required — duties — official depository account to be established — statement of organization for committees, contents, when filed — termination of committee, procedure.
130.026. Election authority defined — appropriate officer designated for filing of reports.
130.028. Prohibitions against certain discrimination or intimidation relating to elections — contributions by employees, payroll deduction, when.
130.031. Restrictions and limitations on contributions — records required — anonymous contributions, how handled — campaign materials, sponsor to be identified — prizes prohibited.
130.041. Disclosure reports — who files — when required — contents.
130.044. Certain contributions to be reported within forty-eight hours of receipt — electronic reporting, when — rulemaking authority.
130.046. Times for filing of disclosure — periods covered by reports — certain disclosure reports not required — supplemental reports, when — certain disclosure reports filed electronically — rulemaking authority.
130.057. Campaign finance electronic reporting system, establishment, use of — certain candidates and committees to file in electronic format, when, fees to convert paper copy — purchase of electronic system, requirements — public access.
130.071. Candidate not to take office or file for subsequent elections until disclosure reports are filed.
226.033. Prohibited acts by certain commissioners.
575.021. Obstruction of an ethics investigation, defenses, penalty.

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

SECTION A. ENACTING CLAUSE. — Sections 105.456, 105.473, 105.485, 105.955, 105.957, 105.959, 105.961, 105.963, 105.966, 130.011, 130.021, 130.026, 130.028, 130.031, 130.041, 130.044, 130.046, 130.057, 130.071, and 226.033, RSMo, are repealed and twenty-six new sections enacted in lieu thereof, to be known as sections 8.016, 34.048, 37.900, 105.456, 105.463, 105.473, 105.485, 105.955, 105.957, 105.959, 105.961, 105.963, 105.966, 115.364, 130.011, 130.021, 130.026, 130.028, 130.031, 130.041, 130.044, 130.046, 130.057, 130.071, 226.033, and 575.021, to read as follows:

8.016. STATE CAPITOL DOME KEY, MEMBERS OF GENERAL ASSEMBLY TO BE PROVIDED WITH — TRAINING REQUIRED. — 1. The commissioner of the office of administration shall provide each member of the senate and each member of the house of representatives with a key that accesses the dome of the state capitol.

2. The president pro tem of the senate and the speaker of the house of representatives shall be responsible for providing a training program for the members and staff of the general assembly regarding access to secured areas of the capitol building. They may consult with the office of administration and department of public safety when developing such program.

34.048. GENERAL SERVICES ADMINISTRATION VENDORS, PURCHASE OF SUPPLIES AUTHORIZED. — In any contract for purchasing supplies as defined in section 34.010 not exceeding the threshold for competitive bids set forth under section 34.040, the office of administration shall not prevent any department, office, board, commission, bureau, institution, political subdivision, or any other agency of the state from purchasing supplies from an authorized General Services Administration vendor including "GSA Advantage", "GSA e-Buy", or successor sources.

37.900. STATEWIDE ELECTED OFFICIALS MAY REQUEST DETERMINATION OF LOWEST AND BEST BIDDER, PROCEDURE. — 1. Any statewide elected official may request the office of administration to determine the lowest and best bidder with respect to any contract for purchasing, printing, or services for which the official has the authority to contract.

2. The official shall submit the original request for proposal and any pertinent information explaining the evaluation criteria established in the request and any additional information the official deems necessary.

3. The office of administration shall not be required to inquire of or negotiate with any offeror submitting a bid and shall only be required to reply to the elected official within forty-five days after the submission of the request by naming the offeror the office of administration determines to be the lowest and best bidder based on all submitted documents.

105.456. PROHIBITED ACTS BY MEMBERS OF GENERAL ASSEMBLY AND STATEWIDE ELECTED OFFICIALS, EXCEPTIONS. — 1. No member of the general assembly or the governor, lieutenant governor, attorney general, secretary of state, state treasurer or state auditor shall:

(1) Perform any service for the state or any political subdivision of the state or any agency of the state or any political subdivision thereof or act in his or her official capacity or perform duties associated with his or her position for any person for any consideration other than the compensation provided for the performance of his or her official duties; or

(2) Sell, rent or lease any property to the state or political subdivision thereof or any agency of the state or any political subdivision thereof for consideration in excess of five hundred dollars per transaction or one thousand five hundred dollars per annum unless the transaction is made pursuant to an award on a contract let or sale made after public notice and in the case of property other than real property, competitive bidding, provided that the bid or offer accepted is the lowest received; or

(3) Attempt, for compensation other than the compensation provided for the performance of his or her official duties, to influence the decision of any agency of the state on any matter, except that this provision shall not be construed to prohibit such person from participating for compensation in any adversary proceeding or in the preparation or filing of any public document or conference thereon. The exception for a conference upon a public document shall not permit any member of the general assembly or the governor, lieutenant governor, attorney general, secretary of state, state treasurer or state auditor to receive any consideration for the purpose of attempting to influence the decision of any agency of the state on behalf of any person with regard to any application, bid or request for a state grant, loan, appropriation, contract, award, permit other than matters involving a driver's license, or job before any state agency, commission, or elected official. Notwithstanding Missouri supreme court rule 1.10 of rule 4 or any other court rule or law to the contrary, other members of a firm, professional corporation or partnership shall not be prohibited pursuant to this subdivision from representing a person or other entity solely because a member of the firm, professional corporation or partnership serves in the general assembly, provided that such official does not share directly in the compensation earned, so far as the same may reasonably be accounted, for such activity by the firm or by any other member of the firm. This subdivision shall not be construed to prohibit any inquiry for information or the representation of a person without consideration before a state agency or in a matter involving the state if no consideration is given, charged or promised in consequence thereof.

2. No sole proprietorship, partnership, joint venture, or corporation in which a member of the general assembly, governor, lieutenant governor, attorney general, secretary of state, state treasurer, state auditor or spouse of such official, is the sole proprietor, a partner having more than a ten percent partnership interest, or a coparticipant or owner of in excess of ten percent of the outstanding shares of any class of stock, shall:

(1) Perform any service for the state or any political subdivision thereof or any agency of the state or political subdivision for any consideration in excess of five hundred dollars per transaction or one thousand five hundred dollars per annum unless the transaction is made pursuant to an award on a contract let or sale made after public notice and competitive bidding, provided that the bid or offer accepted is the lowest received; or

(2) Sell, rent, or lease any property to the state or any political subdivision thereof or any agency of the state or political subdivision thereof for consideration in excess of five hundred dollars per transaction or one thousand five hundred dollars per annum unless the transaction is made pursuant to an award on a contract let or a sale made after public notice and in the case of property other than real property, competitive bidding, provided that the bid or offer accepted is the lowest and best received.

3. No statewide elected official, member of the general assembly, or any person acting on behalf of such official or member shall expressly and explicitly make any offer or promise to confer any paid employment, where the individual is compensated above actual and necessary expenses, to any statewide elected official or member of the general assembly in exchange for the official's or member's official vote on any public matter. Any person making such offer or promise is guilty of the crime of bribery of a public servant under section 576.010.

4. Any statewide elected official or member of the general assembly who accepts or agrees to accept an offer described in subsection 3 of this section is guilty of the crime of acceding to corruption under section 576.020.

105.463. APPOINTMENT TO BOARD OR COMMISSION, FINANCIAL INTEREST STATEMENT REQUIRED. — Within thirty days of submission of the person's name to the governor and in order to be an eligible nominee for appointment to a board or commission requiring senate confirmation, a nominee shall file a financial interest statement in the manner provided by section 105.485 and shall request a list of all political contributions and the name of the candidate or committee as defined in chapter 130, to which those contributions were made within the four-year period prior to such appointment, made by the nominee, from the ethics commission. The information shall be delivered to the nominee by the ethics commission. The nominee shall deliver the information to the president pro tem of the senate prior to confirmation.

105.473. DUTIES OF LOBBYIST — REPORT REQUIRED, CONTENTS — EXCEPTION — PENALTIES — SUPERSESSION OF LOCAL ORDINANCES OR CHARTERS. — 1. Each lobbyist shall, not later than January fifth of each year or five days after beginning any activities as a lobbyist, file standardized registration forms, verified by a written declaration that it is made under the penalties of perjury, along with a filing fee of ten dollars, with the commission. The forms shall include the lobbyist's name and business address, the name and address of all persons such lobbyist employs for lobbying purposes, the name and address of each lobbyist principal by whom such lobbyist is employed or in whose interest such lobbyist appears or works. The commission shall maintain files on all lobbyists' filings, which shall be open to the public. Each lobbyist shall file an updating statement under oath within one week of any addition, deletion, or change in the lobbyist's employment or representation. The filing fee shall be deposited to the general revenue fund of the state. The lobbyist principal or a lobbyist employing another person for lobbying purposes may notify the commission that a judicial, executive or legislative lobbyist is no longer authorized to lobby for the principal or the lobbyist and should be removed from the commission's files.

2. Each person shall, before giving testimony before any committee of the general assembly, give to the secretary of such committee such person's name and address and the identity of any lobbyist or organization, if any, on whose behalf such person appears. A person who is not a lobbyist as defined in section 105.470 shall not be required to give such person's address if the committee determines that the giving of such address would endanger the person's physical health.

3. (1) During any period of time in which a lobbyist continues to act as an executive lobbyist, judicial lobbyist, legislative lobbyist, or elected local government official lobbyist, the lobbyist shall file with the commission on standardized forms prescribed by the commission

monthly reports which shall be due at the close of business on the tenth day of the following month;

(2) Each report filed pursuant to this subsection shall include a statement, verified by a written declaration that it is made under the penalties of perjury, setting forth the following:

(a) The total of all expenditures by the lobbyist or his or her lobbyist principals made on behalf of all public officials, their staffs and employees, and their spouses and dependent children, which expenditures shall be separated into at least the following categories by the executive branch, judicial branch and legislative branch of government: printing and publication expenses; media and other advertising expenses; travel; the time, venue, and nature of any entertainment; honoraria; meals, food and beverages; and gifts;

(b) The total of all expenditures by the lobbyist or his or her lobbyist principals made on behalf of all elected local government officials, their staffs and employees, and their spouses and children. Such expenditures shall be separated into at least the following categories: printing and publication expenses; media and other advertising expenses; travel; the time, venue, and nature of any entertainment; honoraria; meals; food and beverages; and gifts;

(c) An itemized listing of the name of the recipient and the nature and amount of each expenditure by the lobbyist or his or her lobbyist principal, including a service or anything of value, for all expenditures made during any reporting period, paid or provided to or for a public official or elected local government official, such official's staff, employees, spouse or dependent children;

(d) The total of all expenditures made by a lobbyist or lobbyist principal for occasions and the identity of the group invited, the date**, location,** and description of the occasion and the amount of the expenditure for each occasion when any of the following are invited in writing:

a. All members of the senate**, which may or may not include senate staff and employees under the direct supervision of a state senator**;

b. All members of the house of representatives**, which may or may not include house staff and employees under the direct supervision of a state representative**;

c. All members of a joint committee of the general assembly or a standing committee of either the house of representatives or senate**, which may or may not include joint and standing committee staff**; **[**or**]**

d. All members of a caucus of the majority party of the house of representatives, minority party of the house of representatives, majority party of the senate, or minority party of the senate;

e. All statewide officials, which may or may not include the staff and employees under the direct supervision of the statewide official;

(e) Any expenditure made on behalf of a public official, an elected local government official or such official's staff, employees, spouse or dependent children, if such expenditure is solicited by such official, the official's staff, employees, or spouse or dependent children, from the lobbyist or his or her lobbyist principals and the name of such person or persons, except any expenditures made to any not-for-profit corporation, charitable, fraternal or civic organization or other association formed to provide for good in the order of benevolence **and except for any expenditure reported under paragraph (d) of this subdivision**;

(f) A statement detailing any direct business relationship or association or partnership the lobbyist has with any public official or elected local government official. The reports required by this subdivision shall cover the time periods since the filing of the last report or since the lobbyist's employment or representation began, whichever is most recent.

4. No expenditure reported pursuant to this section shall include any amount expended by a lobbyist or lobbyist principal on himself or herself. All expenditures disclosed pursuant to this section shall be valued on the report at the actual amount of the payment made, or the charge, expense, cost, or obligation, debt or bill incurred by the lobbyist or the person the lobbyist represents. Whenever a lobbyist principal employs more than one lobbyist, expenditures of the lobbyist principal shall not be reported by each lobbyist, but shall be reported by one of such lobbyists. No expenditure shall be made on behalf of a state senator or state representative, or

such public official's staff, employees, spouse, or dependent children for travel or lodging outside the state of Missouri unless such travel or lodging was approved prior to the date of the expenditure by the administration and accounts committee of the house or the administration committee of the senate.

5. Any lobbyist principal shall provide in a timely fashion whatever information is reasonably requested by the lobbyist principal's lobbyist for use in filing the reports required by this section.

6. All information required to be filed pursuant to the provisions of this section with the commission shall be kept available by the executive director of the commission at all times open to the public for inspection and copying for a reasonable fee for a period of five years from the date when such information was filed.

7. No person shall knowingly employ any person who is required to register as a registered lobbyist but is not registered pursuant to this section. Any person who knowingly violates this subsection shall be subject to a civil penalty in an amount of not more than ten thousand dollars for each violation. Such civil penalties shall be collected by action filed by the commission.

8. **[**No**] Any** lobbyist **[**shall**] found to** knowingly omit, conceal, or falsify in any manner information required pursuant to this section **shall be guilty of a class A misdemeanor**.

9. The prosecuting attorney of Cole County shall be reimbursed only out of funds specifically appropriated by the general assembly for investigations and prosecutions for violations of this section.

10. Any public official or other person whose name appears in any lobbyist report filed pursuant to this section who contests the accuracy of the portion of the report applicable to such person may petition the commission for an audit of such report and shall state in writing in such petition the specific disagreement with the contents of such report. The commission shall investigate such allegations in the manner described in section 105.959. If the commission determines that the contents of such report are incorrect, incomplete or erroneous, it shall enter an order requiring filing of an amended or corrected report.

11. The commission shall provide a report listing the total spent by a lobbyist for the month and year to any member or member-elect of the general assembly, judge or judicial officer, or any other person holding an elective office of state government or any elected local government official on or before the twentieth day of each month. For the purpose of providing accurate information to the public, the commission shall not publish information in either written or electronic form for ten working days after providing the report pursuant to this subsection. The commission shall not release any portion of the lobbyist report if the accuracy of the report has been questioned pursuant to subsection 10 of this section unless it is conspicuously marked "Under Review".

12. Each lobbyist or lobbyist principal by whom the lobbyist was employed, or in whose behalf the lobbyist acted, shall provide a general description of the proposed legislation or action by the executive branch or judicial branch which the lobbyist or lobbyist principal supported or opposed. This information shall be supplied to the commission on March fifteenth and May thirtieth of each year.

13. The provisions of this section shall supersede any contradicting ordinances or charter provisions.

105.485. FINANCIAL INTEREST STATEMENTS — FORM — CONTENTS — POLITICAL SUBDIVISIONS, COMPLIANCE. — 1. Each financial interest statement required by sections 105.483 to 105.492 shall be on a form prescribed by the commission and shall be signed and verified by a written declaration that it is made under penalties of perjury; provided, however, the form shall not seek information which is not specifically required by sections 105.483 to 105.492.

2. Each person required to file a financial interest statement pursuant to subdivisions (1) to (12) of section 105.483 shall file the following information for himself, his spouse and dependent

children at any time during the period covered by the statement, whether singularly or collectively; provided, however, that said person, if he does not know and his spouse will not divulge any information required to be reported by this section concerning the financial interest of his spouse, shall state on his financial interest statement that he has disclosed that information known to him and that his spouse has refused or failed to provide other information upon his bona fide request, and such statement shall be deemed to satisfy the requirements of this section for such financial interest of his spouse; and provided further if the spouse of any person required to file a financial interest statement is also required by section 105.483 to file a financial interest statement, the financial interest statement filed by each need not disclose the financial interest of the other, provided that each financial interest statement shall state that the spouse of the person has filed a separate financial interest statement and the name under which the statement was filed:

(1) The name and address of each of the employers of such person from whom income of one thousand dollars or more was received during the year covered by the statement;

(2) The name and address of each sole proprietorship which he owned; the name, address and the general nature of the business conducted of each general partnership and joint venture in which he was a partner or participant; the name and address of each partner or coparticipant for each partnership or joint venture unless such names and addresses are filed by the partnership or joint venture with the secretary of state; the name, address and general nature of the business conducted of any closely held corporation or limited partnership in which the person owned ten percent or more of any class of the outstanding stock or limited partners' units; and the name of any publicly traded corporation or limited partnership which is listed on a regulated stock exchange or automated quotation system in which the person owned two percent or more of any class of outstanding stock, limited partnership units or other equity interests;

(3) The name and address of any other source not reported pursuant to subdivisions (1) and (2) and subdivisions (4) to (9) of this subsection from which such person received one thousand dollars or more of income during the year covered by the statement, including, but not limited to, any income otherwise required to be reported on any tax return such person is required by law to file; except that only the name of any publicly traded corporation or limited partnership which is listed on a regulated stock exchange or automated quotation system need be reported pursuant to this subdivision;

(4) The location by county, the subclassification for property tax assessment purposes, the approximate size and a description of the major improvements and use for each parcel of real property in the state, other than the individual's personal residence, having a fair market value of ten thousand dollars or more in which such person held a vested interest including a leasehold for a term of ten years or longer, and, if the property was transferred during the year covered by the statement, the name and address of the persons furnishing or receiving consideration for such transfer;

(5) The name and address of each entity in which such person owned stock, bonds or other equity interest with a value in excess of ten thousand dollars; except that, if the entity is a corporation listed on a regulated stock exchange, only the name of the corporation need be listed; and provided that any member of any board or commission of the state or any political subdivision who does not receive any compensation for his services to the state or political subdivision other than reimbursement for his actual expenses or a per diem allowance as prescribed by law for each day of such service need not report interests in publicly traded corporations or limited partnerships which are listed on a regulated stock exchange or automated quotation system pursuant to this subdivision; and provided further that the provisions of this subdivision shall not require reporting of any interest in any qualified plan or annuity pursuant to the Employees' Retirement Income Security Act;

(6) The name and address of each corporation for which such person served in the capacity of a director, officer or receiver;

(7) The name and address of each not-for-profit corporation and each association, organization, or union, whether incorporated or not, except not-for-profit corporations formed to provide church services, fraternal organizations or service clubs from which the officer or employee draws no remuneration, in which such person was an officer, director, employee or trustee at any time during the year covered by the statement, and for each such organization, a general description of the nature and purpose of the organization;

(8) The name and address of each source from which such person received a gift or gifts, or honorarium or honoraria in excess of two hundred dollars in value per source during the year covered by the statement other than gifts from persons within the third degree of consanguinity or affinity of the person filing the financial interest statement. For the purposes of this section, a "gift" shall not be construed to mean political contributions otherwise required to be reported by law or hospitality such as food, beverages or admissions to social, art, or sporting events or the like, or informational material. For the purposes of this section, a "gift" shall include gifts to or by creditors of the individual for the purpose of canceling, reducing or otherwise forgiving the indebtedness of the individual to that creditor;

(9) The lodging and travel expenses provided by any third person for expenses incurred outside the state of Missouri whether by gift or in relation to the duties of office of such official, except that such statement shall not include travel or lodging expenses:

(a) Paid in the ordinary course of business for businesses described in subdivisions (1), (2), (5) and (6) of this subsection which are related to the duties of office of such official; or

(b) For which the official may be reimbursed as provided by law; or

(c) Paid by persons related by the third degree of consanguinity or affinity to the person filing the statement; or

(d) Expenses which are reported by the campaign committee or candidate committee of the person filing the statement pursuant to the provisions of chapter 130, RSMo; or

(e) Paid for purely personal purposes which are not related to the person's official duties by a third person who is not a lobbyist, a lobbyist principal or member, or officer or director of a member, of any association or entity which employs a lobbyist. The statement shall include the name and address of such person who paid the expenses, the date such expenses were incurred, the amount incurred, the location of the travel and lodging, and the nature of the services rendered or reason for the expenses;

(10) The assets in any revocable trust of which the individual is the settlor if such assets would otherwise be required to be reported under this section;

(11) The name, position and relationship of any relative within the first degree of consanguinity or affinity to any other person who:

(a) Is employed by the state of Missouri, by a political subdivision of the state or special district, as defined in section 115.013, RSMo, of the state of Missouri;

(b) Is a lobbyist; or

(c) Is a fee agent of the department of revenue;

(12) The name and address of each campaign committee, political **party** committee, candidate committee, or **[**continuing**]** **political action** committee for which such person or any corporation listed on such person's financial interest statement received payment; and

(13) For members of the general assembly or any statewide elected public official, their spouses, and their dependent children, whether any state tax credits were claimed on the member's, spouse's, or dependent child's most recent state income tax return.

3. For the purposes of subdivisions (1), (2) and (3) of subsection 2 of this section, an individual shall be deemed to have received a salary from his employer or income from any source at the time when he shall receive a negotiable instrument whether or not payable at a later date and at the time when under the practice of his employer or the terms of an agreement he has earned or is entitled to anything of actual value whether or not delivery of the value is deferred or right to it has vested. The term income as used in this section shall have the same meaning as provided in the Internal Revenue Code of 1986, and amendments thereto, as the same may

be or becomes effective, at any time or from time to time for the taxable year, provided that income shall not be considered received or earned for purposes of this section from a partnership or sole proprietorship until such income is converted from business to personal use.

4. Each official, officer or employee or candidate of any political subdivision described in subdivision (11) of section 105.483 shall be required to file a financial interest statement as required by subsection 2 of this section, unless the political subdivision biennially adopts an ordinance, order or resolution at an open meeting by September fifteenth of the preceding year, which establishes and makes public its own method of disclosing potential conflicts of interest and substantial interests and therefore excludes the political subdivision or district and its officers and employees from the requirements of subsection 2 of this section. A certified copy of the ordinance, order or resolution shall be sent to the commission within ten days of its adoption. The commission shall assist any political subdivision in developing forms to complete the requirements of this subsection. The ordinance, order or resolution shall contain, at a minimum, the following requirements with respect to disclosure of substantial interests:

(1) Disclosure in writing of the following described transactions, if any such transactions were engaged in during the calendar year:

(a) For such person, and all persons within the first degree of consanguinity or affinity of such person, the date and the identities of the parties to each transaction with a total value in excess of five hundred dollars, if any, that such person had with the political subdivision, other than compensation received as an employee or payment of any tax, fee or penalty due to the political subdivision, and other than transfers for no consideration to the political subdivision;

(b) The date and the identities of the parties to each transaction known to the person with a total value in excess of five hundred dollars, if any, that any business entity in which such person had a substantial interest, had with the political subdivision, other than payment of any tax, fee or penalty due to the political subdivision or transactions involving payment for providing utility service to the political subdivision, and other than transfers for no consideration to the political subdivision;

(2) The chief administrative officer and chief purchasing officer of such political subdivision shall disclose in writing the information described in subdivisions (1), (2) and (6) of subsection 2 of this section;

(3) Disclosure of such other financial interests applicable to officials, officers and employees of the political subdivision, as may be required by the ordinance or resolution;

(4) Duplicate disclosure reports made pursuant to this subsection shall be filed with the commission and the governing body of the political subdivision. The clerk of such governing body shall maintain such disclosure reports available for public inspection and copying during normal business hours.

105.955. ETHICS COMMISSION ESTABLISHED — APPOINTMENT — QUALIFICATIONS — TERMS — VACANCIES — REMOVAL — S REQUIRED — INVESTIGATORS — POWERS AND DUTIES OF COMMISSION — ADVISORY OPINIONS, EFFECT — AUDITS. — 1. A bipartisan "Missouri Ethics Commission", composed of six members, is hereby established. The commission shall be assigned to the office of administration with supervision by the office of administration only for budgeting and reporting as provided by subdivisions (4) and (5) of subsection 6 of section 1 of the Reorganization Act of 1974. Supervision by the office of administration shall not extend to matters relating to policies, regulative functions or appeals from decisions of the commission, and the commissioner of administration, any employee of the office of administration, or the governor, either directly or indirectly, shall not participate or interfere with the activities of the commission in any manner not specifically provided by law and shall not in any manner interfere with the budget request of or withhold any moneys appropriated to the commission by the general assembly. All members of the commission shall be appointed by the governor with the advice and consent of the senate from lists submitted pursuant to this section. Each congressional district committee of the political parties having the two highest

number of votes cast for their candidate for governor at the last gubernatorial election shall submit two names of eligible nominees for membership on the commission to the governor, and the governor shall select six members from such nominees to serve on the commission.

2. Within thirty days of submission of the person's name to the governor as provided in subsection 1 of this section, and in order to be an eligible nominee for appointment to the commission, a person shall file a financial interest statement in the manner provided by section 105.485 and shall provide the governor, the president pro tempore of the senate, and the commission with a list of all political contributions and the name of the candidate or committee, political party, or **[**continuing**]** **political action** committee, as defined in chapter 130, RSMo, to which those contributions were made within the four-year period prior to such appointment, made by the nominee, the nominee's spouse, or any business entity in which the nominee has a substantial interest. The information shall be maintained by the commission and available for public inspection during the period of time during which the appointee is a member of the commission. In order to be an eligible nominee for membership on the commission, a person shall be a citizen and a resident of the state and shall have been a registered voter in the state for a period of at least five years preceding the person's appointment.

3. The term of each member shall be for four years, except that of the members first appointed, the governor shall select three members from even-numbered congressional districts and three members from odd-numbered districts. Not more than three members of the commission shall be members of the same political party, nor shall more than one member be from any one United States congressional district. Not more than two members appointed from the even-numbered congressional districts shall be members of the same political party, and no more than two members from the odd-numbered congressional districts shall be members of the same political party. Of the members first appointed, the terms of the members appointed from the odd-numbered congressional districts shall expire on March 15, 1994, and the terms of the members appointed from the even-numbered congressional districts shall expire on March 15, 1996. Thereafter all successor members of the commission shall be appointed for four-year terms. Terms of successor members of the commission shall expire on March fifteenth of the fourth year of their term. No member of the commission shall serve on the commission after the expiration of the member's term. No person shall be appointed to more than one full four-year term on the commission.

4. Vacancies or expired terms on the commission shall be filled in the same manner as the original appointment was made, except as provided in this subsection. Within thirty days of the vacancy or ninety days before the expiration of the term, the names of two eligible nominees for membership on the commission shall be submitted to the governor by the congressional district committees of the political party or parties of the vacating member or members, from the even- or odd-numbered congressional districts, based on the residence of the vacating member or members, other than from the congressional district committees from districts then represented on the commission and from the same congressional district party committee or committees which originally appointed the member or members whose positions are vacated. Appointments to fill vacancies or expired terms shall be made within forty-five days after the deadline for submission of names by the congressional district committees, and shall be subject to the same qualifications for appointment and eligibility as is provided in subsections 2 and 3 of this section. Appointments to fill vacancies for unexpired terms shall be for the remainder of the unexpired term of the member whom the appointee succeeds, and such appointees shall be eligible for appointment to one full four-year term. If the congressional district committee does not submit the required two nominees within the thirty days or if the congressional district committee does not submit the two nominees within an additional thirty days after receiving notice from the governor to submit the nominees, then the governor may appoint a person or persons who shall be subject to the same qualifications for appointment and eligibility as provided in subsections 2 and 3 of this section.

5. The governor, with the advice and consent of the senate, may remove any member only for substantial neglect of duty, inability to discharge the powers and duties of office, gross misconduct or conviction of a felony or a crime involving moral turpitude. Members of the commission also may be removed from office by concurrent resolution of the general assembly signed by the governor. If such resolution receives the vote of two-thirds or more of the membership of both houses of the general assembly, the signature of the governor shall not be necessary to effect removal. The office of any member of the commission who moves from the congressional district from which the member was appointed shall be deemed vacated upon such change of residence.

6. The commission shall elect biennially one of its members as the chairman. The chairman may not succeed himself or herself after two years. No member of the commission shall succeed as chairman any member of the same political party as himself or herself. At least four members are necessary to constitute a quorum, and at least four affirmative votes shall be required for any action or recommendation of the commission.

7. No member or employee of the commission, during the person's term of service, shall hold or be a candidate for any other public office.

8. In the event that a retired judge is appointed as a member of the commission, the judge shall not serve as a special investigator while serving as a member of the commission.

9. No member of the commission shall, during the member's term of service or within one year thereafter:

(1) Be employed by the state or any political subdivision of the state;

(2) Be employed as a lobbyist;

(3) Serve on any other governmental board or commission;

(4) Be an officer of any political party or political organization;

(5) Permit the person's name to be used, or make contributions, in support of or in opposition to any candidate or proposition;

(6) Participate in any way in any election campaign; except that a member or employee of the commission shall retain the right to register and vote in any election, to express the person's opinion privately on political subjects or candidates, to participate in the activities of a civic, community, social, labor or professional organization and to be a member of a political party.

10. Each member of the commission shall receive, as full compensation for the member's services, the sum of one hundred dollars per day for each full day actually spent on work of the commission, and the member's actual and necessary expenses incurred in the performance of the member's official duties.

11. The commission shall appoint an executive director who shall serve subject to the supervision of and at the pleasure of the commission, but in no event for more than six years. The executive director shall be responsible for the administrative operations of the commission and perform such other duties as may be delegated or assigned to the director by law or by rule of the commission. The executive director shall employ staff and retain such contract services as the director deems necessary, within the limits authorized by appropriations by the general assembly.

12. Beginning on January 1, 1993, all lobbyist registration and expenditure reports filed pursuant to section 105.473, financial interest statements filed pursuant to subdivision (1) of section 105.489, and campaign finance disclosure reports filed other than with election authorities or local election authorities as provided by section 130.026, RSMo, shall be filed with the commission.

13. Within sixty days of the initial meeting of the first commission appointed, the commission shall obtain from the clerk of the supreme court or the state courts administrator a list of retired appellate and circuit court judges who did not leave the judiciary as a result of being defeated in an election. The executive director shall determine those judges who indicate their desire to serve as special investigators and to investigate any and all complaints referred to them by the commission. The executive director shall maintain an updated list of those judges

qualified and available for appointment to serve as special investigators. Such list shall be updated at least annually. The commission shall refer complaints to such special investigators on that list on a rotating schedule which ensures a random assignment of each special investigator. Each special investigator shall receive only one unrelated investigation at a time and shall not be assigned to a second or subsequent investigation until all other eligible investigators on the list have been assigned to an investigation. In the event that no special investigator is qualified or available to conduct a particular investigation, the commission may appoint a special investigator to conduct such particular investigation.

14. The commission shall have the following duties and responsibilities relevant to the impartial and effective enforcement of sections 105.450 to 105.496 and chapter 130, RSMo, as provided in sections 105.955 to 105.963:

(1) Receive and review complaints regarding alleged violation of sections 105.450 to 105.496 and chapter 130, RSMo, conduct initial reviews and investigations regarding such complaints as provided herein; refer complaints to appropriate prosecuting authorities and appropriate disciplinary authorities along with recommendations for sanctions; and initiate judicial proceedings as allowed by sections 105.955 to 105.963;

(2) Review and **[**audit**] investigate** any reports and statements required by the campaign finance disclosure laws contained in chapter 130, RSMo, and financial interest disclosure laws or lobbyist registration and reporting laws as provided by sections 105.470 to 105.492, for timeliness, accuracy and completeness of content as provided in sections 105.955 to 105.963;

(3) **Conduct investigations as provided in subsection 2 of section 105.959;**

(4) Develop appropriate systems to file and maintain an index of all such reports and statements to facilitate public access to such information, except as may be limited by confidentiality requirements otherwise provided by law, including cross-checking of information contained in such statements and reports. The commission may enter into contracts with the appropriate filing officers to effectuate such system. Such filing officers shall cooperate as necessary with the commission as reasonable and necessary to effectuate such purposes;

[(4)**] (5)** Provide information and assistance to lobbyists, elected and appointed officials, and employees of the state and political subdivisions in carrying out the provisions of sections 105.450 to 105.496 and chapter 130, RSMo;

[(5)**] (6)** Make recommendations to the governor and general assembly or any state agency on the need for further legislation with respect to the ethical conduct of public officials and employees and to advise state and local government in the development of local government codes of ethics and methods of disclosing conflicts of interest as the commission may deem appropriate to promote high ethical standards among all elected and appointed officials or employees of the state or any political subdivision thereof and lobbyists;

[(6)**] (7)** Render advisory opinions as provided by this section;

[(7)**] (8)** Promulgate rules relating to the provisions of sections 105.955 to 105.963 and chapter 130, RSMo. All rules and regulations issued by the commission shall be prospective only in operation;

[(8)**] (9)** Request and receive from the officials and entities identified in subdivision (6) of section 105.450 designations of decision-making public servants.

15. In connection with such powers provided by sections 105.955 to 105.963 and chapter 130, RSMo, the commission may:

(1) Subpoena witnesses and compel their attendance and testimony. Subpoenas shall be served and enforced in the same manner provided by section 536.077, RSMo;

(2) Administer oaths and affirmations;

(3) Take evidence and require by subpoena duces tecum the production of books, papers, and other records relating to any matter being investigated or to the performance of the commission's duties or exercise of its powers. Subpoenas duces tecum shall be served and enforced in the same manner provided by section 536.077, RSMo;

(4) Employ such personnel, including legal counsel, and contract for services including legal counsel, within the limits of its appropriation, as it deems necessary provided such legal counsel, either employed or contracted, represents the Missouri ethics commission before any state agency or before the courts at the request of the Missouri ethics commission. Nothing in this section shall limit the authority of the Missouri ethics commission as provided for in subsection 2 of section 105.961; and

(5) Obtain information from any department, division or agency of the state or any political subdivision reasonably calculated to lead to the discovery of evidence which will reasonably assist the commission in carrying out the duties prescribed in sections 105.955 to 105.963 and chapter 130, RSMo.

16. (1) Upon written request for an advisory opinion received by the commission, and if the commission determines that the person requesting the opinion would be directly affected by the application of law to the facts presented by the requesting person, the commission shall issue a written opinion advising the person who made the request, in response to the person's particular request, regarding any issue that the commission can receive a complaint on pursuant to section 105.957. The commission may decline to issue a written opinion by a vote of four members and shall provide to the requesting person the reason for the refusal in writing. The commission shall give an approximate time frame as to when the written opinion shall be issued. Such advisory opinions shall be issued no later than ninety days from the date of receipt by the commission. Such requests and advisory opinions, deleting the name and identity of the requesting person, shall be compiled and published by the commission on at least an annual basis. Advisory opinions issued by the commission shall be maintained and made available for public inspection and copying at the office of the commission during normal business hours. Any advisory opinion or portion of an advisory opinion rendered pursuant to this subsection shall be withdrawn by the commission if, after hearing thereon, the joint committee on administrative rules finds that such advisory opinion is beyond or contrary to the statutory authority of the commission or is inconsistent with the legislative intent of any law enacted by the general assembly, and after the general assembly, by concurrent resolution, votes to adopt the findings and conclusions of the joint committee on administrative rules. Any such concurrent resolution adopted by the general assembly shall be published at length by the commission in its publication of advisory opinions of the commission next following the adoption of such resolution, and a copy of such concurrent resolution shall be maintained by the commission, along with the withdrawn advisory opinion, in its public file of advisory opinions. The commission shall also send a copy of such resolution to the person who originally requested the withdrawn advisory opinion. Any advisory opinion issued by the ethics commission shall act as legal direction to any person requesting such opinion and no person shall be liable for relying on the opinion and it shall act as a defense of justification against prosecution. An advisory opinion of the commission shall not be withdrawn unless:

(a) The authorizing statute is declared unconstitutional;

(b) The opinion goes beyond the power authorized by statute; or

(c) The authorizing statute is changed to invalidate the opinion.

(2) Upon request, the attorney general shall give the attorney general's opinion, without fee, to the commission, any elected official of the state or any political subdivision, any member of the general assembly, or any director of any department, division or agency of the state, upon any question of law regarding the effect or application of sections 105.450 to 105.496, or chapter 130, RSMo. Such opinion need be in writing only upon request of such official, member or director, and in any event shall be rendered within sixty days **[**that**]** **after** such request is delivered to the attorney general.

17. The state auditor and the state auditor's duly authorized employees who have taken the oath of confidentiality required by section 29.070, RSMo, may audit the commission and in connection therewith may inspect materials relating to the functions of the commission. Such audit shall include a determination of whether appropriations were spent within the intent of the

general assembly, but shall not extend to review of any file or document pertaining to any particular investigation, audit or review by the commission, an investigator or any staff or person employed by the commission or under the supervision of the commission or an investigator. The state auditor and any employee of the state auditor shall not disclose the identity of any person who is or was the subject of an investigation by the commission and whose identity is not public information as provided by law.

18. From time to time but no more frequently than annually the commission may request the officials and entities described in subdivision (6) of section 105.450 to identify for the commission in writing those persons associated with such office or entity which such office or entity has designated as a decision-making public servant. Each office or entity delineated in subdivision (6) of section 105.450 receiving such a request shall identify those so designated within thirty days of the commission's request.

105.957. RECEIPT OF COMPLAINTS — FORM — INVESTIGATION — DISMISSAL OF FRIVOLOUS COMPLAINTS, DAMAGES, PUBLIC REPORT. — 1. The commission shall receive any complaints alleging violation of the provisions of:

(1) The requirements imposed on lobbyists by sections 105.470 to 105.478;

(2) The financial interest disclosure requirements contained in sections 105.483 to 105.492;

(3) The campaign finance disclosure requirements contained in chapter 130, RSMo;

(4) Any code of conduct promulgated by any department, division or agency of state government, or by state institutions of higher education, or by executive order;

(5) The conflict of interest laws contained in sections 105.450 to 105.468 and section 171.181, RSMo; and

(6) The provisions of the constitution or state statute or order, ordinance or resolution of any political subdivision relating to the official conduct of officials or employees of the state and political subdivisions.

2. Complaints filed with the commission shall be in writing and filed only by a natural person. The complaint shall contain all facts known by the complainant that have given rise to the complaint and the complaint shall be sworn to, under penalty of perjury, by the complainant. No complaint shall be investigated unless the complaint alleges facts which, if true, fall within the jurisdiction of the commission. Within five days after receipt **[**of a complaint**]** by the commission **of a complaint which is properly signed and notarized, and which alleges facts which, if true, fall within the jurisdiction of the commission**, a copy of the complaint, including the name of the complainant, shall be delivered to the alleged violator.

3. No complaint shall be investigated which concerns alleged criminal conduct which allegedly occurred previous to the period of time allowed by law for criminal prosecution for such conduct. The commission may refuse to investigate any conduct which is the subject of civil or criminal litigation. The commission, its executive director or an investigator shall not investigate any complaint concerning conduct which is not criminal in nature which occurred more than two years prior to the date of the complaint. A complaint alleging misconduct on the part of a candidate for public office, other than those alleging failure to file the appropriate financial interest statements or campaign finance disclosure reports, shall not be accepted by the commission within sixty days prior to the primary election at which such candidate is running for office, and until after the general election.

4. If the commission finds that any complaint is frivolous in nature **[**or finds no probable cause to believe that there has been a violation**]**, the commission shall dismiss the case. For purposes of this subsection, "frivolous" shall mean a complaint clearly lacking any basis in fact or law. Any person who submits a frivolous complaint shall be liable for actual and compensatory damages to the alleged violator for holding the alleged violator before the public in a false light. If the commission finds that a complaint is frivolous **[**or that there is not probable cause to believe there has been a violation**]**, the commission shall issue a public report to the complainant and the alleged violator stating with particularity its reasons for dismissal of the

complaint. Upon such issuance, the complaint and all materials relating to the complaint shall be a public record as defined in chapter 610, RSMo.

5. Complaints which allege violations as described in this section which are filed with the commission shall be handled as provided by section 105.961.

105.959. REVIEW OF REPORTS AND STATEMENTS, NOTICE — INVESTIGATIONS — REPORT — REFERRAL OF REPORT — CONFIDENTIALITY. — 1. The executive director of the commission, under the supervision of the commission, shall review reports and statements filed with the commission or other appropriate officers pursuant to sections 105.470, 105.483 to 105.492, and chapter 130, RSMo, for completeness, accuracy and timeliness of filing of the reports or statements **and any records relating to the reports or statements**, and upon review, if there are reasonable grounds to believe that a violation has occurred, shall conduct an **[**audit**] investigation** of such reports**, [**and**]** statements**, and records and assign a special investigator following the provisions of subsection 1 of section 105.961**. **[**All investigations by the executive director of an alleged violation shall be strictly confidential with the exception of notification of the commission and the complainant or the person under investigation. All investigations by the executive director shall be limited to the information contained in the reports or statements. The commission shall notify the complainant or the person under investigation, by registered mail, within five days of the decision to conduct such investigation. Revealing any such confidential investigation information shall be cause for removal or dismissal of the executive director or a commission member or employee.**]**

2. **(1) If there are reasonable grounds to believe that a violation has occurred and after the commission unanimously votes to proceed with all six members voting, the executive director shall, without receipt of a complaint, conduct an independent investigation of any potential violations of the provisions of:**

(a) The requirements imposed on lobbyists by section 105.470 to 105.478;

(b) The financial interest disclosure requirements contained in sections 105.483 to 105.492;

(c) The campaign finance disclosure requirements contained in chapter 130;

(d) Any code of conduct promulgated by any department, division, or agency of state government, or by state institutions of higher education, or by executive order;

(e) The conflict of interest laws contained in sections 105.450 to 105.468 and section 171.181; and

(f) The provisions of the constitution or state statute or order, ordinance, or resolution of any political subdivision relating to the official conduct of officials or employees of the state and political subdivisions.

(2) If an investigation conducted under this subsection fails to establish reasonable grounds to believe that a violation has occurred, the investigation shall be terminated and the person who had been under investigation shall be notified of the reasons for the disposition of the complaint.

3. Upon findings of the appropriate filing officer which are reported to the commission in accordance with the provisions of section 130.056, RSMo, the executive director shall **[**audit**] investigate** disclosure reports, statements and records pertaining to such findings within a reasonable time after receipt of the reports from the appropriate filing officer.

[3. Upon a sworn written complaint of any natural person filed with the commission pursuant to section 105.957, the commission shall audit and investigate alleged violations. Within sixty days after receipt of a sworn written complaint alleging a violation, the executive director shall notify the complainant in writing of the action, if any, the executive director has taken and plans to take on the complaint. If an investigation conducted pursuant to this subsection fails to establish reasonable grounds to believe that a violation has occurred, the investigation shall be terminated and the complainant and the person who had been under investigation shall be notified of the reasons for the disposition of the complaint.**]**

4. The commission may make such investigations and inspections within or outside of this state as are necessary to determine compliance.

5. **[**If, during an audit or investigation, the commission determines that a formal investigation is necessary, the commission shall assign the investigation to a special investigator in the manner provided by subsection 1 of section 105.961.**] The commission shall notify the person under investigation under this section, by registered mail, within five days of the decision to conduct such investigation and assign a special investigator following the provisions of subsection 1 of section 105.961.**

6. After completion of an **[**audit or**]** investigation, the executive director shall provide a detailed report of such **[**audit or**]** investigation to the commission. Upon determination that there are reasonable grounds to believe that a person has violated the requirements of sections 105.470, 105.483 to 105.492, or chapter 130, RSMo, by a vote of four members of the commission, the commission may refer the report with the recommendations of the commission to the appropriate prosecuting authority together with **[**a copy of the audit and**]** the details of the investigation by the commission as is provided in subsection 2 of section 105.961.

7. All investigations by the executive director of an alleged violation shall be strictly confidential with the exception of notification of the commission and the complainant and the person under investigation. Revealing any such confidential investigation information shall be cause for removal or dismissal of the executive director or a commission member or employee.

105.961. SPECIAL INVESTIGATOR — REPORT — COMMISSION REVIEW, DETERMINATION — SPECIAL PROSECUTOR — HEARINGS — ACTION OF COMMISSION — FORMAL PROCEEDINGS — APPROPRIATE DISCIPLINARY AUTHORITIES — POWERS OF INVESTIGATORS — FEES AND EXPENSES — CONFIDENTIALITY, PENALTY — COMPENSATION. — 1. Upon receipt of a complaint as described by section 105.957 **or upon notification by the commission of an investigation under subsection 5 of section 105.959**, the commission shall assign the complaint **or investigation** to a special investigator, who may be a commission employee, who shall investigate and determine the merits of the complaint **or investigation**. Within ten days of such assignment, the special investigator shall review such complaint and disclose, in writing, to the commission any conflict of interest which the special investigator has or might have with respect to the investigation and subject thereof. Within **[**one hundred twenty**] ninety** days of receipt of the complaint from the commission, the special investigator shall submit the special investigator's report to the commission. The commission, after review of such report, shall determine:

(1) That there is reasonable grounds for belief that a violation has occurred; or

(2) That there are no reasonable grounds for belief that a violation exists and the complaint **or investigation [**should**] shall** be dismissed; or

(3) That additional time is necessary to complete the investigation, and the status and progress of the investigation to date. The commission, in its discretion, may allow the investigation to proceed for **no more than two** additional successive periods of **[**one hundred twenty**] ninety** days each, pending reports regarding the status and progress of the investigation at the end of each such period.

2. When the commission concludes, based on the report from the special investigator, or based on an **[**audit**] investigation** conducted pursuant to section 105.959, that there are reasonable grounds to believe that a violation of any criminal law has occurred, and if the commission believes that criminal prosecution would be appropriate upon a vote of four members of the commission, the commission shall refer the report to the Missouri office of prosecution services, prosecutors coordinators training council established in section 56.760, RSMo, which shall submit a panel of five attorneys for recommendation to the court having criminal jurisdiction, for appointment of an attorney to serve as a special prosecutor; except that, the attorney general of Missouri or any assistant attorney general shall not act as such special

prosecutor. The court shall then appoint from such panel a special prosecutor pursuant to section 56.110, RSMo, who shall have all the powers provided by section 56.130, RSMo. The court shall allow a reasonable and necessary attorney's fee for the services of the special prosecutor. Such fee shall be assessed as costs if a case is filed, or ordered by the court if no case is filed, and paid together with all other costs in the proceeding by the state, in accordance with rules and regulations promulgated by the state courts administrator, subject to funds appropriated to the office of administration for such purposes. If the commission does not have sufficient funds to pay a special prosecutor, the commission shall refer the case to the prosecutor or prosecutors having criminal jurisdiction. If the prosecutor having criminal jurisdiction is not able to prosecute the case due to a conflict of interest, the court may appoint a special prosecutor, paid from county funds, upon appropriation by the county or the attorney general to investigate and, if appropriate, prosecute the case. The special prosecutor or prosecutor shall commence an action based on the report by the filing of an information or seeking an indictment within sixty days of the date of such prosecutor's appointment, or shall file a written statement with the commission explaining why criminal charges should not be sought. If the special prosecutor or prosecutor fails to take either action required by this subsection, upon request of the commission, a new special prosecutor, who may be the attorney general, shall be appointed. The report may also be referred to the appropriate disciplinary authority over the person who is the subject of the report.

3. When the commission concludes, based on the report from the special investigator or based on an **[**audit**]** **investigation** conducted pursuant to section 105.959, that there are reasonable grounds to believe that a violation of any law has occurred which is not a violation of criminal law or that criminal prosecution is not appropriate, the commission shall conduct a hearing which shall be a closed meeting and not open to the public. The hearing shall be conducted pursuant to the procedures provided by sections 536.063 to 536.090, RSMo, and shall be considered to be a contested case for purposes of such sections. The commission shall determine, in its discretion, whether or not that there is probable cause that a violation has occurred. If the commission determines, by a vote of at least four members of the commission, that probable cause exists that a violation has occurred, the commission may refer its findings and conclusions to the appropriate disciplinary authority over the person who is the subject of the report, as described in subsection **[**7**]** **8** of this section. **[**After the commission determines by a vote of at least four members of the commission that probable cause exists that a violation has occurred, and the commission has referred the findings and conclusions to the appropriate disciplinary authority over the person subject of the report, the subject of the report may appeal the determination of the commission to the administrative hearing commission. Such appeal shall stay the action of the Missouri ethics commission. Such appeal shall be filed not later than the fourteenth day after the subject of the commission's action receives actual notice of the commission's action.**]**

4. If the appropriate disciplinary authority receiving a report from the commission pursuant to subsection 3 of this section fails to follow, within sixty days of the receipt of the report, the recommendations contained in the report, or if the commission determines, by a vote of at least four members of the commission that some action other than referral for criminal prosecution or for action by the appropriate disciplinary authority would be appropriate, the commission shall take any one or more of the following actions:

(1) Notify the person to cease and desist violation of any provision of law which the report concludes was violated and that the commission may seek judicial enforcement of its decision pursuant to subsection 5 of this section;

(2) Notify the person of the requirement to file, amend or correct any report, statement, or other document or information required by sections 105.473, 105.483 to 105.492, or chapter 130, RSMo, and that the commission may seek judicial enforcement of its decision pursuant to subsection 5 of this section; and

(3) File the report with the executive director to be maintained as a public document; or

(4) Issue a letter of concern or letter of reprimand to the person, which would be maintained as a public document; or

(5) Issue a letter that no further action shall be taken, which would be maintained as a public document; or

(6) Through reconciliation agreements or **[**civil action**]** **action of the commission**, the power to seek fees for violations in an amount not greater than one thousand dollars or double the amount involved in the violation.

5. Upon vote of at least four members, the commission may initiate formal judicial proceedings **in the circuit court of Cole County** seeking to obtain any of the following orders:

(1) Cease and desist violation of any provision of sections 105.450 to 105.496, or chapter 130, RSMo, or sections 105.955 to 105.963;

(2) Pay any civil penalties required by sections 105.450 to 105.496 or chapter 130, RSMo;

(3) File any reports, statements, or other documents or information required by sections 105.450 to 105.496, or chapter 130, RSMo; or

(4) Pay restitution for any unjust enrichment the violator obtained as a result of any violation of any criminal statute as described in subsection 6 of this section. **[**The Missouri ethics commission shall give actual notice to the subject of the complaint of the proposed action as set out in this section. The subject of the complaint may appeal the action of the Missouri ethics commission, other than a referral for criminal prosecution, to the administrative hearing commission. Such appeal shall stay the action of the Missouri ethics commission. Such appeal shall be filed no later than fourteen days after the subject of the commission's actions receives actual notice of the commission's actions.**]**

6. After the commission determines by a vote of at least four members of the commission that a violation has occurred, other than a referral for criminal prosecution, and the commission has referred the findings and conclusions to the appropriate disciplinary authority over the person who is the subject of the report, or has taken an action under subsection 4 of this section, the subject of the report may appeal the determination of the commission to the circuit court of Cole County. The court shall conduct a de novo review of the determination of the commission. Such appeal shall stay the action of the Missouri ethics commission. Such appeal shall be filed not later than the fourteenth day after the subject of the commission's action receives actual notice of the commission's action. If a petition for judicial review of a final order is not filed as provided in this section or when an order for fees under subsection 4 of this section becomes final following an appeal to the circuit court of Cole County, the commission may file a certified copy of the final order with the circuit court of Cole County. When any order for fees under subsection 4 of this section becomes final, the commission may file a certified copy of the final order with the circuit court of Cole County. The order so filed shall have the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

[6.**]** **7.** In the proceeding in **the** circuit court **of Cole County**, the commission may seek restitution against any person who has obtained unjust enrichment as a result of violation of any provision of sections 105.450 to 105.496, or chapter 130, RSMo, and may recover on behalf of the state or political subdivision with which the alleged violator is associated, damages in the amount of any unjust enrichment obtained and costs and attorney's fees as ordered by the court.

[7.**]** **8.** The appropriate disciplinary authority to whom a report shall be sent pursuant to subsection 2 or 3 of this section shall include, but not be limited to, the following:

(1) In the case of a member of the general assembly, the ethics committee of the house of which the subject of the report is a member;

(2) In the case of a person holding an elective office or an appointive office of the state, if the alleged violation is an impeachable offense, the report shall be referred to the ethics committee of the house of representatives;

(3) In the case of a person holding an elective office of a political subdivision, the report shall be referred to the governing body of the political subdivision;

(4) In the case of any officer or employee of the state or of a political subdivision, the report shall be referred to the person who has immediate supervisory authority over the employment by the state or by the political subdivision of the subject of the report;

(5) In the case of a judge of a court of law, the report shall be referred to the commission on retirement, removal and discipline, or if the inquiry involves an employee of the judiciary to the applicable presiding judge;

(6) In the case of a person holding an appointive office of the state, if the alleged violation is not an impeachable offense, the report shall be referred to the governor;

(7) In the case of a statewide elected official, the report shall be referred to the attorney general;

(8) In a case involving the attorney general, the report shall be referred to the prosecuting attorney of Cole County.

[8.**] 9.** The special investigator having a complaint referred to the special investigator by the commission shall have the following powers:

(1) To request and shall be given access to information in the possession of any person or agency which the special investigator deems necessary for the discharge of the special investigator's responsibilities;

(2) To examine the records and documents of any person or agency, unless such examination would violate state or federal law providing for confidentiality;

(3) To administer oaths and affirmations;

(4) Upon refusal by any person to comply with a request for information relevant to an investigation, an investigator may issue a subpoena for any person to appear and give testimony, or for a subpoena duces tecum to produce documentary or other evidence which the investigator deems relevant to a matter under the investigator's inquiry. The subpoenas and subpoenas duces tecum may be enforced by applying to a judge of the circuit court of Cole County or any county where the person or entity that has been subpoenaed resides or may be found, for an order to show cause why the subpoena or subpoena duces tecum should not be enforced. The order and a copy of the application therefor shall be served in the same manner as a summons in a civil action, and if, after hearing, the court determines that the subpoena or subpoena duces tecum should be sustained and enforced, the court shall enforce the subpoena or subpoena duces tecum in the same manner as if it had been issued by the court in a civil action; and

(5) To request from the commission such investigative, clerical or other staff assistance or advancement of other expenses which are necessary and convenient for the proper completion of an investigation. Within the limits of appropriations to the commission, the commission may provide such assistance, whether by contract to obtain such assistance or from staff employed by the commission, or may advance such expenses.

[9.**] 10.** (1) Any retired judge may request in writing to have the judge's name removed from the list of special investigators subject to appointment by the commission or may request to disqualify himself or herself from any investigation. Such request shall include the reasons for seeking removal;

(2) By vote of four members of the commission, the commission may disqualify a judge from a particular investigation or may permanently remove the name of any retired judge from the list of special investigators subject to appointment by the commission.

[10.**] 11.** Any person who is the subject of any investigation pursuant to this section shall be entitled to be represented by counsel at any proceeding before the special investigator or the commission.

[11.**] 12.** The provisions of sections 105.957, 105.959 and 105.961 are in addition to other provisions of law under which any remedy or right of appeal or objection is provided for any person, or any procedure provided for inquiry or investigation concerning any matter. The

provisions of this section shall not be construed to limit or affect any other remedy or right of appeal or objection.

[12.**]** **13.** No person shall be required to make or file a complaint to the commission as a prerequisite for exhausting the person's administrative remedies before pursuing any civil cause of action allowed by law.

[13.**]** **14.** If, in the opinion of the commission, the complaining party was motivated by malice or reason contrary to the spirit of any law on which such complaint was based, in filing the complaint without just cause, this finding shall be reported to appropriate law enforcement authorities. Any person who knowingly files a complaint without just cause, or with malice, is guilty of a class A misdemeanor.

[14.**]** **15.** A respondent party who prevails in a formal judicial action brought by the commission shall be awarded those reasonable fees and expenses incurred by that party in the formal judicial action, unless the court finds that the position of the commission was substantially justified or that special circumstances make such an award unjust.

[15.**]** **16.** The special investigator and members and staff of the commission shall maintain confidentiality with respect to all matters concerning a complaint **[**until and if a report is filed with the commission**]**, with the exception of communications with any person which are necessary to the investigation. **[**The report filed with the commission resulting from a complaint acted upon under the provisions of this section shall not contain the name of the complainant or other person providing information to the investigator, if so requested in writing by the complainant or such other person.**]** Any person who violates the confidentiality requirements imposed by this section or subsection 17 of section 105.955 required to be confidential is guilty of a class A misdemeanor and shall be subject to removal from or termination of employment by the commission.

[16.**]** **17.** Any judge of the court of appeals or circuit court who ceases to hold such office by reason of the judge's retirement and who serves as a special investigator pursuant to this section shall receive annual compensation, salary or retirement for such services at the rates of compensation provided for senior judges by subsections 1, 2 and 4 of section 476.682, RSMo. Such retired judges shall by the tenth day of each month following any month in which the judge provided services pursuant to this section certify to the commission and to the state courts administrator the amount of time engaged in such services by hour or fraction thereof, the dates thereof, and the expenses incurred and allowable pursuant to this section. The commission shall then issue a warrant to the state treasurer for the payment of the salary and expenses to the extent, and within limitations, provided for in this section. The state treasurer upon receipt of such warrant shall pay the same out of any appropriations made for this purpose on the last day of the month during which the warrant was received by the state treasurer.

105.963. ASSESSMENTS OF COMMITTEES, CAMPAIGN DISCLOSURE REPORTS — NOTICE — PENALTY — ASSESSMENTS OF FINANCIAL INTEREST STATEMENTS — NOTICE — PENALTIES — EFFECTIVE DATE. — 1. The executive director shall assess every committee, as defined in section 130.011, RSMo, failing to file with a filing officer other than a local election authority as provided by section 130.026, RSMo, a campaign disclosure report **or statement of limited activity** as required by chapter 130, RSMo, other than the report required pursuant to subdivision (1) of subsection 1 of section 130.046, RSMo, a late filing fee of **[**ten**]** **fifty** dollars for each day after such report is due to the commission**, provided that the total amount of such fees assessed under this subsection per report shall not exceed three thousand dollars**. The executive director shall **[**mail**]** **send** a notice**[**, by registered mail,**]** to any candidate and the treasurer of any committee who fails to file such report **within seven business days of such failure to file** informing such person of such failure and the fees provided by this section. **[**If the candidate or treasurer of any committee persists in such failure for a period in excess of thirty days beyond receipt of such notice, the amount of the late filing fee shall increase to one hundred

dollars for each day that the report is not filed, provided that the total amount of such fees assessed pursuant to this subsection per report shall not exceed three thousand dollars.**]**

2. **[**(1)**]** Any **[**candidate for state or local office who**] committee that** fails to file a campaign disclosure report required pursuant to subdivision (1) of subsection 1 of section 130.046, RSMo, other than a report required to be filed with a local election authority as provided by section 130.026, RSMo, shall be assessed by the executive director a late filing fee of one hundred dollars for each day that the report is not filed, **[**until the first day after the date of the election. After such election date, the amount of such late filing fee shall accrue at the rate of ten dollars per day that such report remains unfiled, except as provided in subdivision (2) of this subsection.

(2)**] provided that the total amount of such fees assessed under this subsection per report shall not exceed three thousand dollars.** The executive director shall **[**mail**] send** a notice**[**, by certified mail or other means to give actual notice,**]** to any candidate **and the treasurer of any committee** who fails to file the report described in **[**subdivision (1) of**]** this subsection **within seven business days of such failure to file** informing such person of such failure and the fees provided by this section. **[**If the candidate persists in such failure for a period in excess of thirty days beyond receipt of such notice, the amount of the late filing fee shall increase to one hundred dollars for each day that the report is not filed, provided that the total amount of such fees assessed pursuant to this subsection per report shall not exceed six thousand dollars.**]**

3. The executive director shall assess every person required to file a financial interest statement pursuant to sections 105.483 to 105.492 failing to file such a financial interest statement with the commission a late filing fee of ten dollars for each day after such statement is due to the commission. The executive director shall **[**mail**] send** a notice**[**, by certified mail,**]** to any person who fails to file such statement informing the individual required to file of such failure and the fees provided by this section. If the person persists in such failure for a period in excess of thirty days beyond receipt of such notice, the amount of the late filing fee shall increase to one hundred dollars for each day thereafter that the statement is late, provided that the total amount of such fees assessed pursuant to this subsection per statement shall not exceed six thousand dollars.

4. Any person assessed a late filing fee may seek review of such assessment or the amount of late filing fees assessed, at the person's option, by filing a petition within fourteen days after receiving **[**actual**]** notice of assessment with **[**the administrative hearing commission, or without exhausting the person's administrative remedies may seek review of such issues with**]** the circuit court of Cole County.

5. The executive director of the Missouri ethics commission shall collect such late filing fees as are provided for in this section. Unpaid late filing fees shall be collected by action filed by the commission. The commission shall contract with the appropriate entity to collect such late filing fees after a thirty-day delinquency. If not collected within one hundred twenty days, the Missouri ethics commission shall file a petition in Cole County circuit court to seek a judgment on said fees. **After obtaining a judgment for the unpaid late filing fees, the commission or any entity contracted by the commission may proceed to collect the judgment in any manner authorized by law, including but not limited to garnishment of and execution against the committee's official depository account as set forth in subsection 4 of section 130.021 after a thirty-day delinquency.** All late filing fees collected pursuant to this section shall be transmitted to the state treasurer and deposited to the general revenue fund.

6. The late filing fees provided by this section shall be in addition to any penalty provided by law for violations of sections 105.483 to 105.492 or chapter 130, RSMo.

7. If any **lobbyist fails to file a lobbyist report in a timely manner and that lobbyist is assessed a late fee, or if any individual who is required to file a personal financial disclosure statement fails to file such disclosure statement in a timely manner and is assessed a late fee, or if any** candidate **or the treasurer of any committee** fails to file a

campaign disclosure report **or a statement of limited activity** in a timely manner and that candidate **or treasurer of any committee who fails to file a disclosure statement in a timely manner and** is assessed a late filing fee, the **lobbyist, individual,** candidate, **[**candidate committee treasurer or assistant treasurer**] or the treasurer of any committee** may file an appeal of the assessment of the late filing fee with the commission. The commission may forgive the assessment of the late filing fee upon a showing of good cause. Such appeal shall be filed within ten days of the receipt of notice of the assessment of the late filing fee.

105.966. ETHICS COMMISSION TO COMPLETE ALL COMPLAINT INVESTIGATIONS, PROCEDURE. — 1. **[**Except as provided in subsection 2 of this section,**]** The ethics commission shall complete and make determinations pursuant to subsection 1 of section 105.961 on all complaint investigations**[**, except those complaint investigations assigned to a retired judge,**]** within ninety days of initiation.

2. **[**The commission may file a petition in the Cole County circuit court to request an additional ninety days for investigation upon proving by a preponderance of the evidence that additional time is needed. Upon filing the petition, the ninety-day period shall be tolled until the court determines whether additional time is needed.

3. The hearing shall be held in camera before the Cole County circuit court and all records of the proceedings shall be closed.

4. The provisions of this section shall apply to all ongoing complaint investigations on July 13, 1999.

5.**]** Any complaint investigation not completed and decided upon by the ethics commission within the time allowed by this section shall be deemed to not have been a violation.

115.364. PREVIOUSLY DISQUALIFIED CANDIDATE NOT ELIGIBLE FOR SELECTION BY PARTY NOMINATING COMMITTEE. — If a candidate has been previously disqualified as a candidate for an office on the primary election ballot, that individual shall not be selected by a party nominating committee as a candidate for nomination to the same office on the same primary election ballot or as a candidate for the same office on the corresponding general election ballot. If a candidate has been previously disqualified as a candidate for an office on the general election ballot, that individual shall not be selected by a party nominating committee as a candidate for the same office on the same general election ballot.

130.011. DEFINITIONS. — As used in this chapter, unless the context clearly indicates otherwise, the following terms mean:

(1) "Appropriate officer" or "appropriate officers", the person or persons designated in section 130.026 to receive certain required statements and reports;

(2) "Ballot measure" or "measure", any proposal submitted or intended to be submitted to qualified voters for their approval or rejection, including any proposal submitted by initiative petition, referendum petition, or by the general assembly or any local governmental body having authority to refer proposals to the voter;

(3) "Candidate", an individual who seeks nomination or election to public office. The term "candidate" includes an elected officeholder who is the subject of a recall election, an individual who seeks nomination by the individual's political party for election to public office, an individual standing for retention in an election to an office to which the individual was previously appointed, an individual who seeks nomination or election whether or not the specific elective public office to be sought has been finally determined by such individual at the time the individual meets the conditions described in paragraph (a) or (b) of this subdivision, and an individual who is a write-in candidate as defined in subdivision (28) of this section. A candidate shall be deemed to seek nomination or election when the person first:

(a) Receives contributions or makes expenditures or reserves space or facilities with intent to promote the person's candidacy for office; or

(b) Knows or has reason to know that contributions are being received or expenditures are being made or space or facilities are being reserved with the intent to promote the person's candidacy for office; except that, such individual shall not be deemed a candidate if the person files a statement with the appropriate officer within five days after learning of the receipt of contributions, the making of expenditures, or the reservation of space or facilities disavowing the candidacy and stating that the person will not accept nomination or take office if elected; provided that, if the election at which such individual is supported as a candidate is to take place within five days after the person's learning of the above-specified activities, the individual shall file the statement disavowing the candidacy within one day; or

(c) Announces or files a declaration of candidacy for office;

(4) "Cash", currency, coin, United States postage stamps, or any negotiable instrument which can be transferred from one person to another person without the signature or endorsement of the transferor;

(5) "Check", a check drawn on a state or federal bank, or a draft on a negotiable order of withdrawal account in a savings and loan association or a share draft account in a credit union;

(6) "Closing date", the date through which a statement or report is required to be complete;

(7) "Committee", a person or any combination of persons, who accepts contributions or makes expenditures for the primary or incidental purpose of influencing or attempting to influence the action of voters for or against the nomination or election to public office of one or more candidates or the qualification, passage or defeat of any ballot measure or for the purpose of paying a previously incurred campaign debt or obligation of a candidate or the debts or obligations of a committee or for the purpose of contributing funds to another committee:

(a) "Committee", does not include:

a. A person or combination of persons, if neither the aggregate of expenditures made nor the aggregate of contributions received during a calendar year exceeds five hundred dollars and if no single contributor has contributed more than two hundred fifty dollars of such aggregate contributions;

b. An individual, other than a candidate, who accepts no contributions and who deals only with the individual's own funds or property;

c. A corporation, cooperative association, partnership, proprietorship, or joint venture organized or operated for a primary or principal purpose other than that of influencing or attempting to influence the action of voters for or against the nomination or election to public office of one or more candidates or the qualification, passage or defeat of any ballot measure, and it accepts no contributions, and all expenditures it makes are from its own funds or property obtained in the usual course of business or in any commercial or other transaction and which are not contributions as defined by subdivision (12) of this section;

d. A labor organization organized or operated for a primary or principal purpose other than that of influencing or attempting to influence the action of voters for or against the nomination or election to public office of one or more candidates, or the qualification, passage, or defeat of any ballot measure, and it accepts no contributions, and expenditures made by the organization are from its own funds or property received from membership dues or membership fees which were given or solicited for the purpose of supporting the normal and usual activities and functions of the organization and which are not contributions as defined by subdivision (12) of this section;

e. A person who acts as an authorized agent for a committee in soliciting or receiving contributions or in making expenditures or incurring indebtedness on behalf of the committee if such person renders to the committee treasurer or deputy treasurer or candidate, if applicable, an accurate account of each receipt or other transaction in the detail required by the treasurer to comply with all record-keeping and reporting requirements of this chapter;

f. Any department, agency, board, institution or other entity of the state or any of its subdivisions or any officer or employee thereof, acting in the person's official capacity;

(b) The term "committee" includes, but is not limited to, each of the following committees: campaign committee, candidate committee, **[**continuing**] political action** committee**, exploratory committee,** and political party committee;

(8) "Campaign committee", a committee, other than a candidate committee, which shall be formed by an individual or group of individuals to receive contributions or make expenditures and whose sole purpose is to support or oppose the qualification and passage of one or more particular ballot measures in an election or the retention of judges under the nonpartisan court plan, such committee shall be formed no later than thirty days prior to the election for which the committee receives contributions or makes expenditures, and which shall terminate the later of either thirty days after the general election or upon the satisfaction of all committee debt after the general election, except that no committee retiring debt shall engage in any other activities in support of a measure for which the committee was formed;

(9) "Candidate committee", a committee which shall be formed by a candidate to receive contributions or make expenditures in behalf of the person's candidacy and which shall continue in existence for use by an elected candidate or which shall terminate the later of either thirty days after the general election for a candidate who was not elected or upon the satisfaction of all committee debt after the election, except that no committee retiring debt shall engage in any other activities in support of the candidate for which the committee was formed. Any candidate for elective office shall have only one candidate committee for the elective office sought, which is controlled directly by the candidate for the purpose of making expenditures. A candidate committee is presumed to be under the control and direction of the candidate unless the candidate files an affidavit with the appropriate officer stating that the committee is acting without control or direction on the candidate's part;

(10) **[**"Continuing committee", a committee of continuing existence which is not formed, controlled or directed by a candidate, and is a committee other than a candidate committee or campaign committee, whose primary or incidental purpose is to receive contributions or make expenditures to influence or attempt to influence the action of voters whether or not a particular candidate or candidates or a particular ballot measure or measures to be supported or opposed has been determined at the time the committee is required to file any statement or report pursuant to the provisions of this chapter. "Continuing committee" includes, but is not limited to, any committee organized or sponsored by a business entity, a labor organization, a professional association, a trade or business association, a club or other organization and whose primary purpose is to solicit, accept and use contributions from the members, employees or stockholders of such entity and any individual or group of individuals who accept and use contributions to influence or attempt to influence the action of voters. Such committee shall be formed no later than sixty days prior to the election for which the committee receives contributions or makes expenditures;

(11)**]** "Connected organization", any organization such as a corporation, a labor organization, a membership organization, a cooperative, or trade or professional association which expends funds or provides services or facilities to establish, administer or maintain a committee or to solicit contributions to a committee from its members, officers, directors, employees or security holders. An organization shall be deemed to be the connected organization if more than fifty percent of the persons making contributions to the committee during the current calendar year are members, officers, directors, employees or security holders of such organization or their spouses;

[(12)**] (11)** "Contribution", a payment, gift, loan, advance, deposit, or donation of money or anything of value for the purpose of supporting or opposing the nomination or election of any candidate for public office or the qualification, passage or defeat of any ballot measure, or for the support of any committee supporting or opposing candidates or ballot measures or for paying debts or obligations of any candidate or committee previously incurred for the above purposes.

A contribution of anything of value shall be deemed to have a money value equivalent to the fair market value. "Contribution" includes, but is not limited to:

(a) A candidate's own money or property used in support of the person's candidacy other than expense of the candidate's food, lodging, travel, and payment of any fee necessary to the filing for public office;

(b) Payment by any person, other than a candidate or committee, to compensate another person for services rendered to that candidate or committee;

(c) Receipts from the sale of goods and services, including the sale of advertising space in a brochure, booklet, program or pamphlet of a candidate or committee and the sale of tickets or political merchandise;

(d) Receipts from fund-raising events including testimonial affairs;

(e) Any loan, guarantee of a loan, cancellation or forgiveness of a loan or debt or other obligation by a third party, or payment of a loan or debt or other obligation by a third party if the loan or debt or other obligation was contracted, used, or intended, in whole or in part, for use in an election campaign or used or intended for the payment of such debts or obligations of a candidate or committee previously incurred, or which was made or received by a committee;

(f) Funds received by a committee which are transferred to such committee from another committee or other source, except funds received by a candidate committee as a transfer of funds from another candidate committee controlled by the same candidate but such transfer shall be included in the disclosure reports;

(g) Facilities, office space or equipment supplied by any person to a candidate or committee without charge or at reduced charges, except gratuitous space for meeting purposes which is made available regularly to the public, including other candidates or committees, on an equal basis for similar purposes on the same conditions;

(h) The direct or indirect payment by any person, other than a connected organization, of the costs of establishing, administering, or maintaining a committee, including legal, accounting and computer services, fund raising and solicitation of contributions for a committee;

(i) "Contribution" does not include:

a. Ordinary home hospitality or services provided without compensation by individuals volunteering their time in support of or in opposition to a candidate, committee or ballot measure, nor the necessary and ordinary personal expenses of such volunteers incidental to the performance of voluntary activities, so long as no compensation is directly or indirectly asked or given;

b. An offer or tender of a contribution which is expressly and unconditionally rejected and returned to the donor within ten business days after receipt or transmitted to the state treasurer;

c. Interest earned on deposit of committee funds;

d. The costs incurred by any connected organization listed pursuant to subdivision (4) of subsection 5 of section 130.021 for establishing, administering or maintaining a committee, or for the solicitation of contributions to a committee which solicitation is solely directed or related to the members, officers, directors, employees or security holders of the connected organization;

[(13)**]** **(12)** "County", any one of the several counties of this state or the city of St. Louis;

[(14)**]** **(13)** "Disclosure report", an itemized report of receipts, expenditures and incurred indebtedness which is prepared on forms approved by the Missouri ethics commission and filed at the times and places prescribed;

[(15)**]** **(14)** "Election", any primary, general or special election held to nominate or elect an individual to public office, to retain or recall an elected officeholder or to submit a ballot measure to the voters, and any caucus or other meeting of a political party or a political party committee at which that party's candidate or candidates for public office are officially selected. A primary election and the succeeding general election shall be considered separate elections;

[(16)**]** **(15)** "Expenditure", a payment, advance, conveyance, deposit, donation or contribution of money or anything of value for the purpose of supporting or opposing the nomination or election of any candidate for public office or the qualification or passage of any

ballot measure or for the support of any committee which in turn supports or opposes any candidate or ballot measure or for the purpose of paying a previously incurred campaign debt or obligation of a candidate or the debts or obligations of a committee; a payment, or an agreement or promise to pay, money or anything of value, including a candidate's own money or property, for the purchase of goods, services, property, facilities or anything of value for the purpose of supporting or opposing the nomination or election of any candidate for public office or the qualification or passage of any ballot measure or for the support of any committee which in turn supports or opposes any candidate or ballot measure or for the purpose of paying a previously incurred campaign debt or obligation of a candidate or the debts or obligations of a committee. An expenditure of anything of value shall be deemed to have a money value equivalent to the fair market value. "Expenditure" includes, but is not limited to:

(a) Payment by anyone other than a committee for services of another person rendered to such committee;

(b) The purchase of tickets, goods, services or political merchandise in connection with any testimonial affair or fund-raising event of or for candidates or committees, or the purchase of advertising in a brochure, booklet, program or pamphlet of a candidate or committee;

(c) The transfer of funds by one committee to another committee;

(d) The direct or indirect payment by any person, other than a connected organization for a committee, of the costs of establishing, administering or maintaining a committee, including legal, accounting and computer services, fund raising and solicitation of contributions for a committee; but

(e) "Expenditure" does not include:

a. Any news story, commentary or editorial which is broadcast or published by any broadcasting station, newspaper, magazine or other periodical without charge to the candidate or to any person supporting or opposing a candidate or ballot measure;

b. The internal dissemination by any membership organization, proprietorship, labor organization, corporation, association or other entity of information advocating the election or defeat of a candidate or candidates or the passage or defeat of a ballot measure or measures to its directors, officers, members, employees or security holders, provided that the cost incurred is reported pursuant to subsection 2 of section 130.051;

c. Repayment of a loan, but such repayment shall be indicated in required reports;

d. The rendering of voluntary personal services by an individual of the sort commonly performed by volunteer campaign workers and the payment by such individual of the individual's necessary and ordinary personal expenses incidental to such volunteer activity, provided no compensation is, directly or indirectly, asked or given;

e. The costs incurred by any connected organization listed pursuant to subdivision (4) of subsection 5 of section 130.021 for establishing, administering or maintaining a committee, or for the solicitation of contributions to a committee which solicitation is solely directed or related to the members, officers, directors, employees or security holders of the connected organization;

f. The use of a candidate's own money or property for expense of the candidate's personal food, lodging, travel, and payment of any fee necessary to the filing for public office, if such expense is not reimbursed to the candidate from any source;

[(17)**]** **(16)** "Exploratory committees", a committee which shall be formed by an individual to receive contributions and make expenditures on behalf of this individual in determining whether or not the individual seeks elective office. Such committee shall terminate no later than December thirty-first of the year prior to the general election for the possible office;

[(18)**]** **(17)** "Fund-raising event", an event such as a dinner, luncheon, reception, coffee, testimonial, rally, auction or similar affair through which contributions are solicited or received by such means as the purchase of tickets, payment of attendance fees, donations for prizes or through the purchase of goods, services or political merchandise;

[(19)**]** **(18)** "In-kind contribution" or "in-kind expenditure", a contribution or expenditure in a form other than money;

[(20)**]** **(19)** "Labor organization", any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work;

[(21)**]** **(20)** "Loan", a transfer of money, property or anything of ascertainable monetary value in exchange for an obligation, conditional or not, to repay in whole or in part and which was contracted, used, or intended for use in an election campaign, or which was made or received by a committee or which was contracted, used, or intended to pay previously incurred campaign debts or obligations of a candidate or the debts or obligations of a committee;

[(22)**]** **(21)** "Person", an individual, group of individuals, corporation, partnership, committee, proprietorship, joint venture, any department, agency, board, institution or other entity of the state or any of its political subdivisions, union, labor organization, trade or professional or business association, association, political party or any executive committee thereof, or any other club or organization however constituted or any officer or employee of such entity acting in the person's official capacity;

(22) "Political action committee", a committee of continuing existence which is not formed, controlled or directed by a candidate, and is a committee other than a candidate committee, political party committee, campaign committee, exploratory committee, or debt service committee, whose primary or incidental purpose is to receive contributions or make expenditures to influence or attempt to influence the action of voters whether or not a particular candidate or candidates or a particular ballot measure or measures to be supported or opposed has been determined at the time the committee is required to file any statement or report pursuant to the provisions of this chapter. Such a committee includes, but is not limited to, any committee organized or sponsored by a business entity, a labor organization, a professional association, a trade or business association, a club or other organization and whose primary purpose is to solicit, accept and use contributions from the members, employees or stockholders of such entity and any individual or group of individuals who accept and use contributions to influence or attempt to influence the action of voters. Such committee shall be formed no later than sixty days prior to the election for which the committee receives contributions or makes expenditures;

(23) "Political merchandise", goods such as bumper stickers, pins, hats, ties, jewelry, literature, or other items sold or distributed at a fund-raising event or to the general public for publicity or for the purpose of raising funds to be used in supporting or opposing a candidate for nomination or election or in supporting or opposing the qualification, passage or defeat of a ballot measure;

(24) "Political party", a political party which has the right under law to have the names of its candidates listed on the ballot in a general election;

(25) "Political party committee", **[**a state, district, county, city, or area committee of a political party, as defined in section 115.603, RSMo, which may be organized as a not-for-profit corporation under Missouri law, and which committee is of continuing existence, and has the primary or incidental purpose of receiving contributions and making expenditures to influence or attempt to influence the action of voters on behalf of the political party**]** **a committee of a political party which may be organized as a not-for-profit corporation under Missouri law and has the primary or incidental purpose of receiving contributions and making expenditures to influence or attempt to influence the action of voters on behalf of the political party. Political party committees shall only take the following forms:**

(a) One congressional district committee per political party for each congressional district in the state; and

(b) One state party committee per political party;

(26) "Public office" or "office", any state, judicial, county, municipal, school or other district, ward, township, or other political subdivision office or any political party office which is filled by a vote of registered voters;

(27) "Regular session", includes that period beginning on the first Wednesday after the first Monday in January and ending following the first Friday after the second Monday in May;

(28) "Write-in candidate", an individual whose name is not printed on the ballot but who otherwise meets the definition of candidate in subdivision (3) of this section.

130.021. TREASURER FOR CANDIDATES AND COMMITTEES, WHEN REQUIRED — DUTIES — OFFICIAL DEPOSITORY ACCOUNT TO BE ESTABLISHED — STATEMENT OF ORGANIZATION FOR COMMITTEES, CONTENTS, WHEN FILED — TERMINATION OF COMMITTEE, PROCEDURE. — 1. Every committee shall have a treasurer who, except as provided in subsection 10 of this section, shall be a resident of this state **[**and reside in the district or county in which the committee sits**]**. A committee may also have a deputy treasurer who, except as provided in subsection 10 of this section, shall be a resident of this state and **[**reside in the district or county in which the committee sits, to**]** serve in the capacity of committee treasurer in the event the committee treasurer is unable for any reason to perform the treasurer's duties.

2. Every candidate for offices listed in subsection 1 of section 130.016 who has not filed a statement of exemption pursuant to that subsection and every candidate for offices listed in subsection 6 of section 130.016 who is not excluded from filing a statement of organization and disclosure reports pursuant to subsection 6 of section 130.016 shall form a candidate committee and appoint a treasurer. Thereafter, all contributions on hand and all further contributions received by such candidate and any of the candidate's own funds to be used in support of the person's candidacy shall be deposited in a candidate committee depository account established pursuant to the provisions of subsection 4 of this section, and all expenditures shall be made through the candidate, treasurer or deputy treasurer of the person's candidate committee. Nothing in this chapter shall prevent a candidate from appointing himself or herself as a committee of one and serving as the person's own treasurer, maintaining the candidate's own records and filing all the reports and statements required to be filed by the treasurer of a candidate committee.

3. A candidate who has more than one candidate committee supporting the person's candidacy shall designate one of those candidate committees as the committee responsible for consolidating the aggregate contributions to all such committees under the candidate's control and direction as required by section 130.041. **No person shall form a new committee or serve as a deputy treasurer of any committee as defined in section 130.011 until the person or the treasurer of any committee previously formed by the person or where the person served as treasurer or deputy treasurer has filed all required campaign disclosure reports and statements of limited activity for all prior elections and paid outstanding previously imposed fees assessed against that person by the ethics commission.**

4. (1) Every committee shall have a single official fund depository within this state which shall be a federally or state-chartered bank, a federally or state-chartered savings and loan association, or a federally or state-chartered credit union in which the committee shall open and thereafter maintain at least one official depository account in its own name. An "official depository account" shall be a checking account or some type of negotiable draft or negotiable order of withdrawal account, and the official fund depository shall, regarding an official depository account, be a type of financial institution which provides a record of deposits, canceled checks or other canceled instruments of withdrawal evidencing each transaction by maintaining copies within this state of such instruments and other transactions. All contributions which the committee receives in money, checks and other negotiable instruments shall be deposited in a committee's official depository account. Contributions shall not be accepted and expenditures shall not be made by a committee except by or through an official depository account and the committee treasurer, deputy treasurer or candidate. Contributions received by a committee shall not be commingled with any funds of an agent of the committee, a candidate or any other person, except that contributions from a candidate of the candidate's own funds to the person's candidate committee shall be deposited to an official depository account of the person's candidate committee. No expenditure shall be made by a committee when the office

of committee treasurer is vacant except that when the office of a candidate committee treasurer is vacant, the candidate shall be the treasurer until the candidate appoints a new treasurer.

(2) A committee treasurer, deputy treasurer or candidate may withdraw funds from a committee's official depository account and deposit such funds in one or more savings accounts in the committee's name in any bank, savings and loan association or credit union within this state, and may also withdraw funds from an official depository account for investment in the committee's name in any certificate of deposit, bond or security. Proceeds from interest or dividends from a savings account or other investment or proceeds from withdrawals from a savings account or from the sale of an investment shall not be expended or reinvested, except in the case of renewals of certificates of deposit, without first redepositing such proceeds in an official depository account. Investments, other than savings accounts, held outside the committee's official depository account at any time during a reporting period shall be disclosed by description, amount, any identifying numbers and the name and address of any institution or person in which or through which it is held in an attachment to disclosure reports the committee is required to file. Proceeds from an investment such as interest or dividends or proceeds from its sale, shall be reported by date and amount. In the case of the sale of an investment, the names and addresses of the persons involved in the transaction shall also be stated. Funds held in savings accounts and investments, including interest earned, shall be included in the report of money on hand as required by section 130.041.

5. The treasurer or deputy treasurer acting on behalf of any person or organization or group of persons which is a committee by virtue of the definitions of committee in section 130.011 and any candidate who is not excluded from forming a committee in accordance with the provisions of section 130.016 shall file a statement of organization with the appropriate officer within twenty days after the person or organization becomes a committee but no later than the date for filing the first report required pursuant to the provisions of section 130.046. The statement of organization shall contain the following information:

(1) The name, mailing address and telephone number, if any, of the committee filing the statement of organization. If the committee is deemed to be affiliated with a connected organization as provided in subdivision (11) of section 130.011, the name of the connected organization, or a legally registered fictitious name which reasonably identifies the connected organization, shall appear in the name of the committee. If the committee is a candidate committee, the name of the candidate shall be a part of the committee's name;

(2) The name, mailing address and telephone number of the candidate;

(3) The name, mailing address and telephone number of the committee treasurer, and the name, mailing address and telephone number of its deputy treasurer if the committee has named a deputy treasurer;

(4) The names, mailing addresses and titles of its officers, if any;

(5) The name and mailing address of any connected organizations with which the committee is affiliated;

(6) The name and mailing address of its depository, and the name and account number of each account the committee has in the depository. The account number of each account shall be redacted prior to disclosing the statement to the public;

(7) Identification of the major nature of the committee such as a candidate committee, campaign committee, **[**continuing**]** **political action** committee, political party committee, incumbent committee, or any other committee according to the definition of committee in section 130.011;

(8) In the case of the candidate committee designated in subsection 3 of this section, the full name and address of each other candidate committee which is under the control and direction of the same candidate, together with the name, address and telephone number of the treasurer of each such other committee;

(9) The name and office sought of each candidate supported or opposed by the committee;

(10) The ballot measure concerned, if any, and whether the committee is in favor of or opposed to such measure.

6. A committee may omit the information required in subdivisions (9) and (10) of subsection 5 of this section if, on the date on which it is required to file a statement of organization, the committee has not yet determined the particular candidates or particular ballot measures it will support or oppose.

7. A committee which has filed a statement of organization and has not terminated shall not be required to file another statement of organization, except that when there is a change in any of the information previously reported as required by subdivisions (1) to (8) of subsection 5 of this section an amended statement of organization shall be filed within twenty days after the change occurs, but no later than the date of the filing of the next report required to be filed by that committee by section 130.046.

8. Upon termination of a committee, a termination statement indicating dissolution shall be filed not later than ten days after the date of dissolution with the appropriate officer or officers with whom the committee's statement of organization was filed. The termination statement shall include: the distribution made of any remaining surplus funds and the disposition of any deficits; and the name, mailing address and telephone number of the individual responsible for preserving the committee's records and accounts as required in section 130.036.

9. Any statement required by this section shall be signed and attested by the committee treasurer or deputy treasurer, and by the candidate in the case of a candidate committee.

10. A committee domiciled outside this state shall be required to file a statement of organization and appoint a treasurer residing in this state and open an account in a depository within this state; provided that either of the following conditions prevails:

(1) The aggregate of all contributions received from persons domiciled in this state exceeds twenty percent in total dollar amount of all funds received by the committee in the preceding twelve months; or

(2) The aggregate of all contributions and expenditures made to support or oppose candidates and ballot measures in this state exceeds one thousand five hundred dollars in the current calendar year.

11. If a committee domiciled in this state receives a contribution of one thousand five hundred dollars or more from any committee domiciled outside of this state, the committee domiciled in this state shall file a disclosure report with the commission. The report shall disclose the full name, mailing address, telephone numbers and domicile of the contributing committee and the date and amount of the contribution. The report shall be filed within forty-eight hours of the receipt of such contribution if the contribution is received after the last reporting date before the election.

[12. Each legislative and senatorial district committee shall retain only one address in the district it sits for the purpose of receiving contributions.**]**

130.026. ELECTION AUTHORITY DEFINED — APPROPRIATE OFFICER DESIGNATED FOR FILING OF REPORTS. — 1. For the purpose of this section, the term "election authority" or "local election authority" means the county clerk, except that in a city or county having a board of election commissioners the board of election commissioners shall be the election authority. For any political subdivision or other district which is situated within the jurisdiction of more than one election authority, as defined herein, the election authority is the one in whose jurisdiction the candidate resides or, in the case of ballot measures, the one in whose jurisdiction the most populous portion of the political subdivision or district for which an election is held is situated, except that a county clerk or a county board of election commissioners shall be the election authority for all candidates for elective county offices other than county clerk and for any countywide ballot measures.

2. The appropriate officer or officers for candidates and ballot measures shall be as follows:

(1) In the case of candidates for the offices of governor, lieutenant governor, secretary of state, state treasurer, state auditor, attorney general, judges of the supreme court and appellate court judges, the appropriate officer shall be the Missouri ethics commission;

(2) Notwithstanding the provisions of subsection 1 of this section, in the case of candidates for the offices of state senator, state representative, county clerk, and associate circuit court judges and circuit court judges, the appropriate officers shall be the Missouri ethics commission and the election authority for the place of residence of the candidate;

(3) In the case of candidates for elective municipal offices in municipalities of more than one hundred thousand inhabitants and elective county offices in counties of more than one hundred thousand inhabitants, the appropriate officers shall be the Missouri ethics commission and the election authority of the municipality or county in which the candidate seeks office;

(4) In the case of all other offices, the appropriate officer shall be the election authority of the district or political subdivision for which the candidate seeks office;

(5) In the case of ballot measures, the appropriate officer or officers shall be:

(a) The Missouri ethics commission for a statewide measure;

(b) The local election authority for any political subdivision or district as determined by the provisions of subsection 1 of this section for any measure, other than a statewide measure, to be voted on in that political subdivision or district.

3. The appropriate officer or officers for candidate committees and campaign committees shall be the same as designated in subsection 2 of this section for the candidates or ballot measures supported or opposed as indicated in the statement of organization required to be filed by any such committee.

4. The appropriate officer for political party committees shall be as follows:

(1) In the case of state party committees, the appropriate officer shall be the Missouri ethics commission;

(2) In the case of any district, county or city political party committee, the appropriate officer shall be the Missouri ethics commission and the election authority for that district, county or city.

5. The appropriate officers for a **[**continuing**]** **political action** committee and for any other committee not named in subsections 3, 4 and 5 of this section shall be as follows:

(1) The Missouri ethics commission and the election authority for the county in which the committee is domiciled; and

(2) If the committee makes or anticipates making expenditures other than direct contributions which aggregate more than five hundred dollars to support or oppose one or more candidates or ballot measures in the same political subdivision or district for which the appropriate officer is an election authority other than the one for the county in which the committee is domiciled, the appropriate officers for that committee shall include such other election authority or authorities, except that committees covered by this subsection need not file statements required by section 130.021 and reports required by subsections 6, 7 and 8 of section 130.046 with any appropriate officer other than those set forth in subdivision (1) of this subsection.

6. The term "domicile" or "domiciled" means the address of the committee listed on the statement of organization required to be filed by that committee in accordance with the provisions of section 130.021.

130.028. PROHIBITIONS AGAINST CERTAIN DISCRIMINATION OR INTIMIDATION RELATING TO ELECTIONS — CONTRIBUTIONS BY EMPLOYEES, PAYROLL DEDUCTION, WHEN. — 1. Every person, labor organization, or corporation organized or existing by virtue of the laws of this state, or doing business in this state who shall:

(1) Discriminate or threaten to discriminate against any member in this state with respect to his membership, or discharge or discriminate or threaten to discriminate against any employee

in this state, with respect to his compensation, terms, conditions or privileges of employment by reason of his political beliefs or opinions; or

(2) Coerce or attempt to coerce, intimidate or bribe any member or employee to vote or refrain from voting for any candidate at any election in this state; or

(3) Coerce or attempt to coerce, intimidate or bribe any member or employee to vote or refrain from voting for any issue at any election in this state; or

(4) Make any member or employee as a condition of membership or employment, contribute to any candidate, political committee or separate political fund; or

(5) Discriminate or threaten to discriminate against any member or employee in this state for contributing or refusing to contribute to any candidate, political committee or separate political fund with respect to the privileges of membership or with respect to his employment and the compensation, terms, conditions or privileges related thereto shall be guilty of a misdemeanor, and upon conviction thereof be punished by a fine of not more than five thousand dollars and confinement for not more than six months, or both, provided, after January 1, 1979, the violation of this subsection shall be a class D felony.

2. No employer, corporation, **[**continuing**]** **political action** committee, or labor organization shall receive or cause to be made contributions from its members or employees except on the advance voluntary permission of the members or employees. Violation of this section by the corporation, employer, **[**continuing**]** **political action** committee or labor organization shall be a class A misdemeanor.

3. An employer shall, upon written request by ten or more employees, provide its employees with the option of contributing to a **[**continuing**]** **political action** committee as defined in section 130.011 through payroll deduction, if the employer has a system of payroll deduction. No contribution to a **[**continuing**]** **political action** committee from an employee through payroll deduction shall be made other than to a **[**continuing**]** **political action** committee voluntarily chosen by the employee. Violation of this section shall be a class A misdemeanor.

4. Any person aggrieved by any act prohibited by this section shall, in addition to any other remedy provided by law, be entitled to maintain within one year from the date of the prohibited act, a civil action in the courts of this state, and if successful, he shall be awarded civil damages of not less than one hundred dollars and not more than one thousand dollars, together with his costs, including reasonable attorney's fees. Each violation shall be a separate cause of action.

130.031. RESTRICTIONS AND LIMITATIONS ON CONTRIBUTIONS — RECORDS REQUIRED — ANONYMOUS CONTRIBUTIONS, HOW HANDLED — CAMPAIGN MATERIALS, SPONSOR TO BE IDENTIFIED — PRIZES PROHIBITED. — 1. No contribution of cash in an amount of more than one hundred dollars shall be made by or accepted from any single contributor for any election by a **[**continuing**]** **political action** committee, a campaign committee, a political party committee, an exploratory committee or a candidate committee.

2. Except for expenditures from a petty cash fund which is established and maintained by withdrawals of funds from the committee's depository account and with records maintained pursuant to the record-keeping requirements of section 130.036 to account for expenditures made from petty cash, each expenditure of more than fifty dollars, except an in-kind expenditure, shall be made by check drawn on the committee's depository and signed by the committee treasurer, deputy treasurer or candidate. A single expenditure from a petty cash fund shall not exceed fifty dollars, and the aggregate of all expenditures from a petty cash fund during a calendar year shall not exceed the lesser of five thousand dollars or ten percent of all expenditures made by the committee during that calendar year. A check made payable to "cash" shall not be made except to replenish a petty cash fund.

3. No contribution shall be made or accepted and no expenditure shall be made or incurred, directly or indirectly, in a fictitious name, in the name of another person, or by or through another person in such a manner as to conceal the identity of the actual source of the contribution or the actual recipient and purpose of the expenditure. Any person who receives contributions for a

committee shall disclose to that committee's treasurer, deputy treasurer or candidate the recipient's own name and address and the name and address of the actual source of each contribution such person has received for that committee. Any person who makes expenditures for a committee shall disclose to that committee's treasurer, deputy treasurer or candidate such person's own name and address, the name and address of each person to whom an expenditure has been made and the amount and purpose of the expenditures the person has made for that committee.

4. No anonymous contribution of more than twenty-five dollars shall be made by any person, and no anonymous contribution of more than twenty-five dollars shall be accepted by any candidate or committee. If any anonymous contribution of more than twenty-five dollars is received, it shall be returned immediately to the contributor, if the contributor's identity can be ascertained, and if the contributor's identity cannot be ascertained, the candidate, committee treasurer or deputy treasurer shall immediately transmit that portion of the contribution which exceeds twenty-five dollars to the state treasurer and it shall escheat to the state.

5. The maximum aggregate amount of anonymous contributions which shall be accepted in any calendar year by any committee shall be the greater of five hundred dollars or one percent of the aggregate amount of all contributions received by that committee in the same calendar year. If any anonymous contribution is received which causes the aggregate total of anonymous contributions to exceed the foregoing limitation, it shall be returned immediately to the contributor, if the contributor's identity can be ascertained, and, if the contributor's identity cannot be ascertained, the committee treasurer, deputy treasurer or candidate shall immediately transmit the anonymous contribution to the state treasurer to escheat to the state.

6. Notwithstanding the provisions of subsection 5 of this section, contributions from individuals whose names and addresses cannot be ascertained which are received from a fund-raising activity or event, such as defined in section 130.011, shall not be deemed anonymous contributions, provided the following conditions are met:

(1) There are twenty-five or more contributing participants in the activity or event;

(2) The candidate, committee treasurer, deputy treasurer or the person responsible for conducting the activity or event makes an announcement that it is illegal for anyone to make or receive a contribution in excess of one hundred dollars unless the contribution is accompanied by the name and address of the contributor;

(3) The person responsible for conducting the activity or event does not knowingly accept payment from any single person of more than one hundred dollars unless the name and address of the person making such payment is obtained and recorded pursuant to the record-keeping requirements of section 130.036;

(4) A statement describing the event shall be prepared by the candidate or the treasurer of the committee for whom the funds were raised or by the person responsible for conducting the activity or event and attached to the disclosure report of contributions and expenditures required by section 130.041. The following information to be listed in the statement is in addition to, not in lieu of, the requirements elsewhere in this chapter relating to the recording and reporting of contributions and expenditures:

(a) The name and mailing address of the person or persons responsible for conducting the event or activity and the name and address of the candidate or committee for whom the funds were raised;

(b) The date on which the event occurred;

(c) The name and address of the location where the event occurred and the approximate number of participants in the event;

(d) A brief description of the type of event and the fund-raising methods used;

(e) The gross receipts from the event and a listing of the expenditures incident to the event;

(f) The total dollar amount of contributions received from the event from participants whose names and addresses were not obtained with such contributions and an explanation of why it was not possible to obtain the names and addresses of such participants;

(g) The total dollar amount of contributions received from contributing participants in the event who are identified by name and address in the records required to be maintained pursuant to section 130.036.

7. No candidate or committee in this state shall accept contributions from any out-of-state committee unless the out-of-state committee from whom the contributions are received has filed a statement of organization pursuant to section 130.021 or has filed the reports required by sections 130.049 and 130.050, whichever is applicable to that committee.

8. Any person publishing, circulating, or distributing any printed matter relative to any candidate for public office or any ballot measure shall on the face of the printed matter identify in a clear and conspicuous manner the person who paid for the printed matter with the words "Paid for by" followed by the proper identification of the sponsor pursuant to this section. For the purposes of this section, "printed matter" shall be defined to include any pamphlet, circular, handbill, sample ballot, advertisement, including advertisements in any newspaper or other periodical, sign, including signs for display on motor vehicles, or other imprinted or lettered material; but "printed matter" is defined to exclude materials printed and purchased prior to May 20, 1982, if the candidate or committee can document that delivery took place prior to May 20, 1982; any sign personally printed and constructed by an individual without compensation from any other person and displayed at that individual's place of residence or on that individual's personal motor vehicle; any items of personal use given away or sold, such as campaign buttons, pins, pens, pencils, book matches, campaign jewelry, or clothing, which is paid for by a candidate or committee which supports a candidate or supports or opposes a ballot measure and which is obvious in its identification with a specific candidate or committee and is reported as required by this chapter; and any news story, commentary, or editorial printed by a regularly published newspaper or other periodical without charge to a candidate, committee or any other person.

(1) In regard to any printed matter paid for by a candidate from the candidate's personal funds, it shall be sufficient identification to print the first and last name by which the candidate is known.

(2) In regard to any printed matter paid for by a committee, it shall be sufficient identification to print the name of the committee as required to be registered by subsection 5 of section 130.021 and the name and title of the committee treasurer who was serving when the printed matter was paid for.

(3) In regard to any printed matter paid for by a corporation or other business entity, labor organization, or any other organization not defined to be a committee by subdivision (7) of section 130.011 and not organized especially for influencing one or more elections, it shall be sufficient identification to print the name of the entity, the name of the principal officer of the entity, by whatever title known, and the mailing address of the entity, or if the entity has no mailing address, the mailing address of the principal officer.

(4) In regard to any printed matter paid for by an individual or individuals, it shall be sufficient identification to print the name of the individual or individuals and the respective mailing address or addresses, except that if more than five individuals join in paying for printed matter it shall be sufficient identification to print the words "For a list of other sponsors contact:" followed by the name and address of one such individual responsible for causing the matter to be printed, and the individual identified shall maintain a record of the names and amounts paid by other individuals and shall make such record available for review upon the request of any person. No person shall accept for publication or printing nor shall such work be completed until the printed matter is properly identified as required by this subsection.

9. Any broadcast station transmitting any matter relative to any candidate for public office or ballot measure as defined by this chapter shall identify the sponsor of such matter as required by federal law.

10. The provisions of subsection 8 or 9 of this section shall not apply to candidates for elective federal office, provided that persons causing matter to be printed or broadcast concerning

such candidacies shall comply with the requirements of federal law for identification of the sponsor or sponsors.

11. It shall be a violation of this chapter for any person required to be identified as paying for printed matter pursuant to subsection 8 of this section or paying for broadcast matter pursuant to subsection 9 of this section to refuse to provide the information required or to purposely provide false, misleading, or incomplete information.

12. It shall be a violation of this chapter for any committee to offer chances to win prizes or money to persons to encourage such persons to endorse, send election material by mail, deliver election material in person or contact persons at their homes; except that, the provisions of this subsection shall not be construed to prohibit hiring and paying a campaign staff.

13. Political action committees shall only receive contributions from individuals; unions; federal political action committees; and corporations, associations, and partnerships formed under chapters 347 to 360, and shall be prohibited from receiving contributions from other political action committees, candidate committees, political party committees, campaign committees, exploratory committees, or debt service committees. However, candidate committees, political party committees, campaign committees, exploratory committees, and debt service committees shall be allowed to return contributions to a donor political action committee that is the origin of the contribution.

14. The prohibited committee transfers described in subsection 13 of this section shall not apply to the following committees:

(1) The state house committee per political party designated by the respective majority or minority floor leader of the house of representatives or the chair of the state party if the party does not have majority or minority party status;

(2) The state senate committee per political party designated by the respective majority or minority floor leader of the senate or the chair of the state party if the party does not have majority or minority party status.

15. No person shall transfer anything of value to any committee with the intent to conceal, from the ethics commission, the identity of the actual source. Any violation of this subsection shall be punishable as follows:

(1) For the first violation, the ethics commission shall notify such person that the transfer to the committee is prohibited under this section within five days of determining that the transfer is prohibited, and that such person shall notify the committee to which the funds were transferred that the funds must be returned within ten days of such notification;

(2) For the second violation, the person transferring the funds shall be guilty of a class C misdemeanor;

(3) For the third and subsequent violations, the person transferring the funds shall be guilty of a class D felony.

16. Beginning January 1, 2011, all committees required to file campaign financial disclosure reports with the Missouri ethics commission shall file any required disclosure report in an electronic format as prescribed by the ethics commission.

130.041. DISCLOSURE REPORTS — WHO FILES — WHEN REQUIRED — CONTENTS. — 1. Except as provided in subsection 5 of section 130.016, the candidate, if applicable, treasurer or deputy treasurer of every committee which is required to file a statement of organization, shall file a legibly printed or typed disclosure report of receipts and expenditures. The reports shall be filed with the appropriate officer designated in section 130.026 at the times and for the periods prescribed in section 130.046. Except as provided in sections 130.049 and 130.050, each report shall set forth:

(1) The full name, as required in the statement of organization pursuant to subsection 5 of section 130.021, and mailing address of the committee filing the report and the full name,

mailing address and telephone number of the committee's treasurer and deputy treasurer if the committee has named a deputy treasurer;

(2) The amount of money, including cash on hand at the beginning of the reporting period;

(3) Receipts for the period, including:

(a) Total amount of all monetary contributions received which can be identified in the committee's records by name and address of each contributor. In addition, the candidate committee shall make a reasonable effort to obtain and report the employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received one or more contributions which in the aggregate total in excess of one hundred dollars and shall make a reasonable effort to obtain and report a description of any contractual relationship over five hundred dollars between the contributor and the state if the candidate is seeking election to a state office or between the contributor and any political subdivision of the state if the candidate is seeking election to another political subdivision of the state;

(b) Total amount of all anonymous contributions accepted;

(c) Total amount of all monetary contributions received through fund-raising events or activities from participants whose names and addresses were not obtained with such contributions, with an attached statement or copy of the statement describing each fund-raising event as required in subsection 6 of section 130.031;

(d) Total dollar value of all in-kind contributions received;

(e) A separate listing by name and address and employer, or occupation if self-employed or notation of retirement, of each person from whom the committee received contributions, in money or any other thing of value, aggregating more than one hundred dollars, together with the date and amount of each such contribution;

(f) A listing of each loan received by name and address of the lender and date and amount of the loan. For each loan of more than one hundred dollars, a separate statement shall be attached setting forth the name and address of the lender and each person liable directly, indirectly or contingently, and the date, amount and terms of the loan;

(4) Expenditures for the period, including:

(a) The total dollar amount of expenditures made by check drawn on the committee's depository;

(b) The total dollar amount of expenditures made in cash;

(c) The total dollar value of all in-kind expenditures made;

(d) The full name and mailing address of each person to whom an expenditure of money or any other thing of value in the amount of more than one hundred dollars has been made, contracted for or incurred, together with the date, amount and purpose of each expenditure. Expenditures of one hundred dollars or less may be grouped and listed by categories of expenditure showing the total dollar amount of expenditures in each category, except that the report shall contain an itemized listing of each payment made to campaign workers by name, address, date, amount and purpose of each payment and the aggregate amount paid to each such worker;

(e) A list of each loan made, by name and mailing address of the person receiving the loan, together with the amount, terms and date;

(5) The total amount of cash on hand as of the closing date of the reporting period covered, including amounts in depository accounts and in petty cash fund;

(6) The total amount of outstanding indebtedness as of the closing date of the reporting period covered;

(7) The amount of expenditures for or against a candidate or ballot measure during the period covered and the cumulative amount of expenditures for or against that candidate or ballot measure, with each candidate being listed by name, mailing address and office sought. For the purpose of disclosure reports, expenditures made in support of more than one candidate or ballot measure or both shall be apportioned reasonably among the candidates or ballot measure or both. In apportioning expenditures to each candidate or ballot measure, political party committees and

[continuing**]** **political action** committees need not include expenditures for maintaining a permanent office, such as expenditures for salaries of regular staff, office facilities and equipment or other expenditures not designed to support or oppose any particular candidates or ballot measures; however, all such expenditures shall be listed pursuant to subdivision (4) of this subsection;

(8) A separate listing by full name and address of any committee including a candidate committee controlled by the same candidate for which a transfer of funds or a contribution in any amount has been made during the reporting period, together with the date and amount of each such transfer or contribution;

(9) A separate listing by full name and address of any committee, including a candidate committee controlled by the same candidate from which a transfer of funds or a contribution in any amount has been received during the reporting period, together with the date and amount of each such transfer or contribution;

(10) Each committee that receives a contribution which is restricted or designated in whole or in part by the contributor for transfer to a particular candidate, committee or other person shall include a statement of the name and address of that contributor in the next disclosure report required to be filed after receipt of such contribution, together with the date and amount of any such contribution which was so restricted or designated by that contributor, together with the name of the particular candidate or committee to whom such contribution was so designated or restricted by that contributor and the date and amount of such contribution.

2. For the purpose of this section and any other section in this chapter except sections 130.049 and 130.050 which requires a listing of each contributor who has contributed a specified amount, the aggregate amount shall be computed by adding all contributions received from any one person during the following periods:

(1) In the case of a candidate committee, the period shall begin on the date on which the candidate became a candidate according to the definition of the term "candidate" in section 130.011 and end at 11:59 p.m. on the day of the primary election, if the candidate has such an election or at 11:59 p.m. on the day of the general election. If the candidate has a general election held after a primary election, the next aggregating period shall begin at 12:00 midnight on the day after the primary election day and shall close at 11:59 p.m. on the day of the general election. Except that for contributions received during the thirty-day period immediately following a primary election, the candidate shall designate whether such contribution is received as a primary election contribution or a general election contribution;

(2) In the case of a campaign committee, the period shall begin on the date the committee received its first contribution and end on the closing date for the period for which the report or statement is required;

(3) In the case of a political party committee or a **[**continuing**]** **political action** committee, the period shall begin on the first day of January of the year in which the report or statement is being filed and end on the closing date for the period for which the report or statement is required; except, if the report or statement is required to be filed prior to the first day of July in any given year, the period shall begin on the first day of July of the preceding year.

3. The disclosure report shall be signed and attested by the committee treasurer or deputy treasurer and by the candidate in case of a candidate committee.

4. The words "consulting or consulting services, fees, or expenses", or similar words, shall not be used to describe the purpose of a payment as required in this section. The reporting of any payment to such an independent contractor shall be on a form supplied by the appropriate officer, established by the ethics commission and shall include identification of the specific service or services provided including, but not limited to, public opinion polling, research on issues or opposition background, print or broadcast media production, print or broadcast media purchase, computer programming or data entry, direct mail production, postage, rent, utilities, phone solicitation, or fund raising, and the dollar amount prorated for each service.

130.044. CERTAIN CONTRIBUTIONS TO BE REPORTED WITHIN FORTY-EIGHT HOURS OF RECEIPT — ELECTRONIC REPORTING, WHEN — RULEMAKING AUTHORITY. — 1. All individuals and committees required to file disclosure reports under section 130.041 shall electronically report any contribution by any single contributor which exceeds five thousand dollars to the Missouri ethics commission within forty-eight hours of receiving the contribution. **[**Such**]**

2. Any individual currently holding office as a state representative, state senator, or any candidate for such office or such individual's campaign committee shall electronically report any contribution exceeding five hundred dollars made by any contributor to his or her campaign committee during the regular legislative session of the general assembly, within forty-eight hours of receiving the contribution.

3. Any individual currently holding office as the governor, lieutenant governor, treasurer, attorney general, secretary of state or auditor or any candidate for such office or such person's campaign committee shall electronically report any contribution exceeding five hundred dollars made by any contributor to his or her campaign committee during the regular legislative session or any time when legislation from the regular legislative session awaits gubernatorial action, within forty-eight hours of receiving the contribution.

4. Reports **required under this section** shall contain the same content required under section 130.041 and shall be filed in accordance with the standards established by the commission for electronic filing and other rules the commission may deem necessary to promulgate for the effective administration of this section.

[2.**]** **5.** Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, 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, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, 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.

130.046. TIMES FOR FILING OF DISCLOSURE — PERIODS COVERED BY REPORTS — CERTAIN DISCLOSURE REPORTS NOT REQUIRED — SUPPLEMENTAL REPORTS, WHEN — CERTAIN DISCLOSURE REPORTS FILED ELECTRONICALLY — RULEMAKING AUTHORITY. — 1. The disclosure reports required by section 130.041 for all committees shall be filed at the following times and for the following periods:

(1) Not later than the eighth day before an election for the period closing on the twelfth day before the election if the committee has made any contribution or expenditure either in support or opposition to any candidate or ballot measure;

(2) Not later than the thirtieth day after an election for a period closing on the twenty-fifth day after the election, if the committee has made any contribution or expenditure either in support of or opposition to any candidate or ballot measure; except that, a successful candidate who takes office prior to the twenty-fifth day after the election shall have complied with the report requirement of this subdivision if a disclosure report is filed by such candidate and any candidate committee under the candidate's control before such candidate takes office, and such report shall be for the period closing on the day before taking office; and

(3) Not later than the fifteenth day following the close of each calendar quarter. Notwithstanding the provisions of this subsection, if any committee accepts contributions or makes expenditures in support of or in opposition to a ballot measure or a candidate, and the report required by this subsection for the most recent calendar quarter is filed prior to the fortieth day before the election on the measure or candidate, the committee shall file an additional

disclosure report not later than the fortieth day before the election for the period closing on the forty-fifth day before the election.

2. In the case of a ballot measure to be qualified to be on the ballot by initiative petition or referendum petition, or a recall petition seeking to remove an incumbent from office, disclosure reports relating to the time for filing such petitions shall be made as follows:

(1) In addition to the disclosure reports required to be filed pursuant to subsection 1 of this section the treasurer of a committee, other than a **[**continuing**]** **political action** committee, supporting or opposing a petition effort to qualify a measure to appear on the ballot or to remove an incumbent from office shall file an initial disclosure report fifteen days after the committee begins the process of raising or spending money. After such initial report, the committee shall file quarterly disclosure reports as required by subdivision (3) of subsection 1 of this section until such time as the reports required by subdivisions (1) and (2) of subsection 1 of this section are to be filed. In addition the committee shall file a second disclosure report no later than the fifteenth day after the deadline date for submitting such petition. The period covered in the initial report shall begin on the day the committee first accepted contributions or made expenditures to support or oppose the petition effort for qualification of the measure and shall close on the fifth day prior to the date of the report;

(2) If the measure has qualified to be on the ballot in an election and if a committee subject to the requirements of subdivision (1) of this subsection is also required to file a preelection disclosure report for such election any time within thirty days after the date on which disclosure reports are required to be filed in accordance with subdivision (1) of this subsection, the treasurer of such committee shall not be required to file the report required by subdivision (1) of this subsection, but shall include in the committee's preelection report all information which would otherwise have been required by subdivision (1) of this subsection.

3. The candidate, if applicable, treasurer or deputy treasurer of a committee shall file disclosure reports pursuant to this section, except for any calendar quarter in which the contributions received by the committee or the expenditures or contributions made by the committee do not exceed five hundred dollars. The reporting dates and periods covered for such quarterly reports shall not be later than the fifteenth day of January, April, July and October for periods closing on the thirty-first day of December, the thirty-first day of March, the thirtieth day of June and the thirtieth day of September. No candidate, treasurer or deputy treasurer shall be required to file the quarterly disclosure report required not later than the fifteenth day of any January immediately following a November election, provided that such candidate, treasurer or deputy treasurer shall file the information required on such quarterly report on the quarterly report to be filed not later than the fifteenth day of April immediately following such November election. Each report by such committee shall be cumulative from the date of the last report. In the case of the **[**continuing**]** **political action** committee's first report, the report shall be cumulative from the date of the **[**continuing**]** **political action** committee's organization. Every candidate, treasurer or deputy treasurer shall file, at a minimum, the campaign disclosure reports covering the quarter immediately preceding the date of the election and those required by subdivisions (1) and (2) of subsection 1 of this section. A **[**continuing**]** **political action** committee shall submit additional reports if it makes aggregate expenditures, other than contributions to a committee, of five hundred dollars or more, within the reporting period at the following times for the following periods:

(1) Not later than the eighth day before an election for the period closing on the twelfth day before the election;

(2) Not later than twenty-four hours after aggregate expenditures of two hundred fifty dollars or more are made after the twelfth day before the election; and

(3) Not later than the thirtieth day after an election for a period closing on the twenty-fifth day after the election.

4. The reports required to be filed no later than the thirtieth day after an election and any subsequently required report shall be cumulative so as to reflect the total receipts and

disbursements of the reporting committee for the entire election campaign in question. The period covered by each disclosure report shall begin on the day after the closing date of the most recent disclosure report filed and end on the closing date for the period covered. If the committee has not previously filed a disclosure report, the period covered begins on the date the committee was formed; except that in the case of a candidate committee, the period covered begins on the date the candidate became a candidate according to the definition of the term candidate in section 130.011.

5. Notwithstanding any other provisions of this chapter to the contrary:

(1) Certain disclosure reports pertaining to any candidate who receives nomination in a primary election and thereby seeks election in the immediately succeeding general election shall not be required in the following cases:

(a) If there are less than fifty days between a primary election and the immediately succeeding general election, the disclosure report required to be filed quarterly; provided that, any other report required to be filed prior to the primary election and all other reports required to be filed not later than the eighth day before the general election are filed no later than the final dates for filing such reports;

(b) If there are less than eighty-five days between a primary election and the immediately succeeding general election, the disclosure report required to be filed not later than the thirtieth day after the primary election need not be filed; provided that any report required to be filed prior to the primary election and any other report required to be filed prior to the general election are filed no later than the final dates for filing such reports; and

(2) No disclosure report needs to be filed for any reporting period if during that reporting period the committee has neither received contributions aggregating more than five hundred dollars nor made expenditure aggregating more than five hundred dollars and has not received contributions aggregating more than three hundred dollars from any single contributor and if the committee's treasurer files a statement with the appropriate officer that the committee has not exceeded the identified thresholds in the reporting period. Any contributions received or expenditures made which are not reported because this statement is filed in lieu of a disclosure report shall be included in the next disclosure report filed by the committee. This statement shall not be filed in lieu of the report for two or more consecutive disclosure periods if either the contributions received or expenditures made in the aggregate during those reporting periods exceed five hundred dollars. This statement shall not be filed, in lieu of the report, later than the thirtieth day after an election if that report would show a deficit of more than one thousand dollars.

6. (1) If the disclosure report required to be filed by a committee not later than the thirtieth day after an election shows a deficit of unpaid loans and other outstanding obligations in excess of five thousand dollars, semiannual supplemental disclosure reports shall be filed with the appropriate officer for each succeeding semiannual period until the deficit is reported in a disclosure report as being reduced to five thousand dollars or less; except that, a supplemental semiannual report shall not be required for any semiannual period which includes the closing date for the reporting period covered in any regular disclosure report which the committee is required to file in connection with an election. The reporting dates and periods covered for semiannual reports shall be not later than the fifteenth day of January and July for periods closing on the thirty-first day of December and the thirtieth day of June.

(2) Committees required to file reports pursuant to subsection 2 or 3 of this section which are not otherwise required to file disclosure reports for an election shall file semiannual reports as required by this subsection if their last required disclosure report shows a total of unpaid loans and other outstanding obligations in excess of five thousand dollars.

7. In the case of a committee which disbands and is required to file a termination statement pursuant to the provisions of section 130.021 with the appropriate officer not later than the tenth day after the committee was dissolved, the candidate, committee treasurer or deputy treasurer shall attach to the termination statement a complete disclosure report for the period closing on

the date of dissolution. A committee shall not utilize the provisions of subsection 8 of section 130.021 or the provisions of this subsection to circumvent or otherwise avoid the reporting requirements of subsection 6 or 7 of this section.

8. Disclosure reports shall be filed with the appropriate officer not later than 5:00 p.m. prevailing local time of the day designated for the filing of the report and a report postmarked not later than midnight of the day previous to the day designated for filing the report shall be deemed to have been filed in a timely manner. The appropriate officer may establish a policy whereby disclosure reports may be filed by facsimile transmission.

9. Each candidate for the office of state representative, state senator, and for statewide elected office shall file all disclosure reports described in section 130.041 electronically with the Missouri ethics commission. The Missouri ethics commission shall promulgate rules establishing the standard for electronic filings with the commission and shall propose such rules for the importation of files to the reporting program.

10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, 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, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, 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, 2006, shall be invalid and void.

130.057. CAMPAIGN FINANCE ELECTRONIC REPORTING SYSTEM, ESTABLISHMENT, USE OF — CERTAIN CANDIDATES AND COMMITTEES TO FILE IN ELECTRONIC FORMAT, WHEN, FEES TO CONVERT PAPER COPY — PURCHASE OF ELECTRONIC SYSTEM, REQUIREMENTS — PUBLIC ACCESS. — 1. In order for candidates for election and public officials to more easily file reports required by law and to access information contained in such reports, and for the Missouri ethics commission to receive and store reports in an efficient and economical method, and for the general public and news media to access information contained in such reports, the commission shall establish and maintain an electronic reporting system pursuant to this section.

2. The ethics commission may establish for elections in 1996 and shall establish for elections and all required reporting beginning in 1998 and maintain thereafter a state campaign finance and financial interest disclosure electronic reporting system pursuant to this section for all candidates required to file. The system may be used for the collection, filing and dissemination of all reports, including monthly lobbying reports filed by law, and all reports filed with the commission pursuant to this chapter and chapter 105, RSMo. The system may be established and used for all reports required to be filed for the primary and general elections in 1996 and all elections thereafter, except that the system may require maintenance of a paper backup system for the primary and general elections in 1996. The reports shall be maintained and secured in the electronic format by the commission.

3. When the commission determines that the electronic reporting system has been properly implemented, the commission shall certify to all candidates and committees required to file pursuant to this chapter that such electronic reporting system has been established and implemented. Beginning with the primary and general elections in 2000, or the next primary or general election in which the commission has made certification pursuant to this subsection, whichever is later, candidates and all other committees shall file reports by using either the electronic format prescribed by the commission or paper forms provided by the commission for that purpose. **[**Continuing**]** **Political action** committees shall file reports by electronic format prescribed by the commission, except **[**continuing**]** **political action** committees which make contributions equal to or less than fifteen thousand dollars in the applicable calendar year. Any **[**continuing**]** **political action** committee which makes contributions in support of or opposition to any measure or candidate equal to or less than fifteen thousand dollars in the applicable

calendar year shall file reports on paper forms provided by the commission for that purpose or by electronic format prescribed by the commission, whichever reporting method the **[**continuing**]** **political action** committee chooses. The commission shall supply a computer program which shall be used for filing by modem or by a common magnetic media chosen by the commission. In the event that filings are performed electronically, the candidate shall file a signed original written copy within five working days; except that, if a means becomes available which will allow a verifiable electronic signature, the commission may also accept this in lieu of a written statement.

4. Beginning January 1, 2000, or on the date the commission makes the certification pursuant to subsection 3 of this section, whichever is later, all reports filed with the commission by any candidate for a statewide office, or such candidate's committee, shall be filed in electronic format as prescribed by the commission; provided however, that if a candidate for statewide office, or such candidate's committee receives or spends five thousand dollars or less for any reporting period, the report for that reporting period shall not be required to be filed electronically.

5. A copy of all reports filed in the state campaign finance electronic reporting system shall be placed on a public electronic access system so that the general public may have open access to the reports filed pursuant to this section. The access system shall be organized and maintained in such a manner to allow an individual to obtain information concerning all contributions made to or on behalf of, and all expenditures made on behalf of, any public official described in subsection 2 of this section in formats that will include both written and electronically readable formats.

6. All records that are in electronic format, not otherwise closed by law, shall be available in electronic format to the public. The commission shall maintain and provide for public inspection, a listing of all reports with a complete description for each field contained on the report, that has been used to extract information from their database files. The commission shall develop a report or reports which contain every field in each database.

7. Annually, the commission shall provide, without cost, a system-wide dump of information contained in the commission's electronic database files to the general assembly. The information is to be copied onto a medium specified by the general assembly. Such information shall not contain records otherwise closed by law. It is the intent of the general assembly to provide open access to the commission's records. The commission shall make every reasonable effort to comply with requests for information and shall take a liberal interpretation when considering such requests.

130.071. CANDIDATE NOT TO TAKE OFFICE OR FILE FOR SUBSEQUENT ELECTIONS UNTIL DISCLOSURE REPORTS ARE FILED. — 1. If a successful candidate, or the treasurer of his candidate committee**, or the successful candidate who also has served as a treasurer or deputy treasurer of any committee defined by section 130.011** fails to file the **[**disclosure**]** reports which are required by this chapter, the candidate shall not take office until such reports are filed **and all fees assessed by the commission are paid**.

2. In addition to any other penalties provided by law, no person may file for any office in a subsequent election until he or the treasurer of his existing candidate **or any** committee **defined by section 130.011 in which he is a treasurer or deputy treasurer** has filed all required campaign disclosure reports for all prior elections **and paid all fees assessed by the commission**.

226.033. PROHIBITED ACTS BY CERTAIN COMMISSIONERS. — Any commissioner appointed or reappointed after March 1, 2004, shall not:

(1) Host or manage a political fund-raiser or solicit funds for any candidate who is seeking a statewide or nationally elected office;

(2) Serve on the board or chair any political action committee, **or** political party committee**[**, or continuing committee**]**.

575.021. OBSTRUCTION OF AN ETHICS INVESTIGATION, DEFENSES, PENALTY. — 1. A person commits the crime of obstruction of an ethics investigation if such person, for the purpose of obstructing or preventing an ethics investigation, knowingly commits any of the following acts:

(1) Confers or agrees to confer anything of pecuniary benefit to any person in direct exchange for that person's concealing or withholding any information concerning any violation of sections 105.450 to 105.496 and chapter 130;

(2) Accepting or agreeing to accept anything of pecuniary benefit in direct exchange for concealing or withholding any information concerning any violation of sections 105.450 to 105.496 or chapter 130;

(3) Utters or submits a false statement that the person does not believe to be true to any member or employee of the Missouri ethics commission or to any official investigating any violation of sections 105.450 to 105.496 or chapter 130; or

(4) Submits any writing or other documentation that is inaccurate and that the person does not believe to be true to any member or employee of the Missouri ethics commission or to any official investigating any violation of sections 105.450 to 105.496 or chapter 130.

2. It is a defense to a prosecution under subdivisions (3) and (4) of subsection 1 of this section that the person retracted the false statement, writing, or other documentation, but this defense shall not apply if the retraction was made after:

(1) The falsity of the statement, writing, or other documentation was exposed; or

(2) Any member or employee of the Missouri ethics commission or any official investigating any violation of sections 105.450 to 105.496 or chapter 130 took substantial action in reliance on the statement, writing, or other documentation.

3. The defendant shall have the burden of injecting the issue of retraction under this section.

4. Obstruction of an ethics investigation under this section is a class A misdemeanor.

Approved July 14, 2010

SB 851 [HCS SB 851]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Requires at least four days notice before voting by governing bodies of local governments on tax increases, eminent domain, and certain districts and projects

AN ACT to amend chapter 67, RSMo, by adding thereto one new section relating to public notice required for certain meetings of political subdivisions.

SECTION

A. Enacting clause.

67.2725. Notice required for public meeting on tax increases, eminent domain, creation of certain districts, and certain redevelopment plans.

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

SECTION A. ENACTING CLAUSE. — Chapter 67, RSMo, is amended by adding thereto one new section, to be known as section 67.2725, to read as follows:

67.2725. NOTICE REQUIRED FOR PUBLIC MEETING ON TAX INCREASES, EMINENT DOMAIN, CREATION OF CERTAIN DISTRICTS, AND CERTAIN REDEVELOPMENT PLANS. — For any public meeting where a vote of the governing body is required to implement a tax increase, or with respect to a retail development project when the governing body votes to utilize the power of eminent domain, create a transportation development district or a community improvement district, or approve a redevelopment plan that pledges public funds as financing for the project or plan, the governing body of any county, city, town, or village, or any entity created by such county, city, town, or village, shall give notice conforming with all the requirements of subsection 1 of section 610.020 at least four days before such entity may vote on such issues, exclusive of weekends and holidays when the facility is closed; provided that this section shall not apply to any votes or discussion related to proposed ordinances which require a minimum of two separate readings on different days for their passage. The provisions of subsection 4 of section 610.020 shall not apply to any matters that are subject to the provisions of this section. No vote shall occur until after a public meeting on the matter at which parties in interest and citizens shall have an opportunity to be heard. If the notice required under this section is not properly given, no vote on such issues shall be held until proper notice has been provided under this section. Any legal action challenging the notice requirements provided herein shall be filed within thirty days of the subject meeting, or such meeting shall be deemed to have been properly noticed and held. For the purpose of this section, a tax increase shall not include the setting of the annual tax rates provided for under sections 67.110 and 137.055.

Approved July 13, 2010

SB 884 [SS SCS SB 884]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Amends various provisions of the Tobacco Master Settlement Agreement

AN ACT to amend chapter 196, RSMo, by adding thereto six new sections relating to the tobacco master settlement agreement, with penalty provisions and an emergency clause.

SECTION

A. Enacting clause.
196.1020. Definitions.
196.1023. Certification, compliance with tobacco master settlement agreement required — directory listing.
196.1026. Nonresident or foreign nonparticipating manufacturers, requirements.
196.1029. Quarterly reports required, contents — disclosure to attorney general, when — escrow fund required, when — additional information may be required, when.
196.1032. Remedies for violations — distribution of cigarettes prohibited, when — violations, penalty.
196.1035. Judicial review of director's decision not to list — compliance agreement required — rulemaking authority.
B. Emergency clause.

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

SECTION A. ENACTING CLAUSE. — Chapter 196, RSMo, is amended by adding thereto six new sections enacted in lieu thereof, to be known as sections 196.1020, 196.1023, 196.1026, 196.1029, 196.1032, and 196.1035, to read as follows:

196.1020. DEFINITIONS. — As used in sections 196.1020 to 196.1035, the following terms mean:

(1) "Brand family", all styles of cigarettes sold under the same trademark and differentiated from one another by means of additional modifiers or descriptors, including but not limited to "menthol", "lights", "kings", and "100s", and includes any brand name alone or in conjunction with any other word trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, a previously known brand of cigarettes;

(2) "Cigarette", the same meaning as such term is defined in section 196.1000;

(3) "Director", the director of the Missouri department of revenue;

(4) "Master settlement agreement", the same meaning as such term is defined in section 196.1000;

(5) "Nonparticipating manufacturer", any tobacco product manufacturer that is not a participating manufacturer;

(6) "Participating manufacturer", the same meaning as such term is defined in section II(jj) of the master settlement agreement and all amendments thereto;

(7) "Qualified escrow fund", the same meaning as such term is defined in section 196.1000;

(8) "Stamping agent", a person who is authorized to affix tax stamps to packages or other containers or cigarettes under chapter 149 or any person who is required to pay the tax imposed under section 149.160 on other tobacco products;

(9) "Tobacco product manufacturer", the same meaning as such term is defined in section 196.1000;

(10) "Units sold", the same meaning as such term is defined in section 196.1000.

196.1023. CERTIFICATION, COMPLIANCE WITH TOBACCO MASTER SETTLEMENT AGREEMENT REQUIRED — DIRECTORY LISTING. — 1. Every tobacco product manufacturer whose cigarettes are sold in this state, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, shall execute and deliver on a form prescribed by the director a certification to the director no later than the thirtieth day of April each year certifying, under penalty of perjury, that as of the date of such certification such tobacco product manufacturer is a participating manufacturer or is in full compliance with section 196.1003.

(1) A participating manufacturer shall include in its certification a list of its brand families. The participating manufacturer shall update such list thirty calendar days prior to any addition to or modification of its brand families by executing and delivering a supplemental certification to the director.

(2) A nonparticipating manufacturer shall include in its certification:

(a) A list of all of its brand families and the number of units sold for each brand family that were sold in the state during the preceding calendar year;

(b) A list of all of its brand families that have been sold in the state at any time during the current calendar year, which shall indicate, by an asterisk, any brand family sold in the state during the preceding calendar year that is no longer being sold in the state as of the date of such certification; and

(c) The name and address of any other manufacturer of such brand families in the preceding or current calendar year.

The nonparticipating manufacturer shall update such list thirty calendar days prior to any addition to or modification of its brand families by executing and delivering a supplemental certification to the director.

(3) For a nonparticipating manufacturer, such certification shall further certify:

(a) That such nonparticipating manufacturer is registered to do business in the state or has appointed a resident agent for service of process and provided notice thereof as required in this subsection;

(b) That such nonparticipating manufacturer has established, and continues to maintain, a qualified escrow fund and has executed a qualified escrow agreement, governing the qualified escrow fund, which has been reviewed and approved by the director;

(c) That such nonparticipating manufacturer is in full compliance with sections 196.1003 and 196.1020 to 196.1035 and any rules promulgated thereunder;

(d) The name, address, and telephone number of the financial institution where the nonparticipating manufacturer has established such qualified escrow fund required under section 196.1003 and all rules promulgated thereunder;

(e) The account number of such qualified escrow fund and any subaccount number for the state;

(f) The amount such nonparticipating manufacturer placed in such fund for cigarettes sold in the state during the preceding calendar year;

(g) The date and amount of each such deposit, and such evidence or verification as may be deemed necessary by the director to confirm the foregoing; and

(h) The amount and date of any withdrawal or transfer of funds the nonparticipating manufacturer made, at any time, from such fund or from any other qualified escrow fund into which it ever made escrow payments under section 196.1003 and all rules promulgated thereunder.

(4) A tobacco product manufacturer shall not include a brand family in its certification unless:

(a) In the case of a participating manufacturer, such participating manufacturer affirms that the brand family is deemed to be its cigarettes for purposes of calculating its payments under the master settlement agreement for the relevant year, in the volume and shares determined under the master settlement agreement; and

(b) In the case of a nonparticipating manufacturer, such nonparticipating manufacturer affirms that the brand family is deemed to be its cigarettes for purposes of section 196.1003. Nothing in this section shall be construed as limiting, or otherwise affecting, the state's right to maintain that a brand family constitutes cigarettes of a different tobacco product manufacturer for purposes of calculating payments under the master settlement agreement or for purposes of section 196.1003.

(5) Tobacco product manufacturers shall maintain all invoices and documentation of sales and other such information relied upon for such certification for a period of five years, unless otherwise required by law to maintain them for a greater period of time.

2. On or after January 1, 2011, the director shall issue, maintain, update when necessary but only on the first calendar day of each month, make available for public inspection and publish on its website a directory listing of all tobacco product manufacturers that have provided current and accurate certifications in compliance with the requirements of subsection 1 of this section and all brand families listed in such certifications, except:

(1) The director shall not include, or retain, in such directory the name or brand families of any nonparticipating manufacturer that fails to provide the required certification, or whose certification the director determines is not in compliance with subdivisions (2) and (3) of subsection 1 of this section, unless the director has determined that such violation has been cured to the satisfaction of the director;

(2) Neither a tobacco product manufacturer, nor brand family shall be included, or retained, in the directory if the director concludes, in the case of a nonparticipating manufacturer that:

(a) Any escrow payment required under section 196.1003 for any period, for any brand family, whether or not listed by such nonparticipating manufacturer has not been fully paid into a qualified escrow fund governed by a qualified escrow agreement approved by the director; or

(b) Any outstanding final judgment, including interest thereon, for violations of section 196.1003 has not been fully satisfied for such brand family and such manufacturer;

(3) Every stamping agent shall provide, and update as necessary, an electronic mail address to the director for the purpose of receiving any notifications that may be required by sections 196.1020 to 196.1035.

3. (1) The directory issued and updated in subsection 2 of this section shall become effective immediately but only as it applies to tobacco product manufacturers, and it shall be unlawful for any tobacco wholesaler or retailer to purchase from any tobacco product manufacturer, any cigarette, or brand family not listed in the directory.

(2) The directory issued in subsection 2 of this section shall become effective on the first day of the month following the month in which said directory is published or updated as it applies to tobacco wholesalers, and on the fifteenth day of the month following the month in which said directory is published or updated as it applies to tobacco retailers in order to allow wholesalers and retailers sufficient time to sell their inventory.

(3) Unless otherwise permitted herein, it shall be unlawful for any person to:

(a) Affix a stamp to a package or other container of cigarettes of a tobacco product manufacturer or brand family not included in the directory; or

(b) Sell, offer, or possess for sale in this state, or import for personal consumption in this state, cigarettes of a tobacco product manufacturer or brand family not included in the directory.

196.1026. NONRESIDENT OR FOREIGN NONPARTICIPATING MANUFACTURERS, REQUIREMENTS. — 1. Any nonresident or foreign nonparticipating manufacturer not registered to do business in this state as a foreign corporation or business entity shall, as a condition precedent to having its brand families listed or retained in the directory, appoint, and continually engage without interruption the services of an agent in this state to act as agent for the service of process on whom all process shall be served, and any action or proceeding against it concerning, or arising out of, the enforcement of sections 196.1003 and 196.1020 to 196.1035 may be served in any manner authorized by law. Such service shall constitute legal and valid service of process on the nonparticipating manufacturer. The nonparticipating manufacturer shall provide the name, address, phone number, and proof of the appointment and availability of such agent to the satisfaction of the director.

2. The nonparticipating manufacturer shall provide notice to the director thirty calendar days prior to termination of the authority of an agent and shall further provide proof, to the satisfaction of the director, of the appointment of a new agent no less than five calendar days prior to the termination of an existing agent appointment. In the event an agent terminates an agency appointment, the nonparticipating manufacturer shall notify the director of the termination within five calendar days and shall include proof, to the satisfaction of the director, of the appointment of a new agent.

3. Any nonparticipating manufacturer whose cigarettes are sold in this state and who has not appointed and engaged an agent as herein required shall be deemed to have appointed the secretary of state as such agent and may be proceeded against in courts of this state by service of process upon the secretary of state. However, the appointment of the secretary of state as such agent shall not satisfy the condition precedent for having the brand families of the nonparticipating manufacturer included, or retained, in the directory.

196.1029. QUARTERLY REPORTS REQUIRED, CONTENTS — DISCLOSURE TO ATTORNEY GENERAL, WHEN — ESCROW FUND REQUIRED, WHEN — ADDITIONAL INFORMATION MAY BE REQUIRED, WHEN. — 1. Not later than twenty days after the end of each calendar quarter and more frequently if so directed by the director, each stamping agent shall submit such information as the director requires to facilitate compliance with sections 196.1020 to 196.1035, including but not limited to:

(1) A list by brand family of the total number of cigarettes; or

(2) In the case of roll your own, the equivalent stick count for which the stamping agent affixed stamps during the previous calendar quarter or otherwise paid the tax due for such cigarettes. The stamping agent shall maintain and make available to the director all invoices and documentation of sales of all nonparticipating manufacturer cigarettes and any other information relied upon in reporting to the director for a period of five years.

2. The director shall disclose to the attorney general any information received under sections 196.1020 to 196.1035 which is requested by the attorney general for purposes of determining compliance with and enforcing the provisions of sections 196.1020 to 196.1035. The director and attorney general shall share with each other information received under sections 196.1003 and 196.1020 to 196.1035, or corresponding laws of other states.

3. The director may, at any time, require, from the nonparticipating manufacturer proof from the financial institution, in which such manufacturer has established a qualified escrow fund for the purpose of compliance with section 196.1003, of the amount of money in such fund exclusive of interest, and the amount and date of each deposit to such fund, and the amount and date of each withdrawal from such fund.

4. In addition to any other information required to be submitted under sections 196.1020 to 196.1035, the director may require a stamping agent or tobacco product manufacturer to submit any additional information, including but not limited to samples of the packaging or labeling of each brand family, as is necessary to enable the director to determine whether a tobacco product manufacturer is in compliance with sections 196.1020 to 196.1035.

196.1032. REMEDIES FOR VIOLATIONS — DISTRIBUTION OF CIGARETTES PROHIBITED, WHEN — VIOLATIONS, PENALTY. — 1. In addition to, or in lieu of, any other civil or criminal remedy provided by law, upon a determination that a stamping agent or any person has violated subsection 3 of section 196.1023 or any regulation adopted under subsection 3 of section 196.1023, the director may revoke or suspend the license of any stamping agent in the manner provided in subsection 3 of section 149.035. Each stamp affixed and each sale, or offer to sell, cigarettes in violation of subsection 3 of section 196.1023 shall constitute a separate violation. Upon a determination of a violation of subsection 3 of section 196.1023 or any regulations adopted thereunder, the director may impose a civil penalty in an amount not to exceed the greater of five hundred percent of the retail value of the cigarettes or five thousand dollars for each such violation.

2. Any cigarettes deemed by a court of competent jurisdiction to have been sold, offered for sale, or possessed for sale in this state in violation of subsection 3 of section 196.1023 shall be contraband and such cigarettes shall be subject to seizure and forfeiture as provided in chapter 149 and all such cigarettes so seized and forfeited shall be destroyed and not resold.

3. The attorney general, on behalf of the director, may seek an injunction to restrain a threatened or actual violation of subsection 3 of section 196.1023, or subsection 1 or 4 of section 196.1029 by a stamping agent and to compel a stamping agent to comply with such provisions. In any successful action brought under this section, the state may be entitled to recover the costs of investigation and action including reasonable attorney fees.

4. It shall be unlawful for a person to sell or distribute cigarettes, or acquire, hold, own, possess, transport, import, or cause to be imported, cigarettes that the person knows or should know are intended for distribution or sale in the state in violation of subsection 3 of section 196.1023. A violation of this subsection shall be a class A misdemeanor.

5. A person who violates subsection 3 of section 196.1023 shall be deemed to have engaged in an unfair practice in violation of section 407.020.

196.1035. JUDICIAL REVIEW OF DIRECTOR'S DECISION NOT TO LIST — COMPLIANCE AGREEMENT REQUIRED — RULEMAKING AUTHORITY. — 1. A determination of the director not to list, or to remove from the directory, a brand family or tobacco product manufacturer shall be subject to review by a court of competent jurisdiction.

2. No person shall be issued, or granted a renewal of, a license under chapter 149 unless such person has certified, in writing and under the penalty of perjury, that such person will comply fully with sections 196.1020 to 196.1035.

3. For the calendar year 2010, if the effective date of sections 196.1020 to 196.1035 is later than March 16, 2010:

(1) The first report of stamping agents required in subsection 1 of section 196.1029 shall be due thirty calendar days after such effective date;

(2) The certification by a tobacco product manufacturer described in subsection 1 of section 196.1023 shall be due forty-five calendar days after such effective date; and

(3) The directory described in subsection 2 of section 196.1023 shall be published, or made available, within one hundred thirty-five calendar days after such effective date.

4. The director may promulgate rules necessary to effect the purpose of sections 196.1020 to 196.1035. 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, 2010, shall be invalid and void.

5. There is hereby created in the state treasury the "Tobacco Control Special Fund", which shall consist of money collected under this section. 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. Upon appropriation, money in the fund shall be used solely for the administration of this section. Any moneys remaining in the fund at the end of the biennium shall revert to the credit of the general revenue fund. 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.

6. If a court of competent jurisdiction determines that a person has violated sections 196.1020 to 196.1035, such court shall order any profits, gains, gross receipts, or other benefits from such violation be disgorged and paid to the state treasurer for deposit in the "Tobacco Control Special Fund". Unless otherwise expressly provided, the remedies or penalties provided by sections 196.1020 to 196.1035 are cumulative to each other and to the remedies or penalties available under all other laws of this state.

7. If a court of competent jurisdiction finds that the provisions of sections 196.1003 and 196.1020 to 196.1035 conflict and cannot be harmonized, the provisions of section 196.1003 shall control. If any section or portion of a section in sections 196.1020 to 196.1035 causes section 196.1003 to no longer constitute a qualifying or model statute, as those terms are defined in the master settlement agreement, that portion of sections 196.1020 to 196.1035 shall be invalid.

SECTION B. EMERGENCY CLAUSE. — Because immediate action is necessary to protect the economic welfare of the citizens of this state, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.

Approved July 7, 2010

SB 928 [SS SB 928]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies provisions of law regarding the sales tax treatment of sales for resale

AN ACT to repeal section 144.030, RSMo, and to enact in lieu thereof two new sections relating to the sales tax treatment of sales for resale, with an emergency clause.

SECTION

A. Enacting clause.
144.018. Resale of tangible personal property, exempt or excluded from sales and use tax, when — intent of exclusion.
144.030. Exemptions from state and local sales and use taxes.
B. Emergency clause.

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

SECTION A. ENACTING CLAUSE. — Section 144.030, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 144.018 and 144.030, to read as follows:

144.018. RESALE OF TANGIBLE PERSONAL PROPERTY, EXEMPT OR EXCLUDED FROM SALES AND USE TAX, WHEN — INTENT OF EXCLUSION. — 1. Notwithstanding any other provision of law to the contrary, except as provided under subsections 2 or 3 of this section, when a purchase of tangible personal property or service subject to tax is made for the purpose of resale, such purchase shall be either exempt or excluded under this chapter if the subsequent sale is:

(1) Subject to a tax in this or any other state;

(2) For resale;

(3) Excluded from tax under this chapter;

(4) Subject to tax but exempt under this chapter; or

(5) Exempt from the sales tax laws of another state, if the subsequent sale is in such other state.

The purchase of tangible personal property by a taxpayer shall not be deemed to be for resale if such property is used or consumed by the taxpayer in providing a service on which tax is not imposed by subsection 1 of section 144.020, except purchases made in fulfillment of any obligation under a defense contract with the United States government.

2. For purposes of subdivision (2) of subsection 1 of section 144.020, a place of amusement, entertainment or recreation, including games or athletic events, shall remit tax on the amount paid for admissions or seating accommodations, or fees paid to, or in such place of amusement, entertainment or recreation. Any subsequent sale of such admissions or seating accommodations shall not be subject to tax if the initial sale was an arms length transaction for fair market value with an unaffiliated entity. If the sale of such admissions or seating accommodations is exempt or excluded from payment of sales

and use taxes, the provisions of this subsection shall not require the place of amusement, entertainment, or recreation to remit tax on that sale.

3. For purposes of subdivision (6) of subsection 1 of section 144.020, a hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp, or other place in which rooms, meals, or drinks are regularly served to the public shall remit tax on the amount of sales or charges for all rooms, meals, and drinks furnished at such hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp, or other place in which rooms, meals, or drinks are regularly served to the public. Any subsequent sale of such rooms, meals, or drinks shall not be subject to tax if the initial sale was an arms length transaction for fair market value with an unaffiliated entity. If the sale of such rooms, meals, or drinks is exempt or excluded from payment of sales and use taxes, the provisions of this subsection shall not require the hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp, or other place in which rooms, meals, or drinks are regularly served to the public to remit tax on that sale.

4. The provisions of this section are intended to reject and abrogate earlier case law interpretations of the state's sales and use tax law with regard to sales for resale as extended in Music City Centre Management, LLC v. Director of Revenue, 295 S.W.3d 465, (Mo. 2009) and ICC Management, Inc. v. Director of Revenue, 290 S.W.3d 699, (Mo. 2009).

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

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

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

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

which are ultimately consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in part, component parts or ingredients of steel products intended to be sold ultimately for final use or consumption;

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

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility that has as its primary purpose the recovery of materials into a useable product or a different form which is used in producing a new product and shall include a facility or equipment which are used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms motor vehicle and highway shall have the same meaning pursuant to section 301.010, RSMo. Material recovery is not the reuse of materials within a manufacturing process or the use of a product previously recovered. The material recovery processing plant shall qualify under the provisions of this section regardless of ownership of the material being recovered;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption;

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

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

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

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;

(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

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

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

materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(13) Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year;

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

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

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

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation;

(18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples which may be dispensed by a practitioner authorized to dispense such samples and all sales of medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment and, if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities;

(19) All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities and all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities;

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

(21) All ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals, and by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant to the provisions of the Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any fair conducted

by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530, RSMo;

(22) All sales made to any private not-for-profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as defined in section 142.028, RSMo, natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity as defined in section 348.432, RSMo, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery and equipment" means new or used farm tractors and such other new or used farm machinery and equipment and repair or replacement parts thereon, and supplies and lubricants used exclusively, solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and one-half of each purchaser's purchase of diesel fuel therefor which is:

(a) Used exclusively for agricultural purposes;

(b) Used on land owned or leased for the purpose of producing farm products; and

(c) Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail;

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

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

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

(c) Each person making domestic use purchases of services or property and who uses any portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day

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

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

(25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local sales taxes on such excise taxes;

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

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

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

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

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

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

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

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

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

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

(36) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption" shall mean any document evidencing that the entity is exempt from sales and use

taxes on purchases pursuant to the laws of the state in which the entity is located. Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the exemption. If the exemption certificate issued by the exempt entity to the contractor is later determined by the director of revenue to be invalid for any reason and the contractor has accepted the certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result of use of the invalid exemption certificate. Materials shall be exempt from all state and local sales and use taxes when purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following:

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

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

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

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

(39) All purchases by a sports complex authority created under section 64.920, RSMo;

(40) Beginning January 1, 2009, but not after January 1, 2015, materials, replacement parts, and equipment purchased for use directly upon, and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants, and aircraft accessories**;**

(41) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or similar places of business for use in the normal course of business and money received by a shooting range or similar places of business from patrons and held by a shooting range or similar place of business for redistribution to patrons at the conclusion of a shooting event.

SECTION B. EMERGENCY CLAUSE. — Because of the need to ensure the proper application of Missouri sales tax law with regard to sales for resale, section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and section A of this act shall be in full force and effect upon its passage and approval.

Approved May 12, 2010

SB 940 [HCS SB 940]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies various provision relating to bingo

AN ACT to repeal sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, RSMo, and to enact in lieu thereof seven new sections relating to bingo, with penalty provisions.

SECTION

A. Enacting clause.
313.005. Definitions.
313.010. Bingo, who may conduct game — joint license, procedure — abbreviated licenses, fees limitations, exemptions.
313.015. License — fee — expiration — special license, fairs, celebrations, requirements, fee, annual report, when.
313.040. Restrictions, penalties.
313.045. Annual reports by certain licensees — contents.
313.050. Records to be kept — retention period.
313.057. Suppliers license required, background checks required, exceptions to licensure, qualifications, fee — records — pull-tab cards, tax on — restrictions on use — failure to pay tax, penalty.

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

SECTION A. ENACTING CLAUSE. — Sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 313.005, 313.010, 313.015, 313.040, 313.045, 313.050, and 313.057, to read as follows:

313.005. DEFINITIONS. — As used in sections 313.005 to 313.080, the following terms shall mean:

(1) "Bingo", a game in which each participant receives one or more cards, including, but not limited to, pull-tab cards, marked off into twenty-five squares arranged on five horizontal rows of five squares each; or, one or more cards marked off into twenty-five squares arranged on five horizontal rows of five squares each which are not pull-tab cards and, in addition thereto, one or more pull-tab cards. Each square is designated by number, letter or by a combination of numbers and letters, except that the center square on the card shall be designated with the word "free". No two cards shall be identical. As the announcer of the game announces a number, letter or a combination of numbers and letters, each player covers the square corresponding to the announced number, letter or combination by marking such card in ink. The numbers, letters or combination of numbers and letters which are announced shall appear on an object selected by chance, either manually or mechanically, from a receptacle containing the objects bearing numbers, letters or combinations of numbers and letters. The winner of each game shall be the player or players who are first to properly cover a predetermined and announced pattern of squares upon the card or cards used by such player or players. A prize or prizes may be awarded to the winner or winners of a game;

(2) "Bingo card", an individual game face marked off into twenty-five squares arranged on five horizontal rows of five squares each, one or more of which may be contained on a bingo sheet;

(3) **"Bingo card monitoring device", a technology aid which allows a bingo player to enter bingo numbers as they are announced at a bingo occasion and which marks or otherwise conceals those numbers on bingo cards which are electronically stored in and displayed on the device. A bingo card monitoring device shall not include any device into which currency, coin, tokens, or electronic funds transfer may be inserted or from which currency, coin, tokens, or any receipt for monetary value can be dispensed or which, once provided to a bingo player, is capable of communicating with any other bingo card monitoring device or any other form of electronic device or computer. A bingo card monitoring device shall only be permitted to monitor bingo games and not used for any games or themes;**

(4) "Bingo equipment", all paraphernalia used to conduct a bingo game including selection equipment, number display boards, and bingo cards and faces and other such related equipment as may be defined by the rules and regulations of the commission. This definition does not include audio or video equipment which plays no part in the conduct of the game other than communicating the progress of the game or items used to mark numbers on the cards;

[(4)**]** **(5)** "Bingo sheet", a disposable piece of paper containing one or more bingo cards;

[(5)**]** **(6)** "Charitable organization", any organization which is organized and operated for the relief of poverty, distress, or other condition of public concern within this state or organized for financially supporting the activities of a charitable organization as hereinbefore defined. In order to qualify as a charitable organization, no part of the net earnings of the organization may inure to the benefit of any private shareholder or individual member of the organization. Charitable organizations must have obtained an exemption from the payment of federal income taxes as provided in section 501(c)(3) of the Internal Revenue Code of 1954, as amended;

[(6)**]** **(7)** "Commission", the Missouri gaming commission;

[(7)**]** **(8)** "Director", the director or other person in charge of the regulation of the game of bingo, as designated by the Missouri gaming commission;

[(8)**]** **(9)** "Fraternal organization", any organization within this state operating under the lodge system which exists for the common benefit, brotherhood or other interest of its members except college fraternities and sororities and of which no part of the net earnings inures to the benefit of any private shareholder or any individual member of such organization and which has been exempted from the payment of federal income tax as provided in section 501(c)(5), 501(c)(8), or 501(c)(10) Internal Revenue Code of 1954, as amended;

[(9)**]** **(10)** "Hall provider", a person or business entity which leases premises in which bingo games are conducted;

[(10)**]** **(11)** "Pull-tab card", any disposable card or ticket which accords a person an opportunity to win something of value by opening, pulling, detaching, or otherwise removing tabs from the card or ticket to reveal a set of numbers, letters, symbols, or configurations, or any combination thereof. The term "pull-tab card" shall include any card known as a pickle ticket, pickle, break-open, or pull-tab card;

[(11)**]** **(12)** "Religious organization", any organization, church, body of communicants, or group, gathered in common membership for mutual support and edification in piety, worship and religious observances. Such an organization may be a society of individuals united for religious purposes at a definite place. In order to qualify as a religious organization, no part of the net earnings of the organization may inure to the benefit of any private shareholder or any individual member of such organization. Religious organizations shall maintain an established place of worship within this state and shall have a regular schedule of services or meetings at least on a weekly basis. Religious organizations must have obtained an exemption from the payment of federal income taxes as provided by section 501(c)(3) or section 501(d) of the Internal Revenue Code of 1954, as amended;

[(12)**]** **(13)** "Service organization", any organization commonly known as a civic club or county fair or other organization if such organization is a religious, charitable, fraternal, veteran or service organization as described in article III, section 39(a) of the Missouri Constitution and of which no part of the net earnings inures to the benefit of any private shareholder or individual member of such organization. Service organizations must have obtained an exemption from the payment of federal income taxes as provided in section 501(c)(4), 501(c)(5) or 501(c)(7) of the Internal Revenue Code of 1954, as amended;

[(13)**]** **(14)** "Supplier", a person or business entity that sells, markets or otherwise provides bingo equipment or supplies to any bona fide religious, charitable, fraternal, veteran or service organization;

[(14)**]** **(15)** "Veterans' organization", a post or organization of veterans, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization:

(a) Organized in the United States or any of its possessions;

(b) In which at least seventy-five percent of the members of which are war veterans and substantially all of the other members of which are individuals who are veterans (but not war veterans) or are cadets, or are spouses, widows or widowers of war veterans of such individuals; and

(c) In which no part of the net earnings of which inures to the benefit of any private shareholder or individual and which has been exempted from payment of federal income taxes as provided by section 501(c)(19) of the Internal Revenue Code of 1954, as amended.

313.010. BINGO, WHO MAY CONDUCT GAME — JOINT LICENSE, PROCEDURE — ABBREVIATED LICENSES, FEES LIMITATIONS, EXEMPTIONS. — 1. Any bona fide religious, charitable, fraternal, veteran or service organization, which has been in existence for at least five years immediately prior to making an application for a license and which, during that period, has had twenty bona fide members, may conduct the game of bingo upon receiving a license from the commission. Any combination of unlicensed but eligible organizations, not to exceed five, may join in making an application and may receive a single license to conduct the game of bingo. Any information or report required by sections 313.005 to 313.080 from an organization shall contain the required information regarding all of the organizations joined in the license and all requirements under sections 313.005 to 313.080 shall apply with respect to all joined organizations and the membership thereof.

2. Notwithstanding any other provisions to the contrary, the commission shall require only an abbreviated license, pursuant to the provisions of section 313.020, and an abbreviated licensing fee of ten dollars per event, for any bona fide religious, charitable, fraternal, veteran or service organization which conducts a bingo game on not more than **[**four**]** **fifteen** occasions annually at which only pull-tab cards may be used. The organization shall have been in existence for at least five years immediately prior to the first occasion on which such organization conducts a bingo pull-tab game and during this period shall have had twenty bona fide members. For the purposes of this subsection, "occasion" means an event having a duration of less than twenty-four hours. An organization that has been granted an abbreviated license shall be exempt from the provisions of subdivisions (11) and (14) of section 313.040.

313.015. LICENSE — FEE — EXPIRATION — SPECIAL LICENSE, FAIRS, CELEBRATIONS, REQUIREMENTS, FEE, ANNUAL REPORT, WHEN. — 1. The commission shall issue a license for the conducting of bingo to any bona fide religious, charitable, fraternal, veteran or service organization or to any combination of eligible organizations, not to exceed five, which submits an application on a form prescribed by the director and which satisfies the director that such organization meets all of the requirements of sections 313.005 to 313.080. The burden of proof is at all times on the applicant to demonstrate by clear and convincing evidence its suitability to be licensed. Each license so issued shall expire at midnight one year from its date of issuance. The commission, in its sole discretion, may reopen licensure hearings for any licensee at any time.

2. An applicant may hold only one license and that license may not be transferred or assigned to any other organization other than the organization named in the license. Each licensed organization shall pay to the director an annual, nonrefundable license fee of fifty dollars**[**; provided, however, each licensed organization which awards to winners of bingo games prizes or merchandise having an aggregate retail value of five thousand dollars or less annually and less than one hundred dollars in any single day shall pay to the director an annual fee of ten dollars**]** to be paid into the state treasury to the credit of the gaming commission **[**bingo**]** fund. The director may, upon application made by a county fair organization or by any organization qualified to receive a regular license, issue a special license authorizing such organization to conduct bingo for the period of any fair, picnic, festival or celebration conducted by such qualified organization not exceeding one week and which is held not more than once annually, and a special licensee shall be exempt from the provisions of subdivisions (7) **[**and**]**, (11)**, and**

(14) of section 313.040. Each organization receiving a special license shall pay to the director a fee of twenty-five dollars, to be paid into the state treasury to the credit of the gaming commission **[**bingo**]** fund.

3. Any organization that obtains more than three special bingo licenses during any calendar year shall be required to file an annual report as required in section 313.045.

313.040. RESTRICTIONS, PENALTIES. — The conducting of bingo is subject to the following restrictions:

(1) (a) The entire net receipts over and above the actual cost of conducting the game shall be exclusively devoted to the lawful, charitable, religious or philanthropic purposes of the organization permitted to conduct that game and no receipts shall be used to compensate in any manner any person who works for or is in any way affiliated with the licensed organization. Any person who violates the provisions of this paragraph shall be guilty of a class D felony;

(b) Proceeds from the game of bingo may not be loaned to any person, except that this provision shall not prohibit the investment of the proceeds in any licensed banking or savings institution, instrument of the United States, Missouri, or any political subdivision thereof. Any person who violates the provisions of this paragraph shall be guilty of a class C misdemeanor; and

(c) The actual cost of conducting the game shall only include the following:

a. The cost of the prizes;

b. The purchasing of the bingo cards from a licensed supplier;

c. The purchasing or leasing of the equipment used in conducting the game;

d. The lease rental on the premises in which the game is conducted to include an allocation of utility costs, if applicable, costs of providing security, including the employment of a reasonable number of security personnel at a compensation level which complies with rules and regulations promulgated by the commission and such personnel is actually present and engaged in security duties, and bookkeeping and accounting expenses;

e. The actual cost of providing reasonable janitorial services. The cost of such services shall not be above the fair market rate charged for similar services in the community where the bingo game is being conducted;

f. Subject to constitutional restrictions, if any, the fair market cost of advertising each bingo occasion. Such advertising shall be procured in accordance with the rules and regulations of the commission;

(2) No person shall participate in conducting or managing the game of bingo except a person who has been a bona fide member of the licensed organization for at least two years immediately preceding such participation, who is not a paid staff person of the licensed organization employed and compensated specifically for conducting or managing the game of bingo and who volunteers the time and service necessary to conduct the game. Subject to constitutional restrictions, if any, no person shall participate in the actual operation of the game of bingo under the direction of a person conducting or managing the game of bingo, except a person who has been a bona fide member of the licensed organization for at least one year immediately preceding such participation, who is not a paid staff person of the licensed organization employed and compensated specifically for operating the game of bingo and who volunteers the time and service necessary to operate the game. If any post or organization, by its national charter, has established an auxiliary organization for spouses, then members of the auxiliary organization shall be considered bona fide members of the licensed organization and members of the post or organization shall be considered bona fide members of the auxiliary organization for the purposes of this subdivision. Any person who is a duly ordained member of the clergy and any person who is a full-time employee or staff member of the licensed organization employed for at least two years by that organization in a capacity not directly related to the conducting or managing of the game of bingo, who has specific assigned duties under a definite job description with the licensed organization, and who volunteers time and assistance

to the organization without compensation for such time and assistance in the conducting and managing of the game of bingo by the organization shall not be considered a paid staff person for the purposes of this subdivision. No full-time employee or staff member shall volunteer such time and assistance to more than one organization nor more than one day in any week. The commission shall establish guidelines for the determination of whether a person is a paid staff person within the meaning of this subdivision and shall specifically approve any full-time employee or staff member of the organization before such employee or staff member may volunteer time and assistance in the conducting and managing of bingo games for any organization. The commission may suspend the approval of any employee or staff member;

(3) No person, firm, partnership or corporation shall receive any remuneration, profit or gift for participating in the management, conduct or operation of the game, including the granting or use of bingo cards without charge or at a reduced charge from the licensed organization or from any other source;

(4) The aggregate retail value of all prizes or merchandise awarded, except prizes or merchandise awarded by pull-tab cards and progressive bingo games, in any single day of bingo may not exceed **[**three thousand six hundred dollars and the prize awarded for any one game, other than progressive bingo games authorized pursuant to section 313.013, may not exceed five hundred dollars cash or its equivalent. No more than one five-hundred-dollar prize, other than prizes in progressive bingo games, shall be awarded on any single day of bingo**] the amount set by the commission per regulation**;

(5) The number of games may not exceed sixty-two in any one day, including regular and special games. For purposes of this subdivision, the use of a pull-tab card and progressive bingo games shall not count as one of the sixty-two games per day, as limited by this subdivision, but no pull-tab card may be used except in conjunction with one of such sixty-two games;

(6) The price paid for a single bingo card under the license may not exceed one dollar. The commission may establish by rule or regulation the number of bingo cards which may be placed on a single bingo sheet. The price for a single pull-tab card may not exceed one dollar. **[**The price for a single special game bingo card may not exceed fifty cents.**]** A licensee may not require a **[**minimum number of cards to be purchased by any individual**] player to purchase more than a standard pack in order to participate in the bingo occasion**;

(7) The number of bingo days conducted by a licensee under the provisions of sections 313.005 to 313.080 shall be limited to **[**one day**] two days** per week;

(8) Any person, officer or director of any firm or corporation, and any partner of any partnership renting or leasing to a licensed organization equipment or premises for use in a game shall meet all the qualifications set forth in subdivisions (1) to (5) and (8) of section 313.035 and shall not be a paid staff person of the licensee. Proof of compliance with this subdivision shall be submitted to the commission by the licensee in the manner required by the commission;

(9) Subject to constitutional restrictions, if any, an organization licensed to conduct bingo in the state of Missouri may advertise a bingo occasion or special event bingo if expenditures for advertisement do not exceed **[**two**] ten** percent of the total amount expended from receipts of bingo conducted by the licensed organization for charitable, religious or philanthropic purposes**[**. No advertising for any bingo occasion or occasions conducted by any organization shall include any reference to an aggregate value of bingo prizes which exceed the amount authorized by law to be paid out in a single bingo occasion**]**;

(10) No person under the age of sixteen years may play or participate in the conducting of bingo. Any person under the age of sixteen years may be within the area where bingo is being played only when accompanied by his parent or guardian;

(11) No licensee shall lease premises in which it conducts bingo games from someone who is not a hall provider licensed by the commission;

(12) No licensee shall pay any consulting fees to any person for any service performed in relation to the bingo game;

(13) No licensee shall pay concession fees to any person who provides refreshments to the participants in the bingo game;

(14) No licensee shall conduct a bingo session at any time during the **[**ten-hour**]** period between **[**midnight and 10:00 a.m.**] 1:00 a.m. and 7:00 a.m.**;

(15) No licensee, while a bingo game is being conducted, shall knowingly permit entry to any part of the licensed premises to any person of notorious or unsavory reputation or who has an extensive police record or who has been convicted of a felony;

(16) No vending machine or any mechanized coin-operated machine may be used to sell pull-tab cards or to pay prize money, merchandise gifts or any other form of a prize;

(17) No rented or reusable bingo cards may be used to conduct any game. All games must be conducted with disposable paper bingo cards that are marked by permanent ink as prescribed by the rules and regulations of the commission**, or by electronic bingo card monitoring device as approved by the commission**;

(18) No licensee shall purchase or use any bingo supplies from a person who is not licensed by the state of Missouri as a bingo supplier.

313.045. ANNUAL REPORTS BY CERTAIN LICENSEES — CONTENTS. — Each **regular bingo** licensee **[**which awards to winners of bingo games prizes or merchandise having an aggregate retail value of more than seven thousand five hundred dollars annually**] and any special bingo licensee which conducts games on more than three occasions in any calendar year** shall report **[**annually**] quarterly** to the commission on forms prescribed by the commission the following information:

(1) The number of games it has conducted during the reporting year;

(2) The location at which and the days it conducted games;

(3) The gross receipts it received from each game;

(4) An itemization of the cost of conducting each game, other than for prizes, and the **[**names and addresses**] name** of the person to whom said expenses were paid;

(5) The purposes for which the net proceeds of the game were used and the amounts so used;

(6) Any other information that the director may require by rule or regulation.

313.050. RECORDS TO BE KEPT — RETENTION PERIOD. — Each licensee shall keep a complete record of bingo games conducted within the previous **[**three**] two** years**, except for the records stipulated as one-year retention by regulation**. Such records shall be open to inspection by the commission.

313.057. SUPPLIERS LICENSE REQUIRED, BACKGROUND CHECKS REQUIRED, EXCEPTIONS TO LICENSURE, QUALIFICATIONS, FEE — RECORDS — PULL-TAB CARDS, TAX ON — RESTRICTIONS ON USE — FAILURE TO PAY TAX, PENALTY. — 1. It is unlawful for any person, either as an owner, lessee or employee, to operate, carry on, conduct or maintain any form of manufacturing, selling, leasing or distribution of any bingo equipment or supplies without having first procured and maintained a Missouri bingo equipment and supplies manufacturer or supplier license.

2. The commission shall submit two sets of fingerprints for each key person, as defined in commission rules and regulations, of an entity or organization seeking issuance or renewal of a Missouri bingo equipment and supplies manufacturer or supplier license, for the purpose of checking the person's prior criminal history when the commission determines a nationwide check is warranted. The fingerprint cards and any required fees shall be sent to the Missouri state highway patrol's criminal records division. The first set of fingerprints shall be used for searching the state repository of criminal history information. The second set of fingerprints shall be forwarded to the Federal Bureau of Investigation, Identification Division, for the searching of the federal criminal history files. The patrol shall notify the commission of any criminal history

information or lack of criminal history information discovered on the individual. Notwithstanding the provisions of section 610.120, RSMo, all records related to any criminal history information discovered shall be accessible and available to the commission.

3. The holder of a state bingo license may, within two years of cessation of conducting bingo or upon specific approval by the commission, dispose of by sale in a manner approved by the commission, any or all of his bingo equipment and supplies, without a supplier's license. In case of foreclosure of a lien by a bank or other person holding a security interest for which bingo equipment is security in whole or in part for the lien, the commission may authorize the disposition of the bingo equipment without requiring a supplier's license.

4. Any person whom the commission determines to be a suitable person to receive a license pursuant to the provisions of this section may be issued a manufacturer's or supplier's license. The commission may require suppliers to post a bond with the commission in an amount and in the manner prescribed by the commission. The burden of proving his qualification to receive or hold a license pursuant to this section is at all times on the applicant or licensee.

5. The commission shall charge and collect from each applicant for a supplier's license a one-time application fee set by the commission, not to exceed five thousand dollars. The commission shall charge and collect an annual renewal fee for each supplier licensee not to exceed one thousand dollars. **The applicant shall be responsible for the total cost of the criminal history investigation. If the cost of the investigation exceeds the total amount of fees filed by the applicant in this subsection, the commission may assess additional fees as it deems appropriate.**

6. The commission shall charge and collect from each applicant for a manufacturer's license a one-time application fee set by the commission, not to exceed **[**one**]** **five** thousand dollars. The commission shall charge and collect an annual renewal fee for each manufacturer licensee not to exceed **[**five hundred**]** **one thousand** dollars. **The applicant shall be responsible for the total cost of the criminal history investigation. If the cost of the investigation exceeds the total amount of fees filed by the applicant in this subsection, the commission may assess additional fees as it deems appropriate.**

7. The commission shall charge and collect from each applicant for a hall provider's license a one-time application fee set by the commission, not to exceed seven hundred fifty dollars. The commission shall charge and collect an annual renewal fee for each hall provider licensee not to exceed five hundred dollars.

8. All licenses issued pursuant to this section shall be issued for the calendar year and shall expire on December thirty-first of each year. Regardless of the date of application or issuance of the license, the fee to be charged and collected pursuant to this section shall be the full annual fee.

9. All license fees collected pursuant to this section shall be paid over immediately to the state treasurer to be deposited to the credit of the gaming commission **[**bingo**]** fund.

10. All licensees pursuant to this section shall maintain for a period of not less than three years full and complete records of all business carried on in this state and shall make same available for inspection to any duly authorized representative of the commission. If a supplier does not receive payment in full from an organization within thirty days of the delivery of bingo supplies, the supplier shall notify the commission in writing, or in a manner specified by the commission in its rules and regulations, of the delinquency. Upon receipt of the notice of delinquency, the commission shall notify all suppliers that until further notice from the commission, all sales of bingo supplies to the delinquent organizations shall be on a cash-only basis. Upon receipt of the notice from the commission, no supplier may extend credit to the delinquent organization until such time as the commission approves credit sales. If a manufacturer does not receive payment in full from a supplier within ninety days of the delivery of bingo supplies, the manufacturer shall notify the commission in writing, or in a manner specified by the commission in its rules and regulations, of the delinquency. Upon receipt of the notice of delinquency, the commission shall notify all manufacturers that until further notice

from the commission, all sales of bingo supplies to the delinquent supplier shall be on a cash-only basis. Upon receipt of the notice from the commission, no manufacturer may extend credit to the delinquent supplier until such time as the commission approves credit sales.

11. Until January 1, 1995, all suppliers shall pay a tax on all pull-tab cards distributed by them in the amount of ten dollars per box when sold by any organization licensed to conduct bingo pursuant to the provisions of sections 313.005 to 313.080. No box sold shall contain more than twenty-four hundred pull-tab cards. Beginning January 1, 1995, a tax is hereby imposed in the amount of two percent of the gross receipts of the retail sales value charged for each pull-tab card sold in Missouri to be paid by the supplier. The taxes, less two percent of the total amount paid which may be retained by the supplier, if timely filed and paid, shall be paid on a monthly basis to the commission by each supplier of pull-tabs and shall be due on the last day of each month following the month in which the pull-tabs were sold. The taxes shall be deposited in the state treasury, credited to the bingo proceeds for education fund. All pull-tab cards sold by suppliers in this state shall bear on the face thereof the amount for which such pull-tab cards will be sold**[**, and the license number of the supplier shall be printed on the inventory statement commonly called the flare, enclosed in each unit container**]**. Each unit container shall contain cards printed in such a manner as to ensure that at least sixty percent of the gross revenues generated by the ultimate sale of such cards shall be returned to the final purchasers of such cards. Any supplier who fails to pay the tax imposed pursuant to this subsection shall have his license issued pursuant to this section revoked and shall be guilty of a class A misdemeanor.

Approved July 13, 2010

SB 942 [HCS SCS SB 942]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Allows municipalities to annex property within research, development, and office park projects under certain circumstances

AN ACT to amend chapters 71 and 79, RSMo, by adding thereto two new sections relating to the annexation of property within research, development, and office park projects.

SECTION
A. Enacting clause.
71.275. Annexation of contiguous land with a research, development, or office park project, procedure.
79.025. Annexation of territory prohibited, when (City of Byrnes Mill).

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

SECTION A. ENACTING CLAUSE. — Chapters 71 and 79, RSMo, are amended by adding thereto two new sections, to be known as sections 71.275 and 79.025, to read as follows:

71.275. ANNEXATION OF CONTIGUOUS LAND WITH A RESEARCH, DEVELOPMENT, OR OFFICE PARK PROJECT, PROCEDURE. — Notwithstanding any other provision of this chapter to the contrary, if the governing body of any municipality finds it in the public interest that a parcel of land within a research, development, or office park project established under section 172.273, that is contiguous and compact to the existing corporate limits of the municipality and located in an unincorporated area of the county, should be located in the municipality, such municipality may annex such parcel, provided that the

municipality obtains written consent of all the property owners located within the unincorporated area of such parcel.

79.025. ANNEXATION OF TERRITORY PROHIBITED, WHEN (CITY OF BYRNES MILL). — No city of the fourth classification with more than two thousand three hundred but fewer than two thousand four hundred inhabitants and located in any county with a charter form of government and with more than one hundred ninety-eight thousand but fewer than one hundred ninety-nine thousand two hundred inhabitants shall annex any territory adjacent to the city if such adjacent territory proposed for annexation does not contain any registered voters unless the city has obtained the written consent of all the owners of real property within such adjacent territory.

Approved July 13, 2010

SB 981 [SB 981]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Allows Kansas City to seek voter approval to impose a sales tax to provide revenues for public safety activities including operations and capital improvements

AN ACT to repeal section 94.577, RSMo, and to enact in lieu thereof one new section relating to taxes imposed by certain cities to fund public safety activities including operations and capital improvements.

SECTION

A. Enacting clause.

94.577. Sales tax imposed in certain cities — rates of tax — election procedure — revenue to be used for capital improvements — revenue bonds, retirement — special trust fund — limitation on use of revenue by city of St. Louis — refunds authorized — Kansas City alternative tax authorized.

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

SECTION A. ENACTING CLAUSE. — Section 94.577, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 94.577, to read as follows:

94.577. SALES TAX IMPOSED IN CERTAIN CITIES — RATES OF TAX — ELECTION PROCEDURE — REVENUE TO BE USED FOR CAPITAL IMPROVEMENTS — REVENUE BONDS, RETIREMENT — SPECIAL TRUST FUND — LIMITATION ON USE OF REVENUE BY CITY OF ST. LOUIS — REFUNDS AUTHORIZED — KANSAS CITY ALTERNATIVE TAX AUTHORIZED. — 1. The governing body of any municipality except those located in whole or in part within any first class county having a charter form of government and not containing any part of a city with a population of four hundred thousand or more and adjacent to a city not within a county for that part of the municipality located within such first class county is hereby authorized to impose, by ordinance or order, a one-eighth, one-fourth, three-eighths, or one-half of one percent sales tax on all retail sales made in such municipality which are subject to taxation under the provisions of sections 144.010 to 144.525, RSMo, for the purpose of funding capital improvements, including the operation and maintenance of capital improvements, which may be funded by issuing bonds which will be retired by the revenues received from the sales tax authorized by this section or the retirement of debt under previously authorized bonded indebtedness. A municipality located in a charter county may impose a sales tax on all retail sales for capital

improvements as provided in section 94.890. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law; but no ordinance imposing a sales tax under the provisions of this section shall be effective unless the governing body of the municipality submits to the voters of the municipality, at a municipal or state general, primary or special election, a proposal to authorize the governing body of the municipality to impose such tax and, if such tax is to be used to retire bonds authorized under this section, to authorize such bonds and their retirement by such tax, or to authorize the retirement of debt under previously authorized bonded indebtedness.

2. The ballot of submission shall contain, but need not be limited to:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section, the following language:

Shall the municipality of ..... (municipality's name) impose a sales tax of ..... (insert amount) for the purpose of funding capital improvements which may include the retirement of debt under previously authorized bonded indebtedness?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO"; or

(2) If the proposal submitted involves authorization to issue bonds and repay such bonds with revenues from the tax authorized by this section, the following language:

Shall the municipality of ..... (municipality's name) issue bonds in the amount ..... of ..... (insert amount) to fund capital improvements and impose a sales tax of ..... (insert amount) to repay bonds?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in box opposite "NO". If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, including when the proposal authorizes the reduction of debt under previously authorized bonded indebtedness under subdivision (1) of this subsection, then the ordinance or order and any amendments thereto shall be in effect, except that any proposal submitted under subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds must be approved by the constitutionally required percentage of the voters voting thereon to become effective. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the municipality shall have no power to issue any bonds or impose the sales tax authorized in this section unless and until the governing body of the municipality shall again have submitted another proposal to authorize the governing body of the municipality to issue any bonds or impose the sales tax authorized by this section, and such proposal is approved by the requisite majority of the qualified voters voting thereon; however, in no event shall a proposal pursuant to this section be submitted to the voters sooner than twelve months from the date of the last proposal pursuant to this section, except that any municipality with a population of greater than four hundred thousand and located within more than one county may submit a proposal pursuant to this section to the voters sooner than twelve months from the date of the last proposal submitted pursuant to this section if submitted to the voters on or before November 6, 2001.

3. All revenue received by a municipality from the tax authorized under the provisions of this section shall be deposited in a special trust fund and shall be used solely for capital improvements, including the operation and maintenance of capital improvements, for so long as the tax shall remain in effect. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the special trust fund required by this subsection shall be used solely for the maintenance of the capital improvements made with revenues raised by the tax authorized by this section. Any funds in the special trust fund required by this subsection which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other municipal funds. The

provisions of this subsection shall apply only to taxes authorized by this section which have not been imposed to retire bonds issued pursuant to this section.

4. All revenue received by a municipality which issues bonds under this section and imposes the tax authorized by this section to retire such bonds shall be deposited in a special trust fund and shall be used solely to retire such bonds, except to the extent that such funds are required for the operation and maintenance of capital improvements. Once all of such bonds have been retired, all funds remaining in the special trust fund required by this subsection shall be used solely for the maintenance of the capital improvements made with the revenue received as a result of the issuance of such bonds. Any funds in the special trust fund required by this subsection which are not needed to meet current obligations under the bonds issued under this section may be invested by the governing body in accordance with applicable laws relating to the investment of other municipal funds. The provisions of this subsection shall apply only to taxes authorized by this section which have been imposed to retire bonds issued under this section.

5. After the effective date of any tax imposed under the provisions of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax in the same manner as provided in sections 94.500 to 94.550, and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed pursuant to this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue. Except as modified in this section, all provisions of sections 32.085 and 32.087, RSMo, shall apply to the tax imposed under this section.

6. No tax imposed pursuant to this section for the purpose of retiring bonds issued under this section may be terminated until all of such bonds have been retired.

7. In any city not within a county, no tax shall be imposed pursuant to this section for the purpose of funding in whole or in part the construction, operation or maintenance of a sports stadium, field house, indoor or outdoor recreational facility, center, playing field, parking facility or anything incidental or necessary to a complex suitable for any type of professional sport or recreation, either upon, above or below the ground.

8. Any tax imposed under this section in any home rule city with more than four hundred thousand inhabitants and located in more than one county solely for public transit purposes shall not be considered economic activity taxes as such term is defined under sections 99.805 and 99.918, RSMo, and tax revenues derived from such tax shall not be subject to allocation under the provisions of subsection 3 of section 99.845, RSMo, or subsection 4 of section 99.957, RSMo.

9. The director of revenue may authorize the state treasurer to make refunds from the amounts in the trust fund and credited to any municipality for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such municipalities. If any municipality abolishes the tax, the municipality shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention in the trust fund, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of the tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of abolition of the tax in such municipality, the director of revenue shall remit the balance in the account to the municipality and close the account of that municipality. The director of revenue shall notify each municipality of each instance of any amount refunded or any check redeemed from receipts due the municipality.

10. Any home rule city with more than four hundred thousand inhabitants and located in more than one county is hereby authorized to impose, in lieu of the tax

authorized under subsection 1 of this section, by ordinance or order, a one-eighth, one-fourth, three-eighths, or one-half of one percent sales tax on all retail sales made in such municipality which are subject to taxation under the provisions of sections 144.010 to 144.525 for the purpose of providing revenues for public safety activities, including operations and capital improvements, which may be funded by issuing bonds which will be retired by the revenues received from the sales tax authorized by this section or the retirement of debt under previously authorized bonded indebtedness. The tax authorized by this section shall be in addition to any and all other sales taxes allowed by law; but no ordinance imposing a sales tax under the provisions of this section shall be effective unless the governing body of the municipality submits to the voters of the municipality, at a municipal or state general, primary or special election, a proposal to authorize the governing body of the municipality to impose such tax and, if such tax is to be used to retire bonds authorized under this section, to authorize such bonds and their retirement by such tax, or to authorize the retirement of debt under previously authorized bonded indebtedness.

11. The ballot of submission shall contain, but need not be limited to:

(1) If the proposal submitted involves only authorization to impose the tax authorized by this section, the following language:

Shall the municipality of ..... (municipality's name) impose a sales tax of ..... (insert amount) for the purpose of providing revenues for public safety activities, including operations and capital improvements, which may include the retirement of debt under previously authorized bonded indebtedness?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO"; or

(2) If the proposal submitted involves authorization to issue bonds and repay such bonds with revenues from the tax authorized by this section, the following language:

Shall the municipality of ..... (municipality's name) issue bonds in the amount of ..... (insert amount) for the purpose of providing revenues for public safety activities, including operations and capital improvements, and impose a sales tax of ..... (insert amount) to repay bonds?

[ ] YES [ ] NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

The ballot may include descriptions of specific uses to which the revenues from the tax will be applied.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, including when the proposal authorizes the reduction of debt under previously authorized bonded indebtedness under subdivision (1) of this subsection, then the ordinance or order and any amendments thereto shall be in effect, except that any proposal submitted under subdivision (2) of this subsection to issue bonds and impose a sales tax to retire such bonds must be approved by the constitutionally required percentage of the voters voting thereon to become effective. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the governing body of the municipality shall have no power to issue any bonds or impose the sales tax authorized in this section unless and until the governing body of the municipality shall again have submitted another proposal to authorize the governing body of the municipality to issue any bonds or impose the sales tax authorized by subsection 10 of this section, and such proposal is approved by the requisite majority of the qualified voters voting thereon.

12. All revenue received by a municipality from the tax authorized under the provisions of subsection 10 of this section shall be deposited in a special trust fund and

shall be used solely for public safety activities for so long as the tax shall remain in effect. Once the tax authorized by this section is abolished or is terminated by any means, all funds remaining in the special trust fund required by this subsection shall be used solely for the public safety activities authorized in subsection 10 of this section. Any funds in the special trust fund required by this subsection which are not needed for current expenditures may be invested by the governing body in accordance with applicable laws relating to the investment of other municipal funds. The provisions of this subsection shall apply only to taxes authorized by this subsection which have not been imposed to retire bonds issued pursuant to this subsection.

13. All revenue received by a municipality which issues bonds under subsection 10 of this section and imposes the tax authorized by this section to retire such bonds shall be deposited in a special trust fund and shall be used solely to retire such bonds, except to the extent that such funds are required for the operation of the public safety department. Once all of such bonds have been retired, all funds remaining in the special trust fund required by this subsection shall be used solely for public safety activities. Any funds in the special trust fund required by this subsection which are not needed to meet current obligations under the bonds issued under this section may be invested by the governing body in accordance with applicable laws relating to the investment of other municipal funds. The provisions of this subsection shall apply only to taxes authorized by subsection 10 of this section which have been imposed to retire bonds issued under this section.

14. After the effective date of any tax imposed under the provisions of subsection 10 of this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax in the same manner as provided in sections 94.500 to 94.550, and the director of revenue shall collect in addition to the sales tax for the state of Missouri the additional tax authorized under the authority of this section. The tax imposed pursuant to this section and the tax imposed under the sales tax law of the state of Missouri shall be collected together and reported upon such forms and under such administrative rules and regulations as may be prescribed by the director of revenue. Except as modified in this section, all provisions of sections 32.085 and 32.087 shall apply to the tax imposed under this section.

15. No tax imposed pursuant to subsection 10 of this section for the purpose of retiring bonds issued under this section may be terminated until all of such bonds have been retired.

Approved July 12, 2010

SB 984 [SS SB 984]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Modifies the provision of law which makes it a class B misdemeanor for any gaming licensee to exchange tokens, chips, or other forms of credit used on gambling games for anything of value

AN ACT to repeal sections 313.805 and 313.830, RSMo, and to enact in lieu thereof two new sections relating to prohibited acts on excursion gambling boats, with penalty provisions.

SECTION

A. Enacting clause.
313.805. Powers of commission — boats to cruise, exceptions.

313.830. Prohibited acts, penalties — commission to refer violations to attorney general and prosecuting attorney — venue for actions.

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

SECTION A. ENACTING CLAUSE. — Sections 313.805 and 313.830, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 313.805 and 313.830, to read as follows:

313.805. POWERS OF COMMISSION — BOATS TO CRUISE, EXCEPTIONS. — The commission shall have full jurisdiction over and shall supervise all gambling operations governed by sections 313.800 to 313.850. The commission shall have the following powers and shall promulgate rules and regulations to implement sections 313.800 to 313.850:

(1) To investigate applicants and determine the priority and eligibility of applicants for a license and to select among competing applicants for a license the applicant which best serves the interests of the citizens of Missouri;

(2) To license the operators of excursion gambling boats and operators of gambling games within such boats, to identify occupations within the excursion gambling boat operations which require licensing, and adopt standards for licensing the occupations including establishing fees for the occupational licenses and to license suppliers;

(3) To adopt standards under which all excursion gambling boat operations shall be held and standards for the facilities within which the gambling operations are to be held. Notwithstanding the provisions of chapter 311, RSMo, to the contrary, the commission may authorize the operation of gambling games on an excursion gambling boat which is also licensed to sell or serve alcoholic beverages, wine, or beer. The commission shall regulate the wagering structure for gambling excursions, provided that the commission shall not establish any regulations or policies that limit the amount of wagers, losses, or buy-in amounts;

(4) To enter the premises of excursion gambling boats, facilities, or other places of business of a licensee within this state to determine compliance with sections 313.800 to 313.850;

(5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;

(6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures pursuant to this section shall be enforced as provided in sections 513.600 to 513.645, RSMo;

(7) To require a licensee, an employee of a licensee or holder of an occupational license to remove a person violating a provision of sections 313.800 to 313.850 or the commission rules, orders, or final orders, or other person deemed to be undesirable from the excursion gambling boat or adjacent facilities;

(8) To require the removal from the premises of a licensee, an employee of a licensee, or a holder of an occupational license for a violation of sections 313.800 to 313.850 or a commission rule or engaging in a fraudulent practice;

(9) To require all licensees to file all financial reports required by rules and regulations of the commission;

(10) To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other pertinent documents, and to administer oaths and affirmations to the witnesses, when, in the judgment of the commission, it is necessary to enforce sections 313.800 to 313.850 or the commission rules;

(11) To keep accurate and complete records of its proceedings and to certify the records as may be appropriate;

(12) To ensure that the gambling games are conducted fairly. No gambling device shall be set to pay out less than eighty percent of all wagers;

(13) To require all licensees of gambling game operations to use a cashless wagering system whereby all players' money is converted to physical or electronic tokens, electronic cards, or chips which only can be used **[**for wagering**]** on the excursion gambling boat;

(14) To require excursion gambling boat licensees to develop a system, approved by the commission, that allows patrons the option to prohibit the excursion gambling boat licensee from using identifying information for marketing purposes. The provisions of this subdivision shall apply only to patrons giving identifying information for the first time. Such system shall be submitted to the commission by October 1, 2000, and approved by the commission by January 1, 2001. The excursion gambling boat licensee shall use identifying information obtained from patrons who have elected to have marketing blocked under the provisions of this section only for the purposes of enforcing the requirements contained in sections 313.800 to 313.850. This section shall not prohibit the commission from accessing identifying information for the purposes of enforcing section 313.004 and sections 313.800 to 313.850;

(15) To determine which of the authorized gambling games will be permitted on any licensed excursion gambling boat;

(16) Excursion gambling boats shall cruise, unless the commission finds that the best interest of Missouri and the safety of the public indicate the need for continuous docking of the excursion gambling boat in any city or county authorized pursuant to subsection 10 of section 313.812. The commission shall base its decision to allow continuously docked excursion gambling boats on any of the following criteria: the docking location or the excursion cruise could cause danger to the boat's passengers, violate federal law or the law of another state, or cause disruption of interstate commerce or possible interference with railway or barge transportation. In addition, the commission shall consider economic feasibility or impact that would benefit land-based development and permanent job creation. The commission shall not discriminate among applicants for continuous-docking excursion gambling that are similarly situated with respect to the criteria set forth in this section;

(17) The commission shall render a finding concerning the possibility of continuous docking, as described in subdivision (15) of this section, within thirty days after a hearing on any request from an applicant or licensee. Such hearing may be held prior to any final action on licensing to assist an applicant and any city or county in the finalizing of their economic development plan;

(18) To require any applicant for a license or renewal of a license to operate an excursion gambling boat to provide an affirmative action plan which has as its goal the use of best efforts to achieve maximum employment of African-Americans and other minorities and maximum participation in the procurement of contractual purchases of goods and services. This provision shall be administered in accordance with all federal and state employment laws, including Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991. At license renewal, the licensee will report on the effectiveness of the plan. The commission shall include the licensee's reported information in its annual report to the joint committee on gaming and wagering;

(19) To take any other action as may be reasonable or appropriate to enforce sections 313.800 to 313.850 and the commission rules.

313.830. PROHIBITED ACTS, PENALTIES — COMMISSION TO REFER VIOLATIONS TO ATTORNEY GENERAL AND PROSECUTING ATTORNEY — VENUE FOR ACTIONS. — 1. A person is guilty of a class D felony for any of the following:

(1) Operating a gambling excursion where wagering is used or to be used without a license issued by the commission;

(2) Operating a gambling excursion where wagering is permitted other than in the manner specified by section 313.817; or

(3) Acting, or employing a person to act, as a shill or decoy to encourage participation in a gambling game.

2. A person is guilty of a class B misdemeanor for the first offense and a class A misdemeanor for the second and subsequent offenses for any of the following:

(1) Permitting a person under the age of twenty-one to make a wager while on an excursion gambling boat;

(2) Making or attempting to make a wager while on an excursion gambling boat when such person is under the age of twenty-one years; or

(3) Aiding a person who is under the age of twenty-one in entering an excursion gambling boat or in making or attempting to make a wager while on an excursion gambling boat.

3. A person wagering or accepting a wager at any location outside the excursion gambling boat is in violation of section 572.040, RSMo.

4. A person commits a class D felony and, in addition, shall be barred for life from excursion gambling boats under the jurisdiction of the commission, if the person:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with an excursion gambling boat operator including, but not limited to, an officer or employee of a licensee or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the commission;

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with an excursion gambling boat including, but not limited to, an officer or employee of a licensee, or holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the commission;

(3) Uses a device to assist in any of the following:

(a) In projecting the outcome of the game;

(b) In keeping track of the cards played;

(c) In analyzing the probability of the occurrence of an event relating to the gambling game; or

(d) In analyzing the strategy for playing or betting to be used in the game, except as permitted by the commission;

(4) Cheats at a gambling game;

(5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to violate any provision of sections 313.800 to 313.850;

(6) Instructs a person in cheating or in the use of a device for that purpose with the knowledge or intent that the information or use conveyed may be employed to violate any provision of sections 313.800 to 313.850;

(7) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players;

(8) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is the subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome;

(9) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won;

(10) Knowingly entices or induces a person to go to any place where a gambling game is being conducted or operated in violation of the provisions of sections 313.800 to 313.850 with the intent that the other person plays or participates in that gambling game;

(11) Uses counterfeit chips or tokens in a gambling game;

(12) Knowingly uses, other than chips, tokens, coin, of other methods of credit approved by the commission, legal tender of the United States of America, or to use coin not of the denomination as the coin intended to be used in the gambling games;

(13) Has in the person's possession any device intended to be used to violate a provision of sections 313.800 to 313.850;

(14) Has in the person's possession, except a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment, any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of the gambling game; or

(15) Knowingly makes a false statement of any material fact to the commission, its agents or employees.

5. The possession of one or more of the devices described in subdivision (3), (5), (13) or (14) of subsection 4 of this section permits a rebuttable inference that the possessor intended to use the devices for cheating.

6. Except for wagers on gambling games or exchanges for money as provided in section 313.817, **or as payment for food or beverages on the excursion gambling boat,** a licensee who exchanges tokens, chips, or other forms of credit to be used on gambling games for anything of value commits a class B misdemeanor.

7. If the commission determines that reasonable grounds to believe that a violation of sections 313.800 to 313.850 has occurred or is occurring which is a criminal offense, the commission shall refer such matter to both the state attorney general and the prosecuting attorney or circuit attorney having jurisdiction. The state attorney general and the prosecuting attorney or circuit attorney with such jurisdiction shall have concurrent jurisdiction to commence actions for violations of sections 313.800 to 313.850 where such violations have occurred.

8. Venue for all crimes committed on an excursion gambling boat shall be the jurisdiction of the home dock city or county or such county where a home dock city is located.

Approved July 13, 2010

SB 987 [SB 987]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Increases the statutory award amount for research projects funded by the University of Missouri Board of Curators

AN ACT to repeal section 172.794, RSMo, and to enact in lieu thereof one new section relating to funding for research projects by the University of Missouri board of curators.

SECTION

A. Enacting clause.
172.794. Selection of award recipients, requirements.

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

SECTION A. ENACTING CLAUSE. — Section 172.794, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 172.794, to read as follows:

172.794. SELECTION OF AWARD RECIPIENTS, REQUIREMENTS. — 1. The board of curators, with the recommendations of the advisory board, shall award funds to selected investigators in accordance with the following provisions:

(1) Individual awards shall not exceed **two hundred** fifty thousand dollars per year and shall expire at the end of one or two years, depending on the recommendation of the advisory board for each award;

(2) Costs for overhead of the grantee individual or institution shall not be allowed;

(3) Investigators shall be affiliated with a public or private educational, health care, voluntary health association or research institution which shall specify the institutional official responsible for administration of the award;

(4) Awards shall be used to obtain preliminary data to test hypotheses and to enable investigators to develop subsequent competitive applications for long-term funding from other sources; and

(5) The research project shall be conducted in Missouri.

2. Funds appropriated for but not awarded to research projects in any given year shall be included in the board of curators' appropriations request for research projects in the succeeding year.

Approved June 24, 2010

SB 1007 [CCS HCS SS SB 1007]

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

Amends various requirements for public assistance programs administered by the state

AN ACT to repeal sections 172.850, 199.010, 199.200, 199.210, 199.230, 199.240, 199.250, 199.260, 208.010, 208.215, 208.453, 208.895, 208.909, 208.918, 660.300, 660.425, and 660.465, RSMo, and to enact in lieu thereof twenty new sections relating to public assistance programs administered by the state, with penalty provisions for a certain section.

SECTION

A. Enacting clause.
172.850. Missouri rehabilitation center may be transferred to University of Missouri, duties — tuberculosis testing lab, department's duties.
198.016. Information on home- and community-based services to be provided prior to admission.
199.010. Missouri rehabilitation center, University of Missouri to operate, duties for head injury — department to provide rehabilitation and tuberculosis treatment.
199.200. Procedure in circuit court — duties of local prosecuting officers — costs — emergency temporary commitment, procedures.
199.210. Rights of patient, witnesses — order of court — transportation costs.
199.230. Confinement on order, duration.
199.240. Consent required for medical or surgical treatment.
199.250. Facilities to be provided for tuberculosis testing, costs, how paid.
199.260. Apprehension and return of patient leaving rehabilitation center without discharge.
208.010. Eligibility for public assistance, how determined — means test — certain medical assistance benefits to include payment of deductible and coinsurance — prevention of spousal impoverishments, division of assets, community spouse defined — burial lots defined — diversion of institutionalized spouse's income.
208.046. Child care assistance, income eligibility criteria, vouchers or direct reimbursement, when.

208.215. Payer of last resort — liability for debt due the state, ceiling — rights of department, when, procedure, exception — report of injuries required, form, recovery of funds — recovery of medical assistance paid, when — court may adjudicate rights of parties, when.
208.453. Hospitals to pay a federal reimbursement allowance for privilege of providing inpatient care, defined — elimination of allowance for certain hospitals.
208.895. Referral for services, department duties — contracting for assessments, requirements — expiration date.
208.909. Responsibilities of recipients and vendors.
208.918. Vendor requirements, philosophy and services.
660.023. In-home services providers, telephone tracking system required, use of — rulemaking authority.
660.300. Report of abuse or neglect of in-home services or home health agency client, duty — penalty — contents of report — investigation, procedure — confidentiality of report — immunity — retaliation prohibited, penalty — employee disqualification list — safe at home evaluations, procedure.
660.425. Home services providers tax imposed, definitions.
660.465. Expiration date.

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

SECTION A. ENACTING CLAUSE. — Sections 172.850, 199.010, 199.200, 199.210, 199.230, 199.240, 199.250, 199.260, 208.010, 208.215, 208.453, 208.895, 208.909, 208.918, 660.300, 660.425, and 660.465, RSMo, are repealed and twenty new sections enacted in lieu thereof, to be known as sections 172.850, 198.016, 199.010, 199.200, 199.210, 199.230, 199.240, 199.250, 199.260, 208.010, 208.046, 208.215, 208.453, 208.895, 208.909, 208.918, 660.023, 660.300, 660.425, and 660.465, to read as follows:

172.850. MISSOURI REHABILITATION CENTER MAY BE TRANSFERRED TO UNIVERSITY OF MISSOURI, DUTIES — TUBERCULOSIS TESTING LAB, DEPARTMENT'S DUTIES. — The Missouri rehabilitation center may be transferred to the curators of the University of Missouri from the department of health and senior services by agreement between the state department of health and senior services and the board of curators. It is the intent of the general assembly that the University of Missouri shall continue to carry out the functions of the center consistent with statutory purposes as set forth in **[**sections**]** **section** 199.010 **[**to 199.270, RSMo**]**, with such reservation as may be specified by the parties pertaining to the department's continuing control of the tuberculosis testing laboratory.

198.016. INFORMATION ON HOME- AND COMMUNITY-BASED SERVICES TO BE PROVIDED PRIOR TO ADMISSION. — **Prior to admission of a MO HealthNet individual into a long-term care facility, the prospective resident or his or her next of kin, legally authorized representative, or designee shall be informed of the home and community based services available in this state and shall have on record that such home and community based services have been declined as an option.**

199.010. MISSOURI REHABILITATION CENTER, UNIVERSITY OF MISSOURI TO OPERATE, DUTIES FOR HEAD INJURY — DEPARTMENT TO PROVIDE REHABILITATION AND TUBERCULOSIS TREATMENT. — The curators of the University of Missouri shall provide for the care of persons needing head injury and other rehabilitation **[**and further,**]** **subject to appropriation by the general assembly. The department of health and senior services shall provide** for the treatment and commitment of persons having tuberculosis subject to appropriation by the general assembly.

199.200. PROCEDURE IN CIRCUIT COURT — DUTIES OF LOCAL PROSECUTING OFFICERS — COSTS — EMERGENCY TEMPORARY COMMITMENT, PROCEDURES. — 1. Upon filing of the petition, the court shall set the matter down for a hearing either during term time or in vacation, which time shall be not less than five days nor more than fifteen days subsequent to filing. A copy of the petition together with summons stating the time and place of hearing shall be served upon the person three days or more prior to the time set for the hearing. Any X-ray

picture and report of any written report relating to sputum examinations certified by the department of health and senior services or local board shall be admissible in evidence without the necessity of the personal testimony of the person or persons making the examination and report.

2. The prosecuting attorney or the city attorney shall act as legal counsel for their respective local boards in this proceeding and such authority is hereby granted. The court shall appoint legal counsel for the individual named in the petition if requested to do so if such individual is unable to employ counsel.

3. All court costs incurred in proceedings under sections 199.170 to 199.270, including examinations required by order of the court but excluding examinations procured by the person named in the petition, shall be borne by the county in which the proceedings are brought.

4. Summons shall be served by the sheriff of the county in which proceedings under sections 199.170 to 199.270 are initiated and return thereof shall be made as in other civil cases.

5. Upon the filing of an ex parte petition for emergency temporary commitment pursuant to subsection 3 of section 199.180, the court shall hear the matter within ninety-six hours of such filing. The local board shall have the authority to detain the individual named in the petition pending the court's ruling on the ex parte petition for emergency temporary commitment. If the petition is granted, the individual named in the petition shall be confined in a facility designated by the **[**curators of the University of Missouri**] department of health and senior services** in accordance with section 199.230 until a full hearing pursuant to subsections 1 to 4 of this section is held.

199.210. RIGHTS OF PATIENT, WITNESSES — ORDER OF COURT — TRANSPORTATION COSTS. — 1. Upon the hearing set in the order, the individual named in the order shall have a right to be represented by counsel, to confront and cross-examine witnesses against him, and to have compulsory process for the securing of witnesses and evidence in his own behalf. The court may in its discretion call and examine witnesses and secure the production of evidence in addition to that adduced by the parties; such additional witnesses being subject to cross-examination by either or both parties.

2. Upon a consideration of the petition and evidence, if the court finds that the person named in the petition is a potential transmitter and conducts himself so as to be a danger to the public health, an order shall be issued committing the individual named in the petition to a facility designated by the **[**curators of the University of Missouri**] department of health and senior services** and directing the sheriff to take him into custody and deliver him to the facility. If the court does not so find, the petition shall be dismissed. The cost of transporting the person to the facility designated by the **[**curators of the University of Missouri**] department of health and senior services** shall be paid out of general county funds.

199.230. CONFINEMENT ON ORDER, DURATION. — Upon commitment, the patient shall be confined in a facility designated by the **[**curators of the University of Missouri**] department of health and senior services** until such time as **[**the director of the facility determines that the patient no longer has active tuberculosis or that**]** the patient's discharge will not endanger public health.

199.240. CONSENT REQUIRED FOR MEDICAL OR SURGICAL TREATMENT. — No person committed to a facility designated by the **[**curators of the University of Missouri**] department of health and senior services** under sections 199.170 to 199.270 shall be required to submit to medical or surgical treatment without his consent, or, if incapacitated, without the consent of his legal guardian, or, if a minor, without the consent of a parent or next of kin.

199.250. FACILITIES TO BE PROVIDED FOR TUBERCULOSIS TESTING, COSTS, HOW PAID. — 1. The department of health and senior services may**[**, by agreement with the curators of the

University of Missouri,**]** contract for such facilities at the Missouri rehabilitation center as are necessary to carry out the functions of **[**the tuberculosis testing laboratory and may employ personnel as are necessary for the operation of such laboratory**] sections 199.010 to 199.350**. **Such contracts shall be exempt from the competitive bidding requirements of chapter 34.**

2. **[**The expenses incurred in the operation of the tuberculosis testing laboratory at the rehabilitation center or elsewhere shall be paid from state or federal or other funds appropriated for the maintenance and operation of the tuberculosis testing laboratory**] State payment shall be available for the treatment and care of individuals committed under section 199.210 only after benefits from all third-party payers have been exhausted**.

199.260. APPREHENSION AND RETURN OF PATIENT LEAVING REHABILITATION CENTER WITHOUT DISCHARGE. — Any person committed under the provisions of sections 199.170 to 199.270 who leaves the facility designated by the **[**curators of the University of Missouri**] department of health and senior services** without having been discharged by the director of the facility or other officer in charge or by order of court shall be taken into custody and returned thereto by the sheriff of any county where such person may be found, upon an affidavit being filed with the sheriff by the director of the facility, or duly authorized officer in charge thereof, to which the person had been committed.

208.010. ELIGIBILITY FOR PUBLIC ASSISTANCE, HOW DETERMINED — MEANS TEST — CERTAIN MEDICAL ASSISTANCE BENEFITS TO INCLUDE PAYMENT OF DEDUCTIBLE AND COINSURANCE — PREVENTION OF SPOUSAL IMPOVERISHMENTS, DIVISION OF ASSETS, COMMUNITY SPOUSE DEFINED — BURIAL LOTS DEFINED — DIVERSION OF INSTITUTIONALIZED SPOUSE'S INCOME. — 1. In determining the eligibility of a claimant for public assistance pursuant to this law, it shall be the duty of the division of family services to consider and take into account all facts and circumstances surrounding the claimant, including his or her living conditions, earning capacity, income and resources, from whatever source received, and if from all the facts and circumstances the claimant is not found to be in need, assistance shall be denied. In determining the need of a claimant, the costs of providing medical treatment which may be furnished pursuant to sections 208.151 to 208.158 and 208.162 shall be disregarded. The amount of benefits, when added to all other income, resources, support, and maintenance shall provide such persons with reasonable subsistence compatible with decency and health in accordance with the standards developed by the division of family services; provided, when a husband and wife are living together, the combined income and resources of both shall be considered in determining the eligibility of either or both. "Living together" for the purpose of this chapter is defined as including a husband and wife separated for the purpose of obtaining medical care or nursing home care, except that the income of a husband or wife separated for such purpose shall be considered in determining the eligibility of his or her spouse, only to the extent that such income exceeds the amount necessary to meet the needs (as defined by rule or regulation of the division) of such husband or wife living separately. In determining the need of a claimant in federally aided programs there shall be disregarded such amounts per month of earned income in making such determination as shall be required for federal participation by the provisions of the federal Social Security Act (42 U.S.C.A. 301 et seq.), or any amendments thereto. When federal law or regulations require the exemption of other income or resources, the division of family services may provide by rule or regulation the amount of income or resources to be disregarded.

2. Benefits shall not be payable to any claimant who:

(1) Has or whose spouse with whom he or she is living has, prior to July 1, 1989, given away or sold a resource within the time and in the manner specified in this subdivision. In determining the resources of an individual, unless prohibited by federal statutes or regulations, there shall be included (but subject to the exclusions pursuant to subdivisions (4) and (5) of this subsection, and subsection 5 of this section) any resource or interest therein owned by such

individual or spouse within the twenty-four months preceding the initial investigation, or at any time during which benefits are being drawn, if such individual or spouse gave away or sold such resource or interest within such period of time at less than fair market value of such resource or interest for the purpose of establishing eligibility for benefits, including but not limited to benefits based on December, 1973, eligibility requirements, as follows:

(a) Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance pursuant to this chapter unless such individual furnishes convincing evidence to establish that the transaction was exclusively for some other purpose;

(b) The resource shall be considered in determining eligibility from the date of the transfer for the number of months the uncompensated value of the disposed of resource is divisible by the average monthly grant paid or average Medicaid payment in the state at the time of the investigation to an individual or on his or her behalf under the program for which benefits are claimed, provided that:

a. When the uncompensated value is twelve thousand dollars or less, the resource shall not be used in determining eligibility for more than twenty-four months; or

b. When the uncompensated value exceeds twelve thousand dollars, the resource shall not be used in determining eligibility for more than sixty months;

(2) The provisions of subdivision (1) of this subsection shall not apply to a transfer, other than a transfer to claimant's spouse, made prior to March 26, 1981, when the claimant furnishes convincing evidence that the uncompensated value of the disposed of resource or any part thereof is no longer possessed or owned by the person to whom the resource was transferred;

(3) Has received, or whose spouse with whom he or she is living has received, benefits to which he or she was not entitled through misrepresentation or nondisclosure of material facts or failure to report any change in status or correct information with respect to property or income as required by section 208.210. A claimant ineligible pursuant to this subsection shall be ineligible for such period of time from the date of discovery as the division of family services may deem proper; or in the case of overpayment of benefits, future benefits may be decreased, suspended or entirely withdrawn for such period of time as the division may deem proper;

(4) Owns or possesses resources in the sum of one thousand dollars or more; provided, however, that if such person is married and living with spouse, he or she, or they, individually or jointly, may own resources not to exceed two thousand dollars; and provided further, that in the case of a temporary assistance for needy families claimant, the provision of this subsection shall not apply;

(5) Prior to October 1, 1989, owns or possesses property of any kind or character, excluding amounts placed in an irrevocable prearranged funeral or burial contract pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMo, or has an interest in property, of which he or she is the record or beneficial owner, the value of such property, as determined by the division of family services, less encumbrances of record, exceeds twenty-nine thousand dollars, or if married and actually living together with husband or wife, if the value of his or her property, or the value of his or her interest in property, together with that of such husband and wife, exceeds such amount;

(6) In the case of temporary assistance for needy families, if the parent, stepparent, and child or children in the home owns or possesses property of any kind or character, or has an interest in property for which he or she is a record or beneficial owner, the value of such property, as determined by the division of family services and as allowed by federal law or regulation, less encumbrances of record, exceeds one thousand dollars, excluding the home occupied by the claimant, amounts placed in an irrevocable prearranged funeral or burial contract pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMo, one automobile which shall not exceed a value set forth by federal law or regulation and for a period not to exceed six months, such other real property which the family is making a good-faith effort to sell, if the family agrees in writing with the division of family services to sell

such property and from the net proceeds of the sale repay the amount of assistance received during such period. If the property has not been sold within six months, or if eligibility terminates for any other reason, the entire amount of assistance paid during such period shall be a debt due the state;

(7) Is an inmate of a public institution, except as a patient in a public medical institution.

3. In determining eligibility and the amount of benefits to be granted pursuant to federally aided programs, the income and resources of a relative or other person living in the home shall be taken into account to the extent the income, resources, support and maintenance are allowed by federal law or regulation to be considered.

4. In determining eligibility and the amount of benefits to be granted pursuant to federally aided programs, the value of burial lots or any amounts placed in an irrevocable prearranged funeral or burial contract pursuant to subsection 2 of section 436.035, RSMo, and subdivision (5) of subsection 1 of section 436.053, RSMo, shall not be taken into account or considered an asset of the burial lot owner or the beneficiary of an irrevocable prearranged funeral or funeral contract. For purposes of this section, "burial lots" means any burial space as defined in section 214.270, RSMo, and any memorial, monument, marker, tombstone or letter marking a burial space. If the beneficiary, as defined in chapter 436, RSMo, of an irrevocable prearranged funeral or burial contract receives any public assistance benefits pursuant to this chapter and if the purchaser of such contract or his or her successors in interest cancel or amend the contract so that any person will be entitled to a refund, such refund shall be paid to the state of Missouri up to the amount of public assistance benefits provided pursuant to this chapter with any remainder to be paid to those persons designated in chapter 436, RSMo.

5. In determining the total property owned pursuant to subdivision (5) of subsection 2 of this section, or resources, of any person claiming or for whom public assistance is claimed, there shall be disregarded any life insurance policy, or prearranged funeral or burial contract, or any two or more policies or contracts, or any combination of policies and contracts, which provides for the payment of one thousand five hundred dollars or less upon the death of any of the following:

(1) A claimant or person for whom benefits are claimed; or

(2) The spouse of a claimant or person for whom benefits are claimed with whom he or she is living. If the value of such policies exceeds one thousand five hundred dollars, then the total value of such policies may be considered in determining resources; except that, in the case of temporary assistance for needy families, there shall be disregarded any prearranged funeral or burial contract, or any two or more contracts, which provides for the payment of one thousand five hundred dollars or less per family member.

6. Beginning September 30, 1989, when determining the eligibility of institutionalized spouses, as defined in 42 U.S.C. Section 1396r-5, for medical assistance benefits as provided for in section 208.151 and 42 U.S.C. Sections 1396a et seq., the division of family services shall comply with the provisions of the federal statutes and regulations. As necessary, the division shall by rule or regulation implement the federal law and regulations which shall include but not be limited to the establishment of income and resource standards and limitations. The division shall require:

(1) That at the beginning of a period of continuous institutionalization that is expected to last for thirty days or more, the institutionalized spouse, or the community spouse, may request an assessment by the division of family services of total countable resources owned by either or both spouses;

(2) That the assessed resources of the institutionalized spouse and the community spouse may be allocated so that each receives an equal share;

(3) That upon an initial eligibility determination, if the community spouse's share does not equal at least twelve thousand dollars, the institutionalized spouse may transfer to the community spouse a resource allowance to increase the community spouse's share to twelve thousand dollars;

(4) That in the determination of initial eligibility of the institutionalized spouse, no resources attributed to the community spouse shall be used in determining the eligibility of the institutionalized spouse, except to the extent that the resources attributed to the community spouse do exceed the community spouse's resource allowance as defined in 42 U.S.C. Section 1396r-5;

(5) That beginning in January, 1990, the amount specified in subdivision (3) of this subsection shall be increased by the percentage increase in the Consumer Price Index for All Urban Consumers between September, 1988, and the September before the calendar year involved; and

(6) That beginning the month after initial eligibility for the institutionalized spouse is determined, the resources of the community spouse shall not be considered available to the institutionalized spouse during that continuous period of institutionalization.

7. Beginning July 1, 1989, institutionalized individuals shall be ineligible for the periods required and for the reasons specified in 42 U.S.C. Section 1396p.

8. The hearings required by 42 U.S.C. Section 1396r-5 shall be conducted pursuant to the provisions of section 208.080.

9. Beginning October 1, 1989, when determining eligibility for assistance pursuant to this chapter there shall be disregarded unless otherwise provided by federal or state statutes, the home of the applicant or recipient when the home is providing shelter to the applicant or recipient, or his or her spouse or dependent child. The division of family services shall establish by rule or regulation in conformance with applicable federal statutes and regulations a definition of the home and when the home shall be considered a resource that shall be considered in determining eligibility.

10. Reimbursement for services provided by an enrolled Medicaid provider to a recipient who is duly entitled to Title XIX Medicaid and Title XVIII Medicare Part B, Supplementary Medical Insurance (SMI) shall include payment in full of deductible and coinsurance amounts as determined due pursuant to the applicable provisions of federal regulations pertaining to Title XVIII Medicare Part B, except **for hospital outpatient services or** the applicable Title XIX cost sharing.

11. A "community spouse" is defined as being the noninstitutionalized spouse.

12. An institutionalized spouse applying for Medicaid and having a spouse living in the community shall be required, to the maximum extent permitted by law, to divert income to such community spouse to raise the community spouse's income to the level of the minimum monthly needs allowance, as described in 42 U.S.C. Section 1396r-5. Such diversion of income shall occur before the community spouse is allowed to retain assets in excess of the community spouse protected amount described in 42 U.S.C. Section 1396r-5.

208.046. CHILD CARE ASSISTANCE, INCOME ELIGIBILITY CRITERIA, VOUCHERS OR DIRECT REIMBURSEMENT, WHEN. — 1. The children's division shall promulgate rules to become effective no later than July 1, 2011, to modify the income eligibility criteria for any person receiving state-funded child care assistance under this chapter, either through vouchers or direct reimbursement to child care providers, as follows:

(1) Child care recipients eligible under this chapter and the criteria set forth in 13 CSR 35-32.010, may pay a fee based on adjusted gross income and family size unit based on a child care sliding fee scale established by the children's division, which shall be subject to appropriations. However, a person receiving state-funded child care assistance under this chapter and whose income surpasses the annual appropriation level may continue to receive reduced subsidy benefits on a scale established by the children's division, at which time such person will have assumed the full cost of the maximum base child care subsidy rate established by the children's division and shall be no longer eligible for child care subsidy benefits;

(2) The sliding scale fee may be waived for children with special needs as established by the division; and

(3) The maximum payment by the division shall be the applicable rate minus the applicable fee.

2. For purposes of this section, "annual appropriation level" shall mean the maximum income level to be eligible for a full child care benefit as determined through the annual appropriations process.

3. 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, 2010, shall be invalid and void.

208.215. PAYER OF LAST RESORT — LIABILITY FOR DEBT DUE THE STATE, CEILING — RIGHTS OF DEPARTMENT, WHEN, PROCEDURE, EXCEPTION — REPORT OF INJURIES REQUIRED, FORM, RECOVERY OF FUNDS — RECOVERY OF MEDICAL ASSISTANCE PAID, WHEN — COURT MAY ADJUDICATE RIGHTS OF PARTIES, WHEN. — 1. MO HealthNet is payer of last resort unless otherwise specified by law. When any person, corporation, institution, public agency or private agency is liable, either pursuant to contract or otherwise, to a participant receiving public assistance on account of personal injury to or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled, payments made by the department of social services or MO HealthNet division shall be a debt due the state and recoverable from the liable party or participant for all payments made **[**in**]** **on** behalf of the participant and the debt due the state shall not exceed the payments made from MO HealthNet benefits provided under sections 208.151 to 208.158 and section 208.162 and section 208.204 on behalf of the participant, minor or estate for payments on account of the injury, disease, or disability or benefits arising from a health insurance program to which the participant may be entitled. **Any health benefit plan as defined in section 376.1350, third party administrator, administrative service organization, and pharmacy benefits manager, shall process and pay all properly submitted medical assistance subrogation claims or MO HealthNet subrogation claims using standard electronic transactions or paper claim forms:**

(1) For a period of three years from the date services were provided or rendered; however, an entity:

(a) Shall not be required to reimburse for items or services which are not covered under MO HealthNet;

(b) Shall not deny a claim submitted by the state solely on the basis of the date of submission of the claim, the type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to provide prior authorization;

(c) Shall not be required to reimburse for items or services for which a claim was previously submitted to the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager by the health care provider or the participant and the claim was properly denied by the health benefit plan, third party administrator, administrative service organization, or pharmacy benefits manager for procedural reasons, except for timely filing, type or format of the claim form, failure to present proper documentation of coverage at the point of sale, or failure to obtain prior authorization;

(d) Shall not be required to reimburse for items or services which are not covered under or were not covered under the plan offered by the entity against which a claim for subrogation has been filed; and

(e) Shall reimburse for items or services to the same extent that the entity would have been liable as if it had been properly billed at the point of sale, and the amount due is limited to what the entity would have paid as if it had been properly billed at the point of sale; and

(2) If any action by the state to enforce its rights with respect to such claim is commenced within six years of the state's submission of such claim.

2. The department of social services, MO HealthNet division, or its contractor may maintain an appropriate action to recover funds paid by the department of social services or MO HealthNet division or its contractor that are due under this section in the name of the state of Missouri against the person, corporation, institution, public agency, or private agency liable to the participant, minor or estate.

3. Any participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death who pursues legal rights against a person, corporation, institution, public agency, or private agency liable to that participant or minor for injuries, disease or disability or benefits arising from a health insurance plan to which the participant may be entitled as outlined in subsection 1 of this section shall upon actual knowledge that the department of social services or MO HealthNet division has paid MO HealthNet benefits as defined by this chapter promptly notify the MO HealthNet division as to the pursuit of such legal rights.

4. Every applicant or participant by application assigns his right to the department of social services or MO HealthNet division of any funds recovered or expected to be recovered to the extent provided for in this section. All applicants and participants, including a person authorized by the probate code, shall cooperate with the department of social services, MO HealthNet division in identifying and providing information to assist the state in pursuing any third party who may be liable to pay for care and services available under the state's plan for MO HealthNet benefits as provided in sections 208.151 to 208.159 and sections 208.162 and 208.204. All applicants and participants shall cooperate with the agency in obtaining third-party resources due to the applicant, participant, or child for whom assistance is claimed. Failure to cooperate without good cause as determined by the department of social services, MO HealthNet division in accordance with federally prescribed standards shall render the applicant or participant ineligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204. A **[**recipient**]** **participant** who has notice or who has actual knowledge of the department's rights to third-party benefits who receives any third-party benefit or proceeds for a covered illness or injury is either required to pay the division within sixty days after receipt of settlement proceeds the full amount of the third-party benefits up to the total MO HealthNet benefits provided or to place the full amount of the third-party benefits in a trust account for the benefit of the division pending judicial or administrative determination of the division's right to third-party benefits.

5. Every person, corporation or partnership who acts for or on behalf of a person who is or was eligible for MO HealthNet benefits under sections 208.151 to 208.159 and sections 208.162 and 208.204 for purposes of pursuing the applicant's or participant's claim which accrued as a result of a nonoccupational or nonwork-related incident or occurrence resulting in the payment of MO HealthNet benefits shall notify the MO HealthNet division upon agreeing to assist such person and further shall notify the MO HealthNet division of any institution of a proceeding, settlement or the results of the pursuit of the claim and give thirty days' notice before any judgment, award, or settlement may be satisfied in any action or any claim by the applicant or participant to recover damages for such injuries, disease, or disability, or benefits arising from a health insurance program to which the participant may be entitled.

6. Every participant, minor, guardian, conservator, personal representative, estate, including persons entitled under section 537.080, RSMo, to bring an action for wrongful death, or his attorney or legal representative shall promptly notify the MO HealthNet division of any recovery from a third party and shall immediately reimburse the department of social services, MO

HealthNet division, or its contractor from the proceeds of any settlement, judgment, or other recovery in any action or claim initiated against any such third party. A judgment, award, or settlement in an action by a **[**recipient**] participant** to recover damages for injuries or other third-party benefits in which the division has an interest may not be satisfied without first giving the division notice and a reasonable opportunity to file and satisfy the claim or proceed with any action as otherwise permitted by law.

7. The department of social services, MO HealthNet division or its contractor shall have a right to recover the amount of payments made to a provider under this chapter because of an injury, disease, or disability, or benefits arising from a health insurance plan to which the participant may be entitled for which a third party is or may be liable in contract, tort or otherwise under law or equity. Upon request by the MO HealthNet division, all third-party payers shall provide the MO HealthNet division with information contained in a 270/271 Health Care Eligibility Benefits Inquiry and Response standard transaction mandated under the federal Health Insurance Portability and Accountability Act, except that third-party payers shall not include accident-only, specified disease, disability income, hospital indemnity, or other fixed indemnity insurance policies.

8. The department of social services or MO HealthNet division shall have a lien upon any moneys to be paid by any insurance company or similar business enterprise, person, corporation, institution, public agency or private agency in settlement or satisfaction of a judgment on any claim for injuries or disability or disease benefits arising from a health insurance program to which the participant may be entitled which resulted in medical expenses for which the department or MO HealthNet division made payment. This lien shall also be applicable to any moneys which may come into the possession of any attorney who is handling the claim for injuries, or disability or disease or benefits arising from a health insurance plan to which the participant may be entitled which resulted in payments made by the department or MO HealthNet division. In each case, a lien notice shall be served by certified mail or registered mail, upon the party or parties against whom the applicant or participant has a claim, demand or cause of action. The lien shall claim the charge and describe the interest the department or MO HealthNet division has in the claim, demand or cause of action. The lien shall attach to any verdict or judgment entered and to any money or property which may be recovered on account of such claim, demand, cause of action or suit from and after the time of the service of the notice.

9. On petition filed by the department, or by the participant, or by the defendant, the court, on written notice of all interested parties, may adjudicate the rights of the parties and enforce the charge. The court may approve the settlement of any claim, demand or cause of action either before or after a verdict, and nothing in this section shall be construed as requiring the actual trial or final adjudication of any claim, demand or cause of action upon which the department has charge. The court may determine what portion of the recovery shall be paid to the department against the recovery. In making this determination the court shall conduct an evidentiary hearing and shall consider competent evidence pertaining to the following matters:

(1) The amount of the charge sought to be enforced against the recovery when expressed as a percentage of the gross amount of the recovery; the amount of the charge sought to be enforced against the recovery when expressed as a percentage of the amount obtained by subtracting from the gross amount of the recovery the total attorney's fees and other costs incurred by the participant incident to the recovery; and whether the department should, as a matter of fairness and equity, bear its proportionate share of the fees and costs incurred to generate the recovery from which the charge is sought to be satisfied;

(2) The amount, if any, of the attorney's fees and other costs incurred by the participant incident to the recovery and paid by the participant up to the time of recovery, and the amount of such fees and costs remaining unpaid at the time of recovery;

(3) The total hospital, doctor and other medical expenses incurred for care and treatment of the injury to the date of recovery therefor, the portion of such expenses theretofore paid by the participant, by insurance provided by the participant, and by the department, and the amount of

such previously incurred expenses which remain unpaid at the time of recovery and by whom such incurred, unpaid expenses are to be paid;

(4) Whether the recovery represents less than substantially full recompense for the injury and the hospital, doctor and other medical expenses incurred to the date of recovery for the care and treatment of the injury, so that reduction of the charge sought to be enforced against the recovery would not likely result in a double recovery or unjust enrichment to the participant;

(5) The age of the participant and of persons dependent for support upon the participant, the nature and permanency of the participant's injuries as they affect not only the future employability and education of the participant but also the reasonably necessary and foreseeable future material, maintenance, medical rehabilitative and training needs of the participant, the cost of such reasonably necessary and foreseeable future needs, and the resources available to meet such needs and pay such costs;

(6) The realistic ability of the participant to repay in whole or in part the charge sought to be enforced against the recovery when judged in light of the factors enumerated above.

10. The burden of producing evidence sufficient to support the exercise by the court of its discretion to reduce the amount of a proven charge sought to be enforced against the recovery shall rest with the party seeking such reduction. **The computerized records of the MO HealthNet division, certified by the director or his or her designee, shall be prima facie evidence of proof of moneys expended and the amount of the debt due the state.**

11. The court may reduce and apportion the department's or MO HealthNet division's lien proportionate to the recovery of the claimant. The court may consider the nature and extent of the injury, economic and noneconomic loss, settlement offers, comparative negligence as it applies to the case at hand, hospital costs, physician costs, and all other appropriate costs. The department or MO HealthNet division shall pay its pro rata share of the attorney's fees based on the department's or MO HealthNet division's lien as it compares to the total settlement agreed upon. This section shall not affect the priority of an attorney's lien under section 484.140, RSMo. The charges of the department or MO HealthNet division or contractor described in this section, however, shall take priority over all other liens and charges existing under the laws of the state of Missouri with the exception of the attorney's lien under such statute.

12. Whenever the department of social services or MO HealthNet division has a statutory charge under this section against a recovery for damages incurred by a participant because of its advancement of any assistance, such charge shall not be satisfied out of any recovery until the attorney's claim for fees is satisfied, **[**irrespective**] regardless** of whether **[**or not**]** an action based on participant's claim has been filed in court. Nothing herein shall prohibit the director from entering into a compromise agreement with any participant, after consideration of the factors in subsections 9 to 13 of this section.

13. This section shall be inapplicable to any claim, demand or cause of action arising under the workers' compensation act, chapter 287, RSMo. From funds recovered pursuant to this section the federal government shall be paid a portion thereof equal to the proportionate part originally provided by the federal government to pay for MO HealthNet benefits to the participant or minor involved. The department or MO HealthNet division shall enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on permanently institutionalized individuals. The department or MO HealthNet division shall have the right to enforce TEFRA liens, 42 U.S.C. 1396p, as authorized by federal law and regulation on all other institutionalized individuals. For the purposes of this subsection, "permanently institutionalized individuals" includes those people who the department or MO HealthNet division determines cannot reasonably be expected to be discharged and return home, and "property" includes the homestead and all other personal and real property in which the participant has sole legal interest or a legal interest based upon co-ownership of the property which is the result of a transfer of property for less than the fair market value within thirty months prior to the participant's entering the nursing facility. The following provisions shall apply to such liens:

(1) The lien shall be for the debt due the state for MO HealthNet benefits paid or to be paid on behalf of a participant. The amount of the lien shall be for the full amount due the state at the time the lien is enforced;

(2) The MO HealthNet division shall file for record, with the recorder of deeds of the county in which any real property of the participant is situated, a written notice of the lien. The notice of lien shall contain the name of the participant and a description of the real estate. The recorder shall note the time of receiving such notice, and shall record and index the notice of lien in the same manner as deeds of real estate are required to be recorded and indexed. The director or the director's designee may release or discharge all or part of the lien and notice of the release shall also be filed with the recorder. The department of social services, MO HealthNet division, shall provide payment to the recorder of deeds the fees set for similar filings in connection with the filing of a lien and any other necessary documents;

(3) No such lien may be imposed against the property of any individual prior to the individual's death on account of MO HealthNet benefits paid except:

(a) In the case of the real property of an individual:

a. Who is an inpatient in a nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution, to spend for costs of medical care all but a minimal amount of his or her income required for personal needs; and

b. With respect to whom the director of the MO HealthNet division or the director's designee determines, after notice and opportunity for hearing, that he cannot reasonably be expected to be discharged from the medical institution and to return home. The hearing, if requested, shall proceed under the provisions of chapter 536, RSMo, before a hearing officer designated by the director of the MO HealthNet division; or

(b) Pursuant to the judgment of a court on account of benefits incorrectly paid on behalf of such individual;

(4) No lien may be imposed under paragraph (b) of subdivision (3) of this subsection on such individual's home if one or more of the following persons is lawfully residing in such home:

(a) The spouse of such individual;

(b) Such individual's child who is under twenty-one years of age, or is blind or permanently and totally disabled; or

(c) A sibling of such individual who has an equity interest in such home and who was residing in such individual's home for a period of at least one year immediately before the date of the individual's admission to the medical institution;

(5) Any lien imposed with respect to an individual pursuant to subparagraph b of paragraph (a) of subdivision (3) of this subsection shall dissolve upon that individual's discharge from the medical institution and return home.

14. The debt due the state provided by this section is subordinate to the lien provided by section 484.130, RSMo, or section 484.140, RSMo, relating to an attorney's lien and to the participant's expenses of the claim against the third party.

15. Application for and acceptance of MO HealthNet benefits under this chapter shall constitute an assignment to the department of social services or MO HealthNet division of any rights to support for the purpose of medical care as determined by a court or administrative order and of any other rights to payment for medical care.

16. All participants receiving benefits as defined in this chapter shall cooperate with the state by reporting to the family support division or the MO HealthNet division, within thirty days, any occurrences where an injury to their persons or to a member of a household who receives MO HealthNet benefits is sustained, on such form or forms as provided by the family support division or MO HealthNet division.

17. If a person fails to comply with the provision of any judicial or administrative decree or temporary order requiring that person to maintain medical insurance on or be responsible for medical expenses for a dependent child, spouse, or ex-spouse, in addition to other remedies

available, that person shall be liable to the state for the entire cost of the medical care provided pursuant to eligibility under any public assistance program on behalf of that dependent child, spouse, or ex-spouse during the period for which the required medical care was provided. Where a duty of support exists and no judicial or administrative decree or temporary order for support has been entered, the person owing the duty of support shall be liable to the state for the entire cost of the medical care provided on behalf of the dependent child or spouse to whom the duty of support is owed.

18. The department director or the director's designee may compromise, settle or waive any such claim in whole or in part in the interest of the MO HealthNet program. Notwithstanding any provision in this section to the contrary, the department of social services, MO HealthNet division is not required to seek reimbursement from a liable third party on claims for which the amount it reasonably expects to recover will be less than the cost of recovery or for which recovery efforts will not be cost-effective. Cost-effectiveness is determined based on the following:

(1) Actual and legal issues of liability as may exist between the **[**recipient**]** **participant** and the liable party;

(2) Total funds available for settlement; and

(3) An estimate of the cost to the division of pursuing its claim.

208.453. HOSPITALS TO PAY A FEDERAL REIMBURSEMENT ALLOWANCE FOR PRIVILEGE OF PROVIDING INPATIENT CARE, DEFINED — ELIMINATION OF ALLOWANCE FOR CERTAIN HOSPITALS. — Every hospital as defined by section 197.020, RSMo, except **[**public hospitals which are operated primarily for the care and treatment of mental disorders and**]** any hospital operated by the department of health and senior services, shall, in addition to all other fees and taxes now required or paid, pay a federal reimbursement allowance for the privilege of engaging in the business of providing inpatient health care in this state. For the purpose of this section, the phrase "engaging in the business of providing inpatient health care in this state" shall mean accepting payment for inpatient services rendered. The federal reimbursement allowance to be paid by a hospital which has an unsponsored care ratio that exceeds sixty-five percent or hospitals owned or operated by the board of curators, as defined in chapter 172, RSMo, may be eliminated by the director of the department of social services. The unsponsored care ratio shall be calculated by the department of social services.

208.895. REFERRAL FOR SERVICES, DEPARTMENT DUTIES — CONTRACTING FOR ASSESSMENTS, REQUIREMENTS — EXPIRATION DATE. — 1. Upon receipt of a properly completed referral for MO HealthNet-funded home- and community-based care containing a nurse assessment or physician's order, the department of health and senior services **[**shall**]** **may**:

(1) Review the recommendations regarding services and process the referral within fifteen business days;

(2) Issue a prior-authorization for home and community-based services when information contained in the referral is sufficient to establish eligibility for MO HealthNet-funded long-term care and determine the level of service need as required under state and federal regulations;

(3) Arrange for the provision of services by an in-home provider;

(4) Reimburse the in-home provider for one nurse visit to conduct an assessment and recommendation for a care plan and, where necessary based on case circumstances, a second nurse visit may be authorized to gather additional information or documentation necessary to constitute a completed referral;

(5) Notify the referring entity upon the authorization of MO HealthNet eligibility and provide MO HealthNet reimbursement for personal care benefits effective the date of the assessment or physician's order, and MO HealthNet reimbursement for waiver services effective the date the state reviews and approves the care plan;

(6) Notify the referring entity within five business days of receiving the referral if additional information is required to process the referral; and

(7) Inform the provider and contact the individual when information is insufficient or the proposed care plan requires additional evaluation by state staff that is not obtained from the referring entity to schedule an in-home assessment to be conducted by the state staff within thirty days.

2. The department of health and senior services may contract for initial home and community based assessments, including a care plan, through an independent third-party assessor. The contract shall include a requirement that:

(1) Within fifteen days of receipt of a referral for service, the contractor shall have made a face-to-face assessment of care need and developed a plan of care; and

(2) The contractor notify the referring entity within five days of receipt of referral if additional information is needed to process the referral.

The contract shall also include the same requirements for such assessments as of January 1, 2010, related to timeliness of assessments and the beginning of service. The contract shall be bid under chapter 34 and shall not be a risk-based contract.

3. The two nurse visits authorized by subsection 16 of section 660.300 shall continue to be performed by home and community based providers for including, but not limited to, reassessment and level of care recommendations. These reassessments and care plan changes shall be reviewed and approved by the independent third party assessor. In the event of dispute over the level of care required, the third party assessor shall conduct a face to face review with the client in question.

4. The provisions of this section shall expire three years after the effective date of this section.

208.909. RESPONSIBILITIES OF RECIPIENTS AND VENDORS. — 1. Consumers receiving personal care assistance services shall be responsible for:

(1) Supervising their personal care attendant;

(2) Verifying wages to be paid to the personal care attendant;

(3) Preparing and submitting time sheets, signed by both the consumer and personal care attendant, to the vendor on a biweekly basis;

(4) Promptly notifying the department within ten days of any changes in circumstances affecting the personal care assistance services plan or in the consumer's place of residence; **[**and**]**

(5) Reporting any problems resulting from the quality of services rendered by the personal care attendant to the vendor. If the consumer is unable to resolve any problems resulting from the quality of service rendered by the personal care attendant with the vendor, the consumer shall report the situation to the department**; and**

(6) Providing the vendor with all necessary information to complete required paperwork for establishing the employer identification number.

2. Participating vendors shall be responsible for:

(1) Collecting time sheets **or reviewing reports of delivered services** and certifying **[**their**] the** accuracy **thereof**;

(2) The Medicaid reimbursement process, including the filing of claims and reporting data to the department as required by rule;

(3) Transmitting the individual payment directly to the personal care attendant on behalf of the consumer;

(4) Monitoring the performance of the personal care assistance services plan.

3. No state or federal financial assistance shall be authorized or expended to pay for services provided to a consumer under sections 208.900 to 208.927, if the primary benefit of the services is to the household unit, or is a household task that the members of the consumer's household may reasonably be expected to share or do for one another when they live in the same

household, unless such service is above and beyond typical activities household members may reasonably provide for another household member without a disability.

4. No state or federal financial assistance shall be authorized or expended to pay for personal care assistance services provided by a personal care attendant who is listed on any of the background check lists in the family care safety registry under sections 210.900 to 210.937, RSMo, unless a good cause waiver is first obtained from the department in accordance with section 660.317, RSMo.

5. (1) All vendors shall, by July 1, 2015, have, maintain, and use a telephone tracking system for the purpose of reporting and verifying the delivery of consumer-directed services as authorized by the department of health and senior services or its designee. Use of such a system prior to July 1, 2015, shall be voluntary. The telephone tracking system shall be used to process payroll for employees and for submitting claims for reimbursement to the MO HealthNet division. At a minimum, the telephone tracking system shall:

(a) Record the exact date services are delivered;

(b) Record the exact time the services begin and exact time the services end;

(c) Verify the telephone number from which the services are registered;

(d) Verify that the number from which the call is placed is a telephone number unique to the client;

(e) Require a personal identification number unique to each personal care attendant;

(f) Be capable of producing reports of services delivered, tasks performed, client identity, beginning and ending times of service and date of service in summary fashion that constitute adequate documentation of service; and

(g) Be capable of producing reimbursement requests for consumer approval that assures accuracy and compliance with program expectations for both the consumer and vendor.

(2) The department of health and senior services, in collaboration with other appropriate agencies, including centers for independent living, shall establish telephone tracking system pilot projects, implemented in two regions of the state, with one in an urban area and one in a rural area. Each pilot project shall meet the requirements of this section and section 208.918. The department of health and senior services shall, by December 31, 2013, submit a report to the governor and general assembly detailing the outcomes of these pilot projects. The report shall take into consideration the impact of a telephone tracking system on the quality of the services delivered to the consumer and the principles of self-directed care.

(3) As new technology becomes available, the department may allow use of a more advanced tracking system, provided that such system is at least as capable of meeting the requirements of this subsection.

(4) The department of health and senior services shall promulgate by rule the minimum necessary criteria of the telephone tracking system. 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, 2010, shall be invalid and void.

6. In the event that a consensus between centers for independent living and representatives from the executive branch cannot be reached, the telephony report issued to the general assembly and governor shall include a minority report which shall detail those elements of substantial dissent from the main report.

7. No interested party, including a center for independent living, shall be required to contract with any particular vendor or provider of telephony services nor bear the full cost of the pilot program.

208.918. VENDOR REQUIREMENTS, PHILOSOPHY AND SERVICES. — 1. In order to qualify for an agreement with the department, the vendor shall have a philosophy that promotes the consumer's ability to live independently in the most integrated setting or the maximum community inclusion of persons with physical disabilities, and shall demonstrate the ability to provide, directly or through contract, the following services:

(1) Orientation of consumers concerning the responsibilities of being an employer, supervision of personal care attendants including the preparation and verification of time sheets;

(2) Training for consumers about the recruitment and training of personal care attendants;

(3) Maintenance of a list of persons eligible to be a personal care attendant;

(4) Processing of inquiries and problems received from consumers and personal care attendants;

(5) Ensuring the personal care attendants are registered with the family care safety registry as provided in sections 210.900 to 210.937, RSMo; and

(6) The capacity to provide fiscal conduit services **through a telephone tracking system by the date required under section 208.909**.

2. In order to maintain its agreement with the department, a vendor shall comply with the provisions of subsection 1 of this section and shall:

(1) Demonstrate sound fiscal management as evidenced on accurate quarterly financial reports and annual audit submitted to the department; and

(2) Demonstrate a positive impact on consumer outcomes regarding the provision of personal care assistance services as evidenced on accurate quarterly and annual service reports submitted to the department;

(3) Implement a quality assurance and supervision process that ensures program compliance and accuracy of records; and

(4) Comply with all provisions of sections 208.900 to 208.927, and the regulations promulgated thereunder.

660.023. IN-HOME SERVICES PROVIDERS, TELEPHONE TRACKING SYSTEM REQUIRED, USE OF — RULEMAKING AUTHORITY. — 1. All in-home services provider agencies shall, by July 1, 2015, have, maintain, and use a telephone tracking system for the purpose of reporting and verifying the delivery of home and community based services as authorized by the department of health and senior services or its designee. Use of such system prior to July 1, 2015, shall be voluntary. At a minimum, the telephone tracking system shall:

(1) Record the exact date services are delivered;

(2) Record the exact time the services begin and exact time the services end;

(3) Verify the telephone number from which the services were registered;

(4) Verify that the number from which the call is placed is a telephone number unique to the client;

(5) Require a personal identification number unique to each personal care attendant; and

(6) Be capable of producing reports of services delivered, tasks performed, client identity, beginning and ending times of service and date of service in summary fashion that constitute adequate documentation of service.

2. The telephone tracking system shall be used to process payroll for employees and for submitting claims for reimbursement to the MO HealthNet division.

3. The department of health and senior services shall promulgate by rule the minimum necessary criteria of the telephone tracking system. 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, 2010, shall be invalid and void.

4. As new technology becomes available, the department may allow use of a more advance tracking system, provided that such system is at least as capable of meeting the requirements listed in subsection 1 of this section.

5. The department of health and senior services, in collaboration with other appropriate agencies, including in-home services providers, shall establish telephone tracking system pilot projects, implemented in two regions of the state, with one in an urban area and one in a rural area. Each pilot project shall meet the requirements of this section. The department of health and senior services shall, by December 31, 2013, submit a report to the governor and general assembly detailing the outcomes of these pilot projects. The report shall take into consideration the impact of a telephone tracking system on the quality of the services delivered to the consumer and the principles of self-directed care.

6. In the event that a consensus between in-home service providers and representatives from the executive branch cannot be reached, the telephony report issued to the general assembly and governor shall include a minority report which will detail those elements of substantial dissent from the main report.

7. No interested party, including in-home service providers, shall be required to contract with any particular vendor or provider of telephony services nor bear the full cost of the pilot program.

660.300. REPORT OF ABUSE OR NEGLECT OF IN-HOME SERVICES OR HOME HEALTH AGENCY CLIENT, DUTY — PENALTY — CONTENTS OF REPORT — INVESTIGATION, PROCEDURE — CONFIDENTIALITY OF REPORT — IMMUNITY — RETALIATION PROHIBITED, PENALTY — EMPLOYEE DISQUALIFICATION LIST — SAFE AT HOME EVALUATIONS, PROCEDURE. — 1. When any adult day care worker; chiropractor; Christian Science practitioner; coroner; dentist; embalmer; employee of the departments of social services, mental health, or health and senior services; employee of a local area agency on aging or an organized area agency on aging program; funeral director; home health agency or home health agency employee; hospital and clinic personnel engaged in examination, care, or treatment of persons; in-home services owner, provider, operator, or employee; law enforcement officer; long-term care facility administrator or employee; medical examiner; medical resident or intern; mental health professional; minister; nurse; nurse practitioner; optometrist; other health practitioner; peace officer; pharmacist; physical therapist; physician; physician's assistant; podiatrist; probation or parole officer; psychologist; or social worker has reasonable cause to believe that an in-home services client has been abused or neglected, as a result of in-home services, he or she shall immediately report or cause a report to be made to the department. If the report is made by a physician of the in-home services client, the department shall maintain contact with the physician regarding the progress of the investigation.

2. When a report of deteriorating physical condition resulting in possible abuse or neglect of an in-home services client is received by the department, the client's case manager and the department nurse shall be notified. The client's case manager shall investigate and immediately report the results of the investigation to the department nurse. The department may authorize the in-home services provider nurse to assist the case manager with the investigation.

3. If requested, local area agencies on aging shall provide volunteer training to those persons listed in subsection 1 of this section regarding the detection and report of abuse and neglect pursuant to this section.

4. Any person required in subsection 1 of this section to report or cause a report to be made to the department who fails to do so within a reasonable time after the act of abuse or neglect is guilty of a class A misdemeanor.

5. The report shall contain the names and addresses of the in-home services provider agency, the in-home services employee, the in-home services client, the home health agency, the home health agency employee, information regarding the nature of the abuse or neglect, the name of the complainant, and any other information which might be helpful in an investigation.

6. In addition to those persons required to report under subsection 1 of this section, any other person having reasonable cause to believe that an in-home services client or home health patient has been abused or neglected by an in-home services employee or home health agency employee may report such information to the department.

7. If the investigation indicates possible abuse or neglect of an in-home services client or home health patient, the investigator shall refer the complaint together with his or her report to the department director or his or her designee for appropriate action. If, during the investigation or at its completion, the department has reasonable cause to believe that immediate action is necessary to protect the in-home services client or home health patient from abuse or neglect, the department or the local prosecuting attorney may, or the attorney general upon request of the department shall, file a petition for temporary care and protection of the in-home services client or home health patient in a circuit court of competent jurisdiction. The circuit court in which the petition is filed shall have equitable jurisdiction to issue an ex parte order granting the department authority for the temporary care and protection of the in-home services client or home health patient, for a period not to exceed thirty days.

8. Reports shall be confidential, as provided under section 660.320.

9. Anyone, except any person who has abused or neglected an in-home services client or home health patient, who makes a report pursuant to this section or who testifies in any administrative or judicial proceeding arising from the report shall be immune from any civil or criminal liability for making such a report or for testifying except for liability for perjury, unless such person acted negligently, recklessly, in bad faith, or with malicious purpose.

10. Within five working days after a report required to be made under this section is received, the person making the report shall be notified in writing of its receipt and of the initiation of the investigation.

11. No person who directs or exercises any authority in an in-home services provider agency or home health agency shall harass, dismiss or retaliate against an in-home services client or home health patient, or an in-home services employee or a home health agency employee because he or any member of his or her family has made a report of any violation or suspected violation of laws, standards or regulations applying to the in-home services provider agency or home health agency or any in-home services employee or home health agency employee which he has reasonable cause to believe has been committed or has occurred.

12. Any person who abuses or neglects an in-home services client or home health patient is subject to criminal prosecution under section 565.180, 565.182, or 565.184, RSMo. If such person is an in-home services employee and has been found guilty by a court, and if the supervising in-home services provider willfully and knowingly failed to report known abuse by such employee to the department, the supervising in-home services provider may be subject to administrative penalties of one thousand dollars per violation to be collected by the department and the money received therefor shall be paid to the director of revenue and deposited in the state treasury to the credit of the general revenue fund. Any in-home services provider which has had administrative penalties imposed by the department or which has had its contract terminated may seek an administrative review of the department's action pursuant to chapter 621, RSMo. Any decision of the administrative hearing commission may be appealed to the circuit court in the county where the violation occurred for a trial de novo. For purposes of this subsection, the term "violation" means a determination of guilt by a court.

13. The department shall establish a quality assurance and supervision process for clients that requires an in-home services provider agency to conduct random visits to verify compliance with program standards and verify the accuracy of records kept by an in-home services employee.

14. The department shall maintain the employee disqualification list and place on the employee disqualification list the names of any persons who have been finally determined by the department, pursuant to section 660.315, to have recklessly, knowingly or purposely abused or neglected an in-home services client or home health patient while employed by an in-home services provider agency or home health agency. For purposes of this section only, "knowingly" and "recklessly" shall have the meanings that are ascribed to them in this section. A person acts "knowingly" with respect to the person's conduct when a reasonable person should be aware of the result caused by his or her conduct. A person acts "recklessly" when the person consciously disregards a substantial and unjustifiable risk that the person's conduct will result in serious physical injury and such disregard constitutes a gross deviation from the standard of care that a reasonable person would exercise in the situation.

15. At the time a client has been assessed to determine the level of care as required by rule and is eligible for in-home services, the department shall conduct a "Safe at Home Evaluation" to determine the client's physical, mental, and environmental capacity. The department shall develop the safe at home evaluation tool by rule in accordance with chapter 536, RSMo. The purpose of the safe at home evaluation is to assure that each client has the appropriate level of services and professionals involved in the client's care. The plan of service or care for each in-home services client shall be authorized by a nurse. The department may authorize the licensed in-home services nurse, in lieu of the department nurse, to conduct the assessment of the client's condition and to establish a plan of services or care. The department may use the expertise, services, or programs of other departments and agencies on a case-by-case basis to establish the plan of service or care.

The department may, as indicated by the safe at home evaluation, refer any client to a mental health professional, as defined in 9 CSR 30-4.030, for evaluation and treatment as necessary.

16. Authorized nurse visits shall occur at least twice annually to assess the client and the client's plan of services. The provider nurse shall report the results of his or her visits to the client's case manager. If the provider nurse believes that the plan of service requires alteration, the department shall be notified and the department shall make a client evaluation. All authorized nurse visits shall be reimbursed to the in-home services provider. All authorized nurse visits shall be reimbursed outside of the nursing home cap for in-home services clients whose services have reached one hundred percent of the average statewide charge for care and treatment in an intermediate care facility, provided that the services have been preauthorized by the department.

17. All in-home services clients shall be advised of their rights by the department **or the department's designee** at the initial evaluation. The rights shall include, but not be limited to, the right to call the department for any reason, including dissatisfaction with the provider or services. **The department may contract for services relating to receiving such complaints.** The department shall establish a process to receive such nonabuse and neglect calls other than the elder abuse and neglect hotline.

18. Subject to appropriations, all nurse visits authorized in sections 660.250 to 660.300 shall be reimbursed to the in-home services provider agency.

660.425. HOME SERVICES PROVIDERS TAX IMPOSED, DEFINITIONS. — 1. In addition to all other fees and taxes required or paid, a tax is hereby imposed upon in-home services providers for the privilege of providing in-home services **[**under chapter 208, RSMo**]**. The tax is imposed upon payments received by an in-home services provider for the provision of in-home services **[**under chapter 208, RSMo**]**.

2. For purposes of sections 660.425 to 660.465, the following terms shall mean:

(1) "Engaging in the business of providing in-home services", all payments received by an in-home services provider for the provision of in-home services **[**under chapter 208, RSMo**]**;

(2) "In-home services", homemaker services, personal care services, chore services, respite services, consumer-directed services, and services, when provided in the individual's home and under a plan of care created by a physician, necessary to keep children out of hospitals. "In-home services" shall not include home health services as defined by federal and state law;

(3) "In-home services provider", any provider or vendor, as defined in section 208.900, RSMo, of compensated in-home services **[**under chapter 208, RSMo**]**, and under a provider agreement or contracted with the department of social services or the department of health and senior services.

660.465. EXPIRATION DATE. — 1. The in-home services tax required by sections 660.425 to 660.465 shall expire:

(1) Ninety days after any one or more of the following conditions are met:

(a) The aggregate in-home services fee as appropriated by the general assembly paid to in-home services providers for in-home services provided **[**under chapter 208, RSMo,**]** is less than the fiscal year 2010 in-home services fees reimbursement amount; or

(b) The formula used to calculate the reimbursement as appropriated by the general assembly for in-home services provided is changed resulting in lower reimbursement to in-home services providers in the aggregate than provided in fiscal year 2010; or

(2) September 1, **[**2011**] 2012**.

The director of the department of social services shall notify the revisor of statutes of the expiration date as provided in this subsection.

2. Sections 660.425 to 660.465 shall expire on September 1, **[**2011**] 2012**.

Approved June 25, 2010

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