

HOUSE BILL NO. 2661

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE COSTLOW.

5548H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 260, RSMo, by adding thereto fourteen new sections relating to energy infrastructure projects.

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

Section A. Chapter 260, RSMo, is amended by adding thereto fourteen new sections, to be known as sections 260.130, 260.133, 260.136, 260.139, 260.142, 260.145, 260.148, 260.151, 260.154, 260.157, 260.160, 260.163, 260.166, and 260.169, to read as follows:

260.130. For the purposes of sections 260.130 to 260.169, the following terms shall mean:

(1) "Authority", the environmental improvement and energy resources authority (EIERA) created under section 260.010;

(2) "Bonds", bonds, notes, or other evidence of indebtedness except as otherwise provided in sections 260.130 to 260.169;

(3) "Electric provider", includes "electrical corporation" as defined in section 386.020, municipally owned utilities operating under chapter 91, and rural electric cooperatives operating under chapter 394;

(4) "Eligible project", energy infrastructure projects that:

(a) Provide or enhance infrastructure necessary for development of a site approved by the EIERA for grants under sections 260.130 to 260.169; or

(b) Support the construction, enhancement, expansion, or upgrade of energy infrastructure projects in areas where the energy infrastructure is anticipated to facilitate future economic development as determined by the authority, with an emphasis on such development in rural areas.

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

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18 **"Eligible project" shall not include funding for activities associated with the general**
19 **maintenance, repair, or upkeep of energy infrastructure;**

20 **(5) "Energy bank", the Missouri energy infrastructure bank created under**
21 **section 260.133;**

22 **(6) "Energy fund", the Missouri energy infrastructure fund created under**
23 **section 260.133;**

24 **(7) "Energy infrastructure projects", generation infrastructure, transmission**
25 **infrastructure, and projects addressing long-lead items;**

26 **(8) "Financial assistance", includes, but is not limited to, contractual guarantees**
27 **supporting eligible projects, credit enhancement, capital or debt reserves for bonds or**
28 **debt instrument financing, interest rate subsidies, provision of letters of credit and**
29 **credit instruments, provision of bond or other debt financing instrument security,**
30 **reimbursable or other contractual arrangements, and other lawful forms of financing**
31 **and methods of leveraging funds that are approved by the authority and, in the case of**
32 **federal funds, as allowed by federal law;**

33 **(9) "Financing agreement", any agreement entered into between the authority**
34 **and an electric provider pertaining to a loan or other financial assistance and other**
35 **provisions as the authority may determine. The term includes a loan agreement, trust**
36 **indenture, security agreement, reimbursement agreements, guarantee agreement, bond**
37 **or note, ordinance or resolution, or similar instrument;**

38 **(10) "Loan", an obligation subject to repayment that is provided by the**
39 **authority to an electric provider for all or a part of the costs of an eligible project. A**
40 **loan may be disbursed in anticipation of reimbursement for or direct payment of costs**
41 **of an eligible project or to refinance temporary financing used to pay costs of an eligible**
42 **project;**

43 **(11) "Loan obligation", a bond, note, or other evidence of an obligation issued by**
44 **an electric provider;**

45 **(12) "Long-lead items", equipment, components, or materials necessary for**
46 **infrastructure projects that require extended manufacturing, procurement, or delivery**
47 **times of at least twenty-four months and with a total cost that exceeds two hundred fifty**
48 **thousand dollars, as may be approved by the authority;**

49 **(13) "Permitted investments", include any of the following:**

50 **(a) Certificates of deposit, savings accounts, deposit accounts, or money market**
51 **deposits that are any of the following:**

52 **a. Secured by an interest in tangible property;**

53 **b. Fully insured by the FDIC; and**

54 c. Made with a bank whose unsecured, long-term obligations are rated by at
55 least one nationally recognized securities rating agency in one of the three highest rating
56 categories assigned by that rating agency;

57 (b) Direct obligations of, or obligations the full and timely payment of which is
58 guaranteed by, the United States of America, including unit investment trusts and
59 mutual funds that invest solely in such obligations;

60 (c) Bonds, debentures, notes, pass-through securities, or other obligations issued
61 or guaranteed by any federal agency or corporation that has been or is hereafter created
62 by or under an act of the Congress of the United States of America as an agency or
63 instrumentality thereof if such obligations are either of the following:

64 a. Backed by the full faith and credit of the United States of America; or

65 b. Rated by at least one nationally recognized securities rating agency in one of
66 the three highest rating categories assigned by the rating agency;

67 (d) Commercial paper that is rated not less than "P-1" by Moody's Investor
68 Service or "A-1+" by Standard and Poor's at the time of purchase;

69 (e) Money market funds rated by at least one nationally recognized securities
70 rating agency in one of the three highest rating categories assigned by that rating
71 agency;

72 (f) Bonds, warrants, notes, or other obligations issued by any state, county, or
73 municipality that are rated by at least one nationally recognized securities rating agency
74 in one of the three highest rating categories assigned by that rating agency;

75 (g) Investment agreements including, but not limited to, guaranteed investment
76 contracts, repurchase agreements, and forward purchase agreements, provided that all
77 of the following requirements are satisfied:

78 a. Any securities purchased or held under such agreement are otherwise
79 permitted investments;

80 b. The counterparty's long-term debt obligations are rated by at least one
81 nationally recognized securities rating agency in one of the three highest rating
82 categories assigned by that rating agency; and

83 c. The securities, if purchased, are owned by the bank or a trustee for any of the
84 bank's obligations and are held by the bank, the trustee, or a third-party custodian
85 acceptable to the bank or, if held as collateral, are held by the bank, the trustee, or a
86 third-party custodian acceptable to the bank with a perfected first security interest in
87 such collateral;

88 (h) Investment or cash management agreements with a commercial bank whose
89 senior long-term debt obligations are, at the time of the acquisition of any such
90 investment or cash management agreement for the account of the bank, rated by at least

91 one nationally recognized securities rating agency in one of the three highest rating
92 categories assigned by that rating agency, or with a commercial bank that is owned or
93 controlled by a bank holding company whose senior long-term debt obligations, at the
94 time of the acquisition of any such investment or cash management agreement for the
95 account of the bank, are rated by at least one nationally recognized securities rating
96 agency in one of the three highest rating categories assigned by that rating agency;

97 (14) "Revenues", when used with respect to the authority, any receipts, fees,
98 income, or other payments received or to be received by the authority as a result of the
99 authority's activities under sections 260.130 to 260.169 including, but not limited to,
100 receipts and other payments deposited with the authority and investment earnings on its
101 funds and accounts;

102 (15) "Rural area", any county within the state with fewer than one hundred fifty
103 thousand residents, as recorded at the most recent federal decennial census;

104 (16) "Strategic development fund", the strategic energy infrastructure
105 development fund established under section 260.169;

106 (17) "Transmission infrastructure", facilities and systems responsible for
107 transporting electricity from generation sources and for also processing, converting, and
108 delivering such electricity into voltages required for the eligible project including, but
109 not limited to, high-voltage transmission lines, transformers, breakers, relays,
110 substations, interconnection facilities, and associated equipment.

260.133. 1. There is hereby created within the authority a division to be known
2 as the "Missouri Energy Infrastructure Bank".

3 2. Through the bank, the authority may act as a state energy financing
4 institution, as defined in 42 U.S.C. Section 16511(7)(A), as amended, for purposes of
5 obtaining federal support for energy infrastructure projects.

6 3. (1) There is hereby created in the state treasury the "Missouri Energy
7 Infrastructure Fund", which shall consist of moneys collected under sections 260.130 to
8 260.169. The state treasurer shall be custodian of the fund. In accordance with sections
9 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a
10 dedicated fund and, upon appropriation, moneys in this fund shall be used solely as
11 provided in sections 260.130 to 260.169.

12 (2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys
13 remaining in the fund at the end of the biennium shall not revert to the credit of the
14 general revenue fund.

15 (3) The state treasurer shall invest moneys in the fund in the same manner as
16 other funds are invested. Any interest and moneys earned on such investments shall be
17 credited to the fund.

260.136. 1. In addition to the powers granted under this chapter, the authority shall have additional powers to:

(1) Make loans or provide other financial assistance to electric providers to finance or reduce the costs of eligible projects, to collect fees and charges related to such loans or other financial assistance, and to acquire, hold, pledge, and sell loan obligations at prices and in a manner the authority deems advisable;

(2) Enter into contracts, arrangements, and agreements with electric providers and other persons and execute and deliver all financing agreements and other instruments necessary or convenient to the exercise of the powers granted in sections 260.130 to 260.169;

(3) Enter into agreements with a department, agency, or instrumentality of the United States of America or of this state or another state for the purpose of planning, securing, and providing for the financing of eligible projects;

(4) Enter into contracts, arrangements, or agreements with external experts for the purpose of providing advice regarding the operations of the bank and viability of the fund, as well as the necessity of project applications from the bank and strategic development fund;

(5) Procure insurance, guarantees, letters of credit, and other forms of collateral or security or credit support from any public entity, including any department, agency, or instrumentality of the United States of America or this state, for the payment of any bonds issued by it, including the power to pay premiums or fees on any issuance, guarantees, letters of credit, or other forms of collateral or security or credit support;

(6) Collect or authorize the trustee under any trust indenture securing any bonds to collect amounts due under any loan obligations owned by it, including taking the action required to obtain payment of any sums in default;

(7) Unless restricted under any agreement with holders of bonds, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or premium, if any, or any other term of any loan obligations owned by it or held by the applicable indenture trustee;

(8) Borrow money through the issuance of bonds and other forms of indebtedness and to secure the repayment of the same as provided in section 260.130 to 260.169, including by pledging or granting of a security interest in the loan obligation;

(9) Expend funds credited to the authority resulting from its operations of the energy bank as the authority may determine as being necessary or desirable for the costs of administering the operations of the energy bank;

(10) Procure insurance against losses in connection with its property, assets, or activities including insurance against liability for its act or the acts of its employees or

38 agents or to establish cash reserves to enable it to act as a self-insurer against any and all
39 such losses;

40 (11) Apply for, receive, and accept from any source aid, grants, and
41 contributions of money, property, labor, or other things of value to be used to carry
42 out the purposes of sections 260.130 to 260.169, subject to the conditions upon which the
43 aid, grants, or contributions are made; and

44 (12) Do all other things necessary or convenient to carry out the purposes and
45 powers conferred in sections 260.130 to 260.169.

260.139. 1. In considering applications for eligible projects, the authority may
2 request additional input from external experts as to the urgency of the energy
3 infrastructure project, the ability of the applicant to execute the project within the
4 stated time frame, and other assistance as determined by the authority.

5 2. The total aggregate amount of loans or other financial assistance provided by
6 the bank in any year shall be limited to an amount that would not jeopardize the validity
7 of the fund, as determined by the authority with the advice of external experts.

8 3. In selecting eligible projects, the authority shall consider, with assistance from
9 external experts, project feasibility and the degree of financial risk to be assumed by the
10 authority.

11 4. The authority shall ensure that no electric provider receives more than forty
12 percent of the loan or financial assistance funds provided by the bank in each calendar
13 year unless a joint application is made; however, in no event shall more than fifty
14 percent of the loan or financial assistance funds provided by the bank in each calendar
15 year be received by any single electric provider.

16 5. The authority shall reserve at least forty percent of the aggregate amount
17 available in each calendar year for loans and other financial assistance from the energy
18 bank for energy infrastructure projects in rural areas. In the event that applications are
19 not received for energy infrastructure projects in rural areas by the close of the second
20 quarter of the applicable calendar year, such reservation shall no longer apply and
21 reserved funds may be used for other energy infrastructure projects, provided that, in
22 failing to apply for an energy infrastructure project by the end of the second quarter of
23 a calendar year, an electric provider is not prohibited from subsequently applying and
24 receiving an allocation of funds for energy infrastructure projects in rural areas later in
25 the calendar year.

26 6. Any nonpublic or proprietary information included in an application by an
27 economic development prospect or electric provider shall be confidential.

260.142. 1. (1) An electric provider, or more than one electric provider in a joint
2 application, may apply to the authority for the purpose of obtaining financial assistance

3 to support an eligible project. An application under this subsection shall include the
4 following:

5 (a) A detailed summary of the proposed energy infrastructure project, including
6 location, scope, timeline, and total estimated cost;

7 (b) Identification of the energy infrastructure project to be funded;

8 (c) Anticipated job creation, business attraction, or commercial or industrial
9 expansion to be facilitated by the energy infrastructure project as applicable; and

10 (d) Projected load demand and anticipated capacity increases;

11 (2) An application under this subsection for more than one electric provider
12 shall also include:

13 (a) Identification of all participating electric providers and designation of a lead
14 applicant responsible for administration of funds; and

15 (b) Explanation of how participating electric providers will collaborate on
16 energy infrastructure project implementation.

17 (3) During the term that the financial assistance is provided under this
18 subsection, the electric provider shall submit an annual report to the authority detailing
19 the progress of the approved eligible project and the use of the financial assistance
20 provided to the electric provider.

21 2. (1) An electric provider and an economic development prospect may submit a
22 joint application for a long-lead item or energy infrastructure project if the provision of
23 financial assistance from the energy bank will facilitate an eligible project for a new or
24 expanding industrial or commercial facility within the state.

25 (2) A joint application under this subsection shall include:

26 (a) A statement from the electric provider detailing the infrastructure
27 improvements necessary to meet the eligible prospect's energy requirements; and

28 (b) An assessment of economic impact, including projected job creation, capital
29 investment, and state and local sales and property tax revenues generated from the
30 eligible project, determined after taking into account any abatements granted.

31 (3) During the term that the financial assistance is provided under this
32 subsection, the economic development prospect and the electric provider shall submit an
33 annual report to the authority detailing the progress of the approved eligible project and
34 the use of the financial assistance provided.

35 (4) The authority may condition the granting of the application upon the
36 provision of performance assurance or security by the economic development prospect.

37 (5) If the economic development prospect withdraws, fails to commence
38 operations, or materially alters its energy needs, the authority may enforce a
39 contractual obligation against the economic development prospect for the authority's

40 provision of financial assistance, including draws on any performance assurance or
41 security provided.

260.145. 1. The authority may use the following sources to capitalize the energy
2 fund and to carry out the requirements of sections 260.130 to 260.169:

3 (1) Federal funds made available to the state for the energy bank or for eligible
4 projects;

5 (2) Contributions and donations from public and private entities and any other
6 source as may become available to the authority including, but not limited to,
7 appropriations;

8 (3) All monies paid or credited to the authority, by contract or otherwise,
9 payments of principal and interest on loans or other financial assistance made from the
10 authority, and interest earnings that may accrue from the investment or reinvestment of
11 the authority's moneys;

12 (4) Proceeds from the issuance of bonds as provided in sections 260.130 to
13 260.169; and

14 (5) Other lawful sources as determined appropriate by the authority.

15 2. Any pledge of the revenues and amounts described in subsection 1 of this
16 section to provide funds for payment of debt services on bonds issued by the authority
17 or to pay obligations of the authority with respect to other financial assistance shall
18 continue until the bonds have been fully repaid or the authority's obligations with
19 respect to the other financial assistance have terminated, unless the trust indenture,
20 financing agreement, or other related instrument providing for the pledge expressly
21 provides that the pledge may be terminated earlier or otherwise limited by the
22 authority.

260.148. 1. If the authority determines that it is necessary that monies be raised
2 for eligible projects, including monies to be used to refund any bonds then outstanding,
3 the authority may issue bonds as provided in this section.

4 2. The authority may pledge any of its revenue or funds to the payment of its
5 bonds, subject to any prior pledges for other outstanding bonds or other financial
6 assistance from the energy bank. Bonds may be secured by a pledge of any loan
7 obligation owned by the authority or held by an indenture trustee, any grant,
8 contribution, or guaranty from the United States of America, the state, or any
9 corporation, association, institution, or person, or any other financial assistance
10 provided by the authority, any bond insurance, guarantees, letters of credit, or other
11 forms of credit enhancement purchased or otherwise obtained by the authority from
12 any public or private entity, any other property or assets of the authority, or a pledge of

13 or grant of security interest in any money, income, or revenue of the authority from any
14 source.

15 3. Notwithstanding any provision of law to the contrary, the total aggregate
16 principal amount of bonds issued by the authority under this section shall not exceed
17 one billion dollars. This debt limitation shall apply solely to bonds issued for eligible
18 project financing purposes under sections 260.130 to 260.169 and shall not be construed
19 to limit any other bonding authority granted to the authority under separate provisions
20 of law.

260.151. 1. Bonds or other financial assistance issued by the authority shall not
2 constitute an obligation or debt of this state, or any of its political subdivisions, but shall
3 be limited obligations of the authority payable solely from the revenue, money, or
4 property of the authority pledged for such purpose as provided in sections 260.130 to
5 260.169. Any bonds issued or other financial assistance from the authority do not
6 constitute an indebtedness of the state or any of its political subdivisions within the
7 meaning of any constitutional or statutory limitation, and neither the full faith and
8 credit nor the taxing power of the state or any of its political subdivisions are pledged to
9 the payment thereof. No member of the authority or any person executing bonds, other
10 financial assistance, or other obligations of the authority is liable personally thereon by
11 reason of their issuance or execution.

12 2. Each bond, other financial assistance, and other obligation shall contain on its
13 face the following:

14 (1) The instrument is not a general obligation of the authority but is a limited
15 obligation of the authority payable solely from the revenue, money, or other property of
16 the authority pledged;

17 (2) The instrument is not an obligation or debt of the state, or any of its political
18 subdivisions, and neither the full faith and credit nor the taxing power of the state or
19 any of its political subdivisions are pledged to the payment of the instrument; and

20 (3) The authority does not have taxing power.

260.154. 1. (1) The bonds of the authority shall be authorized by a resolution of
2 the authority.

3 (2) The bonds shall bear the date and mature at the time that the resolution
4 provides, except that no bond may mature more than forty years from its date of issue.

5 (3) The bonds may be in the denominations, be executed in the manner, be
6 payable in the medium of payment, be payable at the place and at the time, and be
7 subject to redemption or repurchase and contain other provisions determined by the
8 authority prior to their issuance.

9 **(4) The bonds may bear interest payable at a time and rate as determined by the**
10 **authority.**

11 **(5) Bonds may be sold by the authority at public or private sale at the price it**
12 **determines and approves.**

13 **2. (1) Bonds may be secured by a trust indenture between the authority and a**
14 **corporate trustee, which may be the state treasurer or any bank having trust powers or**
15 **any trust company doing business in this state. A trust indenture may contain**
16 **provisions for protecting and enforcing the rights and remedies of the bondholders that**
17 **are reasonable and proper, including covenants setting forth the duties of the authority**
18 **in relation to the exercise of its powers and the custody, safekeeping, and application of**
19 **its money. The authority may provide by the trust indenture for the payment of the**
20 **proceeds of the bonds and all or any part of the revenues of the authority to the trustee**
21 **under the trust indenture or to some other depository and for the method of its**
22 **disbursement with safeguards and restrictions. All expenses incurred in fulfilling the**
23 **obligations of the authority under the trust indenture may be treated as part of the**
24 **authority's operating expenses.**

25 **(2) Any resolution or trust indenture under that bonds are issued may contain**
26 **provisions that are part of the contract with the bondholders of the bonds and which**
27 **shall include the following:**

28 **(a) Pledging specific revenues of the authority to secure payment of the bonds;**

29 **(b) Pledging specific assets of the authority, including loan obligations owned by**
30 **it to secure the payment of the bonds;**

31 **(c) The use and disposition of the gross income from, payment of the principal**
32 **of, and interest on loan obligations owned by the authority or held by an indenture**
33 **trustee;**

34 **(d) The establishment of reserves, sinking funds, and other funds and accounts,**
35 **and their regulation and disposition;**

36 **(e) Limitations on the purposes to which the proceeds from the sale of the bonds**
37 **may be applied, and limitations on pledging the proceeds to secure the payment of the**
38 **bonds;**

39 **(f) Limitations on the issuance of additional bonds, the terms upon which**
40 **additional bonds may be issued and secured, and the refunding of outstanding or other**
41 **bonds;**

42 **(g) The procedure, if any, by which the terms of any contract with bondholders**
43 **may be amended or abrogated, the amount of bonds, if any, the holders of which shall**
44 **consent to, and the manner in which any consent may be given;**

45 **(h) Limitations on the amount of money to be expended by the authority for its**
46 **operating expenses;**

47 **(i) Vesting in a trustee property, rights, powers, and duties as the authority may**
48 **determine, limiting or abrogating the right of bondholders to appoint a trustee, and**
49 **limiting the rights, powers, and duties of the trustee;**

50 **(j) Defining the acts or omissions that constitute a default, the obligations or**
51 **duties of the authority to the holders of the bonds, and the rights and remedies of the**
52 **holders of the bonds in the event of default, including as a matter of right the**
53 **appointment of a receiver, and all other rights generally available to creditors;**

54 **(k) Requiring the authority or the trustee under the trust indenture to take any**
55 **and all other action to obtain payment of all sums required to eliminate any default as to**
56 **any principal of any interest on loan obligations owned by the authority or held by a**
57 **trustee, which may be authorized by the laws of this state; and**

58 **(l) Any other matter relating to the terms of the bonds or the security or**
59 **protection of the holders of the bonds that may be considered appropriate.**

60 **3. (1) Any pledge made by the authority to secure its obligations with respect to**
61 **bonds or other financial assistance is valid and binding from the time the pledge is**
62 **made. The revenue, money, or property pledged and received by the authority is**
63 **immediately subject to the lien of the pledge without any physical delivery or further**
64 **act. The lien of any pledge is valid and binding as against all parties having claims of**
65 **any kind in tort, contract, or otherwise against the authority, irrespective of whether the**
66 **parties have notice of the pledge.**

67 **(2) No recording or filing of the resolution authorizing the issuance of bonds or**
68 **other financial assistance, the trust indenture or other financing agreement securing the**
69 **bonds or other financial assistance, or any other instrument including filings under the**
70 **Uniform Commercial Code is necessary to create or perfect any pledge or security**
71 **interest granted by the authority to secure any bonds or other financial assistance.**

72 **4. The authority, subject to agreements with bondholders as may then exist, may**
73 **purchase outstanding bonds of the authority with any available funds, at any reasonable**
74 **price. If the bonds are then redeemable, the price shall not exceed the redemption price**
75 **then applicable plus accrued interest to the next interest payment date.**

76 **5. Bonds of the authority shall be in a form and shall be executed in a manner**
77 **prescribed by the authority.**

78 **6. If any of the directors or officers of the authority cease to be directors or**
79 **officers before the delivery of any bonds signed by them, their signatures or authorized**
80 **facsimile signatures shall be valid and sufficient for all purposes as if they had remained**
81 **in office until the delivery of the bonds.**

82 7. Subsequent amendments to sections 260.130 to 260.169 shall not limit the
83 rights vested in the authority with respect to any agreements made with, or remedies
84 available to, the holders of the bonds issued under sections 260.130 to 260.169 before the
85 enactment of the amendments until all the bonds, with all premiums and interest on
86 them, and all costs and expenses in connection with any proceeding by or on behalf of
87 the holders, are fully satisfied and discharged.

88 8. Notwithstanding any provision of law to the contrary, any bonds issued by the
89 authority under sections 260.130 to 260.169, transfer of bonds, and the income from
90 them are free from taxation and assessment of every kind by the state and by the local
91 governments and political subdivisions of the state.

92 9. (1) The bonds issued by the authority are legal investments in which all public
93 officers or public bodies of the state and its political subdivisions; all municipalities and
94 political subdivisions; all insurance companies and associations and other persons
95 carrying insurance on business; all banks, bankers, banking associations, trust
96 companies, savings banks, savings associations, including savings and loan association
97 investment companies, and other persons carrying on a banking business; all
98 administrators, guardians, executors, trustees, and other fiduciaries; and all other
99 persons who are now or may be authorized in the future to invest in bonds or other
100 obligations of the state may invest funds in their control and belonging to them.

101 (2) The bonds of the authority are also securities that may be deposited with and
102 received by all public officers and bodies of the state or any agency or political
103 subdivision of the state and all municipalities and public corporations for any purpose
104 for which the deposit of bonds or other obligations of the state is now or may later be
105 required by law.

106 10. (1) The granting of other financial assistance by the authority shall be
107 authorized only by a resolution of the authority.

108 (2) The authority may execute instruments and enter into financing agreements
109 including, but not limited to, a trust indenture between the authority and a corporate
110 trustee, which may be the state treasurer or any bank having trust powers or any trust
111 company doing business in this state, containing the terms and conditions as the
112 authority shall determine in connection with the provision of other financial assistance
113 and securing its obligations with respect to other financial assistance.

114 (3) The authority may pledge any of its revenues or funds to the payment of
115 other financial assistance provided by the authority, subject to any prior pledges for
116 outstanding bonds or other financial assistance of the authority. Other financial
117 assistance may be secured by a pledge of any loan obligation owned by the authority or
118 held by an indenture trustee, any grant, contribution, or guaranty from the United

119 States of America, the state, or any corporation, association, institution, or person, any
120 other property or assets of the authority, or a pledge or grant of a security interest in or
121 any money, income, or revenue of the authority from any source.

122 11. Neither the authority nor any member, officer, employee, or committee of the
123 authority acting on behalf of it, while acting within the scope of authority granted by
124 sections 260.130 to 260.169, is subject to any liability resulting from carrying out any of
125 the powers given in this section, unless the officer or employee acted in an unreasonable
126 or reckless manner.

260.157. 1. (1) There is hereby created in the state treasury the "Strategic
2 Energy Infrastructure Development Fund", which shall consist of moneys collected
3 under sections 260.130 to 260.169. The state treasurer shall be custodian of the fund. In
4 accordance with sections 30.170 and 30.180, the state treasurer may approve
5 disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys
6 in this fund shall be used solely as provided in this section.

7 (2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys
8 remaining in the fund at the end of the biennium shall not revert to the credit of the
9 general revenue fund.

10 (3) The state treasurer shall invest moneys in the fund in the same manner as
11 other funds are invested. Any interest and moneys earned on such investments shall be
12 credited to the fund.

13 2. Before September 30, 2030, the moneys in the fund shall be utilized for
14 infrastructure improvements and items permitted under sections 260.130 to 260.169 in
15 rural areas. Any funds remaining in the strategic development fund after September
16 30, 2030, shall be divided, with fifty percent of the funds used for infrastructure
17 improvements and development in rural areas and fifty percent used for other energy
18 infrastructure projects in other areas of the state.

19 3. The strategic development fund shall be under the management and control of
20 the authority, and all powers necessary or appropriate for the management and control
21 of the strategic development fund shall be vested solely in the authority. The authority
22 may make whatever representations and covenants it finds reasonable or necessary for
23 federal grant applications and agreements, and it may take whatever actions it deems
24 reasonable or necessary to implement such grants.

25 4. The strategic development fund shall be funded with moneys appropriated by
26 the general assembly and additional funding sources, including federal grants, proceeds
27 from gifts, grants, or contributions, and any other lawful source.

28 5. The strategic development fund shall be administered in accordance with this
29 section. All revenues received by the strategic development fund shall be deposited in

30 the fund upon receipt and may be invested by the authority and withdrawn and
31 expended by the authority in a manner consistent with the powers granted to the
32 authority.

33 6. Funding shall be provided to projects in accordance with the provisions of
34 sections 260.130 to 260.169, in the form of financial assistance or grants.

260.160. 1. (1) An electric provider and an economic development prospect or
2 electric providers jointly may submit a joint application for funding from the strategic
3 development fund if the provision of funding from the strategic development fund will
4 facilitate an economic development project for a new or expanding industrial or
5 commercial facility within the state subject to the requirements for uses in rural areas.

6 (2) A joint application under this section shall include:

7 (a) A statement from the electric provider detailing the infrastructure
8 improvements necessary to meet the prospect's energy requirements; and

9 (b) An assessment of economic impact, including project job creation, capital
10 investment, and state and local sales and property tax revenues generated from the
11 strategic development project.

12 (3) During the term that the funding is being provided under this section, the
13 economic development prospect and the electric provider shall submit an annual report
14 to the authority detailing the progress of the approved strategic development project
15 and the use of the financial assistance provided.

16 (4) If the economic development prospect withdraws, fails to commence
17 operations, or materially alters its energy needs, the authority may enforce a
18 contractual obligation against the economic development prospect for the authority's
19 provision of funding.

20 2. The strategic development fund shall be used for the following purposes only:

21 (1) For the authority to enter into priority production placement agreements
22 with key manufacturers of long lead-time electrical equipment including, but not limited
23 to, transformers, substations, switchgear, and specialized circuit breakers for an
24 economic development prospect being recruited to or expanding in the state; and

25 (2) Notwithstanding the provisions of subsection 3 of this section, to provide
26 funding for site-specific infrastructure development including, but not limited to, the
27 extension of transmission lines and pipelines; enhancements or expansions to substation
28 capacity; the acquisition of rights-of-way for key transmission and commercial sites, as
29 identified by the authority for development; and transformers, breakers, and other
30 facilities necessary for processing, converting, and delivering such electricity into
31 voltages necessary or useful for the economic development project.

32 **3. An electric provider shall not be eligible to be a direct recipient of funding**
33 **from the strategic development fund, except as provided in subdivision (2) of subsection**
34 **2 of this section.**

35 **4. Any nonpublic or proprietary information included in an application by an**
36 **economic development prospect or electric provider shall be confidential.**

260.163. 1. At the close of each fiscal year, the authority shall submit an annual
2 **report on the activities of the energy bank and use of the strategic development fund for**
3 **the preceding year to the governor and the general assembly. The authority shall also**
4 **submit an annual report to the appropriate federal agency in accordance with the**
5 **requirements of any federal program.**

6 **2. The authority shall be subject to audits only as required by existing state law**
7 **and applicable federal regulations.**

260.166. The authority may enter into such contracts, agreements, and
2 **investments and may otherwise expend monies without compliance with the**
3 **provisions of chapter 34.**

260.169. The provisions of sections 260.130 to 260.169 shall not authorize any
2 **electric provider to provide retail electric service except as permitted in chapters 91,**
3 **386, and 394.**

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