Volume 31, Number 11 Pages 839–894 June 1, 2006

#### SALUS POPULI SUPREMA LEX ESTO

"The welfare of the people shall be the supreme law."



# ROBIN CARNAHAN SECRETARY OF STATE

# MISSOURI REGISTER

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# Missouri



# REGISTER

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Documents will be accepted for filing on all regular workdays from 8:00 a.m. until 5:00 p.m. We encourage early filings to facilitate the timely publication of the *Missouri Register*. Orders of Rulemaking appearing in the *Missouri Register* will be published in the *Code of State Regulations* and become effective as listed in the chart above. Advance notice of large volume filings will facilitate their timely publication. We reserve the right to change the schedule due to special circumstances. Please check the latest publication to verify that no changes have been made in this schedule. To review the entire year's schedule, please check out the website at <a href="http://www.sos.mo.gov/adrules/pubsched.asp">http://www.sos.mo.gov/adrules/pubsched.asp</a>

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**RULES**—Cite material in the *Missouri Register* by volume and page number, for example, Vol. 28, *Missouri Register*, page 27. The approved short form of citation is 28 MoReg 27.

The rules are codified in the Code of State Regulations in this system—

 Title
 Code of State Regulations
 Division
 Chapter
 Rule

 1
 CSR
 10 1.
 010

 Department
 Agency, Division
 General area regulated
 Specific area regulated

They are properly cited by using the full citation, i.e., 1 CSR 10-1.010.

Each department of state government is assigned a title. Each agency or division within the department is assigned a division number. The agency then groups its rules into general subject matter areas called chapters and specific areas called rules. Within a rule, the first breakdown is called a section and is designated as (1). Subsection is (A) with further breakdown into paragraph 1., subparagraph A., part (I), subpart (a), item I. and subitem a.

ules appearing under this heading are filed under the authority granted by section 536.025, RSMo 2000. An emergency rule may be adopted by an agency if the agency finds that an immediate danger to the public health, safety or welfare, or a compelling governmental interest requires emergency action; follows procedures best calculated to assure fairness to all interested persons and parties under the circumstances; follows procedures which comply with the protections extended by the Missouri and the United States Constitutions; limits the scope of such rule to the circumstances creating an emergency and requiring emergency procedure, and at the time of or prior to the adoption of such rule files with the secretary of state the text of the rule together with the specific facts, reasons and findings which support its conclusion that there is an immediate danger to the public health, safety or welfare which can be met only through the adoption of such rule and its reasons for concluding that the procedure employed is fair to all interested persons and parties under the circumstances.

ules filed as emergency rules may be effective not less than ten (10) days after filing or at such later date as may be specified in the rule and may be terminated at any time by the state agency by filing an order with the secretary of state fixing the date of such termination, which order shall be published by the secretary of state in the *Missouri Register* as soon as practicable.

Il emergency rules must state the period during which they are in effect, and in no case can they be in effect more than one hundred eighty (180) calendar days or thirty (30) legislative days, whichever period is longer. Emergency rules are not renewable, although an agency may at any time adopt an identical rule under the normal rulemaking procedures.

# Title 15—ELECTED OFFICIALS Division 30—Secretary of State Chapter 9—Uniform Counting Standards

#### ORDER TERMINATING EMERGENCY RULE

By the authority vested in the Secretary of State under section 115.225, RSMo Supp. 2005, the secretary hereby terminates an emergency rule effective April 30, 2006.

**15 CSR 30-9.020** Uniform Counting Standards—Optical Scan Voting Systems **is terminated**.

A notice of emergency rulemaking containing the text of the emergency rule was published in the *Missouri Register* on March 15, 2006 (31 MoReg 441-445).

# Title 15—ELECTED OFFICIALS Division 30—Secretary of State Chapter 9—Uniform Counting Standards

#### **EMERGENCY RULE**

15 CSR 30-9.020 Uniform Counting Standards—Optical Scan Voting Systems

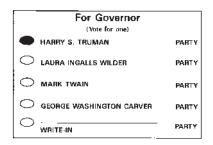
PURPOSE: This emergency rule provides for standards to be used by election authorities when counting ballots cast using optical scan voting systems and replaces the emergency rule filed on February 2, 2006 with the standards contained in the final order of rulemaking filed with the Joint Committee on Administrative Rules (JCAR) on April 17, 2006.

EMERGENCY STATEMENT: The Help America Vote Act (HAVA) of 2002 requires each state to enact laws to improve election administration and to create standards in several key areas. HAVA requires states to promulgate uniform and nondiscriminatory standards that define what constitutes a vote and what will be counted as a vote for each category of voting system used in the state. As part of the Elections Division program for compliance with HAVA and the equipment qualification process, the secretary of state (SOS) reviewed existing counting standards. This review revealed a potential for ambiguity in the counting standards rule for optical scan ballots, for example the use of the term "adjacent to." The local jurisdictions are in the final stages of upgrading to new HAVA compliant voting systems. Through this process, it has become apparent that the vast majority of voters in the state of Missouri will be using optical scan voting systems, many of them for the first time. The increased numbers of voters and jurisdictions using optical scan voting systems makes a uniform counting standard that maximizes the accuracy and efficiency of hand recounts crucial to the improvement of election administration. There is a compelling governmental interest for a uniform counting standard which is capable of expeditiously handling a large volume of ballots. This emergency rule contains revisions to the emergency rule filed with the February 2, 2006, that were made in response to comments on the corresponding proposed rule and that are included in the final order of rulemaking filed with the Joint Committee on Administrative Rules (JCAR) on April 17, 2006. It is necessary to terminate the previous emergency rule and replace it with this emergency rule so that during the final rulemaking process counting standards that are consistent with the final rule will be used by the local election authorities.

The scope of this emergency rule is limited to the circumstances creating the emergency and complies with the protections extended in the **Missouri** and **United States Constitutions**. The Office of the Secretary of State believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 20, 2006, effective April 30, 2006, expires August 16, 2006

- (1) The election authority shall be responsible for insuring that the standards provided for in this rule are followed when counting ballots cast using optical scan voting systems.
- (2) Prior to tabulating ballots all machines shall be programmed to reject blank ballots where no votes are recorded, or where an overvote is registered in any race.
- (A) In jurisdictions using precinct-based tabulators, the voter who cast the ballot shall review the ballot if rejected, to determine if he/she wishes to make any changes to the ballot or if he/she would like to spoil their ballot and receive another ballot.
- (B) In jurisdictions using centrally based tabulators, if a ballot is so rejected, it shall be reviewed by a bipartisan team using the following criteria:
- 1. If a ballot is determined to be damaged, the bipartisan team shall spoil the original ballot and duplicate the voter's intent on the new ballot, provided that there is an undisputed method of matching the duplicate card with its original after it has been placed with the remainder of the ballot cards from that precinct; and
  - 2. The provisions of sections (3), (4), (5) and (6) of this rule.

- (3) The following marks shall be considered expressions of voter intent:
- (A) Any ballot which is properly marked in the target area, as specified by the ballot instructions.

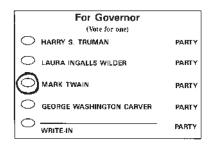


This constitutes a vote for Harry S. Truman.

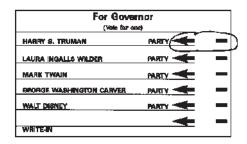
For Gove	rnor	
(Vote for or	le)	
HARRY S. TRUMAN	PARTY -	_
LAURA INGALLS WILDER	PARTY	
MARK TWAIN	PARTY -	
GEORGE WASHINGTON CARVER	PARTY -	_
WALT DISNEY	PARTY -	_
	-	
WRITE-IN		

This constitutes a vote for Laura Ingalls Wilder.

- (B) Any ballot that is properly marked with any device other than the approved marking device which prevents a machine count shall be counted as a vote.
- (C) The target area next to a candidate or issue preference is circled.

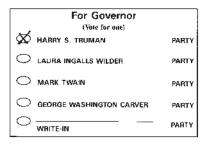


This constitutes a vote for Mark Twain.

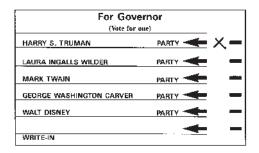


This constitutes a vote for Harry S. Truman.

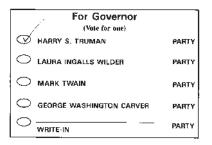
(D) There is a distinguishing mark in the target area next to a candidate or issue preference including but not limited to the following examples:



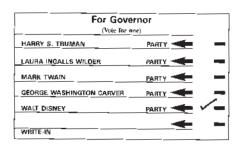
This constitutes a vote for Harry S. Truman.



This constitutes a vote for Harry S. Truman.

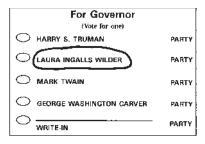


This constitutes a vote for Harry S. Truman.

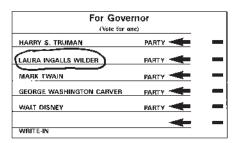


This constitutes a vote for Walt Disney.

(E) The name of a candidate or issue preference is circled.

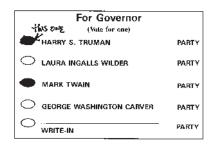


This constitutes a vote for Laura Ingalls Wilder.

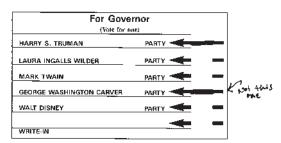


This constitutes a vote for Laura Ingalls Wilder.

(F) In the event that there are distinguishing marks for two (2) or more candidates, clarified by an additional mark or marks that appear to indicate support, the ballot shall be counted as a vote for the candidate with the additional, clarifying marks.

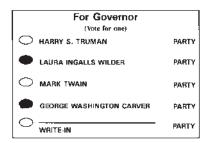


This constitutes a vote for Harry S. Truman.

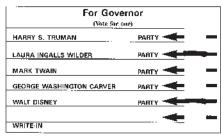


This constitutes a vote for Harry S. Truman.

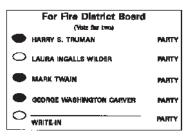
(4) If a voter marks more candidates than there are positions to be elected for that office, without any additional clarifying marks, the marks do not constitute a valid vote for any candidate in that race and the ballot shall be deemed an overvote.



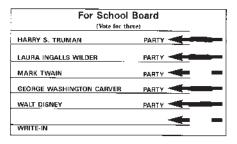
This constitutes an overvote.



This constitutes an overvote.

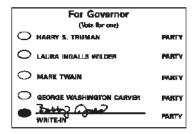


This constitutes an overvote.



This constitutes an overvote.

- (5) In jurisdictions using optical scan systems, a valid vote for a write-in candidate must include the following:
- (A) A distinguishing mark in the target area next to the name of the candidate;
- (B) The name of a qualified write-in candidate. If the name of the candidate, as written by the voter, is substantially as declared by the candidate it shall be counted, or in those circumstances where the names of candidates are similar, the names of candidates as shown on voter registration records shall be counted; and
- (C) The name of the office for which the candidate is to be elected.

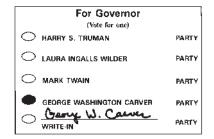


Bobby Jones is a qualified candidate. This constitutes a vote for Bobby Jones.

For Gove	rnor	
(Vinte line or	¥£)	
HARRY S. TRUMAN	MRTY -	_
LAURA INGALLS WILDER	PARTY -	
MARK TWAIN	PARTY -	_
GEORGE WASHINGTON CARVER	PARTY -	_
WALT DISNEY	PARTY 🔫	
Bolly Ones	<del></del>	
WRITE-IN V		

Bobby Jones is a qualified candidate. This constitutes a vote for Bobby Jones.

(6) If a voter designates a vote for a named candidate on the ballot and also provides for a write-in candidate in the same race it shall be treated as follows: (A) If a voter designates a vote for a named candidate on the ballot and writes in the same candidate in the write-in area, the vote shall count for that candidate.



This constitutes a vote for George Washington Carver.

For Gove	rnor	
(Vote for or	ie)	
HARRY S. TRUMAN	PARTY <del></del>	_
LAURA INGALLS WILQER	PARTY -	
MARK TWAIN	PARTY -	
GEORGE WASHINGTON CARVER	PARTY -	
WALT DISNEY	PARTY -	
Laura Znyale W	lle 🗢	_

This constitutes a vote for Laura Ingalls Wilder.

(B) If a voter designates a vote for a named candidate on the ballot and writes in the name of a qualified write-in candidate or the name of a different named candidate on the ballot in that race and makes a distinguishing mark in the target area next to the name of the write-in candidate, it shall be considered an overvote with neither candidate receiving credit for the vote.

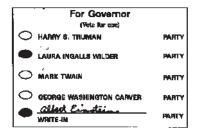
For Governor (Vate for one)	
C HARRY S. TRUMAN	PARTY
C LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
- Herry S. Turner	PARTY

This constitutes an overvote.

For Governor		
(Wate for un	me)	
HARRY S. TRUMAN	PARTY <del></del>	_
LAURA INGALLS WILDER	MARTY -	
MARK TWAIN	PARTY -	_
GEORGE WASHINGTON CARVER	PARTY -	_
WALT DISNEY	PARTY -	_
West Diano		_
***************************************		

This constitutes an overvote.

(C) If a voter designates a vote for a named candidate on the ballot and writes in the name of a person who is not a qualified write-in candidate and not a named candidate on the ballot in that race, it shall be considered a vote for the named candidate.



Albert Einstein is not a qualified candidate. This constitutes a vote for Laura Ingalls Wilder.

For Governor		
(Viete for or	<del>10</del>	
HARRY S. YRUMAN	PARTY -	-
LAURA INGALLS WILDER	PARTY -	_
MARK TWAIN	PARTY <del></del>	_
GEORGE WASHINGTON CARVER	PARTY -	_
WALT DIBNEY	FARTY -	_
Michael Done		_
WHETE-IN		

Michael Douglas is not a qualified candidate. This constitutes a vote for Harry S. Truman.

(7) Whenever a hand recount of votes of optical scan ballots is ordered, the provisions of this rule shall be used to determine voter intent.

AUTHORITY: section 115.225, RSMo Supp. 2005. Original rule filed August 8, 2001, effective March 1, 2002. Emergency rescission filed Feb. 2, 2006, effective Feb. 18, 2006, expires Aug. 16, 2006. Emergency rule filed Feb. 2, 2006, effective Feb. 18, 2006, terminated April 30, 2006. Rescinded and readopted: Filed Feb. 2, 2006. Emergency rule filed April 20, 2006, effective April 30, 2006, expires Aug. 16, 2006.

## Title 15—ELECTED OFFICIALS Division 30—Secretary of State Chapter 9—Uniform Counting Standards

#### ORDER TERMINATING EMERGENCY RULE

By the authority vested in the Secretary of State under section 115.225, RSMo Supp. 2005, the secretary hereby terminates an emergency rule effective April 30, 2006.

15 CSR 30-9.030 Uniform Counting Standards—Paper Ballots is terminated.

A notice of emergency rulemaking containing the text of the emergency rule was published in the *Missouri Register* on March 15, 2006 (31 MoReg 445–447).

# Title 15—ELECTED OFFICIALS Division 30—Secretary of State Chapter 9—Uniform Counting Standards

#### **EMERGENCY RULE**

#### 15 CSR 30-9.030 Uniform Counting Standards—Paper Ballots

PURPOSE: This emergency rule provides for standards to be used by election authorities when counting ballots cast using paper ballots and replaces the emergency rule filed on February 2, 2006 with the same standards contained in the final order of rulemaking filed with the Joint Committee on Administrative Rules (JCAR) on April 17, 2006

EMERGENCY STATEMENT: On April 20, 2006 the Office of the Secretary of State filed an emergency rule concerning uniform counting standards for optical scan voting systems. As part of the Elections Division program for compliance with the Help America Vote Act of 2002 (HAVA) and the equipment qualification process, the secretary of state (SOS) reviewed existing counting standards. This review revealed a potential for ambiguity in the counting standards rule for optical scan ballots, for example the use of the term "adjacent to." The increased numbers of voters and jurisdictions using optical scan voting systems makes a uniform counting standard that maximizes the accuracy and efficiency of hand recounts crucial to the improvement of election administration. It is necessary to have a uniform counting standard which is capable of expeditiously handling a large volume of ballots. As the current uniform counting standards for paper ballots mirror those relating to optical scan systems, there is a compelling governmental interest in the promulgation of this emergency rule in order to maintain the consistency of counting standards for each voting system and method. This emergency rule contains revisions to the emergency rule filed February 2, 2006 that were made in response to comments on the corresponding proposed rule and that are included in the final order of rulemaking filed with the Joint Committee on Administrative Rules (JCAR) on April 17, 2006. It is necessary to terminate the previous emergency rule and replace it with this emergency rule so that during the final rulemaking process counting standards that are consistent with the final rule will be used by the local election authorities.

The scope of this emergency rule is limited to the circumstances creating the emergency and complies with the protections extended in the Missouri and United States Constitutions. The Office of the Secretary of State believes this emergency rule is fair to all interested persons and parties under the circumstances. This emergency rule was filed April 20, 2006, effective April 30, 2006, expires August 16, 2006.

- (1) The election authority shall be responsible for insuring that the standards provided for in this rule are followed when counting ballots cast using paper ballots.
- (2) The following marks shall be considered expressions of voter intent:
- (A) Any ballot which is properly marked, as specified by the ballot instructions, in the target area.

For Governor	
HARRY S. TRUMAN	PARTY
LAURA INGALLE WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WRITE-IN	PARTY

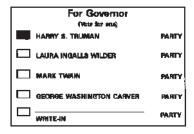
This constitutes a vote for Harry S. Truman.

(B) The target area next to a candidate or issue preference is circled.

For Governor	
(Vote for one)	
HARRY S. TRUMAN	PARTY
LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WRITE-IN	PARTY

This constitutes a vote for Mark Twain.

(C) There is a distinguishing mark in the target area next to a candidate or issue preference including but not limited to the following examples:



This constitutes a vote for Harry S. Truman.

For Governor (Vote for one)	
HARRY S. TRUMAN	PARTY
LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WRITE-IN	PARTY

This constitutes a vote for Harry S. Truman.

(D) The name of a candidate or issue preference is circled.

For Governor (Vale for one)	
HARRY S. TRUMAN	PARTY
LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WRITE-IN	PARTY

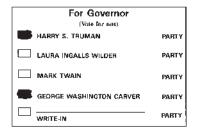
This constitutes a vote for Laura Ingalls Wilder.

(E) In the event that there are distinguishing marks for two (2) or more candidates, clarified by an additional mark or marks that appear to indicate support, the ballot shall be counted as a vote for the candidate with the additional, clarifying marks.

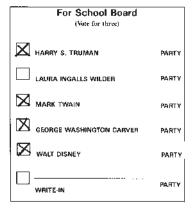
For Governor (Vote for one)	
HARRY S. TRUMAN	PARTY
LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WRITE-IN	PARTY

This constitutes a vote for Laura Ingalls Wilder.

(3) If a voter marks more candidates than there are positions to be elected for that office, without any additional clarifying marks, the marks do not constitute a valid vote for any candidate in that race and the ballot shall be deemed an overvote.



This constitutes an overvote.



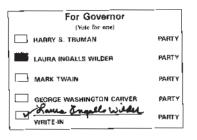
This constitutes an overvote.

- (4) In jurisdictions using paper ballots, a valid vote for a write-in candidate must include the following:
- (A) A distinguishing mark in the target area next to the name of the candidate;
- (B) The name of a qualified write-in candidate. If the name of the candidate, as written by the voter, is substantially as declared by the candidate it shall be counted, or in those circumstances where the names of candidates are similar, the names of candidates as shown on voter registration records shall be counted.
- (C) The name of the office for which the candidate is to be elected.

For Governor (Wate for ene)	
HAPRY S. TRUMAN	PARTY
LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WHITE-IN STREET	PARTY

Bobby Jones is a qualified candidate. This constitutes a vote for Bobby Jones.

- (5) If a voter designates a vote for a named candidate on the ballot and also provides for a write-in candidate in the same race it shall be treated as follows:
- (A) If a voter designates a vote for a named candidate on the ballot and writes in the same candidate in the write-in area, the vote shall count for that candidate.



This constitutes a vote for Laura Ingalls Wilder.

(B) If a voter designates a vote for a named candidate on the ballot and writes in the name of a qualified write-in candidate or the name of a different named candidate on the ballot in that race and makes a distinguishing mark in the target area next to the name of the write-in candidate, it shall be considered an overvote with neither candidate receiving credit for the vote.

For Governor (Vate for one)	
HARRY S. TRUMAN	PARTY
LAURA INGALLS WILDER	PARTY
MARK TWAIN	PARTY
GEORGE WASHINGTON CARVER	PARTY
WRITE-IN	PARTY

This constitutes an overvote.

(C) If a voter designates a vote for a named candidate on the ballot and writes in the name of a person who is not a qualified write-in candidate and not a named candidate on the ballot in that race, it shall be considered a vote for the named candidate.

For Governor (Vote for one)	
HARRY S. TRUMAN	PARTY
LAURA NOALLS WILDER	PARTY
MARK TWAIN	MATTY
GEORGE WASHINGTON CARVER	PARTY
WHITE-IN	PARTY

Gertrude Stein is not a qualified candidate. This shall constitute a vote for George Washington Carver.

(6) Whenever a hand recount of votes of paper ballots is ordered, the provisions of this rule shall be used to determine voter intent.

AUTHORITY: section 115.225, RSMo Supp. 2005. Original rule filed Aug. 8, 2001, effective March 1, 2002. Emergency rescission filed Feb. 2, 2006, effective Feb. 18, 2006, expires Aug. 16, 2006. Emergency rule filed Feb. 2, 2006, effective Feb. 18, 2006, terminated April 30, 2006. Rescinded and readopted: Filed Feb. 2, 2006. Emergency rule filed April 20, 2006, effective April 30, 2006, expires Aug. 16, 2006.

Inder this heading will appear the text of proposed rules and changes. The notice of proposed rulemaking is required to contain an explanation of any new rule or any change in an existing rule and the reasons therefor. This is set out in the Purpose section with each rule. Also required is a citation to the legal authority to make rules. This appears following the text of the rule, after the word "Authority."

ntirely new rules are printed without any special symbology under the heading of the proposed rule. If an existing rule is to be amended or rescinded, it will have a heading of proposed amendment or proposed rescission. Rules which are proposed to be amended will have new matter printed in boldface type and matter to be deleted placed in brackets.

n important function of the Missouri Register is to solicit and encourage public participation in the rulemaking process. The law provides that for every proposed rule, amendment or rescission there must be a notice that anyone may comment on the proposed action. This comment may take different forms.

f an agency is required by statute to hold a public hearing before making any new rules, then a Notice of Public Hearing will appear following the text of the rule. Hearing dates must be at least thirty (30) days after publication of the notice in the Missouri Register. If no hearing is planned or required, the agency must give a Notice to Submit Comments. This allows anyone to file statements in support of or in opposition to the proposed action with the agency within a specified time, no less than thirty (30) days after publication of the notice in the *Missouri Register*.

n agency may hold a public hearing on a rule even though not required by law to hold one. If an agency allows comments to be received following the hearing date, the close of comments date will be used as the beginning day in the ninety (90)-day-count necessary for the filing of the order of rulemaking.

f an agency decides to hold a public hearing after planning not to, it must withdraw the earlier notice and file a new notice of proposed rulemaking and schedule a hearing for a date not less than thirty (30) days from the date of publication of the new notice.

Proposed Amendment Text Reminder: Boldface text indicates new matter. [Bracketed text indicates matter being deleted.]

#### Title 5—DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

Division 30—Division of Administrative and Financial Services

Chapter 260—District Reorganization

#### PROPOSED AMENDMENT

5 CSR 30-260.010 Adoption or Changing of School District Names. The State Board of Education is proposing to amend the Purpose, sections (1) and (2), add section (4) and amend and renumber section (5).

PURPOSE: This amendment gives greater flexibility with regards to adoption or changing of school district names.

PURPOSE: The State Board of Education has the authority to establish regulations governing the adoption or changing of the names of [any six-director] school districts. This rule establishes those reg-

- (1) [The official name adopted by any six (6)-director school district in the state shall include the number and letter designation, for example, C-2 or R-IV, as used in the proceedings where the district was formed.] The official name of any school district shall be adopted by the board of education of the district and may be changed by the board of education as specified by state law.
- (2) The board of education [of any six (6)-director district] may omit county names from the official name chosen for the district.
- (4) The name chosen for the district or any change in district name may not substantially duplicate the name of any existing school district.

[(4)] (5) The secretary of the board of education of each [six (6)director] district, within ten (10) days after adoption of a district name, shall notify the State Board of Education and the county clerk of the name adopted.

AUTHORITY: sections 162.311 and 162.321, RSMo [1986] 2000. This rule was previously filed as 5 CSR 40-260.010. Original rule filed [as 5 CSR 40-260.010] April 15, 1968, effective April 25, 1968. Amended: Filed Nov. 5, 1979, effective Feb. 11, 1980. Amended: Filed April 27, 2006.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Elementary and Secondary Education, ATTN: Tom Quinn, Director, School Governance, PO Box 480, Jefferson City, MO 65102-0480. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

#### Title 5—DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

Division 80—Teacher Quality and Urban Education **Chapter 805—Educator Preparation** 

#### PROPOSED AMENDMENT

5 CSR 80-805.030 Innovative and Alternative Professional Education Programs. The State Board of Education is proposing to amend sections (1)-(6).

PURPOSE: This amendment updates and clarifies language in the rule and provides greater flexibility for institutions offering innovative and alternative programs for the certification of professional educators.

- (1) For purposes of this rule, unless the context clearly indicates otherwise, the following terms shall mean:
- (A) Alternative program. A program for the preparation of professional school personnel that provides a curriculum for [non-conventional] post-baccalaureate degree candidates [enabling]

without professional education preparation to enable them to meet the requirements for state certification;

- (B) Candidate for certification. An individual who has been admitted into a program for the preparation of teachers or other professional school personnel;
- *[(B)]*(C) Conceptual framework. The rationale and organizing principles that guide the development of the knowledge base, structure, operation, curriculum and accountability for a professional education program;
- [(C)](D) Conventional program. A program for the preparation of professional school personnel [incorporating a four (4)-year plan] that includes a curriculum of general education, content and professional studies, and clinical experiences designed for candidates who enter college upon graduation from high school and culminates in a bachelor's or higher degree; and/or
- [(D)](E) Innovative program. A program for the preparation of professional school personnel that [incorporates innovative ways of] includes all of the elements and requirements of a conventional program, but utilizes non-conventional methods for delivering [an institution's] the prescribed curriculum (ex. field-based instruction, distance learning via telecommunications or Internet, etc.)[; and/or]
- [(E) Non-conventional candidate. An individual enrolled in a program of instruction at a college or university who has not followed a path of continued enrollment from high school. A non-conventional candidate is typically more than twenty-five (25) years of age.]
- (2) An institution of higher education having state-approved conventional professional education programs [qualifying] that prepare candidates for a Missouri certificate of license to teach may also offer innovative or alternative programs [leading to a certificate of license to teach].
- [(A) An institution seeking to offer an alternative certification program must have a conventional Department of Elementary and Secondary Education (DESE) approved professional education program in the same area of certification existing at its home campus.]
- [(B)](A) An institution seeking to offer an innovative or alternative professional education program shall submit a proposal to the [Teacher Education] Educator Preparation Section at the Department of Elementary and Secondary Education (DESE) addressing the elements discussed in this section. Only those programs which DESE determines to have merit and potential for providing quality preparation for candidate certification will be considered for approval. The proposals should include at a minimum the following elements:
- 1. A description of the proposed program based upon a statement of the purpose and objectives for an area of the public school curriculum and a statement of the nature of the proposed program that is consistent with those objectives, the mission of the institution, and the conceptual framework for the professional education unit. These statements shall be [collaboratively prepared and shall be] based on analyses of current practices and trends in the identified area of the public school curriculum;
- 2. A clearly formulated statement of the competencies for educators in the identified area of the public school curriculum. These competencies shall include subject knowledge and professional skills based upon current research and practice and shall include the competencies for educators identified in **the** standards for professional education programs adopted by the State Board of Education ([the] board);
- 3. A curriculum matrix delineating the courses and supervised field experiences prescribed to address competencies appropriate for a beginning teacher candidate to meet state certification requirements, a description of the process by which the candidates will be prepared, and provisions for assessing candidates and keeping records of their progress through the program;

- 4. Identification of the administrative structure of the proposed program indicating that responsibility for the program is vested in the professional education unit of the institution. Institutions shall designate the appropriate department, division, school, or college within the institution to act within the framework of general institutional policies on all matters relating to such programs;
- 5. Clearly identified human and physical resources to support the program. The continuing availability of the resources shall be assured for the duration of the program. Any resources not under the control of the institution shall be defined and confirmed by the controlling agency; and
- 6. A written plan for the continuing evaluation of the proposed program *[including]* that includes definitions and specifications of the kinds of evidence that will be gathered and reported to the institution and *[the state education agency]* DESE at designated intervals. Evaluation reports shall provide information to identify areas in the program that need to be strengthened and/or to suggest new directions for program development.
- [(C)](B) Innovative and alternative programs shall abide by and be evaluated according to the Missouri standards for professional education programs included in rules promulgated by the board.
- (3) [Any candidate] An individual who meets the criteria established by a Missouri college or university for its conventional professional education programs may [be accepted into] participate in an innovative [professional education] program. Upon admission into an innovative program, the individual becomes a candidate for certification.
- (4) [Candidates meeting certain criteria] An individual may [be accepted into] become a candidate in an alternative certification program offered by a Missouri college or university[. These criteria include] upon meeting the following criteria:
- [(A) The candidate shall present evidence of employment by a school district in Missouri prior to acceptance into an alternative certification program;]
- [(B) The candidate shall undergo a background check conducted by the Missouri Highway Patrol and the Federal Bureau of Investigation (FBI), which includes submitting to DESE two (2) full sets of fingerprints on forms provided by the board and completed by any law enforcement agency. The candidate is responsible for the payment of any fees required by the Missouri Highway Patrol and/or FBI;]
- [(C)](A) The [candidate] individual shall have earned a bachelor's or higher degree in the content area or a closely allied field of the desired certificate of license to teach from a regionally accredited institution and shall have a cumulative grade point average no lower than the Missouri requirement for teacher certification (2.5 on a 4.0 scale) and a grade point average no lower than 2.5 in the major (content) area;
- [(D) The candidate shall verify the completion of general education requirements to the satisfaction of the teacher education institution offering the alternative program;]
- [(E)](B) The [candidate] individual shall participate in a structured interview conducted by faculty of the teacher education institution [to assess the candidate's beliefs regarding the nature of teaching, the nature of students and the mission and goals of education as a profession. The interview should be utilized] for screening, diagnostic and advising purposes;
- (C) The individual shall undergo a background check conducted by the Missouri State Highway Patrol (Highway Patrol) and/or the Federal Bureau of Investigation (FBI), which includes submitting to DESE two (2) full sets of fingerprints in a manner acceptable to the Highway Patrol and/or FBI and paying the required fees;
- (D) Upon admission into an alternative program, the individual becomes a candidate for certification;

- [(F)](E) The candidate shall [complete] have completed or be enrolled in coursework, which addresses adolescent development, psychology of learning, and teaching methodology in the content area, prior to receiving provisional certification and [entering] teaching in a public school [classroom];
- [(G)] (F) [Upon successful completion of the coursework outlined in the previous subsection, the] The candidate [will] shall enter into a four (4)-party academic contract with the [recommending] college or university offering the alternative program, [the] an employing Missouri school district[,] and DESE[.], [Candidates will] whereupon s/he shall receive a two (2)-year provisional certificate of license to teach and shall:
- 1. Be assigned by the school district a mentor, who teaches the same subject and approximately the same grade level, to observe and work with the candidate while s/he is teaching during the school day until the candidate completes the alternative program;
- 2. Receive any additional assistance, as determined by the college or university, until the candidate completes the alternative program;
- 3. Participate in the employing **school** district's professional development programs; **and**
- 4. Participate in the **employing school** district's Performance-Based Teacher Evaluation (PBTE) program; [and]
- [5. Continue professional growth to include thirty (30) clock-hours of in-service training as defined in criteria established by the board; and]
- [(H)](G) The candidate shall complete at least eight (8) additional semester hours of professional education coursework [no later than the summer] in the prescribed program of study during the year following the [awarding] receipt of the provisional certificate[.]; and
- (H) The candidate's teaching experience with the employing school district while participating in an approved alternative program shall satisfy the clinical experiences requirement for professional certification.
- (5) Prior to the expiration of [the] his/her provisional certificate of license to teach, the candidate must successfully complete the exit assessment designated by the board for the Initial Professional Classification (IPC) certificate of license to teach. [The exit assessment and the provisions outlined in the previous subsection must be completed prior to being granted a Professional Classification I (PC I) certificate of license to teach.]
- (6) Institutions [will be responsible for the recommendation of] shall be authorized to recommend for IPC certificates of license to teach candidates who complete approved innovative or alternative certification programs [for professional certification in the same manner as those completing conventional programs according to] in accordance with the rules promulgated by the board.

AUTHORITY: sections 161.097 and 168.011, RSMo 2000 and 161.092, 168.021 and 168.081, RSMo Supp. 2005. Original rule filed Oct. 25, 2001, effective June 30, 2002. Amended: Filed April 27, 2006.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Elementary and Secondary Education, ATTN: Dr.

Mike Lucas, Director, Educator Preparation, PO Box 480, Jefferson City, MO 65102-0480. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.

#### Title 10—DEPARTMENT OF NATURAL RESOURCES Division 20—Clean Water Commission Chapter 1—Organization

#### PROPOSED RULE

### 10 CSR 20-1.020 Clean Water Commission Appeals and Requests for Hearings

PURPOSE: This rule contains all procedural regulations for all contested cases heard by the commission or assigned to a hearing officer by the commission.

- (1) Subject. This rule contains procedural regulations for all contested cases before the commission.
- (2) Definitions. As used in this rule, the following terms mean:
  - (A) Commission. The Clean Water Commission;
- (B) Department. The Department of Natural Resources, which includes the director thereof, or the person or division or program within the department delegated the authority to render the decision, order, determination, finding, or other action that is subject to review by the commission;
- (C) Hearing. Any presentation to, or consideration by the hearing officer of evidence or argument on a petition seeking the commission's review of an action by the department;
  - (D) Hearing officer. Administrative Hearing Commission; and
- (E) Person. An individual, partnership, co-partnership, firm, company, public or private corporation, association, joint stock company, trust, estate, political subdivision or any agency, board, department or bureau of the state or federal government or any other legal entity whatever, which is recognized by law as the subject of rights and duties.
- (3) Filing an Appeal or Requesting a Hearing.
- (A) Any person adversely affected by a decision of the department or otherwise entitled to ask for a hearing may appeal to have the matter heard by filing a petition with the Administrative Hearing Commission within thirty (30) days after the date the decision was mailed or the date it was delivered, whichever date was earlier.
- (B) A petition sent by registered mail or certified mail will be deemed filed on the date it is mailed. If it is sent by any method other than registered mail or certified mail, it will be deemed filed on the date it is received by the Administrative Hearing Commission.
- (4) Procedures.
- (A) The hearing shall be conducted in accordance with the provisions of Chapter 536, RSMo, and the regulations of the Administrative Hearing Commission promulgated thereunder.
- (B) Upon receipt of the hearing officer's recommendation and the record in the case, the commission shall—
- 1. Distribute the hearing officer's recommendation to the parties or their counsel;
- 2. Allow the parties or their counsel an opportunity to submit written arguments regarding the recommendation;
- 3. Allow the parties or their counsel an opportunity to present oral arguments before the commission makes the final determination;
- 4. Complete its review of the record and deliberations as soon as practicable;
- 5. Deliberate and vote upon a final, written determination during an open meeting, except that the commission may confer with its counsel in closed session with respect to legal questions;

- 6. Issue its final, written determination as soon as practicable, including findings of fact and conclusions of law. The decision of the commission shall be based only on the facts and evidence in the record; and
- 7. The commission may adopt the recommended decision of the hearing officer as its final decision. The commission may change a finding of fact or conclusion of law made by the hearing officer, or may vacate or modify the recommended decision, only if the commission states in writing the specific reason for a change.

AUTHORITY: section 644.026, RSMo 2000. Original rule filed May 1, 2006.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions less than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule will cost private entities less than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COM-MENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Natural Resources, Division of Environmental Quality, Water Protection Program, Malinda Overhoff, Missouri Clean Water Commission Secretary, PO Box 176, Jefferson City, MO 65102, phone (573) 751-1300. To be considered, comments must be postmarked by 5:00 p.m. July 19, 2006. A public hearing is scheduled for 9:00 a.m., July 12, 2006, in the Department of Natural Resources, Elm Street Conference Center, Bennett Spring and Roaring River Conference Rooms, 1738 East Elm Street, Jefferson City, Missouri. Opportunity to be heard at the hearing shall be afforded any interested person. The public hearing is scheduled during the regular Missouri Clean Water Commission meeting and will occur after previous meeting minutes are discussed, shortly after 9:00 a.m.

# Title 11—DEPARTMENT OF PUBLIC SAFETY Division 40—Division of Fire Safety Chapter 2—Boiler and Pressure Vessel Safety Rules

#### PROPOSED AMENDMENT

11 CSR 40-2.010 Definitions. The Boiler and Pressure Vessel Board is adding four (4) new definitions and renumbering the existing sections.

PURPOSE: This amendment adds new definitions due to adding a new rule regarding installation permits.

- (21) Installation site—The physical location where one (1) or more boilers, water heaters, pressure vessels or a combination thereof are located. Examples of installation sites include but are not limited to a single boiler room in a building, a single process building, a single laboratory building or a central utility building.
- (22) Installer—The organization responsible for the installation of a boiler, water heater or pressure vessel including any associated control systems and protective equipment.
- [(21)] (23) International Mechanical Code—International Code Council, Inc.
- [(22)] (24) Jacketed steam kettle—A gas fired or electrically heated kettle with jacket(s), operating at pressure not exceeding fifty (50) psi.

- [(23)] (25) MAWP—Maximum allowable working pressure.
- [(24)] (26) National Board (NB)—The National Board of Boiler and Pressure Vessel Inspectors.
- [(25)] (27) National Board Commission—The commission issued to an inspector by the National Board of Boiler and Pressure Vessel Inspectors.
- [(26)] (28) National Board Inspection Code (NBIC)—The edition and addenda of ANSI/NB-23 currently adopted by the board.
- [(27)] (29) New installation—Includes all boilers, water heaters or pressure vessels constructed, installed, placed in operation, or under contract, on or after November 12, 1986.
- [(28)] (30) Nonstandard boiler, water heater or pressure vessel—A boiler, water heater or pressure vessel that does not bear the ASME stamp.
- [(29)] (31) Object—A boiler, water heater, or pressure vessel.
- [(30)] (32) Owner or user—Any person, firm or corporation legally responsible for the safe installation, operation and maintenance of any boiler, water heater or pressure vessel within the state of Missouri.
- (33) Plans—Drawings, specifications, schematics, etc., acceptable to the chief inspector and suitable for determining if the installation meets the requirements of the statute and these rules.
- [(31)] (34) Power boiler—A boiler in which steam or other vapor is generated at a pressure of more than fifteen (15) psi or a water (or other liquid) boiler intended for operation at pressures in excess of one hundred sixty (160) psi and/or temperatures in excess of two hundred fifty degrees Fahrenheit (250°F).
- [(32)] (35) Pressure vessel—A vessel in which the pressure is obtained from an external source or by the application of heat from an indirect source, other than those vessels defined as boilers.
- [(33)] (36) Reinstalled boiler, water heater or pressure vessel—A boiler, water heater or pressure vessel removed from its original setting and reinstalled at the same location or at a new location without change of ownership.
- [(34)] (37) Repair—The process of restoring a component or system to a safe and satisfactory condition such that the existing design conditions are met.
- (38) Replacement—The removal of an existing boiler, water heater or pressure vessel and installation of a new second hand or re-installed boiler, water heater or pressure vessel.
- [(35)] (39) Second-hand boiler, water heater or pressure vessel—A boiler, water heater or pressure vessel which has changed both location and ownership.
- [(36)] (40) Special inspector—Any inspector commissioned by the chief inspector who is employed by an insurance company authorized to provide boiler and pressure vessel insurance in this state or an inspector who is employed by a company that maintains an inspection department whose organization and inspection procedures meet the requirements of the National Board for an Owner-User Inspection Agency and are acceptable to the chief inspector.
- [(37)] (41) Standard boiler, water heater or pressure vessel—A boiler, water heater or pressure vessel that bears the ASME stamp.

- [(38)] (42) State special—A boiler, water heater, or pressure vessel of special construction, or which is designed or constructed to other than the ASME code and is not inconsistent with the spirit and safety objectives of the ASME code.
- [(39)] (43) Steam heating boiler—A steam or vapor boiler operating at pressures not exceeding fifteen (15) psi.
- [(40)] (44) Waste heat boiler—An unfired pressure vessel intended for operation in excess of fifteen (15) psi steam for the purpose of producing and controlling an output of thermal energy.
- [(41)] (45) Water heater—A fired pressurized vessel in which water is heated by electricity, or by the combustion of solid, liquid, or gaseous fuels and withdrawn for use external to the heater at pressures not exceeding one hundred sixty (160) psi and temperatures not exceeding two hundred ten degrees Fahrenheit (210°F). Water heaters include service water heaters, domestic water heaters, potable water heaters, pool heaters and car wash hot water supply boilers. The term water heater does not include vessels used solely for closed loop hot water heating service.
- [(42)] (46) Variance—An exception to the Act or these rules authorized by the board for the installation, inspection, repair, or alteration of a boiler, water heater, or pressure vessel.
- AUTHORITY: section 650.215, RSMo 2000. Original rule filed May 12, 1986, effective Oct. 27, 1986. Amended: Filed Oct. 3, 1995, effective April 30, 1996. Rescinded: Filed March 10, 2003, effective Aug. 30, 2003. Readopted: Filed Sept. 25, 2002, effective May 30, 2003. Amended: Filed Jan. 12, 2006. Amended: Filed March 23, 2006.
- PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.
- PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Division of Fire Safety, PO Box 844, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

# Title 11—DEPARTMENT OF PUBLIC SAFETY Division 40—Division of Fire Safety Chapter 2—Boiler and Pressure Vessel Safety Rules

#### PROPOSED RULE

#### 11 CSR 40-2.025 Installation Permits

PURPOSE: This rule addresses the application requirement, issuing of permits and installation inspections for the repair, replacement or new installation of objects that are subject to the Act and these rules.

- (1) As used in this rule, the term "these rules" is intended to mean 11 CSR 40-2.010 through 11 CSR 40-2.065.
- (2) Effective January 1, 2007 an installation permit shall be obtained by the installer from the Division of Fire Safety, Boiler and Pressure Vessel Unit before the start of work for each new, second hand or reinstalled boiler, water heater or pressure vessel. Replacement or relocation of an existing boiler, water heater or pressure vessel shall be

permitted as a new installation. The requirement to obtain an installation permit prior to the start of work is waived for an emergency replacement upon notification to the chief inspector.

- (3) An application for an installation permit shall be submitted to the chief inspector on forms provided by the Division of Fire Safety, Boiler and Pressure Vessel Unit at least sixty (60) days prior to the start of the installation.
- (A) In the case of an emergency replacement, the application shall be submitted to the chief inspector as soon as possible but not more than seven (7) calendar days after the work has started.
- (B) Installation permits for multiple boilers, water heaters or pressure vessels may be requested on a single application provided they are all located at the same installation site. In such cases separate installation permits will be issued and fees will be charged for each permit.
- (C) Upon review of the installation permit, the chief inspector may require a plan review prior to issuing an installation permit. A separate fee of thirty-five dollars (\$35) per hour not to exceed five hundred dollars (\$500) total will be charged for the plan review.
- (D) Upon completion of the review process and payment of the required fees an installation permit will be issued. The installer shall maintain a legible copy of the installation permit at the installation site

(4) Fees.

7) 1003.	
(A) Plan Review Hourly Fee	\$ 35
(B) Installation Permit Fees—	
1. Hot Water Heating Boiler—	
A. 400,000 BTUH and less	\$ 70
B. 400,000 BTUH to 12,500,000 BTUH	\$175
C. Above 12,500,000 BTUH	\$245
2. Hot Water Supply Boilers—	
A. 400,000 BTUH and less	\$ 70
B. 400,000 BTUH to 12,500,000 BTUH	\$175
C. Above 12,500,000 BTUH	\$245
3. Jacketed Steam Kettle—	\$ 70
4. Power Boilers—	
A. 400,000 BTUH and less	\$ 70
B. 400,000 BTUH to 12,500,000 BTUH	\$175
C. More than 12,500,000 BTUH	\$245
5. Pressure Vessel—	
A. < 1,000 cu.ft. (7,500 gallons) or less	\$ 70
B. 1000 cu. ft. and greater	\$175
6. Steam Heating Boilers—	
A. 400,000 BTUH or less	\$ 70
B. 400,000 BTUH to 12,500,000 BTUH	\$175
C. Above 12,500,000 BTUH	\$245
7. Waste Heat Boiler—	
A. 400,000 BTUH or less	\$ 70
B. 400,000 BTUH to 12,500,000 BTUH	\$175
C. Above 12,500,000 BTUH	\$245
8. Water Heater (>200,000 BTUH)	\$ 70

- (5) Upon completion of an installation the chief inspector or a deputy inspector shall perform a certificate inspection. After correcting any deficiencies noted during the certificate inspection and payment of the required fees the chief inspector will issue an Inspection Certificate.
- (6) Any boiler, water heater or pressure vessel installed on or after January 1, 2007 without obtaining the required permit shall obtain an installation permit and correct any deficiencies identified during the certificate inspection before an Inspection Certificate can be issued. If additional inspections are required to confirm the adequacy of the required corrective actions the applicable inspection fees will be charged.

AUTHORITY: section 650.215, RSMo 2000. Original rule filed March 23, 2006.

PUBLIC COST: This proposed rule will cost state agencies or political subdivisions twenty-one thousand nine hundred thirty-seven dollars and forty cents (\$21,937.40) in the aggregate.

PRIVATE COST: This proposed rule will cost private entities twenty-three thousand two hundred forty dollars (\$23,240) annually in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Division of Fire Safety, PO Box 844, Jefferson City, Mo 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

### FISCAL NOTE PUBLIC COST

#### I. RULE NUMBER

Rule Number and Name:	11 CSR 40-2.025
Type of Rulemaking:	Proposed Rule

#### II. SUMMARY OF FISCAL IMPACT

Estimated Cost of Compliance in the Aggregate
\$21,937.40

#### III. WORKSHEET

The following formula is used to estimate the cost to the division with 4 inspectors at an hourly rate of \$16.68 per hour. 164 installed objects that were either boilers less than 400,000 btu/hr, air tanks, jacketed steam kettles or hot water heaters. 164 X 16.68 X 2hrs = \$5471.04 56 installed objects that were boilers 400,000 to 12,500,000 btu/hr. 56 X 16.68 X 5 hrs = \$4670.40 8 installed objects that were boilers greater than 12,500,000 btu/hr. 8 X 16.68 X 7 hrs = \$934.08

Office staff. Administrative assistant cost 228 new objects X 10.53 per hour =	\$2400.84
Office staff. Public Safety Manager cost 228 new objects X 23.11 per hour =	\$5269.08
Total personal services cost to division =	\$18745.40
Expenses and equipment incurred by the division =	<u>\$3192.00</u>
Total division cost =	\$21937.40

#### IV. ASSUMPTIONS

In calendar year 2005, it was estimated that 228 new objects were installed in the state of Missouri. It is anticipated that approximately the same number of objects will be installed in calendar year 2007 and annually there after when the rule will go into effect.

### FISCAL NOTE PRIVATE COST

#### I. RULE NUMBER

Rule Number and Name:	11 CSR 40-2.025	
Type of Rulemaking:	Proposed Rule	

#### II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by types of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
228 annually	Education, day care, hotels, manufa	\$23,240

#### II. WORKSHEET

164 Objects installed that were either boilers less than 400,000 btu/hr, air tanks, hot wat	er heaters, or
jacketed steam kettles @ \$70.00 per object =	\$11,480
56 Objects installed that were boilers 400,000 to 12,500,000 btu/hr @ \$175.00 =	\$9,800
8 Objects installed that were boilers greater than 12,500,000 btu/hr @ \$245.00 =	\$1,960
Total =	\$23,240

#### IV. ASSUMPTIONS

In calendar year it was estimated that 228 new objects were installed in the state of Missouri. It is anticipated that about the same number of objects will be installed in calendar year 2007 and annually there after when the new rule takes effect.

#### Title 12—DEPARTMENT OF REVENUE Division 10—Director of Revenue Chapter 103—Sales/Use Tax—Imposition of Tax

#### PROPOSED RULE

#### 12 CSR 10-103.400 Sales Tax on Vending Machine Sales

PURPOSE: Section 144.021, RSMo, imposes a tax on a seller's gross receipts. Section 144.012, RSMo, provides the method for determining gross receipts and the applicable local tax for sales of tangible personal property through vending machines. This rule also addresses the purchase of vending machines under section 144.518, RSMo. This rule does not address receipts from amusement devices.

(1) In general, sales of tangible personal property, other than photocopies and tobacco products, through vending machines are subject to tax based on one hundred thirty-five percent (135%) of the net invoice price of the tangible personal property. The applicable tax rate is the rate in effect at the location of the vending machine. Sales of photocopies and tobacco products are subject to tax on their retail sales price. Purchases of machines or parts for machines used in a commercial vending machine business are subject to tax unless tax is paid on the gross receipts derived from the use of the machines.

#### (2) Definition of Terms.

- (A) Net invoice price—the cost of the product, including freight, less any quantity or timely payment discounts allowed by the supplier, with no allowance for spoilage or loss.
- (B) Vending machine—a coin or currency operated device that is used to sell tangible personal property without requiring the vendor's physical attention at the time of the sale. The term vending machine is not limited to mechanically operated devices and includes honor boxes
- (C) Vendor—the person who owns the property sold through a vending machine.

#### (3) Basic Application of Tax.

- (A) The vendor must report and remit sales tax on one hundred thirty-five percent (135%) of the net invoice price of the tangible personal property purchased for sale through vending machines. The vendor must report and remit sales tax for the period in which the items are sold or in which the items are removed from inventory due to spoilage or loss.
- (B) Sales of tangible personal property through vending machines located outside Missouri are not subject to tax.
- (C) Sales of tangible personal property through vending machines located on the premises of religious organizations, charitable organizations and public elementary and secondary schools are not subject to tax.
- (D) A vendor with multiple machines or locations may compute taxable sales for each machine or location either by specifically identifying the net invoice price of the items sold through each machine or by using an apportionment method. An apportionment method calculates taxable sales for each individual location by first determining the percentage of gross sales attributed to each location. This percentage is then applied to the net invoice price of the tangible personal property vended and allocates the same percentage to the location(s).
- (E) A manufacturer that sells its manufactured product at retail through vending machines and wholesale to other vendors must self-assess tax on its vending machine sales at one hundred thirty-five percent (135%) of the average price at which the product is sold to other vendors. A manufacturer who sells its manufactured products to the public through vending machines and does not make any sales to other purchasers or vendors must self-assess tax on its vending machine sales at one hundred thirty-five percent (135%) of the total

- cost of the manufactured products, including materials, labor and manufacturing overhead.
- (F) No allowance, credit or refund of sales tax is allowed for spoilage or loss, such as from breakage or theft.
- (G) The taxable receipts from a vending machine are subject to the sales tax at the rate in effect at the location of the machine.
- (H) Sales of qualifying food through vending machines are subject to the reduced food tax rate. See 12 CSR 10-110.990.
- (I) Purchases of machines or parts for machines used in a commercial coin-operated vending business are subject to tax unless tax is paid on the gross receipts derived from the use of the machines.

#### (4) Examples.

- (A) A vendor purchases tangible personal property for a gross price of \$10,000 to sell in its vending machines. The vendor's supplier allows the vendor a 2% timely payment discount of \$200 as well as a 5% quantity discount of \$500. The net invoice price of the tangible personal property is \$9,300 (\$10,000 minus \$700 total discounts). The amount subject to sales tax is \$12,555 (\$9,300 net invoice price multiplied by 135%). The vendor sold all the products for \$20,000. The vendor has vending machines located at a retail store and at an exempt public elementary school. The sales at the school were \$5,000 (25% of gross sales) and the sales at the retail store were \$15,000 (75% of gross sales). The gross receipts for the exempt location are \$3,138.75 (\$12,555 multiplied by 25%) and for the taxable location are \$9,416.25 (\$12,555 multiplied by 75%).
- (B) A vendor has vending machines located on the premises of taxable organizations. The machines are located both in the city of Columbia and rural Boone County. The Columbia machines provided 60% of the vendor's gross sales and the rural Boone County machines provided 40% of gross sales. The vendor must report and remit tax on 60% of his gross receipts at the sales tax rate in effect for Columbia and on 40% at the sales tax rate in effect for Boone County.
- (C) A commercial vending business purchases a vending machine and places the machine in an exempt church. The business must pay tax on the purchase price of the machine because it will not pay tax on the receipts from the machine. The machine is later moved to a gas station and tax is paid on 135% of the net invoice price of the goods sold from the machine. The subsequent purchases of repair parts for the machine are exempt.
- (D) A commercial vending business purchases ten new vending machines. Six of the machines are placed in grocery stores and other commercial enterprises open to the general public. Four are placed in schools and churches. The purchase of the six machines is not subject to tax because the business will pay tax on the receipts from the machines. The purchase of the four machines is subject to tax because the business will not pay tax on the receipts from the machines.
- (E) A commercial vending business purchases a vending machine and places the machine in a gas station. The purchase of the machine is not subject to tax because the business will pay tax on the receipts from the machine. The machine is later moved to a church. The subsequent purchases of repair parts for the machine are subject to tax.
- (F) A newspaper sold through a vending machine is subject to tax at 135% of the average price charged to retail sellers.

AUTHORITY: section 143.961, RSMo 2000. Original rule filed May 1, 2006.

PUBLIC COST: This proposed rule is estimated to cost the Missouri Department of Revenue approximately eight thousand six hundred seventy-three dollars and eighty-eight cents (\$8,673.88) with that cost recurring annually over the life of the rule.

PRIVATE COST: This proposed rule is estimated to cost private entities approximately ninety-eight thousand and ten dollars (\$98,010) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Legal Services Division, Governmental Affairs Bureau, PO Box 475, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

### FISCAL NOTE PUBLIC COST

#### I. RULE NUMBER

Rule Number and Name:	12 CSR 10-103.400 Sales Tax on Vending Machine Sales
Type of Rulemaking:	
	Proposed Rule

#### II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Missouri Department of Revenue	\$8,673.88

#### III. WORKSHEET

It costs the Department of Revenue \$2.25 to process a typical sales tax return. Based on estimated returns filed by vending machine vendors in a given year, the costs to process are  $3,267 \times 2.25 = 7,350.75$ . The Department of Revenue's costs to print and mail returns to vending machine vendors are 4.405 per return. The calculation for these costs are  $4.405 \times 4.405 = 4.405 \times 4.405 \times 4.405 \times 4.405 = 4.405 \times 4.405 \times$ 

#### IV. Assumptions

The costs assume no postal discounts for mailing are realized. It also assumes an annual salary for a Tax Processing Technician of \$23,006.

### FISCAL NOTE PRIVATE COST

#### I. RULE NUMBER

Rule Number and Name:	12 CSR 10-103.400 Sales Tax on Vending Machine
	Sales
Type of Rulemaking:	Proposed Rule

#### II. SUMMARY OF FISCAL IMPACT

Estimate of the number of entities by class which would likely be affected by adoption of the proposed rule	the business entities	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
890	Vendors- \$30 in cost to prepare and file a sales tax return.	\$98,010

#### III. WORKSHEET

The Department of Revenue receives approximately 3,267 returns per year from approximately 890 vending machine vendors. The estimated cost to prepare and file a return per business is \$30 per filed return. The cost to all vending machine vendors to comply is 3,267 X \$30= \$98,010.

#### IV. ASSUMPTIONS

The rule does not change existing practice. The department cannot determine the actual costs of preparing and filing a return. The department assumes for purposes of this fiscal note that it costs \$30 per return. This cost would be incurred as a result of section 144.020.1(2), RSMo, regardless of the contents of this rule. The department assumes every business makes at least one sale per reporting period.

#### Title 12—DEPARTMENT OF REVENUE Division 10—Director of Revenue Chapter 108—Sales/Use Tax—Taxable Services

#### PROPOSED RULE

#### 12 CSR 10-108.300 Sales of Electricity, Water and Gas

PURPOSE: Section 144.020.1(3), RSMo, imposes a tax on the basic rate paid for sales of electricity, water and gas to domestic, commercial or industrial consumers. Section 144.030.2(23), RSMo, exempts from tax, sales for domestic use of these services, as well as wood, coal and home heating oil. Section 144.032, RSMo, provides cities and counties the option to reimpose certain local sales taxes on sales for domestic use. This rule explains the taxation of electricity, water and gas. This rule does not address the exemptions for sales of electricity to manufacturers or material recovery processing plants, for use in basic steelmaking or battery manufacturing, or sales for resale to hotels or other lodging establishments.

(1) In general, sales of electricity, water and gas to commercial or industrial consumers are subject to tax. Sales of these services to domestic consumers are exempt from state sales tax but may be subject to certain local sales taxes if reimposed by a city or county. Sales of electricity, water and gas for agricultural use are excluded from tax.

#### (2) Definition of Terms.

- (A) Basic rate—the rate charged for utility services, including any advance or equalized payment, surcharge, minimum or flat rate. It does not include such things as refundable deposits, or separately stated charges for any franchise, occupation, sales, license, excise, privilege or similar tax or fee of any kind imposed upon the supplier of the utility service by any taxing body or authority whether by statute, ordinance or otherwise. The basic rate does include income taxes and other charges imposed on the seller even if the seller chooses to separately state such charges. The basic rate also includes any "payment in lieu of tax (PILOT)" imposed on municipal-owned utilities, even if separately stated.
- (B) Domestic use—nonagricultural, nonindustrial and noncommercial use. Sales made by regulated utilities pursuant to a "residential" rate classification are for domestic use. Sales through a single master meter for residential nursing homes, apartments or condominiums, including service for common areas and facilities and vacant units, but not including administrative and maintenance areas, are sales for domestic use.
  - (C) Utilities—electricity, water or gas services.

#### (3) Basic Application of Tax.

- (A) Sales tax applies to all sales of electricity, water and gas to commercial or industrial consumers.
- (B) Sales tax does not apply to sales of electricity, metered water service, and gas if sold for domestic use. Certain local sales taxes apply if reimposed by a city or county.
- (C) Sales tax does not apply to agricultural use of utility services, including use by greenhouses.
- (D) Sales of propane gas, wood, coal or home heating oil for domestic use are exempt from sales tax. Certain local sales taxes apply if reimposed by a city or county.
- (E) Sales of sewer service for either commercial or domestic use are not subject to tax if billed separately.
- (F) Sales of unmetered water service for domestic use are subject to tax except in the City of St. Louis, where metered and unmetered water service for domestic use are exempt from state sales tax.
- (G) Persons making domestic purchases of service exempt from sales tax that use a portion of the service for nondomestic purposes must file a return and pay sales tax by April 15 of the year following

the year of purchase on that portion of service used for nondomestic purposes.

(H) Persons making commercial purchases of service subject to state tax that use a portion of the service for domestic purposes may file for a refund for that portion of the utility service. See 12 CSR 10-102.016.

#### (4) Examples.

- (A) An apartment complex purchases electricity. To the extent the purchases are for residents of the complex or for common areas, the purchases are exempt. The complex may issue an exemption certificate to its utility supplier. The purchases are subject to local sales taxes if reimposed by the local taxing authorities. If some of the electricity is used for the complex office or other facilities related to the business of the complex owner, the complex must remit state tax on these purchases directly to the department.
- (B) A farmer has a single meter that services both the farm and his home. If the local taxing authorities have reimposed local tax on domestic use, the farmer must file a return and pay local sales tax directly to the department on the portion of the service used for his home.
- (C) A company purchases natural gas from an out-of-state supplier for commercial use. Transportation charges are included on its monthly bill and separately stated. Use tax applies to the cost of the gas purchased including the transportation charges.
- (D) A propane gas company located in City A delivers gas by commercial truck and meters the gas on the truck. The company delivers gas to a customer located in City B. The company should charge the local sales tax (if applicable) based on its business location in City A. If the meter is located on the customer's tank, the local tax rate is based on the location of the meter.

AUTHORITY: sections 144.010 and 144.030, RSMo Supp. 2005 and 143.961, 144.032, 144.036 and 144.046, RSMo 2000. Original rule filed May 1, 2006.

PUBLIC COST: This proposed rule is estimated to cost the state approximately eight thousand four hundred sixteen dollars and thirty-five cents (\$8,416.35) in the aggregate with that cost reoccurring annually over the life of this rule.

PRIVATE COST: This proposed rule is estimated to cost private entities approximately ninety-five thousand one hundred dollars (\$95,100) in the aggregate.

NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Legal Services Division, Governmental Affairs Bureau, PO Box 475, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. No public hearing is scheduled.

### FISCAL NOTE PUBLIC COST

#### I. RULE NUMBER

Rule	Number	and	12 CSR 10-108.300 Sales of Electricity, Water and
Name:			Gas
Type of	Rulemakin	g:	Proposed Rule

#### II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political	Estimated Cost of Compliance in the
Subdivision	Aggregate
Missouri Department of Revenue	\$8,416.35

#### III. WORKSHEET:

It costs the Department of Revenue \$2.25 to process a typical sales tax return. Based on an estimated returns filed by utility companies in a given year, the costs to process are  $3,170 \times 2.25 = 7,132.50$ . The Department of Revenue's costs to print and mail returns to newspaper and other publication vendors are 4.405 per return. The calculation for these costs are  $3,170 \times 4.05 = 1,283.85$ .

#### IV. ASSUMPTIONS:

The costs assume no postal discounts for mailing are realized. It also assumes an annual salary for a Tax Processing Technician of \$23,006.

### FISCAL NOTE PRIVATE COST

#### I. RULE NUMBER

Rule Number and	12 CSR 10-108.300 Sales of Electricity, Water and
Name:	Gas
Type of Rulemaking:	Proposed Rule

#### II. SUMMARY OF FISCAL IMPACT

Estimate the number of entities by class which would likely be affected by adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimated cost of compliance with the rule by affected entities:
Electricity 96	Vendors- \$30 in cost to prepare and file a sales tax return.	\$23,700
Water 541	Vendors- \$30 in cost to prepare and file a sales tax return.	\$64,440
Gas 42	Vendors- \$30 in cost to prepare and file a sales tax return.	\$6,960
Total 679	Vendors- \$30 in cost to prepare and file a sales tax return.	\$95,100

#### III. WORKSHEET:

The Department of Revenue receives approximately 790 returns per year from approximately 96 electric companies. The estimated cost to prepare and file a return per business is \$30 per filed return. The cost to all electric companies to comply is 790 X \$30= \$23,700.

The Department of Revenue receives approximately 2,148 returns per year from approximately 541 water companies. The estimated cost to prepare and file a return per business is \$30 per filed return. The cost to all water companies to comply is 2,148 X \$30= \$64,440.

The Department of Revenue receives approximately 232 returns per year from approximately 42 gas companies. The estimated cost to prepare and file a return

per business is \$30 per filed return. The cost to all gas companies to comply is 232 X \$30= \$6,960.

The Department of Revenue receives approximately 3,170 returns per year from approximately 679 utility companies. The estimated cost to prepare and file a return per business is \$30 per filed return. The cost to all utility companies to comply is 3,170 X \$30= \$95,100.

#### IV. ASSUMPTIONS:

The rule does not change existing practice. The department cannot determine the actual costs of preparing and filing a return. The department assumes for purposes of this fiscal note that it costs \$30 per return. This cost would be incurred as a result of section 144.020.1(2), RSMo, regardless of the contents of this rule. The department assumes every business makes at least one sale per reporting period.