

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 220
100TH GENERAL ASSEMBLY

0313H.03C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 153.030 and 153.034, RSMo, and to enact in lieu thereof two new sections relating to taxation of the property of electric companies.

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

Section A. Sections 153.030 and 153.034, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 153.030 and 153.034, to read as follows:

153.030. 1. All bridges over streams dividing this state from any other state owned,
2 used, leased, or otherwise controlled by any person, corporation, railroad company, or joint stock
3 company, and all bridges across or over navigable streams within this state, where the charge is
4 made for crossing the same, which are now constructed, which are in the course of construction,
5 or which shall hereafter be constructed, and all property, real and tangible personal, owned, used,
6 leased or otherwise controlled by telegraph, telephone, electric power and light companies,
7 electric transmission lines, pipeline companies, and express companies shall be subject to
8 taxation for state, county, municipal, and other local purposes to the same extent as the property
9 of private persons.

10 2. [~~And~~] Taxes levied thereon shall be levied and collected in the manner as is now or
11 may hereafter be provided by law for the taxation of railroad property in this state, and county
12 commissions, county boards of equalization, and the state tax commission are hereby required
13 to perform the same duties and are given the same powers, including punitive powers, in
14 assessing, equalizing, and adjusting the taxes on the property set forth in this section as the
15 county commissions, [~~and~~] boards of equalization, and **the** state tax commission have or may
16 hereafter be empowered with, in assessing, equalizing, and adjusting the taxes on railroad
17 property; and an authorized officer of any such bridge, telegraph, telephone, electric power and
18 light companies, electric transmission lines, pipeline companies, or express company, or the

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.

19 owner of any ~~[such]~~ toll bridge, is hereby required to render reports of the property of such
20 bridge, telegraph, telephone, electric power and light companies, electric transmission lines,
21 pipeline companies, or express companies in like manner as the authorized officer of the railroad
22 company is now or may hereafter be required to render for the taxation of railroad property.

23 3. On or before the fifteenth day of April in the year 1946 and each year thereafter an
24 authorized officer of each such company shall furnish the state tax commission and county clerks
25 a report, duly subscribed and sworn to by such authorized officer, which is like in nature and
26 purpose to the reports required of railroads under chapter 151 showing the full amount of all real
27 and tangible personal property owned, used, leased, or otherwise controlled by each such
28 company on January first of the year in which the report is due.

29 4. If any telephone company assessed ~~[pursuant to]~~ **under** chapter 153 has a microwave
30 relay station or stations in a county in which it has no wire mileage but has wire mileage in
31 another county, then, for purposes of apportioning the assessed value of the distributable property
32 of such companies, the straight line distance between such microwave relay stations shall
33 constitute miles of wire. In the event that any public utility company assessed ~~[pursuant to]~~
34 **under** this chapter has no distributable property which physically traverses the counties in which
35 it operates, then the assessed value of the distributable property of such company shall be
36 apportioned to the physical location of the distributable property.

37 5. (1) Notwithstanding any provision of law to the contrary, beginning January 1, 2019,
38 a telephone company shall make a one-time election within the tax year to be assessed:

39 (a) Using the methodology for property tax purposes as provided under this section; or

40 (b) Using the methodology for property tax purposes as provided under this section for
41 property consisting of land and buildings and be assessed for all other property exclusively using
42 the methodology utilized under section 137.122.

43

44 If a telephone company begins operations, including a merger of multiple telephone companies,
45 after August 28, 2018, it shall make its one-time election to be assessed using the methodology
46 for property tax purposes as described under paragraph (b) of subdivision (1) of this subsection
47 within the year in which the telephone company begins its operations. A telephone company that
48 fails to make a timely election shall be deemed to have elected to be assessed using the
49 methodology for property tax purposes as provided under subsections 1 to 4 of this section.

50 (2) The provisions of this subsection shall not be construed to change the original
51 assessment jurisdiction of the state tax commission.

52 (3) Nothing in subdivision (1) of this subsection shall be construed as applying to any
53 other utility.

54 (4) (a) The provisions of this subdivision shall ensure that school districts may avoid
55 any fiscal impact as a result of a telephone company being assessed under the provisions of
56 paragraph (b) of subdivision (1) of this subsection. If a school district's current operating levy
57 is below the greater of its most recent voter-approved tax rate or the most recent voter-approved
58 tax rate as adjusted under subdivision (2) of subsection 5 of section 137.073, it shall comply with
59 section 137.073.

60 (b) Beginning January 1, 2019, any school district currently operating at a tax rate equal
61 to the greater of the most recent voter-approved tax rate or the most recent voter-approved tax
62 rate as adjusted under subdivision (2) of subsection 5 of section 137.073 that receives less tax
63 revenue from a specific telephone company under this subsection, on or before January
64 thirty-first of the year following the tax year in which the school district received less revenue
65 from a specific telephone company, may by resolution of the school board impose a fee, as
66 determined under this subsection, in order to obtain such revenue. The resolution shall include
67 all facts that support the imposition of the fee. If the school district receives voter approval to
68 raise its tax rate, the district shall no longer impose the fee authorized in this paragraph.

69 (c) Any fee imposed under paragraph (b) of this subdivision shall be determined by
70 taking the difference between the tax revenue the telephone company paid in the tax year in
71 question and the tax revenue the telephone company would have paid in such year had it not
72 made an election under subdivision (1) of this subsection, which shall be calculated by taking
73 the telephone company valuations in the tax year in question, as determined by the state tax
74 commission under paragraph (d) of this subdivision, and applying such valuations to the
75 apportionment process in subsection 2 of section 151.150. The school district shall issue a
76 billing, as provided in this subdivision, to any such telephone company. A telephone company
77 shall have forty-five days after receipt of a billing to remit its payment of its portion of the fees
78 to the school district. Notwithstanding any other provision of law, the issuance or receipt of such
79 fee shall not be used:

80 a. In determining the amount of state aid that a school district receives under section
81 163.031;

82 b. In determining the amount that may be collected under a property tax levy by such
83 district; or

84 c. For any other purpose.

85

86 For the purposes of accounting, a telephone company that issues a payment to a school district
87 under this subsection shall treat such payment as a tax.

88 (d) When establishing the valuation of a telephone company assessed under paragraph
89 (b) of subdivision (1) of this subsection, the state tax commission shall also determine the
90 difference between the assessed value of a telephone company if:

- 91 a. Assessed under paragraph (b) of subdivision (1) of this subsection; and
92 b. Assessed exclusively under subsections 1 to 4 of this section.

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94 The state tax commission shall then apportion such amount to each county and provide such
95 information to any school district making a request for such information.

96 (e) This subsection shall expire when no school district is eligible for a fee.

97 **6. (1) If any public utility company assessed under chapter 153 has ownership of**
98 **any real or personal property associated with a project which uses wind energy directly to**
99 **generate electricity, such property shall be valued and taxed by any state and local**
100 **authorities having jurisdiction under the provisions of chapter 137 and any other relevant**
101 **provisions of law.**

102 **(2) Notwithstanding any provision of law to the contrary, beginning January 1,**
103 **2020, any public utility company assessed under chapter 153 that has a wind energy**
104 **project shall be assessed using the methodology provided in this section:**

105 **(a) Any wind turbine property of such company shall be assessed upon the local tax**
106 **rolls and shall have an annual tax liability of five thousand nine hundred dollars per**
107 **megawatt;**

108 **(b) Any property consisting of land and buildings of such company shall be**
109 **assessed using the methodology utilized under section 137.076; and**

110 **(c) All other business or personal property of such company shall be assessed using**
111 **the methodology utilized under section 137.122.**

153.034. 1. The term "distributable property" of an electric company shall include all
2 the real or tangible personal property which is used directly in the generation and distribution of
3 electric power, but not property used as a collateral facility nor property held for purposes other
4 than generation and distribution of electricity. Such distributable property includes, but is not
5 limited to:

- 6 (1) Boiler plant equipment, turbogenerator units and generators;
7 (2) Station equipment;
8 (3) Towers, fixtures, poles, conductors, conduit transformers, services and meters;
9 (4) Substation equipment and fences;
10 (5) Rights-of-way;
11 (6) Reactor, reactor plant equipment, and cooling towers;
12 (7) Communication equipment used for control of generation and distribution of power;

13 (8) Land associated with such distributable property.

14 2. The term "local property" of an electric company shall include all real and tangible
15 personal property owned, used, leased or otherwise controlled by the electric company not used
16 directly in the generation and distribution of power and not defined in subsection 1 of this section
17 as distributable property. Such local property includes, but is not limited to:

18 (1) Motor vehicles;

19 (2) Construction work in progress;

20 (3) Materials and supplies;

21 (4) Office furniture, office equipment, and office fixtures;

22 (5) Coal piles and nuclear fuel;

23 (6) Land held for future use;

24 (7) Workshops, warehouses, office buildings and generating plant structures;

25 (8) Communication equipment not used for control of generation and distribution of
26 power;

27 (9) Roads, railroads, and bridges;

28 (10) Reservoirs, dams, and waterways;

29 (11) Land associated with other locally assessed property and all generating plant land.

30 **3. (1) Any real or tangible personal property associated with a project which uses**
31 **wind energy directly to generate electricity shall be valued and taxed by any state and local**
32 **authorities having jurisdiction under the provisions of chapter 137 and any other relevant**
33 **provisions of law. The method of taxation prescribed in subsection 2 of section 153.030**
34 **shall not apply to such property.**

35 **(2) The real or tangible personal property referenced in subdivision (1) of this**
36 **subsection shall include all equipment whose sole purpose is to support the integration of**
37 **a wind generation asset into an existing system. Examples of such property may include,**
38 **but are not limited to, wind chargers, windmills, wind turbines, wind towers, and**
39 **associated electrical equipment such as inverters, pad mount transformers, power lines,**
40 **storage equipment directly associated with wind generation assets, and substations.**

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