

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 845
101ST GENERAL ASSEMBLY

1864H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 153.030 and 393.1073, RSMo, and to enact in lieu thereof two new sections relating to energy property taxation.

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

Section A. Sections 153.030 and 393.1073, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 137.123 and 153.030, to read as follows:

137.123. 1. Beginning January 1, 2022, for purposes of assessing all real property, excluding land, or tangible personal property associated with a project that uses wind energy directly to generate electricity, the following depreciation tables shall be used to determine the true value in money of such property. The first year shown in the table shall be the year immediately following the year of construction of the property. The original costs shall reflect either:

(1) The actual and documented original property cost to the taxpayer, as shall be provided by the taxpayer to the assessor; or

(2) In the absence of actual and documented original property cost to the taxpayer, the estimated cost of the property by the assessor, using an authoritative cost guide.

For purposes of this section, and to estimate the value of all real property, excluding land, or tangible personal property associated with a project that uses wind energy directly to generate electricity, each assessor shall apply the percentage shown to the original cost for the first year following the year of construction of the property, and the percentage shown for each succeeding year shall be the percentage of the original cost used for January first of the respective succeeding year as follows:

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.

	Year	Percentage
19	1	40%
20	1	40%
21	2	40%
22	3	37%
23	4	37%
24	5	35%

25

26 **Any real property, excluding land, or tangible personal property associated with a project**
 27 **that uses wind energy directly to generate electricity shall continue in subsequent years to**
 28 **have the depreciation percentage last listed in the appropriate column in the table.**

29 **2. Nothing in this section shall be construed to prohibit a project from engaging in**
 30 **enhanced enterprise zone agreements under sections 135.950 to 135.973 or similar tax**
 31 **abatement agreements with state or local officials or to affect any existing enhanced**
 32 **enterprise zone agreements.**

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 may
 11 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 county
 15 commissions and boards of equalization and state tax commission have or may hereafter be
 16 empowered with, in assessing, equalizing, and adjusting the taxes on railroad property; and an
 17 authorized officer of any such bridge, telegraph, telephone, electric power and light companies,
 18 electric transmission lines, pipeline companies, or express company or the owner of any such toll
 19 bridge, is hereby required to render reports of the property of such bridge, telegraph, telephone,
 20 electric power and light companies, electric transmission lines, pipeline companies, or express
 21 companies in like manner as the authorized officer of the railroad company is now or may
 22 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 chapter 153 has a microwave relay
30 station or stations in a county in which it has no wire mileage but has wire mileage in another
31 county, then, for purposes of apportioning the assessed value of the distributable property of such
32 companies, the straight line distance between such microwave relay stations shall constitute
33 miles of wire. In the event that any public utility company assessed pursuant to this chapter has
34 no distributable property which physically traverses the counties in which it operates, then the
35 assessed value of the distributable property of such company shall be apportioned to the physical
36 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 pursuant to this chapter has ownership of
98 any real or personal property associated with a project which uses wind energy directly to
99 generate electricity, such wind energy project property shall be valued and taxed by any local
100 authorities having jurisdiction under the provisions of chapter 137 and other relevant provisions
101 of the law.

102 (2) Notwithstanding any provision of law to the contrary, beginning January 1, 2020, for
103 any public utility company assessed pursuant to this chapter which has a wind energy project,
104 such wind energy project shall be assessed using the methodology for real and personal property
105 as provided in this subsection:

106 (a) Any wind energy property of such company shall be assessed upon the county
107 assessor's local tax rolls; **and**

108 (b) ~~[Any property consisting of land and buildings related to the wind energy project shall~~
109 ~~be assessed under chapter 137; and~~

110 ~~——(e)] All other [business] real property, excluding land, or personal property related to~~
111 ~~the wind energy project shall be assessed using the methodology provided under section~~
112 ~~[137.122] 137.123.~~

2 ~~[393.1073. 1. There is hereby established the "Task Force on Wind~~
3 ~~Energy", which shall be composed of the following members:~~

4 ~~——(1) Three members of the house of representatives, with two appointed~~
5 ~~by the speaker of the house of representatives and one appointed by the minority~~
6 ~~floor leader of the house of representatives;~~

7 ~~——(2) Three members of the senate, with two appointed by the president pro~~
8 ~~tempore of the senate and one appointed by the minority floor leader of the~~
9 ~~senate; and~~

10 ~~——(3) Two representatives from Missouri county governments with~~
11 ~~experience in wind energy valuations, with one being a currently elected county~~
12 ~~assessor to be appointed by the speaker of the house of representatives, and one~~
13 ~~being a currently elected county clerk to be appointed by the president pro~~
14 ~~tempore of the senate.~~

15 ~~——2. The task force shall conduct public hearings and research, and shall~~
16 ~~compile a report for delivery to the general assembly by no later than December~~
17 ~~31, 2019. Such report shall include information on the following:~~

18 ~~——(1) The economic benefits and drawbacks of wind turbines to local~~
19 ~~communities and the state;~~

20 ~~——(2) The fair, uniform, and standardized assessment and taxation of wind~~
21 ~~turbines and their connected equipment owned by a public utility company at the~~
22 ~~county level in all counties;~~

- 22 ~~_____ (3) Compliance with existing federal and state programs and regulations;~~
23 ~~and~~
- 24 ~~_____ (4) Potential legislation that will provide a uniform assessment and~~
25 ~~taxation methodology for wind turbines and their connected equipment owned~~
26 ~~by a public utility company that will be used in every county of Missouri.~~
- 27 ~~_____ 3. The task force shall meet within thirty days after its creation and shall~~
28 ~~organize by selecting a chairperson and vice chairperson, one of whom shall be~~
29 ~~a member of the senate and the other a member of the house of representatives.~~
30 ~~Thereafter, the task force may meet as often as necessary in order to accomplish~~
31 ~~the tasks assigned to it. A majority of the task force shall constitute a quorum,~~
32 ~~and a majority vote of such quorum shall be required for any action.~~
- 33 ~~_____ 4. The staff of house research and senate research shall provide necessary~~
34 ~~clerical, research, fiscal, and legal services to the task force, as the task force may~~
35 ~~request.~~
- 36 ~~_____ 5. The members of the task force shall serve without compensation, but~~
37 ~~any actual and necessary expenses incurred in the performance of the task force's~~
38 ~~official duties by the task force, its members, and any staff assigned to the task~~
39 ~~force shall be paid from the joint contingent fund.~~
- 40 ~~_____ 6. This section shall expire on December 31, 2019.]~~

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