

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 220

AN ACT

To repeal sections 153.030 and 153.034, RSMo, and to enact in lieu thereof three 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:

1 Section A. Sections 153.030 and 153.034, RSMo, are repealed
2 and three new sections enacted in lieu thereof, to be known as
3 sections 153.030, 153.034, and 393.1073, to read as follows:

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

1 municipal and other local purposes to the same extent as the
2 property of private persons.

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

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

1 of all real and tangible personal property owned, used, leased or
2 otherwise controlled by each such company on January first of the
3 year in which the report is due.

4 4. If any telephone company assessed pursuant to chapter
5 153 has a microwave relay station or stations in a county in
6 which it has no wire mileage but has wire mileage in another
7 county, then, for purposes of apportioning the assessed value of
8 the distributable property of such companies, the straight line
9 distance between such microwave relay stations shall constitute
10 miles of wire. In the event that any public utility company
11 assessed pursuant to this chapter has no distributable property
12 which physically traverses the counties in which it operates,
13 then the assessed value of the distributable property of such
14 company shall be apportioned to the physical location of the
15 distributable property.

16 5. (1) Notwithstanding any provision of law to the
17 contrary, beginning January 1, 2019, a telephone company shall
18 make a one-time election within the tax year to be assessed:

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

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

25
26 If a telephone company begins operations, including a merger of
27 multiple telephone companies, after August 28, 2018, it shall
28 make its one-time election to be assessed using the methodology

1 for property tax purposes as described under paragraph (b) of
2 subdivision (1) of this subsection within the year in which the
3 telephone company begins its operations. A telephone company
4 that fails to make a timely election shall be deemed to have
5 elected to be assessed using the methodology for property tax
6 purposes as provided under subsections 1 to 4 of this section.

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

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

12 (4) (a) The provisions of this subdivision shall ensure
13 that school districts may avoid any fiscal impact as a result of
14 a telephone company being assessed under the provisions of
15 paragraph (b) of subdivision (1) of this subsection. If a school
16 district's current operating levy is below the greater of its
17 most recent voter-approved tax rate or the most recent
18 voter-approved tax rate as adjusted under subdivision (2) of
19 subsection 5 of section 137.073, it shall comply with section
20 137.073.

21 (b) Beginning January 1, 2019, any school district
22 currently operating at a tax rate equal to the greater of the
23 most recent voter-approved tax rate or the most recent
24 voter-approved tax rate as adjusted under subdivision (2) of
25 subsection 5 of section 137.073 that receives less tax revenue
26 from a specific telephone company under this subsection, on or
27 before January thirty-first of the year following the tax year in
28 which the school district received less revenue from a specific

1 telephone company, may by resolution of the school board impose a
2 fee, as determined under this subsection, in order to obtain such
3 revenue. The resolution shall include all facts that support the
4 imposition of the fee. If the school district receives voter
5 approval to raise its tax rate, the district shall no longer
6 impose the fee authorized in this paragraph.

7 (c) Any fee imposed under paragraph (b) of this subdivision
8 shall be determined by taking the difference between the tax
9 revenue the telephone company paid in the tax year in question
10 and the tax revenue the telephone company would have paid in such
11 year had it not made an election under subdivision (1) of this
12 subsection, which shall be calculated by taking the telephone
13 company valuations in the tax year in question, as determined by
14 the state tax commission under paragraph (d) of this subdivision,
15 and applying such valuations to the apportionment process in
16 subsection 2 of section 151.150. The school district shall issue
17 a billing, as provided in this subdivision, to any such telephone
18 company. A telephone company shall have forty-five days after
19 receipt of a billing to remit its payment of its portion of the
20 fees to the school district. Notwithstanding any other provision
21 of law, the issuance or receipt of such fee shall not be used:

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

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

26 c. For any other purpose.

27
28 For the purposes of accounting, a telephone company that issues a

1 payment to a school district under this subsection shall treat
2 such payment as a tax.

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

7 a. Assessed under paragraph (b) of subdivision (1) of this
8 subsection; and

9 b. Assessed exclusively under subsections 1 to 4 of this
10 section.

11
12 The state tax commission shall then apportion such amount to each
13 county and provide such information to any school district making
14 a request for such information.

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

17 6. (1) If any public utility company assessed pursuant to
18 this chapter has ownership of any real or personal property
19 associated with a project which uses wind energy directly to
20 generate electricity, such wind energy project property shall be
21 valued and taxed by any local authorities having jurisdiction
22 under the provisions of chapter 137 and other relevant provisions
23 of the law.

24 (2) Notwithstanding any provision of law to the contrary,
25 beginning January 1, 2020, for any public utility company
26 assessed pursuant to this chapter which has a wind energy
27 project, such wind energy project shall be assessed using the
28 methodology for real and personal property as provided in this

1 subsection:

2 (a) Any wind energy property of such company shall be
3 assessed upon the county assessor's local tax rolls;

4 (b) Any property consisting of land and buildings related
5 to the wind energy project shall be assessed under chapter 137;
6 and

7 (c) All other business or personal property related to the
8 wind energy project shall be assessed using the methodology
9 provided under section 137.122.

10 153.034. 1. The term "distributable property" of an
11 electric company shall include all the real or tangible personal
12 property which is used directly in the generation and
13 distribution of electric power, but not property used as a
14 collateral facility nor property held for purposes other than
15 generation and distribution of electricity. Such distributable
16 property includes, but is not limited to:

17 (1) Boiler plant equipment, turbogenerator units and
18 generators;

19 (2) Station equipment;

20 (3) Towers, fixtures, poles, conductors, conduit
21 transformers, services and meters;

22 (4) Substation equipment and fences;

23 (5) Rights-of-way;

24 (6) Reactor, reactor plant equipment, and cooling towers;

25 (7) Communication equipment used for control of generation
26 and distribution of power;

27 (8) Land associated with such distributable property.

28 2. The term "local property" of an electric company shall

1 include all real and tangible personal property owned, used,
2 leased or otherwise controlled by the electric company not used
3 directly in the generation and distribution of power and not
4 defined in subsection 1 of this section as distributable
5 property. Such local property includes, but is not limited to:

- 6 (1) Motor vehicles;
- 7 (2) Construction work in progress;
- 8 (3) Materials and supplies;
- 9 (4) Office furniture, office equipment, and office
10 fixtures;
- 11 (5) Coal piles and nuclear fuel;
- 12 (6) Land held for future use;
- 13 (7) Workshops, warehouses, office buildings and generating
14 plant structures;
- 15 (8) Communication equipment not used for control of
16 generation and distribution of power;
- 17 (9) Roads, railroads, and bridges;
- 18 (10) Reservoirs, dams, and waterways;
- 19 (11) Land associated with other locally assessed property
20 and all generating plant land.

21 3. (1) Any real or tangible personal property associated
22 with a project which uses wind energy directly to generate
23 electricity shall be valued and taxed by local authorities having
24 jurisdiction under the provisions of chapter 137 and any other
25 relevant provisions of law. The method of taxation prescribed in
26 subsection 2 of section 153.030 and subsection 1 of this section
27 shall not apply to such property.

28 (2) The real or tangible personal property referenced in

1 subdivision (1) of this subsection shall include all equipment
2 whose sole purpose is to support the integration of a wind
3 generation asset into an existing system. Examples of such
4 property may include, but are not limited to, wind chargers,
5 windmills, wind turbines, wind towers, and associated electrical
6 equipment such as inverters, pad mount transformers, power lines,
7 storage equipment directly associated with wind generation
8 assets, and substations.

9 393.1073. 1. There is hereby established the "Task Force
10 on Wind Energy", which shall be composed of the following
11 members:

12 (1) Three members of the house of representatives, with two
13 appointed by the speaker of the house of representatives and one
14 appointed by the minority floor leader of the house of
15 representatives;

16 (2) Three members of the senate, with two appointed by the
17 president pro tempore of the senate and one appointed by the
18 minority floor leader of the senate; and

19 (3) Two representatives from Missouri county governments
20 with experience in wind energy valuations, with one being a
21 currently elected county assessor to be appointed by the speaker
22 of the house of representatives, and one being a currently
23 elected county clerk to be appointed by the president pro tempore
24 of the senate.

25 2. The task force shall conduct public hearings and
26 research, and shall compile a report for delivery to the general
27 assembly by no later than December 31, 2019. Such report shall
28 include information on the following:

1 (1) The economic benefits and drawbacks of wind turbines to
2 local communities and the state;

3 (2) The fair, uniform, and standardized assessment and
4 taxation of wind turbines and their connected equipment owned by
5 a public utility company at the county level in all counties;

6 (3) Compliance with existing federal and state programs and
7 regulations; and

8 (4) Potential legislation that will provide a uniform
9 assessment and taxation methodology for wind turbines and their
10 connected equipment owned by a public utility company that will
11 be used in every county of Missouri.

12 3. The task force shall meet within thirty days after its
13 creation and shall organize by selecting a chairperson and vice
14 chairperson, one of whom shall be a member of the senate and the
15 other a member of the house of representatives. Thereafter, the
16 task force may meet as often as necessary in order to accomplish
17 the tasks assigned to it. A majority of the task force shall
18 constitute a quorum, and a majority vote of such quorum shall be
19 required for any action.

20 4. The staff of house research and senate research shall
21 provide necessary clerical, research, fiscal, and legal services
22 to the task force, as the task force may request.

23 5. The members of the task force shall serve without
24 compensation, but any actual and necessary expenses incurred in
25 the performance of the task force's official duties by the task
26 force, its members, and any staff assigned to the task force
27 shall be paid from the joint contingent fund.

28 6. This section shall expire on December 31, 2019.