

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 737
96TH GENERAL ASSEMBLY

Reported from the Committee on Commerce, Consumer Protection, Energy and the Environment, April 28, 2011, with recommendation that the Senate Committee Substitute do pass.

1797S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 135.950, 135.963, and 137.010, RSMo, section 135.953 as enacted by conference committee substitute for senate committee substitute for house committee substitute for house bill no. 1965, ninety-fifth general assembly, second regular session, and section 135.953 as enacted by house committee substitute for senate committee substitute for senate bill no. 1155, ninety-second general assembly, second regular session, and to enact in lieu thereof four new sections relating to renewable energy.

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

Section A. Sections 135.950, 135.963, and 137.010, RSMo, section 135.953
2 as enacted by conference committee substitute for senate committee substitute for
3 house committee substitute for house bill no. 1965, ninety-fifth general assembly,
4 second regular session, and section 135.953 as enacted by house committee
5 substitute for senate committee substitute for senate bill no. 1155, ninety-second
6 general assembly, second regular session, are repealed and four new sections
7 enacted in lieu thereof, to be known as sections 135.950, 135.953, 135.963, and
8 137.010, to read as follows:

135.950. The following terms, whenever used in sections 135.950 to
2 135.970 mean:

- 3 (1) "Average wage", the new payroll divided by the number of new jobs;
- 4 (2) "Blighted area", an area which, by reason of the predominance of
5 defective or inadequate street layout, unsanitary or unsafe conditions,
6 deterioration of site improvements, improper subdivision or obsolete platting, or
7 the existence of conditions which endanger life or property by fire and other

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

8 causes, or any combination of such factors, retards the provision of housing
9 accommodations or constitutes an economic or social liability or a menace to the
10 public health, safety, morals, or welfare in its present condition and use. **The**
11 **term "blighted area" shall also include any area which produces or**
12 **generates or has the potential to produce or generate electrical energy**
13 **from a renewable energy resource, and which, by reason of**
14 **obsolescence, decadence, blight, dilapidation, deteriorating or**
15 **inadequate site improvements, substandard conditions, the**
16 **predominance or defective or inadequate street layout, unsanitary or**
17 **unsafe conditions, improper subdivision or obsolete platting, or the**
18 **existence of conditions which endanger the life or property by fire or**
19 **other means, or any combination of such factors, is underutilized,**
20 **unutilized, or diminishes the economic usefulness of the land,**
21 **improvements, or lock and dam site within such area for the**
22 **production, generation, conversion, and conveyance of electrical energy**
23 **from a renewable energy resource;**

24 (3) "Board", an enhanced enterprise zone board established pursuant to
25 section 135.957;

26 (4) "Commencement of commercial operations" shall be deemed to occur
27 during the first taxable year for which the new business facility is first put into
28 use by the taxpayer in the enhanced business enterprise in which the taxpayer
29 intends to use the new business facility;

30 (5) "County average wage", the average wages in each county as
31 determined by the department for the most recently completed full calendar
32 year. However, if the computed county average wage is above the statewide
33 average wage, the statewide average wage shall be deemed the county average
34 wage for such county for the purpose of determining eligibility. The department
35 shall publish the county average wage for each county at least
36 annually. Notwithstanding the provisions of this subdivision to the contrary, for
37 any taxpayer that in conjunction with their project is relocating employees from
38 a Missouri county with a higher county average wage, such taxpayer shall obtain
39 the endorsement of the governing body of the community from which jobs are
40 being relocated or the county average wage for their project shall be the county
41 average wage for the county from which the employees are being relocated;

42 (6) "Department", the department of economic development;

43 (7) "Director", the director of the department of economic development;

44 (8) "Employee", a person employed by the enhanced business enterprise
45 that is scheduled to work an average of at least one thousand hours per year, and
46 such person at all times has health insurance offered to him or her, which is
47 partially paid for by the employer;

48 (9) "Enhanced business enterprise", an industry or one of a cluster of
49 industries that is either:

50 (a) Identified by the department as critical to the state's economic security
51 and growth; or

52 (b) Will have an impact on industry cluster development, as identified by
53 the governing authority in its application for designation of an enhanced
54 enterprise zone and approved by the department; but excluding gambling
55 establishments (NAICS industry group 7132), retail trade (NAICS sectors 44 and
56 45), educational services (NAICS sector 61), religious organizations (NAICS
57 industry group 8131), public administration (NAICS sector 92), and food and
58 drinking places (NAICS subsector 722), however, notwithstanding provisions of
59 this section to the contrary, headquarters or administrative offices of an
60 otherwise excluded business may qualify for benefits if the offices serve a
61 multistate territory. In the event a national, state, or regional headquarters
62 operation is not the predominant activity of a project facility, the new jobs and
63 investment of such headquarters operation is considered eligible for benefits
64 under this section if the other requirements are satisfied. Service industries may
65 be eligible only if a majority of its annual revenues will be derived from out of the
66 state;

67 (10) "Existing business facility", any facility in this state which was
68 employed by the taxpayer claiming the credit in the operation of an enhanced
69 business enterprise immediately prior to an expansion, acquisition, addition, or
70 replacement;

71 (11) "Facility", any building used as an enhanced business enterprise
72 located within an enhanced enterprise zone, including the land on which the
73 facility is located and all machinery, equipment, and other real and depreciable
74 tangible personal property acquired for use at and located at or within such
75 facility and used in connection with the operation of such facility;

76 (12) "Facility base employment", the greater of the number of employees
77 located at the facility on the date of the notice of intent, or for the twelve-month
78 period prior to the date of the notice of intent, the average number of employees
79 located at the facility, or in the event the project facility has not been in operation

80 for a full twelve-month period, the average number of employees for the number
81 of months the facility has been in operation prior to the date of the notice of
82 intent;

83 (13) "Facility base payroll", the total amount of taxable wages paid by the
84 enhanced business enterprise to employees of the enhanced business enterprise
85 located at the facility in the twelve months prior to the notice of intent, not
86 including the payroll of owners of the enhanced business enterprise unless the
87 enhanced business enterprise is participating in an employee stock ownership
88 plan. For the purposes of calculating the benefits under this program, the
89 amount of base payroll shall increase each year based on the consumer price
90 index or other comparable measure, as determined by the department;

91 (14) "Governing authority", the body holding primary legislative authority
92 over a county or incorporated municipality;

93 (15) "Megaproject", any manufacturing or assembling facility, approved
94 by the department for construction and operation within an enhanced enterprise
95 zone, which satisfies the following:

96 (a) The new capital investment is projected to exceed three hundred
97 million dollars over a period of eight years from the date of approval by the
98 department;

99 (b) The number of new jobs is projected to exceed one thousand over a
100 period of eight years beginning on the date of approval by the department;

101 (c) The average wage of new jobs to be created shall exceed the county
102 average wage;

103 (d) The taxpayer shall offer health insurance to all new jobs and pay at
104 least eighty percent of such insurance premiums; and

105 (e) An acceptable plan of repayment, to the state, of the tax credits
106 provided for the megaproject has been provided by the taxpayer;

107 (16) "NAICS", the 1997 edition of the North American Industry
108 Classification System as prepared by the Executive Office of the President, Office
109 of Management and Budget. Any NAICS sector, subsector, industry group or
110 industry identified in this section shall include its corresponding classification in
111 subsequent federal industry classification systems;

112 (17) "New business facility", a facility that **does not produce or**
113 **generate electrical energy from a renewable energy resource and**
114 satisfies the following requirements:

115 (a) Such facility is employed by the taxpayer in the operation of an

116 enhanced business enterprise. Such facility shall not be considered a new
117 business facility in the hands of the taxpayer if the taxpayer's only activity with
118 respect to such facility is to lease it to another person or persons. If the taxpayer
119 employs only a portion of such facility in the operation of an enhanced business
120 enterprise, and leases another portion of such facility to another person or
121 persons or does not otherwise use such other portions in the operation of an
122 enhanced business enterprise, the portion employed by the taxpayer in the
123 operation of an enhanced business enterprise shall be considered a new business
124 facility, if the requirements of paragraphs (b), (c), and (d) of this subdivision are
125 satisfied;

126 (b) Such facility is acquired by, or leased to, the taxpayer after December
127 31, 2004. A facility shall be deemed to have been acquired by, or leased to, the
128 taxpayer after December 31, 2004, if the transfer of title to the taxpayer, the
129 transfer of possession pursuant to a binding contract to transfer title to the
130 taxpayer, or the commencement of the term of the lease to the taxpayer occurs
131 after December 31, 2004;

132 (c) If such facility was acquired by the taxpayer from another taxpayer
133 and such facility was employed immediately prior to the acquisition by another
134 taxpayer in the operation of an enhanced business enterprise, the operation of the
135 same or a substantially similar enhanced business enterprise is not continued by
136 the taxpayer at such facility; and

137 (d) Such facility is not a replacement business facility, as defined in
138 subdivision (25) of this section;

139 (18) "New business facility employee", an employee of the taxpayer in the
140 operation of a new business facility during the taxable year for which the credit
141 allowed by section 135.967 is claimed, except that truck drivers and rail and
142 barge vehicle operators and other operators of rolling stock for hire shall not
143 constitute new business facility employees;

144 (19) "New business facility investment", the value of real and depreciable
145 tangible personal property, acquired by the taxpayer as part of the new business
146 facility, which is used by the taxpayer in the operation of the new business
147 facility, during the taxable year for which the credit allowed by 135.967 is
148 claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge
149 vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges,
150 tunnels, and rail yards and spurs shall not constitute new business facility
151 investments. The total value of such property during such taxable year shall be:

- 152 (a) Its original cost if owned by the taxpayer; or
- 153 (b) Eight times the net annual rental rate, if leased by the taxpayer. The
154 net annual rental rate shall be the annual rental rate paid by the taxpayer less
155 any annual rental rate received by the taxpayer from subrentals. The new
156 business facility investment shall be determined by dividing by twelve the sum
157 of the total value of such property on the last business day of each calendar
158 month of the taxable year. If the new business facility is in operation for less
159 than an entire taxable year, the new business facility investment shall be
160 determined by dividing the sum of the total value of such property on the last
161 business day of each full calendar month during the portion of such taxable year
162 during which the new business facility was in operation by the number of full
163 calendar months during such period;
- 164 (20) "New job", the number of employees located at the facility that
165 exceeds the facility base employment less any decrease in the number of the
166 employees at related facilities below the related facility base employment. No job
167 that was created prior to the date of the notice of intent shall be deemed a new
168 job;
- 169 (21) "Notice of intent", a form developed by the department which is
170 completed by the enhanced business enterprise and submitted to the department
171 which states the enhanced business enterprise's intent to hire new jobs and
172 request benefits under such program;
- 173 (22) "Related facility", a facility operated by the enhanced business
174 enterprise or a related company in this state that is directly related to the
175 operation of the project facility;
- 176 (23) "Related facility base employment", the greater of:
- 177 (a) The number of employees located at all related facilities on the date
178 of the notice of intent; or
- 179 (b) For the twelve-month period prior to the date of the notice of intent,
180 the average number of employees located at all related facilities of the enhanced
181 business enterprise or a related company located in this state;
- 182 (24) "Related taxpayer":
- 183 (a) A corporation, partnership, trust, or association controlled by the
184 taxpayer;
- 185 (b) An individual, corporation, partnership, trust, or association in control
186 of the taxpayer; or
- 187 (c) A corporation, partnership, trust or association controlled by an

188 individual, corporation, partnership, trust or association in control of the
189 taxpayer. "Control of a corporation" shall mean ownership, directly or indirectly,
190 of stock possessing at least fifty percent of the total combined voting power of all
191 classes of stock entitled to vote, "control of a partnership or association" shall
192 mean ownership of at least fifty percent of the capital or profits interest in such
193 partnership or association, and "control of a trust" shall mean ownership, directly
194 or indirectly, of at least fifty percent of the beneficial interest in the principal or
195 income of such trust; ownership shall be determined as provided in Section 318
196 of the Internal Revenue Code of 1986, as amended;

197 (25) **"Renewable energy generation zone", an area which has been**
198 **found, by a resolution or ordinance adopted by the governing authority**
199 **having jurisdiction of such area, to be a blighted area and which**
200 **contains land, improvements, or a lock and dam site which is unutilized**
201 **or underutilized for the production, generation, conversion, and**
202 **conveyance of electrical energy from a renewable energy resource;**

203 (26) **"Renewable energy resource", shall include:**

204 (a) **Wind;**

205 (b) **Solar thermal sources or photovoltaic cells and panels;**

206 (c) **Dedicated crops grown for energy production;**

207 (d) **Cellulosic agricultural residues;**

208 (e) **Plant residues;**

209 (f) **Methane from landfills, agricultural operations, or wastewater**
210 **treatment;**

211 (g) **Thermal depolymerization or pyrolysis for converting waste**
212 **material to energy;**

213 (h) **Clean and untreated wood such as pallets;**

214 (i) **Hydroelectric power, which shall include electrical energy**
215 **produced or generated by hydroelectric power generating equipment,**
216 **as such term is defined in section 137.010;**

217 (j) **Fuel cells using hydrogen produced by one or more of the**
218 **renewable resources provided in paragraphs (a) to (i) of this**
219 **subdivision; or**

220 (k) **Any other sources of energy, not including nuclear energy,**
221 **that are certified as renewable by rule by the department of natural**
222 **resources;**

223 (27) **"Replacement business facility", a facility otherwise described in**
224 **subdivision (17) of this section, hereafter referred to in this subdivision as "new**

225 facility", which replaces another facility, hereafter referred to in this subdivision
226 as "old facility", located within the state, which the taxpayer or a related taxpayer
227 previously operated but discontinued operating on or before the close of the first
228 taxable year for which the credit allowed by this section is claimed. A new
229 facility shall be deemed to replace an old facility if the following conditions are
230 met:

231 (a) The old facility was operated by the taxpayer or a related taxpayer
232 during the taxpayer's or related taxpayer's taxable period immediately preceding
233 the taxable year in which commencement of commercial operations occurs at the
234 new facility; and

235 (b) The old facility was employed by the taxpayer or a related taxpayer
236 in the operation of an enhanced business enterprise and the taxpayer continues
237 the operation of the same or substantially similar enhanced business enterprise
238 at the new facility. Notwithstanding the preceding provisions of this subdivision,
239 a facility shall not be considered a replacement business facility if the taxpayer's
240 new business facility investment, as computed in subdivision (19) of this section,
241 in the new facility during the tax period for which the credits allowed in section
242 135.967 are claimed exceed one million dollars and if the total number of
243 employees at the new facility exceeds the total number of employees at the old
244 facility by at least two;

245 [(26)] **(28)** "Same or substantially similar enhanced business enterprise",
246 an enhanced business enterprise in which the nature of the products produced or
247 sold, or activities conducted, are similar in character and use or are produced,
248 sold, performed, or conducted in the same or similar manner as in another
249 enhanced business enterprise.

2 [135.953. 1. For purposes of sections 135.950 to 135.970,
3 an area shall meet the following criteria in order to qualify as an
4 enhanced enterprise zone:

5 (1) The area shall be a blighted area, have pervasive
6 poverty, unemployment and general distress; and

7 (2) At least sixty percent of the residents living in the area
8 have incomes below ninety percent of the median income of all
9 residents:

10 (a) Within the state of Missouri, according to the United
11 States Census Bureau's American Community Survey, based on the
most recent of five-year period estimate data in which the final

12 year of the estimate ends in either zero or five or other appropriate
13 source as approved by the director; or

14 (b) Within the county or city not within a county in which
15 the area is located, according to the last decennial census or other
16 appropriate source as approved by the director; and

17 (3) The resident population of the area shall be at least five
18 hundred but not more than one hundred thousand at the time of
19 designation as an enhanced enterprise zone if the area lies within
20 a metropolitan statistical area, as established by the United States
21 Census Bureau, or if the area does not lie within a metropolitan
22 statistical area, the resident population of the area at the time of
23 designation shall be at least five hundred but not more than forty
24 thousand inhabitants. If the population of the jurisdiction of the
25 governing authority does not meet the minimum population
26 requirements set forth in this subdivision, the population of the
27 area must be at least fifty percent of the population of the
28 jurisdiction. However, no enhanced enterprise zone shall be
29 created which consists of the total area within the political
30 boundaries of a county; and

31 (4) The level of unemployment of persons, according to the
32 most recent data available from the United States Bureau of
33 Census and approved by the director, within the area is equal to or
34 exceeds the average rate of unemployment for:

35 (a) The state of Missouri over the previous twelve months;
36 or

37 (b) The county or city not within a county over the previous
38 twelve months.

39 2. Notwithstanding the requirements of subsection 1 of this
40 section to the contrary, an enhanced enterprise zone may be
41 established in an area located within a county for which public and
42 individual assistance has been requested by the governor pursuant
43 to Section 401 of the Robert T. Stafford Disaster Relief and
44 Emergency Assistance Act, 42 U.S.C. 5121, et seq., for an
45 emergency proclaimed by the governor pursuant to section 44.100
46 due to a natural disaster of major proportions, if the area to be
47 designated is blighted and sustained severe damage as a result of

48 such natural disaster, as determined by the state emergency
49 management agency. An application for designation as an
50 enhanced enterprise zone pursuant to this subsection shall be made
51 before the expiration of one year from the date the governor
52 requested federal relief for the area sought to be designated.

53 3. Notwithstanding the requirements of subsection 1 of this
54 section to the contrary, an enhanced enterprise zone may be
55 designated in a county of declining population if it meets the
56 requirements of subdivisions (1), (3) and either (2) or (4) of
57 subsection 1 of this section. For the purposes of this subsection, a
58 "county of declining population" is one that has lost one percent or
59 more of its population as demonstrated by comparing the most
60 recent decennial census population to the next most recent
61 decennial census population for the county.

62 4. In addition to meeting the requirements of subsection 1,
63 2, or 3 of this section, an area, to qualify as an enhanced enterprise
64 zone, shall be demonstrated by the governing authority to have
65 either:

66 (1) The potential to create sustainable jobs in a targeted
67 industry; or

68 (2) A demonstrated impact on local industry cluster
69 development.]

135.953. 1. For purposes of sections 135.950 to 135.970, an area shall
2 meet the following criteria in order to qualify as an enhanced enterprise zone:

3 (1) The area shall be a blighted area, have pervasive poverty,
4 unemployment and general distress; and

5 (2) At least sixty percent of the residents living in the area have incomes
6 below ninety percent of the median income of all residents:

7 (a) Within the state of Missouri, according to the last decennial census or
8 other appropriate source as approved by the director; or

9 (b) Within the county or city not within a county in which the area is
10 located, according to the last decennial census or other appropriate source as
11 approved by the director; and

12 (3) The resident population of the area shall be at least five hundred but
13 not more than one hundred thousand at the time of designation as an enhanced
14 enterprise zone if the area lies within a metropolitan statistical area, as

15 established by the United States Census Bureau, or if the area does not lie within
16 a metropolitan statistical area, the resident population of the area at the time of
17 designation shall be at least five hundred but not more than forty thousand
18 inhabitants. If the population of the jurisdiction of the governing authority does
19 not meet the minimum population requirements set forth in this subdivision, the
20 population of the area must be at least fifty percent of the population of the
21 jurisdiction. However, no enhanced enterprise zone shall be created which
22 consists of the total area within the political boundaries of a county; and

23 (4) The level of unemployment of persons, according to the most recent
24 data available from the United States Bureau of Census and approved by the
25 director, within the area is equal to or exceeds the average rate of unemployment
26 for:

27 (a) The state of Missouri over the previous twelve months; or

28 (b) The county or city not within a county over the previous twelve
29 months.

30 2. Notwithstanding the requirements of subsection 1 of this section to the
31 contrary, an enhanced enterprise zone may be established in an area located
32 within a county for which public and individual assistance has been requested by
33 the governor pursuant to Section 401 of the Robert T. Stafford Disaster Relief and
34 Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed
35 by the governor pursuant to section 44.100 due to a natural disaster of major
36 proportions, if the area to be designated is blighted and sustained severe damage
37 as a result of such natural disaster, as determined by the state emergency
38 management agency. An application for designation as an enhanced enterprise
39 zone pursuant to this subsection shall be made before the expiration of one year
40 from the date the governor requested federal relief for the area sought to be
41 designated.

42 3. Notwithstanding the requirements of subsection 1 of this section to the
43 contrary, an enhanced enterprise zone may be designated in a county of declining
44 population if it meets the requirements of subdivisions (1), (3) and either (2) or
45 (4) of subsection 1 of this section. For the purposes of this subsection, a "county
46 of declining population" is one that has lost one percent or more of its population
47 as demonstrated by comparing the most recent decennial census population to the
48 next most recent decennial census population for the county.

49 4. In addition to meeting the requirements of subsection 1, 2, or 3 of this
50 section, an area, to qualify as an enhanced enterprise zone, shall be demonstrated

51 by the governing authority to have either:

- 52 (1) The potential to create sustainable jobs in a targeted industry; or
53 (2) A demonstrated impact on local industry cluster development.

54 **5. Notwithstanding the requirements of subsections 1 and 4 of**
55 **this section to the contrary, a renewable energy generation zone may**
56 **be designated as an enhanced enterprise zone if the renewable energy**
57 **generation zone meets the criteria set forth in subdivision (25) of**
58 **section 135.950.**

135.963. 1. Improvements made to real property as such term is defined
2 in section 137.010 which are made in an enhanced enterprise zone subsequent to
3 the date such zone or expansion thereto was designated, may, upon approval of
4 an authorizing resolution **or ordinance** by the governing authority having
5 jurisdiction of the area in which the improvements are made, be exempt, in whole
6 or in part, from assessment and payment of ad valorem taxes of one or more
7 affected political subdivisions. **Improvements made to real property, as**
8 **such term is defined in section 137.010, which are locally assessed and**
9 **in a renewable energy generation zone designated as an enhanced**
10 **enterprise zone, subsequent to the date such enhanced enterprise zone**
11 **or expansion thereto was designated, may, upon approval of an**
12 **authorizing resolution or ordinance by the governing authority having**
13 **jurisdiction of the area in which the improvements are made, be**
14 **exempt, in whole or in part, from assessment and payment of ad**
15 **valorem taxes of one or more affected political subdivisions.** In addition
16 to enhanced business enterprises, a speculative industrial or warehouse building
17 constructed by a public entity or a private entity if the land is leased by a public
18 entity may be subject to such exemption.

19 2. Such authorizing resolution shall specify the percent of the exemption
20 to be granted, the duration of the exemption to be granted, and the political
21 subdivisions to which such exemption is to apply and any other terms, conditions,
22 or stipulations otherwise required. A copy of the resolution shall be provided to
23 the director within thirty calendar days following adoption of the resolution by
24 the governing authority.

25 3. No exemption shall be granted until the governing authority holds a
26 public hearing for the purpose of obtaining the opinions and suggestions of
27 residents of political subdivisions to be affected by the exemption from property
28 taxes. The governing authority shall send, by certified mail, a notice of such

29 hearing to each political subdivision in the area to be affected and shall publish
30 notice of such hearing in a newspaper of general circulation in the area to be
31 affected by the exemption at least twenty days prior to the hearing but not more
32 than thirty days prior to the hearing. Such notice shall state the time, location,
33 date, and purpose of the hearing.

34 4. Notwithstanding subsection 1 of this section, at least one-half of the ad
35 valorem taxes otherwise imposed on subsequent improvements to real property
36 located in an enhanced enterprise zone of enhanced business enterprises or
37 speculative industrial or warehouse buildings as indicated in subsection 1 of this
38 section shall become and remain exempt from assessment and payment of ad
39 valorem taxes of any political subdivision of this state or municipality thereof for
40 a period of not less than ten years following the date such improvements were
41 assessed, provided the improved properties are used for enhanced business
42 enterprises. The exemption for speculative buildings is subject to the approval
43 of the governing authority for a period not to exceed two years if the building is
44 owned by a private entity and five years if the building is owned or ground leased
45 by a public entity. This shall not preclude the building receiving an exemption
46 for the remaining time period established by the governing authority if it was
47 occupied by an enhanced business enterprise. The two- and five-year time
48 periods indicated for speculative buildings shall not be an addition to the local
49 abatement time period for such facility.

50 5. No exemption shall be granted for a period more than twenty-five years
51 following the date on which the original enhanced enterprise zone was designated
52 by the department.

53 6. The provisions of subsection 1 of this section shall not apply to
54 improvements made to real property begun prior to August 28, 2004.

55 7. The abatement referred to in this section shall not relieve the assessor
56 or other responsible official from ascertaining the amount of the equalized
57 assessed value of all taxable property annually as required by section 99.855,
58 99.957, or 99.1042 and shall not have the effect of reducing the payments in lieu
59 of taxes referred to in subdivision (2) of subsection 1 of section 99.845, subdivision
60 (2) of subsection 3 of section 99.957, or subdivision (2) of subsection 3 of section
61 99.1042 unless such reduction is set forth in the plan approved by the governing
62 body of the municipality pursuant to subdivision (1) of subsection 1 of section
63 99.820, section 99.942, or section 99.1027.

137.010. The following words, terms and phrases when used in laws

2 governing taxation and revenue in the state of Missouri shall have the meanings
3 ascribed to them in this section, except when the context clearly indicates a
4 different meaning:

5 (1) "Grain and other agricultural crops in an unmanufactured condition"
6 shall mean grains and feeds including, but not limited to, soybeans, cow peas,
7 wheat, corn, oats, barley, kafir, rye, flax, grain sorghums, cotton, and such other
8 products as are usually stored in grain and other elevators and on farms; but
9 excluding such grains and other agricultural crops after being processed into
10 products of such processing, when packaged or sacked. The term "processing"
11 shall not include hulling, cleaning, drying, grating, or polishing;

12 (2) **"Hydroelectric power generating equipment", very-low-head**
13 **turbine generators with a nameplate generating capacity of at least**
14 **four hundred kilowatts but not more than six hundred kilowatts and**
15 **machinery and equipment used directly in the production, generation,**
16 **conversion, storage, or conveyance of hydroelectric power to land-**
17 **based devices and appurtenances used in the transmission of electrical**
18 **energy;**

19 (3) "Intangible personal property", for the purpose of taxation, shall
20 include all property other than real property and tangible personal property, as
21 defined by this section;

22 [(3)] (4) "Real property" includes land itself, whether laid out in town
23 lots or otherwise, and all growing crops, buildings, structures, improvements and
24 fixtures of whatever kind thereon, **hydroelectric power generating**
25 **equipment**, the installed poles used in the transmission or reception of electrical
26 energy, audio signals, video signals or similar purposes, provided the owner of
27 such installed poles is also an owner of a fee simple interest, possessor of an
28 easement, holder of a license or franchise, or is the beneficiary of a right-of-way
29 dedicated for public utility purposes for the underlying land; attached wires,
30 transformers, amplifiers, substations, and other such devices and appurtenances
31 used in the transmission or reception of electrical energy, audio signals, video
32 signals or similar purposes when owned by the owner of the installed poles,
33 otherwise such items are considered personal property; and stationary property
34 used for transportation of liquid and gaseous products, including, but not limited
35 to, petroleum products, natural gas, water, and sewage;

36 [(4)] (5) "Tangible personal property" includes every tangible thing being
37 the subject of ownership or part ownership whether animate or inanimate, other

38 than money, and not forming part or parcel of real property as herein defined, but
39 does not include household goods, furniture, wearing apparel and articles of
40 personal use and adornment, as defined by the state tax commission, owned and
41 used by a person in his home or dwelling place.

✓

Unofficial

Bill

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