

SECOND REGULAR SESSION

[P E R F E C T E D]

SENATE BILL NO. 768

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

Pre-filed December 1, 2017, and ordered printed.

Read 2nd time January 17, 2018, and referred to the Committee on Ways and Means.

Reported from the Committee February 22, 2018, with recommendation that the bill do pass.

Taken up for Perfection March 7, 2018. Bill declared Perfected and Ordered Printed, as amended.

ADRIANE D. CROUSE, Secretary.

4946S.01P

AN ACT

To repeal sections 138.445 and 153.030, RSMo, and to enact in lieu thereof two new sections relating to property taxation of telephone companies.

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

Section A. Sections 138.445 and 153.030, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 138.445 and 153.030, to
3 read as follows:

138.445. 1. The state tax commission of Missouri shall annually certify
2 to the director of revenue and to the commissioner of education a copy of its most
3 recent annual report containing the total valuation of all taxable properties in the
4 state according to the county or counties for which the same is assessed. The
5 commission shall also certify to the director and to the commissioner any
6 amendments or modifications to the annual report; provided, however, that no
7 amendments or modifications to the annual report shall be accepted by the state
8 tax commission or certified by it to the director of revenue or the commissioner
9 of education at any time after December thirty-first of the year.

10 2. The annual report of the state tax commission and any amendments or
11 modifications thereto duly certified to the director of revenue and to the
12 commissioner of education shall constitute the official record of the state of
13 Missouri for purposes of section 142.345 and section 163.011.

14 3. The reports certified pursuant to this section shall not be construed to
15 represent the assessment ratio or general assessment level of any county in this
16 state.

17 4. For the additional duties imposed upon the members of the tax

18 commission under the provisions of this section, each member of the commission
19 shall annually receive nine thousand dollars plus any salary adjustment provided
20 pursuant to section 105.005 payable in equal monthly installments.

21 **5. As a part of the report defined in this section, the state tax**
22 **commission shall include the difference in assessed value for any**
23 **telephone company that, according to subsection 5 of section 153.030,**
24 **elects to be assessed utilizing the methodology defined in section**
25 **137.122. The commissioner of education shall transmit the information**
26 **to each school district.**

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

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

27 3. On or before the fifteenth day of April in the year 1946 and each year

28 thereafter an authorized officer of each such company shall furnish the state tax
29 commission and county clerks a report, duly subscribed and sworn to by such
30 authorized officer, which is like in nature and purpose to the reports required of
31 railroads under chapter 151 showing the full amount of all real and tangible
32 personal property owned, used, leased or otherwise controlled by each such
33 company on January first of the year in which the report is due.

34 4. If any telephone company assessed pursuant to chapter 153 has a
35 microwave relay station or stations in a county in which it has no wire mileage
36 but has wire mileage in another county, then, for purposes of apportioning the
37 assessed value of the distributable property of such companies, the straight line
38 distance between such microwave relay stations shall constitute miles of wire. In
39 the event that any public utility company assessed pursuant to this chapter has
40 no distributable property which physically traverses the counties in which it
41 operates, then the assessed value of the distributable property of such company
42 shall be apportioned to the physical location of the distributable property.

43 **5. (1) Notwithstanding any provision of law to the contrary,**
44 **beginning January 1, 2019, a telephone company shall make a one-time**
45 **election within the tax year to be assessed:**

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

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

52 If a telephone company begins operations, including a merger of
53 multiple telephone companies, after the effective date of this section,
54 it shall make its one-time election to be assessed using the methodology
55 for property tax purposes as described under paragraph (b) of
56 subdivision (1) of this subsection within the year in which the
57 telephone company begins its operations. A telephone company that
58 fails to make a timely election shall be deemed to have elected to be
59 assessed using the methodology for property tax purposes as provided
60 under subsections 1 to 4 of this section.

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

63 (3) Nothing in subdivision (1) of this subsection shall be

64 construed as applying to any other utility.

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

73 (b) Beginning January 1, 2019, any school district currently
74 operating at a tax rate equal to the greater of the most recent
75 voter-approved tax rate or the most recent voter-approved tax rate as
76 adjusted under subdivision (2) of subsection 5 of section 137.073 that
77 receives less tax revenue from a specific telephone company under this
78 subsection, on or before January thirty-first of the year following the
79 tax year in which the school district received less revenue from a
80 specific telephone company, may by resolution of the school board
81 impose a fee, as determined under this subsection, in order to obtain
82 such revenue. The resolution shall include all facts that support the
83 imposition of the fee. If the school district receives voter approval to
84 raise its tax rate, the district shall no longer impose the fee authorized
85 in this paragraph.

86 (c) Any fee imposed under paragraph (b) of this subdivision shall
87 be determined by taking the difference between the tax revenue the
88 telephone company paid in the tax year in question and the tax revenue
89 the telephone company would have paid in such year had it not made
90 an election under subdivision (1) of this subsection, which shall be
91 calculated by taking the telephone company valuations in the tax year
92 in question, as determined by the state tax commission under
93 paragraph (d) of this subdivision, and applying such valuations to the
94 apportionment process in subsection 2 of section 151.150. The school
95 district shall issue a billing, as provided in this subdivision, to any such
96 telephone company. A telephone company shall have forty-five days
97 after receipt of a billing to remit its payment of its portion of the fees
98 to the school district. Notwithstanding any other provision of law, the
99 issuance or receipt of such fee shall not be used:

100 a. In determining the amount of state aid that a school district

101 receives under section 163.031;

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

104 **c. For any other purpose.**

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

108 **(d) When establishing the valuation of a telephone company**
109 **assessed under paragraph (b) of subdivision (1) of this subsection, the**
110 **state tax commission shall also determine the difference between the**
111 **assessed value of a telephone company if:**

112 **a. Assessed under paragraph (b) of subdivision (1) of this**
113 **subsection; and**

114 **b. Assessed exclusively under subsections 1 to 4 of this section.**

115 **The state tax commission shall then apportion such amount to each**
116 **county and provide such information to any school district making a**
117 **request for such information.**

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

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