

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

Reported from the Committee on Ways and Means, April 18, 2019, with recommendation that the Senate Committee Substitute do pass.

0313S.05C

ADRIANE D. CROUSE, Secretary.

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Section A. Sections 153.030 and 153.034, RSMo, are repealed and two new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

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, beginning
44 January 1, 2019, a telephone company shall make a one-time election within the
45 tax year to be assessed:

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

48 (b) Using the methodology for property tax purposes as provided under
49 this section for property consisting of land and buildings and be assessed for all
50 other property exclusively using the methodology utilized under section 137.122.
51 If a telephone company begins operations, including a merger of multiple
52 telephone companies, after August 28, 2018, it shall make its one-time election
53 to be assessed using the methodology for property tax purposes as described
54 under paragraph (b) of subdivision (1) of this subsection within the year in which

55 the telephone company begins its operations. A telephone company that fails to
56 make a timely election shall be deemed to have elected to be assessed using the
57 methodology for property tax purposes as provided under subsections 1 to 4 of
58 this section.

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

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

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

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

81 (c) Any fee imposed under paragraph (b) of this subdivision shall be
82 determined by taking the difference between the tax revenue the telephone
83 company paid in the tax year in question and the tax revenue the telephone
84 company would have paid in such year had it not made an election under
85 subdivision (1) of this subsection, which shall be calculated by taking the
86 telephone company valuations in the tax year in question, as determined by the
87 state tax commission under paragraph (d) of this subdivision, and applying such
88 valuations to the apportionment process in subsection 2 of section 151.150. The
89 school district shall issue a billing, as provided in this subdivision, to any such
90 telephone company. A telephone company shall have forty-five days after receipt

91 of a billing to remit its payment of its portion of the fees to the school
92 district. Notwithstanding any other provision of law, the issuance or receipt of
93 such fee shall not be used:

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

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

98 c. For any other purpose.

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

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

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

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

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

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

111 **6. (1) If any public utility company assessed pursuant to this**
112 **chapter has ownership of any real or personal property associated with**
113 **a project which uses wind energy directly to generate electricity, the**
114 **wind energy project shall be valued and taxed by any local authorities**
115 **having jurisdiction under the provisions of chapter 137 and other**
116 **relevant provisions of the law.**

117 **(2) Notwithstanding any provision of law to the contrary,**
118 **beginning January 1, 2020, any public utility company assessed**
119 **pursuant to this chapter which has a wind energy project shall be**
120 **assessed using the methodology for real and personal property as**
121 **provided in this section:**

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

124 **(b) Any property consisting of land and buildings of such**
125 **company shall be assessed using the methodology provided under**
126 **section 137.076; and**

127 **(c) All other business or personal property of such company shall**
128 **be assessed using the methodology provided under section 137.122.**

153.034. 1. The term "distributable property" of an electric company shall
2 include all the real or tangible personal property which is used directly in the
3 generation and distribution of electric power, but not property used as a collateral
4 facility nor property held for purposes other than generation and distribution of
5 electricity. Such distributable property includes, but is not 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
9 meters;
- 10 (4) Substation equipment and fences;
- 11 (5) Rights-of-way;
- 12 (6) Reactor, reactor plant equipment, and cooling towers;
- 13 (7) Communication equipment used for control of generation and
14 distribution of power;
- 15 (8) Land associated with such distributable property.

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

- 21 (1) Motor vehicles;
- 22 (2) Construction work in progress;
- 23 (3) Materials and supplies;
- 24 (4) Office furniture, office equipment, and office fixtures;
- 25 (5) Coal piles and nuclear fuel;
- 26 (6) Land held for future use;
- 27 (7) Workshops, warehouses, office buildings and generating plant
28 structures;
- 29 (8) Communication equipment not used for control of generation and
30 distribution of power;
- 31 (9) Roads, railroads, and bridges;
- 32 (10) Reservoirs, dams, and waterways;
- 33 (11) Land associated with other locally assessed property and all
34 generating plant land.

35 **3. (1) Any real or tangible personal property associated with a**
36 **project which uses wind energy directly to generate electricity shall be**
37 **valued and taxed by any state and local authorities having jurisdiction**
38 **under the provisions of chapter 137 and any other relevant provisions**
39 **of law. The method of taxation prescribed in subsection 2 of section**
40 **153.030 shall not apply to such property.**

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

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