

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/SCS/HCS/House Bill No. 734, Page 1, Section 67.309, Line 12,

2 by inserting after all of said line the following:

3 "137.123. 1. Beginning January 1, 2022, for purposes  
4 of assessing all real property, excluding land, or tangible  
5 personal property associated with a project that uses wind  
6 energy directly to generate electricity, the following  
7 depreciation tables shall be used to determine the true  
8 value in money of such property. The first year shown in  
9 the table shall be the year immediately following the year  
10 of construction of the property. The original costs shall  
11 reflect either:

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

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

18 For purposes of this section, and to estimate the value of  
19 all real property, excluding land, or tangible personal  
20 property associated with a project that uses wind energy  
21 directly to generate electricity, each assessor shall apply  
22 the percentage shown to the original cost for the first year  
23 following the year of construction of the property, and the  
24 percentage shown for each succeeding year shall be the

25 percentage of the original cost used for January first of  
 26 the respective succeeding year as follows:

| 27 | <u>Year</u> | <u>Percentag</u> |
|----|-------------|------------------|
| 28 |             | <u>e</u>         |
| 29 | <u>1</u>    | <u>40%</u>       |
| 30 | <u>2</u>    | <u>40%</u>       |
| 31 | <u>3</u>    | <u>37%</u>       |
| 32 | <u>4</u>    | <u>37%</u>       |
| 33 | <u>5</u>    | <u>35%</u>       |

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

39 2. Nothing in this section shall be construed to  
 40 prohibit a project from engaging in enhanced enterprise zone  
 41 agreements under sections 135.950 to 135.973 or similar tax  
 42 abatement agreements with state or local officials or to  
 43 affect any existing enhanced enterprise zone agreements.

44 153.030. 1. All bridges over streams dividing this  
 45 state from any other state owned, used, leased or otherwise  
 46 controlled by any person, corporation, railroad company or  
 47 joint stock company, and all bridges across or over  
 48 navigable streams within this state, where the charge is  
 49 made for crossing the same, which are now constructed, which  
 50 are in the course of construction, or which shall hereafter  
 51 be constructed, and all property, real and tangible  
 52 personal, owned, used, leased or otherwise controlled by  
 53 telegraph, telephone, electric power and light companies,  
 54 electric transmission lines, pipeline companies and express  
 55 companies shall be subject to taxation for state, county,

56 municipal and other local purposes to the same extent as the  
57 property of private persons.

58         2. And taxes levied thereon shall be levied and  
59 collected in the manner as is now or may hereafter be  
60 provided by law for the taxation of railroad property in  
61 this state, and county commissions, county boards of  
62 equalization and the state tax commission are hereby  
63 required to perform the same duties and are given the same  
64 powers, including punitive powers, in assessing, equalizing  
65 and adjusting the taxes on the property set forth in this  
66 section as the county commissions and boards of equalization  
67 and state tax commission have or may hereafter be empowered  
68 with, in assessing, equalizing, and adjusting the taxes on  
69 railroad property; and an authorized officer of any such  
70 bridge, telegraph, telephone, electric power and light  
71 companies, electric transmission lines, pipeline companies,  
72 or express company or the owner of any such toll bridge, is  
73 hereby required to render reports of the property of such  
74 bridge, telegraph, telephone, electric power and light  
75 companies, electric transmission lines, pipeline companies,  
76 or express companies in like manner as the authorized  
77 officer of the railroad company is now or may hereafter be  
78 required to render for the taxation of railroad property.

79         3. On or before the fifteenth day of April in the year  
80 1946 and each year thereafter an authorized officer of each  
81 such company shall furnish the state tax commission and  
82 county clerks a report, duly subscribed and sworn to by such  
83 authorized officer, which is like in nature and purpose to  
84 the reports required of railroads under chapter 151 showing  
85 the full amount of all real and tangible personal property  
86 owned, used, leased or otherwise controlled by each such  
87 company on January first of the year in which the report is  
88 due.

89           4. If any telephone company assessed pursuant to  
90 chapter 153 has a microwave relay station or stations in a  
91 county in which it has no wire mileage but has wire mileage  
92 in another county, then, for purposes of apportioning the  
93 assessed value of the distributable property of such  
94 companies, the straight line distance between such microwave  
95 relay stations shall constitute miles of wire. In the event  
96 that any public utility company assessed pursuant to this  
97 chapter has no distributable property which physically  
98 traverses the counties in which it operates, then the  
99 assessed value of the distributable property of such company  
100 shall be apportioned to the physical location of the  
101 distributable property.

102           5. (1) Notwithstanding any provision of law to the  
103 contrary, beginning January 1, 2019, a telephone company  
104 shall make a one-time election within the tax year to be  
105 assessed:

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

108           (b) Using the methodology for property tax purposes as  
109 provided under this section for property consisting of land  
110 and buildings and be assessed for all other property  
111 exclusively using the methodology utilized under section  
112 137.122.

113 If a telephone company begins operations, including a merger  
114 of multiple telephone companies, after August 28, 2018, it  
115 shall make its one-time election to be assessed using the  
116 methodology for property tax purposes as described under  
117 paragraph (b) of subdivision (1) of this subsection within  
118 the year in which the telephone company begins its  
119 operations. A telephone company that fails to make a timely  
120 election shall be deemed to have elected to be assessed

121 using the methodology for property tax purposes as provided  
122 under subsections 1 to 4 of this section.

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

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

128 (4) (a) The provisions of this subdivision shall  
129 ensure that school districts may avoid any fiscal impact as  
130 a result of a telephone company being assessed under the  
131 provisions of paragraph (b) of subdivision (1) of this  
132 subsection. If a school district's current operating levy  
133 is below the greater of its most recent voter-approved tax  
134 rate or the most recent voter-approved tax rate as adjusted  
135 under subdivision (2) of subsection 5 of section 137.073, it  
136 shall comply with section 137.073.

137 (b) Beginning January 1, 2019, any school district  
138 currently operating at a tax rate equal to the greater of  
139 the most recent voter-approved tax rate or the most recent  
140 voter-approved tax rate as adjusted under subdivision (2) of  
141 subsection 5 of section 137.073 that receives less tax  
142 revenue from a specific telephone company under this  
143 subsection, on or before January thirty-first of the year  
144 following the tax year in which the school district received  
145 less revenue from a specific telephone company, may by  
146 resolution of the school board impose a fee, as determined  
147 under this subsection, in order to obtain such revenue. The  
148 resolution shall include all facts that support the  
149 imposition of the fee. If the school district receives  
150 voter approval to raise its tax rate, the district shall no  
151 longer impose the fee authorized in this paragraph.

152 (c) Any fee imposed under paragraph (b) of this  
153 subdivision shall be determined by taking the difference

154 between the tax revenue the telephone company paid in the  
155 tax year in question and the tax revenue the telephone  
156 company would have paid in such year had it not made an  
157 election under subdivision (1) of this subsection, which  
158 shall be calculated by taking the telephone company  
159 valuations in the tax year in question, as determined by the  
160 state tax commission under paragraph (d) of this  
161 subdivision, and applying such valuations to the  
162 apportionment process in subsection 2 of section 151.150.  
163 The school district shall issue a billing, as provided in  
164 this subdivision, to any such telephone company. A  
165 telephone company shall have forty-five days after receipt  
166 of a billing to remit its payment of its portion of the fees  
167 to the school district. Notwithstanding any other provision  
168 of law, the issuance or receipt of such fee shall not be  
169 used:

- 170       a. In determining the amount of state aid that a  
171 school district receives under section 163.031;
- 172       b. In determining the amount that may be collected  
173 under a property tax levy by such district; or
- 174       c. For any other purpose.

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

178       (d) When establishing the valuation of a telephone  
179 company assessed under paragraph (b) of subdivision (1) of  
180 this subsection, the state tax commission shall also  
181 determine the difference between the assessed value of a  
182 telephone company if:

- 183       a. Assessed under paragraph (b) of subdivision (1) of  
184 this subsection; and
- 185       b. Assessed exclusively under subsections 1 to 4 of  
186 this section.

187 The state tax commission shall then apportion such amount to  
188 each county and provide such information to any school  
189 district making a request for such information.

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

192 6. (1) If any public utility company assessed  
193 pursuant to this chapter has ownership of any real or  
194 personal property associated with a project which uses wind  
195 energy directly to generate electricity, such wind energy  
196 project property shall be valued and taxed by any local  
197 authorities having jurisdiction under the provisions of  
198 chapter 137 and other relevant provisions of the law.

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

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

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

210 (c) ~~All other [business] real property, excluding~~  
211 ~~land, or personal property related to the wind energy~~  
212 ~~project shall be assessed using the methodology provided~~  
213 ~~under section [137.122] 137.123.~~

214 7. (1) If any public utility company assessed  
215 pursuant to this chapter has ownership of any real or  
216 personal property associated with a generation project which  
217 was originally constructed utilizing financing authorized  
218 pursuant to chapter 100 for construction, upon the transfer  
219 of ownership of such property to the public utility company

220 such property shall be valued and taxed by any local  
221 authorities having jurisdiction under the provisions of  
222 chapter 137 and other relevant provisions of law.

223 (2) Notwithstanding any provision of law to the  
224 contrary, beginning January 1, 2022, for any public utility  
225 company assessed pursuant to this chapter which has  
226 ownership of any real or personal property associated with a  
227 generation project which was originally constructed  
228 utilizing financing authorized pursuant to chapter 100 for  
229 construction, upon the transfer of ownership of such  
230 property to the public utility company such property shall  
231 be assessed as follows:

232 (a) Any property associated with a generation project  
233 which was originally constructed utilizing financing  
234 authorized pursuant to chapter 100 for construction shall be  
235 assessed upon the county assessor's local tax rolls. The  
236 assessor shall rely on the public utility company for cost  
237 information of the generation portion of the property as  
238 found in the public utility company's Federal Energy  
239 Regulatory Commission Financial Report Form Number One at  
240 the time of transfer of ownership, and depreciate the costs  
241 provided in a manner similar to other commercial and  
242 industrial property.

243 (b) Any property consisting of land and buildings  
244 related to the generation property associated with a  
245 generation project which was originally constructed  
246 utilizing financing pursuant to chapter 100 for construction  
247 shall be assessed under chapter 137; and

248 (c) All other business or personal property related to  
249 a generation project which was originally constructed  
250 utilizing financing pursuant to chapter 100 for construction  
251 shall be assessed using the methodology provided under  
252 section 137.122.

253           153.034. 1. The term "distributable property" of an  
254 electric company shall include all the real or tangible  
255 personal property which is used directly in the generation  
256 and distribution of electric power, but not property used as  
257 a collateral facility nor property held for purposes other  
258 than generation and distribution of electricity. Such  
259 distributable property includes, but is not limited to:

260           (1) Boiler plant equipment, turbogenerator units and  
261 generators;

262           (2) Station equipment;

263           (3) Towers, fixtures, poles, conductors, conduit  
264 transformers, services and meters;

265           (4) Substation equipment and fences;

266           (5) Rights-of-way;

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

269           (7) Communication equipment used for control of  
270 generation and distribution of power;

271           (8) Land associated with such distributable property.

272           2. The term "local property" of an electric company  
273 shall include all real and tangible personal property owned,  
274 used, leased or otherwise controlled by the electric company  
275 not used directly in the generation and distribution of  
276 power and not defined in subsection 1 of this section as  
277 distributable property. Such local property includes, but  
278 is not limited to:

279           (1) Motor vehicles;

280           (2) Construction work in progress;

281           (3) Materials and supplies;

282           (4) Office furniture, office equipment, and office  
283 fixtures;

284           (5) Coal piles and nuclear fuel;

285           (6) Land held for future use;

286 (7) Workshops, warehouses, office buildings and  
287 generating plant structures;

288 (8) Communication equipment not used for control of  
289 generation and distribution of power;

290 (9) Roads, railroads, and bridges;

291 (10) Reservoirs, dams, and waterways;

292 (11) Land associated with other locally assessed  
293 property and all generating plant land.

294 3. (1) Any real or tangible personal property  
295 associated with a project which uses wind energy directly to  
296 generate electricity shall be valued and taxed by local  
297 authorities having jurisdiction under the provisions of  
298 chapter 137 and any other relevant provisions of law. The  
299 method of taxation prescribed in subsection 2 of section  
300 153.030 and subsection 1 of this section shall not apply to  
301 such property.

302 (2) The real or tangible personal property referenced  
303 in subdivision (1) of this subsection shall include all  
304 equipment whose sole purpose is to support the integration  
305 of a wind generation asset into an existing system.  
306 Examples of such property may include, but are not limited  
307 to, wind chargers, windmills, wind turbines, wind towers,  
308 and associated electrical equipment such as inverters, pad  
309 mount transformers, power lines, storage equipment directly  
310 associated with wind generation assets, and substations.

311 4. For any real or tangible personal property  
312 associated with a generation project which was originally  
313 constructed utilizing financing authorized under chapter 100  
314 for construction, upon the transfer of ownership of such  
315 property to a public utility, such property shall be valued  
316 and taxed by local authorities having jurisdiction under the  
317 provisions of chapter 137 and any other relevant provisions  
318 of law. The method of taxation prescribed in subsection 2

319 of section 153.030 and subsection 1 of this section shall  
 320 not apply to such property."; and

321 Further amend said bill, page 67, Section 400.9-109,  
 322 line 102, by inserting after all of said line the following:

323 "[393.1073. 1. There is hereby  
 324 established the "Task Force on Wind Energy",  
 325 which shall be composed of the following members:

326 (1) Three members of the house of  
 327 representatives, with two appointed by the  
 328 speaker of the house of representatives and one  
 329 appointed by the minority floor leader of the  
 330 house of representatives;

331 (2) Three members of the senate, with two  
 332 appointed by the president pro tempore of the  
 333 senate and one appointed by the minority floor  
 334 leader of the senate; and

335 (3) Two representatives from Missouri  
 336 county governments with experience in wind  
 337 energy valuations, with one being a currently  
 338 elected county assessor to be appointed by the  
 339 speaker of the house of representatives, and one  
 340 being a currently elected county clerk to be  
 341 appointed by the president pro tempore of the  
 342 senate.

343 2. The task force shall conduct public  
 344 hearings and research, and shall compile a  
 345 report for delivery to the general assembly by  
 346 no later than December 31, 2019. Such report  
 347 shall include information on the following:

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

350 (2) The fair, uniform, and standardized  
 351 assessment and taxation of wind turbines and  
 352 their connected equipment owned by a public  
 353 utility company at the county level in all  
 354 counties;

355 (3) Compliance with existing federal and  
 356 state programs and regulations; and

357 (4) Potential legislation that will  
 358 provide a uniform assessment and taxation  
 359 methodology for wind turbines and their  
 360 connected equipment owned by a public utility  
 361 company that will be used in every county of  
 362 Missouri.

363 3. The task force shall meet within thirty  
 364 days after its creation and shall organize by  
 365 selecting a chairperson and vice chairperson,  
 366 one of whom shall be a member of the senate and  
 367 the other a member of the house of  
 368 representatives. Thereafter, the task force may  
 369 meet as often as necessary in order to  
 370 accomplish the tasks assigned to it. A majority

371 of the task force shall constitute a quorum, and  
372 a majority vote of such quorum shall be required  
373 for any action.

374 4. The staff of house research and senate  
375 research shall provide necessary clerical,  
376 research, fiscal, and legal services to the task  
377 force, as the task force may request.

378 5. The members of the task force shall  
379 serve without compensation, but any actual and  
380 necessary expenses incurred in the performance  
381 of the task force's official duties by the task  
382 force, its members, and any staff assigned to  
383 the task force shall be paid from the joint  
384 contingent fund.

385 6. This section shall expire on December  
386 31, 2019.]" ; and

387 Further amend the title and enacting clause accordingly.