

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 92

101ST GENERAL ASSEMBLY

0901S.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 the assessment of certain public utility property.

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

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2 repealed and two new sections enacted in lieu thereof, to be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

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

15 2. And taxes levied thereon shall be levied and
16 collected in the manner as is now or may hereafter be
17 provided by law for the taxation of railroad property in

18 this state, and county commissions, county boards of
19 equalization and the state tax commission are hereby
20 required to perform the same duties and are given the same
21 powers, including punitive powers, in assessing, equalizing
22 and adjusting the taxes on the property set forth in this
23 section as the county commissions and boards of equalization
24 and state tax commission have or may hereafter be empowered
25 with, in assessing, equalizing, and adjusting the taxes on
26 railroad property; and an authorized officer of any such
27 bridge, telegraph, telephone, electric power and light
28 companies, electric transmission lines, pipeline companies,
29 or express company or the owner of any such toll bridge, is
30 hereby required to render reports of the property of such
31 bridge, telegraph, telephone, electric power and light
32 companies, electric transmission lines, pipeline companies,
33 or express companies in like manner as the authorized
34 officer of the railroad company is now or may hereafter be
35 required to render for the taxation of railroad property.

36 3. On or before the fifteenth day of April in the year
37 1946 and each year thereafter an authorized officer of each
38 such company shall furnish the state tax commission and
39 county clerks a report, duly subscribed and sworn to by such
40 authorized officer, which is like in nature and purpose to
41 the reports required of railroads under chapter 151 showing
42 the full amount of all real and tangible personal property
43 owned, used, leased or otherwise controlled by each such
44 company on January first of the year in which the report is
45 due.

46 4. If any telephone company assessed pursuant to
47 chapter 153 has a microwave relay station or stations in a
48 county in which it has no wire mileage but has wire mileage
49 in another county, then, for purposes of apportioning the

50 assessed value of the distributable property of such
51 companies, the straight line distance between such microwave
52 relay stations shall constitute miles of wire. In the event
53 that any public utility company assessed pursuant to this
54 chapter has no distributable property which physically
55 traverses the counties in which it operates, then the
56 assessed value of the distributable property of such company
57 shall be apportioned to the physical location of the
58 distributable property.

59 5. (1) Notwithstanding any provision of law to the
60 contrary, beginning January 1, 2019, a telephone company
61 shall make a one-time election within the tax year to be
62 assessed:

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

65 (b) Using the methodology for property tax purposes as
66 provided under this section for property consisting of land
67 and buildings and be assessed for all other property
68 exclusively using the methodology utilized under section
69 137.122.

70 If a telephone company begins operations, including a merger
71 of multiple telephone companies, after August 28, 2018, it
72 shall make its one-time election to be assessed using the
73 methodology for property tax purposes as described under
74 paragraph (b) of subdivision (1) of this subsection within
75 the year in which the telephone company begins its
76 operations. A telephone company that fails to make a timely
77 election shall be deemed to have elected to be assessed
78 using the methodology for property tax purposes as provided
79 under subsections 1 to 4 of this section.

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

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

85 (4) (a) The provisions of this subdivision shall
86 ensure that school districts may avoid any fiscal impact as
87 a result of a telephone company being assessed under the
88 provisions of paragraph (b) of subdivision (1) of this
89 subsection. If a school district's current operating levy
90 is below the greater of its most recent voter-approved tax
91 rate or the most recent voter-approved tax rate as adjusted
92 under subdivision (2) of subsection 5 of section 137.073, it
93 shall comply with section 137.073.

94 (b) Beginning January 1, 2019, any school district
95 currently operating at a tax rate equal to the greater of
96 the most recent voter-approved tax rate or the most recent
97 voter-approved tax rate as adjusted under subdivision (2) of
98 subsection 5 of section 137.073 that receives less tax
99 revenue from a specific telephone company under this
100 subsection, on or before January thirty-first of the year
101 following the tax year in which the school district received
102 less revenue from a specific telephone company, may by
103 resolution of the school board impose a fee, as determined
104 under this subsection, in order to obtain such revenue. The
105 resolution shall include all facts that support the
106 imposition of the fee. If the school district receives
107 voter approval to raise its tax rate, the district shall no
108 longer impose the fee authorized in this paragraph.

109 (c) Any fee imposed under paragraph (b) of this
110 subdivision shall be determined by taking the difference
111 between the tax revenue the telephone company paid in the

112 tax year in question and the tax revenue the telephone
113 company would have paid in such year had it not made an
114 election under subdivision (1) of this subsection, which
115 shall be calculated by taking the telephone company
116 valuations in the tax year in question, as determined by the
117 state tax commission under paragraph (d) of this
118 subdivision, and applying such valuations to the
119 apportionment process in subsection 2 of section 151.150.
120 The school district shall issue a billing, as provided in
121 this subdivision, to any such telephone company. A
122 telephone company shall have forty-five days after receipt
123 of a billing to remit its payment of its portion of the fees
124 to the school district. Notwithstanding any other provision
125 of law, the issuance or receipt of such fee shall not be
126 used:

- 127 a. In determining the amount of state aid that a
128 school district receives under section 163.031;
129 b. In determining the amount that may be collected
130 under a property tax levy by such district; or
131 c. For any other purpose.

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

135 (d) When establishing the valuation of a telephone
136 company assessed under paragraph (b) of subdivision (1) of
137 this subsection, the state tax commission shall also
138 determine the difference between the assessed value of a
139 telephone company if:

- 140 a. Assessed under paragraph (b) of subdivision (1) of
141 this subsection; and

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

144 The state tax commission shall then apportion such amount to
145 each county and provide such information to any school
146 district making a request for such information.

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

149 6. (1) If any public utility company assessed
150 pursuant to this chapter has ownership of any real or
151 personal property associated with a project which uses wind
152 energy directly to generate electricity, such wind energy
153 project property shall be valued and taxed by any local
154 authorities having jurisdiction under the provisions of
155 chapter 137 and other relevant provisions of the law.

156 (2) Notwithstanding any provision of law to the
157 contrary, beginning January 1, 2020, for any public utility
158 company assessed pursuant to this chapter which has a wind
159 energy project, such wind energy project shall be assessed
160 using the methodology for real and personal property as
161 provided in this subsection:

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

164 (b) Any property consisting of land and buildings
165 related to the wind energy project shall be assessed under
166 chapter 137; and

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

170 **7. (1) If any public utility company assessed**
171 **pursuant to this chapter has ownership of any real or**
172 **personal property associated with a generation project which**

173 was originally constructed utilizing financing authorized
174 pursuant to chapter 100 for construction, upon the transfer
175 of ownership of such property to the public utility company
176 such property shall be valued and taxed by any local
177 authorities having jurisdiction under the provisions of
178 chapter 137 and other relevant provisions of law.

179 (2) Notwithstanding any provision of law to the
180 contrary, beginning January 1, 2022, for any public utility
181 company assessed pursuant to this chapter which has
182 ownership of any real or personal property associated with a
183 generation project which was originally constructed
184 utilizing financing authorized pursuant to chapter 100 for
185 construction, upon the transfer of ownership of such
186 property to the public utility company such property shall
187 be assessed as follows:

188 (a) Any property associated with a generation project
189 which was originally constructed utilizing financing
190 authorized pursuant to chapter 100 for construction shall be
191 assessed upon the county assessor's local tax rolls. The
192 assessor shall rely on the public utility company for cost
193 information of the generation portion of the property as
194 found in the public utility company's Federal Energy
195 Regulatory Commission Financial Report Form Number One at
196 the time of transfer of ownership, and depreciate the costs
197 provided in a manner similar to other commercial and
198 industrial property.

199 (b) Any property consisting of land and buildings
200 related to the generation property associated with a
201 generation project which was originally constructed
202 utilizing financing pursuant to chapter 100 for construction
203 shall be assessed under chapter 137; and

204 **(c) All other business or personal property related to**
205 **a generation project which was originally constructed**
206 **utilizing financing pursuant to chapter 100 for construction**
207 **shall be assessed using the methodology provided under**
208 **section 137.122.**

153.034. 1. The term "distributable property" of an
2 electric company shall include all the real or tangible
3 personal property which is used directly in the generation
4 and distribution of electric power, but not property used as
5 a collateral facility nor property held for purposes other
6 than generation and distribution of electricity. Such
7 distributable property includes, but is not limited to:

8 (1) Boiler plant equipment, turbogenerator units and
9 generators;

10 (2) Station equipment;

11 (3) Towers, fixtures, poles, conductors, conduit
12 transformers, services and meters;

13 (4) Substation equipment and fences;

14 (5) Rights-of-way;

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

17 (7) Communication equipment used for control of
18 generation and distribution of power;

19 (8) Land associated with such distributable property.

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

27 (1) Motor vehicles;

- 28 (2) Construction work in progress;
- 29 (3) Materials and supplies;
- 30 (4) Office furniture, office equipment, and office
31 fixtures;
- 32 (5) Coal piles and nuclear fuel;
- 33 (6) Land held for future use;
- 34 (7) Workshops, warehouses, office buildings and
35 generating plant structures;
- 36 (8) Communication equipment not used for control of
37 generation and distribution of power;
- 38 (9) Roads, railroads, and bridges;
- 39 (10) Reservoirs, dams, and waterways;
- 40 (11) Land associated with other locally assessed
41 property and all generating plant land.
- 42 3. (1) Any real or tangible personal property
43 associated with a project which uses wind energy directly to
44 generate electricity shall be valued and taxed by local
45 authorities having jurisdiction under the provisions of
46 chapter 137 and any other relevant provisions of law. The
47 method of taxation prescribed in subsection 2 of section
48 153.030 and subsection 1 of this section shall not apply to
49 such property.
- 50 (2) The real or tangible personal property referenced
51 in subdivision (1) of this subsection shall include all
52 equipment whose sole purpose is to support the integration
53 of a wind generation asset into an existing system.
54 Examples of such property may include, but are not limited
55 to, wind chargers, windmills, wind turbines, wind towers,
56 and associated electrical equipment such as inverters, pad
57 mount transformers, power lines, storage equipment directly
58 associated with wind generation assets, and substations.

59 4. For any real or tangible personal property
60 associated with a generation project which was originally
61 constructed utilizing financing authorized under chapter 100
62 for construction, upon the transfer of ownership of such
63 property to a public utility, such property shall be valued
64 and taxed by local authorities having jurisdiction under the
65 provisions of chapter 137 and any other relevant provisions
66 of law. The method of taxation prescribed in subsection 2
67 of section 153.030 and subsection 1 of this section shall
68 not apply to such property.

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