

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 488

101ST GENERAL ASSEMBLY

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1024S.04C

ADRIANE D. CROUSE, Secretary

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## AN ACT

To repeal sections 153.030, 204.569, and 393.1073, RSMo, and to enact in lieu thereof six new sections relating to utilities.

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

Section A. Sections 153.030, 204.569, and 393.1073, RSMo,  
2 are repealed and six new sections enacted in lieu thereof, to  
3 be known as sections 67.1847, 137.123, 153.030, 204.569,  
4 386.895, and 393.125, to read as follows:

**67.1847. Any public utility engaged in providing fiber  
2 networks to customers using fiber networks, built whole or  
3 in part in a political subdivision's right-of-way, who is  
4 not subject to franchise fees or gross receipts tax before  
5 August 28, 2021, shall pay to the political subdivision a  
6 gross receipts tax of seven and one-half percent and shall  
7 not be charged a linear foot fee.**

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

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

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

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

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

25	Year	Percentage
26	1	40%
27	2	40%
28	3	37%
29	4	37%
30	5	35%

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

36           2. Nothing in this section shall be construed to  
 37 prohibit a project from engaging in enhanced enterprise zone  
 38 agreements under sections 135.950 to 135.973 or similar tax

39 **abatement agreements with state or local officials or to**  
40 **affect any existing enhanced enterprise zone agreements.**

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.

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; **and**

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] **real property, excluding**  
168 **land**, or personal property related to the wind energy  
169 project shall be assessed using the methodology provided  
170 under section [137.122] **137.123**.

204.569. When an unincorporated sewer subdistrict of a  
2 common sewer district has been formed pursuant to sections  
3 204.565 to 204.573, the board of trustees of the common  
4 sewer district shall have the same powers with regard to the  
5 subdistrict as for the common sewer district as a whole,  
6 plus the following additional powers:

7 (1) To enter into agreements to accept, take title to,  
8 or otherwise acquire, and to operate such sewers, sewer  
9 systems, treatment and disposal facilities, and other  
10 property, both real and personal, of the political  
11 subdivisions included in the subdistrict as the board  
12 determines to be in the interest of the common sewer  
13 district to acquire or operate, according to such terms and  
14 conditions as the board finds reasonable, provided that such

15 authority shall be in addition to the powers of the board of  
16 trustees pursuant to section 204.340;

17 (2) To provide for the construction, extension,  
18 improvement, and operation of such sewers, sewer systems,  
19 and treatment and disposal facilities, as the board  
20 determines necessary for the preservation of public health  
21 and maintenance of sanitary conditions in the subdistrict;

22 (3) For the purpose of meeting the costs of activities  
23 undertaken pursuant to the authority granted in this  
24 section, to issue bonds in anticipation of revenues of the  
25 subdistrict in the same manner as set out in sections  
26 204.360 to 204.450, for other bonds of the common sewer  
27 district. Issuance of such bonds for the subdistrict shall  
28 require the assent only of four-sevenths of the voters of  
29 the subdistrict voting on the question[, and] **except that,**  
30 **as an alternative to such a vote, if the subdistrict is a**  
31 **part of a common sewer district located in whole or in part**  
32 **in any county of the first classification without a charter**  
33 **form of government adjacent to a county of the first**  
34 **classification with a charter form of government and a**  
35 **population of at least six hundred thousand and not more**  
36 **than seven hundred fifty thousand, bonds may be issued for**  
37 **such subdistrict if the question receives the written assent**  
38 **of three-quarters of the customers of the subdistrict in a**  
39 **manner consistent with section 204.370, where "customer", as**  
40 **used in this subdivision, means any political subdivision**  
41 **within the subdistrict that has a service or user agreement**  
42 **with the common sewer district.** The principal and interest  
43 of such bonds shall be payable only from the revenues of the  
44 subdistrict and not from any revenues of the common sewer  
45 district as a whole;

46           (4) To charge the costs of the common sewer district  
47 for operation and maintenance attributable to the  
48 subdistrict, plus a proportionate share of the common sewer  
49 district's costs of administration to revenues of the  
50 subdistrict and to consider such costs in determining  
51 reasonable charges to impose within the subdistrict under  
52 section 204.440;

53           (5) With prior concurrence of the subdistrict's  
54 advisory board, to provide for the treatment and disposal of  
55 sewage from the subdistrict in or by means of facilities of  
56 the common sewer district not located within the  
57 subdistrict, in which case the board of trustees shall also  
58 have authority to charge a proportionate share of the costs  
59 of the common sewer district for operation and maintenance  
60 to revenues of the subdistrict and to consider such costs in  
61 determining reasonable charges to impose within the  
62 subdistrict under section 204.440.

**386.895. 1. As used in this section the following  
2 terms shall mean:**

3           (1) "Biogas", a mixture of carbon dioxide and  
4 hydrocarbons, primarily methane gas, released from the  
5 biological decomposition of organic materials;

6           (2) "Biomass", has the meaning given the term  
7 "qualified biomass" in section 142.028;

8           (3) "Gas corporation", the same as defined in section  
9 386.020;

10           (4) "Qualified investment", any capital investment in  
11 renewable natural gas infrastructure incurred by a gas  
12 corporation for the purpose of providing natural gas service  
13 under a renewable natural gas program;

14           (5) "Renewable energy sources", hydroelectric,  
15 geothermal, solar photovoltaic, wind, tidal, wave, biomass,  
16 or biogas energy sources;

17           (6) "Renewable natural gas", any of the following  
18 products processed to meet pipeline quality standards or  
19 transportation fuel grade requirements:

20           (a) Biogas that is upgraded to meet natural gas  
21 pipeline quality standards such that it may blend with, or  
22 substitute for, geologic natural gas;

23           (b) Hydrogen gas; or

24           (c) Methane gas derived from any combination of:

25           a. Biogas;

26           b. Hydrogen gas or carbon oxides derived from  
27 renewable energy sources; or

28           c. Waste carbon dioxide;

29           (7) "Renewable natural gas infrastructure", all  
30 equipment and facilities for the production, processing,  
31 pipeline interconnection, and distribution of renewable  
32 natural gas to be furnished to Missouri customers.

33           2. The commission shall adopt by rule a renewable  
34 natural gas program for gas corporations. Rules adopted by  
35 the commission under this section shall include:

36           (1) Rules for reporting requirements; and

37           (2) Rules for establishing a process for gas  
38 corporations to fully recover incurred costs that are  
39 prudent, just, and reasonable associated with a renewable  
40 natural gas program. Such recovery shall not be permitted  
41 until the project is operational.

42           3. A filing by a gas corporation pursuant to the  
43 renewable natural gas program created in subsection 2 of  
44 this section shall include, but is not limited to:

45           (1) A proposal to procure a total volume of renewable  
46 natural gas over a specific period; and

47           (2) Identification of the qualified investments that  
48 the gas corporation may make in renewable natural gas  
49 infrastructure.

50           4. A gas corporation may from time to time revise the  
51 filing submitted to the commission under this section.

52           5. Any costs incurred by a gas corporation for  
53 qualified investment that are prudent, just and reasonable  
54 may be recovered by means of an automatic rate adjustment  
55 clause.

56           6. When a gas corporation makes a qualified investment  
57 in the production of renewable natural gas, the costs  
58 associated with such qualified investment shall include the  
59 cost of capital established by the commission in the gas  
60 corporation's most recent general rate case.

61           7. Rules adopted by the commission under this section  
62 shall not prohibit an affiliate of a gas corporation from  
63 making a capital investment in a biogas production project  
64 if the affiliate is not a public utility as defined in  
65 section 386.020.

66           8. The public service commission may promulgate rules  
67 to implement the provisions of this section. Any rule or  
68 portion of a rule, as that term is defined in section  
69 536.010, that is created under the authority delegated in  
70 this section shall become effective only if it complies with  
71 and is subject to all of the provisions of chapter 536 and,  
72 if applicable, section 536.028. This section and chapter  
73 536 are nonseverable and if any of the powers vested with  
74 the general assembly pursuant to chapter 536 to review, to  
75 delay the effective date, or to disapprove and annul a rule  
76 are subsequently held unconstitutional, then the grant of

77 rulemaking authority and any rule proposed or adopted after  
78 August 28, 2021, shall be invalid and void.

393.125. 1. No political subdivision of this state  
2 shall adopt an ordinance, resolution, regulation, code, or  
3 policy that prohibits or has the effect of prohibiting the  
4 connection or reconnection of a utility service based on the  
5 type or source of energy to be delivered to an individual  
6 customer. Nothing in this section shall be construed to  
7 limit the ability of a political subdivision to choose  
8 utility services for properties owned by the political  
9 subdivision.

10 2. For purposes of this section, utility services  
11 shall include natural gas, propane gas, electricity, and any  
12 other form of energy provided to an end user customer.

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

4 (1) Three members of the house of  
5 representatives, with two appointed by the  
6 speaker of the house of representatives and one  
7 appointed by the minority floor leader of the  
8 house of representatives;

9 (2) Three members of the senate, with two  
10 appointed by the president pro tempore of the  
11 senate and one appointed by the minority floor  
12 leader of the senate; and

13 (3) Two representatives from Missouri  
14 county governments with experience in wind  
15 energy valuations, with one being a currently  
16 elected county assessor to be appointed by the  
17 speaker of the house of representatives, and one  
18 being a currently elected county clerk to be  
19 appointed by the president pro tempore of the  
20 senate.

21 2. The task force shall conduct public  
22 hearings and research, and shall compile a  
23 report for delivery to the general assembly by  
24 no later than December 31, 2019. Such report  
25 shall include information on the following:

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

28 (2) The fair, uniform, and standardized  
29 assessment and taxation of wind turbines and  
30 their connected equipment owned by a public  
31 utility company at the county level in all  
32 counties;

33 (3) Compliance with existing federal and  
34 state programs and regulations; and

35 (4) Potential legislation that will  
36 provide a uniform assessment and taxation  
37 methodology for wind turbines and their  
38 connected equipment owned by a public utility  
39 company that will be used in every county of  
40 Missouri.

41 3. The task force shall meet within thirty  
42 days after its creation and shall organize by  
43 selecting a chairperson and vice chairperson,  
44 one of whom shall be a member of the senate and  
45 the other a member of the house of  
46 representatives. Thereafter, the task force may  
47 meet as often as necessary in order to  
48 accomplish the tasks assigned to it. A majority  
49 of the task force shall constitute a quorum, and  
50 a majority vote of such quorum shall be required  
51 for any action.

52 4. The staff of house research and senate  
53 research shall provide necessary clerical,  
54 research, fiscal, and legal services to the task  
55 force, as the task force may request.

56 5. The members of the task force shall  
57 serve without compensation, but any actual and  
58 necessary expenses incurred in the performance  
59 of the task force's official duties by the task  
60 force, its members, and any staff assigned to  
61 the task force shall be paid from the joint  
62 contingent fund.

63 6. This section shall expire on December  
64 31, 2019.]

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