

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 488

101ST GENERAL ASSEMBLY

1024S.04C

ADRIANE D. CROUSE, Secretary

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.

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2 are repealed and six new sections enacted in lieu thereof, to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.

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; **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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