

# SENATE BILL NO. 379

## 101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR O'LAUGHLIN.

0841S.01I

ADRIANE D. CROUSE, Secretary

### AN ACT

To repeal sections 153.030 and 393.1073, RSMo, and to enact in lieu thereof two new sections relating to the taxation of property associated with the production of energy.

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

Section A. Sections 153.030 and 393.1073, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 137.123 and 153.030, to read as follows:

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

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

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

For purposes of this section, and to estimate the value of all real property, excluding land, or tangible personal

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

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.

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**.

[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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