

SENATE BILL NO. 892

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR FITZWATER.

3493S.02I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 137.100, 153.030, and 153.034, RSMo, and to enact in lieu thereof six new sections relating to electric utilities.

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

Section A. Sections 137.100, 153.030, and 153.034, RSMo,
2 are repealed and six new sections enacted in lieu thereof, to
3 be known as sections 67.5350, 137.100, 137.124, 153.030,
4 153.034, and 393.172, to read as follows:

**67.5350. 1. As used in this section, the following
2 terms shall mean:**

3 **(1) "Material amendment", any amendment to a permit
4 issued by a county commission to construct a solar farm
5 which:**

6 **(a) Changes the solar farm's generation type from one
7 type of utility facility to another;**

8 **(b) Increases the facility's nameplate capacity;**

9 **(c) Changes the boundaries of the solar farm, unless
10 the new boundaries of the facility are completely within the
11 previous boundaries of the facility or the facility
12 components outside of the previous boundary are underground;**

13 **(2) "Solar farm", a group of photovoltaic
14 interconnected solar panels or arrays that convert sunlight
15 into electricity for the primary purpose of wholesale or
16 retail sales of generated electricity, including all on-site
17 equipment and facilities necessary for the proper operation**

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

18 of the facility, such as electrical collection and
19 transmission lines, battery storage systems, transformers,
20 substations, and operations and maintenance facilities
21 within at least twenty continuous acres.

22 2. Prior to obtaining a certificate of public
23 convenience or necessity issued by the Missouri public
24 service commission, any person constructing a solar farm
25 shall first submit an application to the county commission
26 in each county where the solar farm is to be located.

27 3. The county commission of any county shall adopt any
28 order or ordinance requiring a permit to construct a solar
29 farm within specified boundaries located in whole or in part
30 in an unincorporated area of a county. Such permit shall
31 require any construction to be at least one thousand linear
32 feet from any church, school, or city, town, or village
33 limit, or any private residence.

34 4. Within ninety days of receiving an application to
35 construct a solar farm, the county commission shall hold a
36 public meeting before the issuance of any such permit to
37 construct a solar farm. Notice shall be provided at least
38 fourteen days prior to the public meeting. At the public
39 meeting, the applicant shall provide in writing the
40 following information:

41 (1) The maximum nameplate capacity of the solar farm;
42 and

43 (2) A map of the proposed geographic boundaries of the
44 project within that county.

45 5. Not later than ninety days after the public
46 meeting, the county commission shall:

47 (1) Issue a permit to the applicant accepting the
48 construction proposal;

49 (2) Issue a permit to the applicant limiting the
50 boundaries of the proposed solar farm to a smaller
51 geographic area, completely within what was proposed by the
52 applicant; or

53 (3) Deny the permit and prohibit the construction of
54 the solar farm by the applicant.

55 6. Any applicant intending to make a material
56 amendment once a permit is issued shall submit a new
57 application for a permit to the county commission.

58 7. The county commission shall require any applicant
59 who is issued a permit to obtain liability insurance in an
60 amount sufficient to cover any damages which may arise from
61 the construction of the solar farm.

62 8. The Missouri public service commission shall not
63 issue a certificate of public convenience or necessity to
64 any applicant who did not receive a permit to construct a
65 solar farm from the county commission in each county where
66 the solar farm is to be located.

137.100. 1. The following subjects are exempt from
2 taxation for state, county or local purposes:

3 (1) Lands and other property belonging to this state;

4 (2) Lands and other property belonging to any city,
5 county or other political subdivision in this state,
6 including market houses, town halls and other public
7 structures, with their furniture and equipments, and on
8 public squares and lots kept open for health, use or
9 ornament;

10 (3) Nonprofit cemeteries;

11 (4) The real estate and tangible personal property
12 which is used exclusively for agricultural or horticultural
13 societies organized in this state, including not-for-profit
14 agribusiness associations;

15 (5) All property, real and personal, actually and
16 regularly used exclusively for religious worship, for
17 schools and colleges, or for purposes purely charitable and
18 not held for private or corporate profit, except that the
19 exemption herein granted does not include real property not
20 actually used or occupied for the purpose of the
21 organization but held or used as investment even though the
22 income or rentals received therefrom is used wholly for
23 religious, educational or charitable purposes;

24 (6) Household goods, furniture, wearing apparel and
25 articles of personal use and adornment, as defined by the
26 state tax commission, owned and used by a person in [his]
27 **such person's** home or dwelling place;

28 (7) Motor vehicles leased for a period of at least one
29 year to this state or to any city, county, or political
30 subdivision or to any religious, educational, or charitable
31 organization which has obtained an exemption from the
32 payment of federal income taxes, provided the motor vehicles
33 are used exclusively for religious, educational, or
34 charitable purposes;

35 (8) Real or personal property leased or otherwise
36 transferred by an interstate compact agency created pursuant
37 to sections 70.370 to 70.430 or sections 238.010 to 238.100
38 to another for which or whom such property is not exempt
39 when immediately after the lease or transfer, the interstate
40 compact agency enters into a leaseback or other agreement
41 that directly or indirectly gives such interstate compact
42 agency a right to use, control, and possess the property;
43 provided, however, that in the event of a conveyance of such
44 property, the interstate compact agency must retain an
45 option to purchase the property at a future date or, within
46 the limitations period for reverters, the property must

47 revert back to the interstate compact agency. Property will
48 no longer be exempt under this subdivision in the event of a
49 conveyance as of the date, if any, when:

50 (a) The right of the interstate compact agency to use,
51 control, and possess the property is terminated;

52 (b) The interstate compact agency no longer has an
53 option to purchase or otherwise acquire the property; and

54 (c) There are no provisions for reverter of the
55 property within the limitation period for reverters; **and**

56 (9) All property, real and personal, belonging to
57 veterans' organizations. As used in this section,
58 "veterans' organization" means any organization of veterans
59 with a congressional charter, that is incorporated in this
60 state, and that is exempt from taxation under section
61 501(c)(19) of the Internal Revenue Code of 1986, as amended[;

62 (10) Solar energy systems not held for resale].

63 **2. Notwithstanding the provisions of subsection 1 of**
64 **this section or any other provision of law to the contrary,**
65 **solar energy systems constructed for exclusive use of a**
66 **single property may be exempt at the discretion of the**
67 **assessor.**

137.124. 1. Beginning January 1, 2025, for purposes
2 of assessing all real property, excluding land, or tangible
3 personal property associated with a project that uses solar
4 energy directly to generate electricity, thirty-seven and
5 one-half percent of the original costs shall be the true
6 value in money of such property. Such value shall begin the
7 year immediately following the year of construction of the
8 property. The original costs shall reflect either:

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

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

15 2. Nothing in this section shall be construed to
16 prohibit a project from engaging in enhanced enterprise zone
17 agreements under sections 135.950 to 135.973 or similar tax
18 abatement agreements with state or local officials or to
19 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]** under subsection 1 of
16 **this section** shall be levied and collected in the manner as
17 is now or may hereafter be provided by law for the taxation
18 of railroad property in this state, and county commissions,
19 county boards of equalization and the state tax commission
20 are hereby required to perform the same duties and are given
21 the same powers, including punitive powers, in assessing,
22 equalizing and adjusting the taxes on the property set forth
23 in this section as the county commissions and boards of
24 equalization and state tax commission have or may hereafter

25 be empowered with, in assessing, equalizing, and adjusting
26 the taxes on railroad property; and an authorized officer of
27 any such bridge, telegraph, telephone, electric power and
28 light companies, electric transmission lines, pipeline
29 companies, or express company or the owner of any such toll
30 bridge, is hereby required to render reports of the property
31 of such bridge, telegraph, telephone, electric power and
32 light companies, electric transmission lines, pipeline
33 companies, or express companies in like manner as the
34 authorized officer of the railroad company is now or may
35 hereafter be required to render for the taxation of railroad
36 property.

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

47 4. If any telephone company assessed pursuant to
48 chapter 153 has a microwave relay station or stations in a
49 county in which it has no wire mileage but has wire mileage
50 in another county, then, for purposes of apportioning the
51 assessed value of the distributable property of such
52 companies, the straight line distance between such microwave
53 relay stations shall constitute miles of wire. In the event
54 that any public utility company assessed pursuant to this
55 chapter has no distributable property which physically
56 traverses the counties in which it operates, then the

57 assessed value of the distributable property of such company
58 shall be apportioned to the physical location of the
59 distributable property.

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

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

66 (b) Using the methodology for property tax purposes as
67 provided under this section for property consisting of land
68 and buildings and be assessed for all other property
69 exclusively using the methodology utilized under section
70 137.122.

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

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

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

86 (4) (a) The provisions of this subdivision shall
87 ensure that school districts may avoid any fiscal impact as

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

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

110 (c) Any fee imposed under paragraph (b) of this
111 subdivision shall be determined by taking the difference
112 between the tax revenue the telephone company paid in the
113 tax year in question and the tax revenue the telephone
114 company would have paid in such year had it not made an
115 election under subdivision (1) of this subsection, which
116 shall be calculated by taking the telephone company
117 valuations in the tax year in question, as determined by the
118 state tax commission under paragraph (d) of this
119 subdivision, and applying such valuations to the

120 apportionment process in subsection 2 of section 151.150.
121 The school district shall issue a billing, as provided in
122 this subdivision, to any such telephone company. A
123 telephone company shall have forty-five days after receipt
124 of a billing to remit its payment of its portion of the fees
125 to the school district. Notwithstanding any other provision
126 of law, the issuance or receipt of such fee shall not be
127 used:

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

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

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

- 141 a. Assessed under paragraph (b) of subdivision (1) of
142 this subsection; and
143 b. Assessed exclusively under subsections 1 to 4 of
144 this section.

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

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

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

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

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

166 (b) All other real property, excluding land, or
167 personal property related to the wind energy project shall
168 be assessed using the methodology provided under section
169 137.123.

170 (3) **Notwithstanding any other provision of law to the**
171 **contrary, beginning January 1, 2025, for any public utility**
172 **company assessed under this chapter which has a solar energy**
173 **project, such solar energy project shall be assessed using**
174 **the methodology for real and personal property as provided**
175 **in this subsection:**

176 (a) **Any solar energy property of such company shall be**
177 **assessed upon the county assessor's local tax rolls; and**

178 (b) **All other real property, excluding land, or**
179 **personal property related to the solar energy project shall**
180 **be assessed using the methodology provided under section**
181 **137.124.**

182 7. (1) If any public utility company assessed
183 pursuant to this chapter has ownership of any real or
184 personal property associated with a generation project which
185 was originally constructed utilizing financing authorized
186 pursuant to chapter 100 for construction, upon the transfer
187 of ownership of such property to the public utility company
188 such property shall be valued and taxed by any local
189 authorities having jurisdiction under the provisions of
190 chapter 137 and other relevant provisions of law.

191 (2) Notwithstanding any provision of law to the
192 contrary, beginning January 1, 2022, for any public utility
193 company assessed pursuant to this chapter which has
194 ownership of any real or personal property associated with a
195 generation project which was originally constructed
196 utilizing financing authorized pursuant to chapter 100 for
197 construction, upon the transfer of ownership of such
198 property to the public utility company such property shall
199 be assessed as follows:

200 (a) Any property associated with a generation project
201 which was originally constructed utilizing financing
202 authorized pursuant to chapter 100 for construction shall be
203 assessed upon the county assessor's local tax rolls. The
204 assessor shall rely on the public utility company for cost
205 information of the generation portion of the property as
206 found in the public utility company's Federal Energy
207 Regulatory Commission Financial Report Form Number One at
208 the time of transfer of ownership, and depreciate the costs
209 provided in a manner similar to other commercial and
210 industrial property;

211 (b) Any property consisting of land and buildings
212 related to the generation property associated with a
213 generation project which was originally constructed

214 utilizing financing pursuant to chapter 100 for construction
215 shall be assessed under chapter 137; and

216 (c) All other business or personal property related to
217 a generation project which was originally constructed
218 utilizing financing pursuant to chapter 100 for construction
219 shall be assessed using the methodology provided under
220 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 **solar or** wind energy
44 directly to generate electricity shall be valued and taxed
45 by local authorities having jurisdiction under the
46 provisions of chapter 137 and any other relevant provisions
47 of law. The method of taxation prescribed in subsection 2
48 of section 153.030 and subsection 1 of this section shall
49 not apply to 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 **(3) The real or tangible personal property referenced**
60 **in subdivision (1) of this subsection shall also include all**
61 **equipment whose sole purpose is to support the integration**
62 **of a solar generation asset into an existing system.**

63 **Examples of such property may include, but are not limited**
64 **to, solar panels, solar panel mounting racks, and associated**
65 **electrical equipment such as inverters, battery packs, power**
66 **meters, power lines, storage equipment directly associated**
67 **with solar generation assets, and substations.**

68 4. For any real or tangible personal property
69 associated with a generation project which was originally
70 constructed utilizing financing authorized under chapter 100
71 for construction, upon the transfer of ownership of such
72 property to a public utility, such property shall be valued
73 and taxed by local authorities having jurisdiction under the
74 provisions of chapter 137 and any other relevant provisions
75 of law. The method of taxation prescribed in subsection 2
76 of section 153.030 and subsection 1 of this section shall
77 not apply to such property.

393.172. By March 31, 2025, the public service
2 **commission shall adopt rules applicable to electrical**
3 **corporations that require the entity constructing an**
4 **electric transmission line under subsection 1 of section**
5 **393.170 for which permission is sought from the commission**
6 **on or after the effective date of this section to adhere to**
7 **standards to be adopted by such rules relating to**
8 **construction activities occurring partially or wholly on**
9 **privately owned agricultural land. Such standards shall**
10 **address, at a minimum, landowner communication expectations,**
11 **expectations with respect to transmission structure design**

12 and placement, wet weather construction and remediation
13 practices, agricultural mitigation and restoration
14 practices, construction-related tree and brush clearing,
15 expectations concerning the use and restoration of field
16 entrances and temporary roads, and best practices with
17 respect to erosion prevention. Any rule or portion of a
18 rule, as that term is defined in section 536.010, that is
19 created under the authority delegated in this section shall
20 become effective only if it complies with and is subject to
21 all of the provisions of chapter 536 and, if applicable,
22 section 536.028. This section and chapter 536 are
23 nonseverable and if any of the powers vested with the
24 general assembly pursuant to chapter 536 to review, to delay
25 the effective date, or to disapprove and annul a rule are
26 subsequently held unconstitutional, then the grant of
27 rulemaking authority and any rule proposed or adopted after
28 August 28, 2024, shall be invalid and void.

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