

# SENATE BILL NO. 549

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR FITZWATER.

1952S.03I

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 137.100, 153.030, and 153.034, RSMo, and to enact in lieu thereof five new sections relating to regulation of solar energy.

*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Section A. Sections 137.100, 153.030, and 153.034, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 67.5350, 137.100, 137.124, 153.030, and 153.034, to read as follows:

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

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

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

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

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

**(2) "Solar farm", a group of photovoltaic interconnected solar panels or arrays that convert sunlight into electricity for the primary purpose of wholesale or retail sales of generated electricity, including all on-site 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, 2024, 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, 2024, 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.

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