SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2141

97TH GENERAL ASSEMBLY

6404H.04P D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.710, 137.010, 142.803, 142.869, 413.225, and 413.226, RSMo, and to enact in lieu thereof six new sections relating to alternative fuels, with an existing penalty provision and an effective date.

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

Section A. Sections 135.710, 137.010, 142.803, 142.869, 413.225, and 413.226, RSMo,

- 2 are repealed and six new sections enacted in lieu thereof, to be known as sections 135.710,
- 3 137.010, 142.803, 142.869, 413.225, and 413.226, to read as follows:
 - 135.710. 1. As used in this section, the following terms mean:
- 2 (1) "Alternative fuel vehicle refueling property", property in this state owned by 3 an eligible applicant and used for storing alternative fuels and for dispensing such 4 alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or
- 5 private citizens;
- 6 (2) "Alternative fuels", any motor fuel at least seventy percent of the volume of which consists of one or more of the following:
- 8 (a) Ethanol;
- 9 (b) Natural gas;
- 10 (c) Compressed natural gas, or CNG;
- 11 (d) Liquified natural gas, or LNG;
- (e) Liquified petroleum gas, or LP gas, propane, or autogas;
- 13 (f) Any mixture of biodiesel and diesel fuel, without regard to any use of kerosene;
- (g) Hydrogen;
- 15 [(2)] (3) "Department", the department of [natural resources] economic development;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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(4) "Electric vehicle recharging property", property in this state owned by an eligible applicant and used for recharging electric motor vehicles owned by such eligible applicant or private citizens;

- [(3)] (5) "Eligible applicant", a business entity or private citizen that is the owner of [a qualified] an electric vehicle recharging property or an alternative fuel vehicle refueling property;
- (6) "Qualified Missouri contractor", a contractor whose principal place of business is located in Missouri and has been located in Missouri for a period of not less than five years;
- [(4)] (7) "Qualified [alternative fuel vehicle refueling] property", [property in this state owned by an eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens] an electric vehicle recharging property or an alternative fuel vehicle refueling property which, if constructed after August 28, [2008] 2014, was constructed with at least fifty-one percent of the costs being paid to qualified Missouri contractors for the:
- (a) Fabrication of premanufactured equipment or process piping used in the construction of such facility;
 - (b) Construction of such facility; and
- (c) General maintenance of such facility during the time period in which such facility receives any tax credit under this section.

If no qualified Missouri contractor is located within seventy-five miles of the property, the requirement that fifty-one percent of the costs shall be paid to qualified Missouri contractors shall not apply[;

- (5) "Qualified Missouri contractor", a contractor whose principal place of business is located in Missouri and has been located in Missouri for a period of not less than five years].
- 2. For all tax years beginning on or after January 1, [2009] 2015, but before January 1, [2012] 2018, any eligible applicant who installs and operates a qualified [alternative fuel vehicle refueling] property shall be allowed a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, or due under chapter 147 or chapter 148 for any tax year in which the applicant is constructing the [refueling] qualified property. The credit allowed in this section per eligible applicant who is a private citizen shall not exceed fifteen hundred dollars or per eligible applicant that is a business entity shall not exceed the lesser of twenty thousand dollars or twenty percent of the total costs directly associated with the purchase and installation of any alternative fuel storage and dispensing

equipment **or any recharging equipment** on any qualified [alternative fuel vehicle refueling] property, which shall not include the following:

- (1) Costs associated with the purchase of land upon which to place a qualified [alternative fuel vehicle refueling] property;
- (2) Costs associated with the purchase of an existing qualified [alternative fuel vehicle refueling] property; or
 - (3) Costs for the construction or purchase of any structure.
- 3. Tax credits allowed by this section shall be claimed by the eligible applicant at the time such applicant files a return for the tax year in which the storage and dispensing **or recharging** facilities were placed in service at a qualified [alternative fuel vehicle refueling] property, and shall be applied against the income tax liability imposed by chapter 143, chapter 147, or chapter 148 after all other credits provided by law have been applied. The cumulative amount of tax credits which may be claimed by eligible applicants claiming all credits authorized in this section shall not exceed [the following amounts:
 - (1) In taxable year 2009, three million dollars;
 - (2) In taxable year 2010, two million dollars; and
 - (3) In taxable year 2011,] one million dollars in any calendar year.
- 4. If the amount of the tax credit exceeds the eligible applicant's tax liability, the difference shall not be refundable. Any amount of credit that an eligible applicant is prohibited by this section from claiming in a taxable year may be carried forward to any of such applicant's two subsequent taxable years. Tax credits allowed under this section may be assigned, transferred, sold, or otherwise conveyed.
- 5. [An alternative fuel vehicle refueling] **Any qualified** property, for which an eligible applicant receives tax credits under this section, which ceases to sell alternative fuel **or recharge electric vehicles** shall cause the forfeiture of such eligible applicant's tax credits provided under this section for the taxable year in which the [alternative fuel vehicle refueling] **qualified** property ceased to sell alternative fuel **or recharge electric vehicles** and for future taxable years with no recapture of tax credits obtained by an eligible applicant with respect to such applicant's tax years which ended before the sale of alternative fuel **or recharging of electric vehicles** ceased.
- 6. The director of revenue shall establish the procedure by which the tax credits in this section may be claimed, and shall establish a procedure by which the cumulative amount of tax credits is apportioned equally among all eligible applicants claiming the credit. To the maximum extent possible, the director of revenue shall establish the procedure described in this subsection in such a manner as to ensure that eligible applicants can claim all the tax credits possible up to the cumulative amount of tax credits available for the taxable year. No eligible applicant

claiming a tax credit under this section shall be liable for any interest or penalty for filing a tax return after the date fixed for filing such return as a result of the apportionment procedure under this subsection.

- 7. Any eligible applicant desiring to claim a tax credit under this section shall submit the appropriate application for such credit with the department. The application for a tax credit under this section shall include any information required by the department. The department shall review the applications and certify to the department of revenue each eligible applicant that qualifies for the tax credit.
- 8. The department and the department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2008, shall be invalid and void.
- 9. [Pursuant to] **The provisions of** section 23.253 of the Missouri sunset act **notwithstanding**:
- (1) The provisions of the new program authorized under this section shall automatically sunset [six] **three** years after [August 28, 2008] **December 31, 2014**, unless reauthorized by an act of the general assembly; and
- (2) If such program is reauthorized, the program authorized under this section shall automatically sunset [twelve] six years after the effective date of the reauthorization of this section; and
- (3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset; and
- (4) The provisions of this subsection shall not be construed to limit or in any way impair the department's ability to redeem tax credits authorized on or before the date the program authorized under this section expires or a taxpayer's ability to redeem such tax credits.
- 137.010. The following words, terms and phrases when used in laws governing taxation and revenue in the state of Missouri shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:
- 4 (1) "Grain and other agricultural crops in an unmanufactured condition" shall mean 5 grains and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, 6 kafir, rye, flax, grain sorghums, cotton, and such other products as are usually stored in grain and

other elevators and on farms; but excluding such grains and other agricultural crops after being processed into products of such processing, when packaged or sacked. The term "processing" shall not include hulling, cleaning, drying, grating, or polishing;

- (2) "Hydroelectric power generating equipment", very-low-head turbine generators with a nameplate generating capacity of at least four hundred kilowatts but not more than six hundred kilowatts and machinery and equipment used directly in the production, generation, conversion, storage, or conveyance of hydroelectric power to land-based devices and appurtenances used in the transmission of electrical energy;
- (3) "Intangible personal property", for the purpose of taxation, shall include all property other than real property and tangible personal property, as defined by this section;
- (4) "Real property" includes land itself, whether laid out in town lots or otherwise, and all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon, hydroelectric power generating equipment, the installed poles used in the transmission or reception of electrical energy, audio signals, video signals or similar purposes, provided the owner of such installed poles is also an owner of a fee simple interest, possessor of an easement, holder of a license or franchise, or is the beneficiary of a right-of-way dedicated for public utility purposes for the underlying land; attached wires, transformers, amplifiers, substations, and other such devices and appurtenances used in the transmission or reception of electrical energy, audio signals, video signals or similar purposes when owned by the owner of the installed poles, otherwise such items are considered personal property; and stationary property used for transportation **or storage** of liquid and gaseous products, including, but not limited to, petroleum products, natural gas, **propane or LP gas equipment**, water, and sewage;
- (5) "Tangible personal property" includes every tangible thing being the subject of ownership or part ownership whether animate or inanimate, other than money, and not forming part or parcel of real property as herein defined, but does not include household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state tax commission, owned and used by a person in his home or dwelling place.

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

- (1) Motor fuel, seventeen cents per gallon;
- (2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the nearest power potential equivalent to that of one gallon of regular grade gasoline. The

9 determination by the director of the power potential equivalent of such alternative fuel shall be 10 prima facie correct;

- (3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per gallon as levied and imposed by section 155.080 to be collected as required under this chapter;
- (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020, until December 31, 2024, and then seventeen cents per gasoline gallon equivalent thereafter. A gasoline gallon equivalent of compressed natural gas shall be in units of measure as published by the National Institute of Standards and Technology in Handbook 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the conversion shall be equal to five and sixty-six-hundredths pounds or one hundred twenty-six and sixty-seven-hundredths cubic feet of compressed natural gas, measured at fourteen and seven-tenths pounds per square inch and at a temperature of sixty degrees Fahrenheit. The method of sale for compressed natural gas used as transportation fuel shall be gasoline gallon equivalents. All applicable provisions contained in this chapter governing administration, collections and enforcement of the state motor fuel tax shall apply to the tax imposed on compressed natural gas, including but not limited to licensing, reporting, penalties, and interest;
- (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31, 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, 2024, and then seventeen cents per diesel gallon equivalent thereafter. A diesel gallon equivalent of liquefied natural gas shall be in units of measure as published by the National Institute of Standards and Technology in Handbook 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the conversion shall be equal to six and six-hundredths pounds of liquefied natural gas. The method of sale for liquefied natural gas used as transportation fuel shall be diesel gallon equivalents. All applicable provisions contained in this chapter governing administration, collections and enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas, including but not limited to licensing, reporting, penalties, and interest;
- (6) If a natural gas, compressed natural gas, liquefied natural gas, propane, or other alternative fuel connection is used for fueling motor vehicles and for another use, such as heating, the tax imposed by this section shall apply to the entire amount of natural gas, compressed natural gas, liquefied natural gas, propane, or other alternative fuel used unless an approved, separate metering and accounting system is in place.
- 2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be precollected as described in this chapter, for the facility and convenience of the consumer. The

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levy and assessment on other persons as specified in this chapter shall be as agents of this state for the precollection of the tax.

142.869. 1. The tax imposed by this chapter shall not apply to passenger motor vehicles, buses as defined in section 301.010, or commercial motor vehicles registered in this state which 2 are powered by alternative fuel, and for which a valid decal has been acquired as provided in this section, provided that sales made to alternative fueled vehicles powered by compressed natural gas and liquefied natural gas shall be taxed exclusively under subdivisions (4) and 5 (5) of subsection 1 of section 142.803, respectively. The owners or operators of such motor vehicles shall, in lieu of the tax imposed by section 142.803, pay an annual alternative fuel decal fee as follows: seventy-five dollars on each passenger motor vehicle, school bus as defined in section 301.010, and commercial motor vehicle with a licensed gross vehicle weight of eighteen 10 thousand pounds or less; one hundred dollars on each motor vehicle with a licensed gross weight in excess of eighteen thousand pounds but not more than thirty-six thousand pounds used for 11 12 farm or farming transportation operations and registered with a license plate designated with the letter "F"; one hundred fifty dollars on each motor vehicle with a licensed gross vehicle weight 13 in excess of eighteen thousand pounds but less than or equal to thirty-six thousand pounds, and each passenger-carrying motor vehicle subject to the registration fee provided in sections 15 301.059, 301.061 and 301.063; two hundred fifty dollars on each motor vehicle with a licensed 16 17 gross weight in excess of thirty-six thousand pounds used for farm or farming transportation 18 operations and registered with a license plate designated with the letter "F"; and one thousand dollars on each motor vehicle with a licensed gross vehicle weight in excess of thirty-six 19 thousand pounds. Notwithstanding provisions of this section to the contrary, motor vehicles 20 21 licensed as historic under section 301.131 which are powered by alternative fuel shall be exempt 22 from both the tax imposed by this chapter and the alternative fuel decal requirements of this 23 section.

2. Except interstate fuel users and vehicles licensed under a reciprocity agreement as defined in section 142.617, the tax imposed by section 142.803 shall not apply to motor vehicles registered outside this state which are powered by alternative fuel **other than compressed natural gas and liquefied natural gas**, and for which a valid temporary alternative fuel decal has been acquired as provided in this section. The owners or operators of such motor vehicles shall, in lieu of the tax imposed by section 142.803, pay a temporary alternative fuel decal fee of eight dollars on each such vehicle. Such decals shall be valid for a period of fifteen days from the date of issuance and shall be attached to the lower right-hand corner of the front windshield on the motor vehicle for which it was issued. Such decal and fee shall not be transferable. All proceeds from such decal fees shall be deposited as specified in section 142.345. Alternative fuel dealers selling such decals in accordance with rules and regulations prescribed by the

director shall be allowed to retain fifty cents for each decal fee timely remitted to the director.

- 3. (1) Owners or operators of passenger motor vehicles, buses as defined in section 301.010, or commercial motor vehicles registered in this state may continue to apply for and use the alternative fuel decal in lieu of paying the tax imposed under subdivision (4) or (5) of subsection 1 of section 142.803 if:
- 40 (a) Such motor vehicles are powered by compressed natural gas or liquefied natural 41 gas;
 - (b) The owners or operators of such motor vehicles have installed a compressed natural gas fueling station or liquefied natural gas fueling station prior to January 1, 2016; and
 - (c) Such fueling stations are used solely to fuel the owner or operator's motor vehicles.
 - (2) Owners or operators of compressed natural gas fueling stations or liquefied natural gas fueling stations whose vehicles bear an alternative fuel decal shall be prohibited from selling compressed natural gas or liquefied natural gas at retail.
 - (3) Owners or operators of motor vehicles powered by compressed natural gas or liquefied natural gas bearing an alternative fuel decal after January 1, 2016, that decline to renew the alternative fuel decals for such motor vehicles shall no longer be eligible to apply for and use alternative fuel decals under this subsection.
 - (4) Any compressed natural gas or liquefied natural gas obtained at any fueling station not owned by the owner or operator of the motor vehicle bearing an alternative fuel decal shall be subject to the tax under subdivision (4) or (5) of subsection 1 of section 142.803.
 - [3.] **4.** The director shall annually, on or before January thirty-first of each year, collect or cause to be collected from owners or operators of the motor vehicles specified in subsection 1 of this section the annual decal fee. Applications for such decals shall be supplied by the department of revenue. In the case of a motor vehicle which is not in operation by January thirty-first of any year, a decal may be purchased for a fractional period of such year, and the amount of the decal fee shall be reduced by one-twelfth for each complete month which shall have elapsed since the beginning of such year.
 - [4.] 5. Upon the payment of the fee required by subsection 1 of this section, the director shall issue a decal, which shall be valid for the current calendar year and shall be attached to the lower right-hand corner of the front windshield on the motor vehicle for which it was issued.
 - [5.] 6. The decal fee paid pursuant to subsection 1 of this section for each motor vehicle shall be transferable upon a change of ownership of the motor vehicle and, if the LP gas or natural gas equipment is removed from a motor vehicle upon a change of ownership and is

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reinstalled in another motor vehicle, upon such reinstallation. Such transfers shall be accomplished in accordance with rules and regulations promulgated by the director.

- [6.] 7. It shall be unlawful for any person to operate a motor vehicle required to have an alternative fuel decal upon the highways of this state without a valid decal.
- [7.] **8.** No person shall cause to be put, or put, LP gas [or natural gas] into the fuel supply receptacle of a motor vehicle required to have an alternative fuel decal unless the motor vehicle has a valid decal attached to it. Sales of fuel placed in the supply receptacle of a motor vehicle displaying such decal shall be recorded upon an invoice, which invoice shall include the decal number, the motor vehicle license number and the number of gallons placed in such supply receptacle.
- [8.] **9.** Any person violating any provision of this section is guilty of an infraction and shall, upon conviction thereof, be fined five hundred dollars.
- [9.] **10.** Motor vehicles displaying a valid alternative fuel decal are exempt from the licensing and reporting requirements of this chapter.
 - 413.225. 1. There is established a fee for registration, inspection and calibration services performed by the division of weights and measures. The fees are due at the time the service is rendered and shall be paid to the director by the person receiving the service. The director shall collect fees according to the following schedule and shall deposit them with the state treasurer into the agriculture protection fund as set forth in section 261.200:
- (1) From August 28, 2013, until the next January first, laboratory fees for metrology calibrations shall be at the rate of sixty dollars per hour for tolerance testing or precision calibration. Time periods over one hour shall be computed to the nearest one-quarter hour. On the first day of January, 2014, and each year thereafter, the director of agriculture shall ascertain the total receipts and expenses for the metrology calibrations during the preceding year and shall fix a fee schedule for the ensuing year at a rate per hour as will yield revenue not more than the total cost of operating the metrology laboratory during the ensuing year, but not to exceed one hundred twenty-five dollars;
- 14 (2) All device test fees charged shall include, but not be limited to, the following 15 devices:
- 16 (a) Small scales;
- 17 (b) Vehicle scales;
- 18 (c) Livestock scales;
- (d) Hopper scales;
- 20 (e) Railroad scales;
- 21 (f) Monorail scales;

22 (g) In-motion scales including but not limited to vehicle, railroad and belt conveyor 23 scales:

- 24 (h) Taximeters;
- 25 (i) Timing devices;
- 26 (j) Fabric-measuring devices;
- 27 (k) Wire- and cordage-measuring devices;
- 28 (l) Milk for quantity determination; [and]
- 29 (m) Vehicle tank meters;
- 30 (n) Compressed natural gas meters;
- 31 (o) Liquefied natural gas meters;
- 32 (p) Electrical charging stations; and
- 33 (q) Hydrogen fuel meters;

- (3) Devices that require participation in on-site field evaluations for National Type Evaluation Program Certification and all tests of in-motion scales shall be charged a fee, plus mileage from the inspector's official domicile to and from the inspection site. The time shall begin when the state inspector performing the inspection arrives at the site to be inspected and shall end when the final report is signed by the owner/operator and the inspector departs;
- (4) Every person shall register each location of such person's place of business where devices or instruments are used to ascertain the moisture content of grains and seeds offered for sale, processing or storage in this state with the director and shall pay a registration fee for each location so registered and a fee for each additional device or instrument at such location. Thereafter, by January thirty-first of each year, each person who is required to register pursuant to this subdivision shall pay an annual fee for each location so registered and an additional fee for each additional machine at each location. The fee on newly purchased devices shall be paid within thirty days after the date of purchase. Application for registration of a place of business shall be made on forms provided by the director and shall require information concerning the make, model and serial number of the device and such other information as the director shall deem necessary. Provided, however, this subsection shall not apply to moisture-measuring devices used exclusively for the purpose of obtaining information necessary to manufacturing processes involving plant products. In addition to fees required by this subdivision, a fee shall be charged for each device subject to retest.
- 2. On the first day of January, 1995, and each year thereafter, the director of agriculture shall ascertain the total receipts and expenses for the testing of weighing and measuring devices referred to in subdivisions (2), (3), and (4) of subsection 1 of this section and shall fix the fees or rate per hour for such weighing and measuring devices to derive revenue not more than the total cost of the operation.

- 3. On the first day of October, 2014, and each year thereafter, the director of the department of agriculture shall submit a report to the general assembly that states the current laboratory fees for metrology calibration, the expenses for administering this section for the previous calendar year, any proposed change to the laboratory fee structure, and estimated expenses for administering this section during the ensuing year. The proposed change to the laboratory fee structure shall not yield revenue greater than the total cost of administering this section during the ensuing year.
 - 4. Beginning August 28, 2013, and each year thereafter, the director of the department of agriculture shall publish the laboratory fee schedule on the departmental website. The website shall be updated within thirty days of a change in the laboratory fee schedule set forth in this section.
 - 5. Retests for any device within the same calendar year will be charged at the same rate as the initial test. Devices being retested in the same calendar year as a result of rejection and repair are exempt from the requirements of this subsection.
 - 6. All device inspection fees shall be paid within thirty days of the issuance of the original invoice. Any fee not paid within ninety days after the date of the original invoice will be cause for the director to deem the device as incorrect and it may be condemned and taken out of service, and may be seized by the director until all fees are paid.
 - 7. No fee provided for by this section shall be required of any person owning or operating a moisture-measuring device or instrument who uses such device or instrument solely in agricultural or horticultural operations on such person's own land, and not in performing services, whether with or without compensation, for another person.
 - 413.226. **1.** The provisions of sections 413.005 to 413.229 shall not apply to:
 - (1) Any gas, water or electric meter used or intended to be used for measuring or ascertaining the quantity of gas or electric current used for light, heat or power, or the quantity of water, furnished by any person or corporation to or for the use of any person, unless such meter is used for charging electric vehicles at a retail location;
 - (2) Any measuring device used by any person, firm, or corporation selling at retail or wholesale gasoline, diesel fuel, heating oil, kerosene, or jet fuel subject to inspection in accordance with chapter 414;
 - (3) Any liquid meter used for the measurement and retail sale of liquefied petroleum gas or **any meter used for** compressed natural gas subject to inspection in accordance with chapter 323, **unless such meter dispenses fuel for vehicle use**.
 - 2. The provisions of sections 413.005 to 413.229 shall apply to commercial weighing and measuring equipment used for measuring or ascertaining the quantity of gas, electricity, or fuel for vehicle use, including, but not limited to:

- 15 **(1) Compressed natural gas meters;**
- 16 (2) Liquefied natural gas meters;
- 17 (3) Electrical charging stations; and
- 18 **(4) Hydrogen fuel meters.**

Section B. The repeal and reenactment of sections 142.803, 142.869, 413.225, and

2 413.226 of this act shall become effective on January 1, 2015.

