

J. Daniels

Mr. Speaker: I am instructed by the Senate to inform the House of Representatives that the Senate has taken up and passed

SS SCS HCS HB 734 _____ entitled:

AN ACT

To repeal sections 386.370, 393.106, 393.355, 394.120, and 400.9-109, RSMo, and to enact in lieu thereof eleven new sections relating to utilities.

With SA 1, SA 2 & SA 3

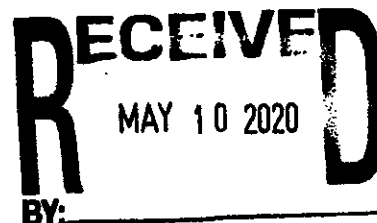
In which the concurrence of the House is respectfully requested.

Respectfully,

Adriane D. Crouse

Adriane D. Crouse

Secretary of the Senate



SENATE AMENDMENT NO. 1

Offered by

Bernskötter

of

6thAmend SS/SCS/HCS/House Bill No. 734, Page 1, Section 67.309, Line 12,

2 by inserting after all of said line the following:

3 "91.025. 1. As used in this section, the following
4 terms mean:

5 (1) "Municipally owned or operated electric power
6 system", a system for the distribution of electrical power
7 and energy to the inhabitants of a municipality which is
8 owned and operated by the municipality itself, whether
9 operated under authority pursuant to this chapter or under a
10 charter form of government;

11 (2) "Permanent service", electrical service provided
12 through facilities which have been permanently installed on
13 a structure and which are designed to provide electric
14 service for the structure's anticipated needs for the
15 indefinite future, as contrasted with facilities installed
16 temporarily to provide electrical service during
17 construction. Service provided temporarily shall be at the
18 risk of the electrical supplier and shall not be
19 determinative of the rights of the provider or recipient of
20 permanent service;

21 (3) "Structure" or "structures", an agricultural,
22 residential, commercial, industrial or other building or a
23 mechanical installation, machinery or apparatus at which
24 retail electric energy is being delivered through a metering
25 device which is located on or adjacent to the structure and
26 connected to the lines of an electrical corporation, rural

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adopted "*

27 electric cooperative, municipally owned or operated electric
28 power system, or joint municipal utility commission. Such
29 terms shall include any contiguous or adjacent additions to
30 or expansions of a particular structure. Nothing in this
31 section shall be construed to confer any right on an
32 electric supplier to serve new structures on a particular
33 tract of land because it was serving an existing structure
34 on that tract.

35 2. Once a municipally owned or operated electrical
36 system, or its predecessor in interest, lawfully commences
37 supplying retail electric energy to a structure through
38 permanent service facilities, it shall have the right to
39 continue serving such structure, and other suppliers of
40 electrical energy shall not have the right to provide
41 service to the structure except as might be otherwise
42 permitted in the context of municipal annexation, pursuant
43 to section 386.800 or pursuant to a territorial agreement
44 approved under section 394.312. The public service
45 commission, upon application made by a customer, may order a
46 change of suppliers on the basis that it is in the public
47 interest for a reason other than a rate differential, and
48 the commission is hereby given jurisdiction over municipally
49 owned or operated electric systems to accomplish the purpose
50 of this section. The commission's jurisdiction under this
51 section is limited to public interest determinations and
52 excludes questions as to the lawfulness of the provision of
53 service, such questions being reserved to courts of
54 competent jurisdiction. Except as provided in this section,
55 nothing in this section shall be construed as otherwise
56 conferring upon the commission jurisdiction over the
57 service, rates, financing, accounting or management of any
58 such municipally owned or operated electrical system, and
59 nothing in this section, section 393.106, and section

394.315 shall affect the rights, privileges or duties of any municipality to form or operate municipally owned or operated electrical systems. Nothing in this section shall be construed to make lawful any provision of service which was unlawful prior to July 11, 1991. Nothing in this section shall be construed to make unlawful the continued lawful provision of service to any structure which may have had a different supplier in the past, if such a change in supplier was lawful at the time it occurred.

3. Notwithstanding the provisions of this section, section 393.106, section 394.080, and section 394.315 to the contrary, in the event that a retail electric supplier is providing service to a structure located within a city, town, or village that has ceased to be a rural area, and such structure is demolished and replaced by a new structure, such retail electric supplier may provide permanent service to the new structure upon the request of the owner of the new structure."; and

Further amend said bill, page 4, section 386.370, line 77, by inserting after all of said line the following:

"386.800. 1. No municipally owned electric utility may provide electric energy at retail to any structure located outside the municipality's corporate boundaries after July 11, 1991, unless:

(1) The structure was lawfully receiving permanent service from the municipally owned electric utility prior to July 11, 1991; or

(2) The service is provided pursuant to an approved territorial agreement under section 394.312; or

(3) The service is provided pursuant to lawful municipal annexation and subject to the provisions of this section; or

92 (4) The structure is located in an area which was
93 previously served by an electrical corporation regulated
94 under chapter 386, and chapter 393, and the electrical
95 corporation's authorized service territory was contiguous to
96 or inclusive of the municipality's previous corporate
97 boundaries, and the electrical corporation's ownership or
98 operating rights within the area were acquired in total by
99 the municipally owned electrical system prior to July 11,
100 1991. In the event that a municipally owned electric
101 utility in a city with a population of more than one hundred
102 twenty-five thousand located in a county of the first class
103 not having a charter form of government and not adjacent to
104 any other county of the first class desires to serve
105 customers beyond the authorized service territory in an area
106 which was previously served by an electrical corporation
107 regulated under the provisions of chapter 386, and chapter
108 393, as provided in this subdivision, in the absence of an
109 approved territorial agreement under section 394.312, the
110 municipally owned utility shall apply to the public service
111 commission for an order assigning nonexclusive service
112 territories and concurrently shall provide written notice of
113 the application to other electric service suppliers with
114 electric facilities located in or within one mile outside of
115 the boundaries of the proposed expanded service territory.
116 The proposed service area shall be contiguous to the
117 authorized service territory which was previously served by
118 an electrical corporation regulated under the provisions of
119 chapter 386, and chapter 393, as a condition precedent to
120 the granting of the application. The commission shall have
121 one hundred twenty days from the date of application to
122 grant or deny the requested order. The commission after a
123 hearing may grant the order upon a finding that granting of
124 the applicant's request is not detrimental to the public

125 interest. In granting the applicant's request the
126 commission shall give due regard to territories previously
127 granted to or served by other electric service suppliers and
128 the wasteful duplication of electric service facilities.

129 2. Any municipally owned electric utility may extend,
130 pursuant to lawful annexation, its electric service
131 territory to include [any structure located within a newly
132 annexed area which has not received permanent service from
133 another supplier within ninety days prior to the effective
134 date of the annexation] areas where another electric
135 supplier currently is not providing permanent service to a
136 structure. If a rural electric cooperative has existing
137 electric service facilities with adequate and necessary
138 service capability located in or within one mile outside the
139 boundaries of the area proposed to be annexed, a majority of
140 the existing developers, landowners, or prospective electric
141 customers in the area proposed to be annexed may, anytime
142 within forty-five days prior to the effective date of the
143 annexation, submit a written request to the governing body
144 of the annexing municipality to invoke mandatory good faith
145 negotiations under section 394.312 to determine which
146 electric service supplier is best suited to serve all or
147 portions of the newly annexed area. In such negotiations
148 the following factors shall be considered, at a minimum:

149 (1) The preference of landowners and prospective
150 electric customers;

151 (2) The rates, terms, and conditions of service of the
152 electric service suppliers;

153 (3) The economic impact on the electric service
154 suppliers;

155 (4) Each electric service supplier's operational
156 ability to serve all or portions of the annexed area within
157 three years of the date the annexation becomes effective;

158 (5) Avoiding the wasteful duplication of electric
159 facilities;

160 (6) Minimizing unnecessary encumbrances on the
161 property and landscape within the area to be annexed; and

162 (7) Preventing the waste of materials and natural
163 resources.

164 If the municipally owned electric utility and rural electric
165 cooperative are unable to negotiate a territorial agreement
166 pursuant to section 394.312 within forty-five days, then
167 they may submit proposals to those submitting the original
168 written request, whose preference shall control, section
169 394.080 to the contrary notwithstanding, and the governing
170 body of the annexing municipality shall not reject the
171 petition requesting annexation based on such preference.

172 This subsection shall not apply to municipally-owned
173 property in any newly annexed area.

174 3. In the event an electrical corporation rather than
175 a municipally owned electric utility lawfully is providing
176 electric service in the municipality, all the provisions of
177 subsection 2 of this section shall apply equally as if the
178 electrical corporation were a municipally owned electric
179 utility, except that if the electrical corporation and the
180 rural electric cooperative are unable to negotiate a
181 territorial agreement pursuant to section 394.312 within
182 forty-five days, then either electric service supplier may
183 file an application with the commission for an order
184 determining which electric service supplier should serve, in
185 whole or in part, the area to be annexed. The application
186 shall be made pursuant to the rules and regulations of the
187 commission governing applications for certificates of public
188 convenience and necessity. The commission after the
189 opportunity for hearing shall make its determination after
190 consideration of the factors set forth in subdivisions (1)

191 through (7) of subsection 2 of this section, and section
192 394.080 to the contrary notwithstanding, may grant its order
193 upon a finding that granting of the applicant's request is
194 not detrimental to the public interest. The commission
195 shall issue its decision by report and order no later than
196 one hundred twenty days from the date of the application
197 unless otherwise ordered by the commission for good cause
198 shown. Review of such commission decisions shall be
199 governed by sections 386.500 to 386.550. If the applicant
200 is a rural electric cooperative, the commission shall charge
201 to the rural electric cooperative the appropriate fees as
202 set forth in subsection 9 of this section.

203 [3.] 4. When a municipally owned electric utility
204 desires to extend its service territory to include any
205 structure located within a newly annexed area which has
206 received permanent service from another electric service
207 supplier within ninety days prior to the effective date of
208 the annexation, it shall:

209 (1) Notify by publication in a newspaper of general
210 circulation the record owner of said structure, and notify
211 in writing any affected electric service supplier and the
212 public service commission, within sixty days after the
213 effective date of the annexation its desire to extend its
214 service territory to include said structure; and

215 (2) Within six months after the effective date of the
216 annexation receive the approval of the municipality's
217 governing body to begin negotiations pursuant to section
218 394.312 with [any] the affected electric service supplier.

219 [4.] 5. Upon receiving approval from the
220 municipality's governing body pursuant to subsection [3] 4
221 of this section, the municipally owned electric utility and
222 the affected electric service supplier shall meet and
223 negotiate in good faith the terms of the territorial

224 agreement and any transfers or acquisitions, including, as
225 an alternative, granting the affected electric service
226 supplier a franchise or authority to continue providing
227 service in the annexed area. In the event that the affected
228 electric service supplier does not provide wholesale
229 electric power to the municipality, if the affected electric
230 service supplier so desires, the parties [shall] may also
231 negotiate, consistent with applicable law, regulations and
232 existing power supply agreements, for power contracts which
233 would provide for the purchase of power by the municipality
234 from the affected electric service supplier for an amount of
235 power equivalent to the loss of any sales to customers
236 receiving permanent service at structures within the annexed
237 areas which are being sought by the municipally owned
238 electric utility. The parties shall have no more than one
239 hundred eighty days from the date of receiving approval from
240 the municipality's governing body within which to conclude
241 their negotiations and file their territorial agreement with
242 the commission for approval under the provisions of section
243 394.312. The time period for negotiations allowed under
244 this subsection may be extended for a period not to exceed
245 one hundred eighty days by a mutual agreement of the parties
246 and a written request with the public service commission.

247 [5.] 6. For purposes of this section, the term "fair
248 and reasonable compensation" shall mean the following:

249 (1) The present-day reproduction cost, new, of the
250 properties and facilities serving the annexed areas, less
251 depreciation computed on a straight-line basis; and

252 (2) An amount equal to the reasonable and prudent cost
253 of detaching the facilities in the annexed areas and the
254 reasonable and prudent cost of constructing any necessary
255 facilities to reintegrate the system of the affected
256 electric service supplier outside the annexed area after

257 detaching the portion to be transferred to the municipally
258 owned electric utility; and

259 (3) ~~Four~~ Two hundred percent of gross revenues less
260 gross receipts taxes received by the affected electric
261 service supplier from the twelve-month period preceding the
262 approval of the municipality's governing body under the
263 provisions of subdivision (2) of subsection ~~3~~ 4 of this
264 section, normalized to produce a representative usage from
265 customers at the subject structures in the annexed area; and

266 (4) Any federal, state and local taxes which may be
267 incurred as a result of the transaction, including the
268 recapture of any deduction or credit; and

269 (5) Any other costs reasonably incurred by the
270 affected electric supplier in connection with the
271 transaction.

272 ~~6.~~ 7. In the event the parties are unable to reach
273 an agreement under subsection ~~4~~ 5 of this section, within
274 sixty days after the expiration of the time specified for
275 negotiations, the municipally owned electric utility or the
276 affected electric service supplier may apply to the
277 commission for an order assigning exclusive service
278 territories within the annexed area and a determination of
279 the fair and reasonable compensation amount to be paid to
280 the affected electric service supplier under subsection ~~5~~
281 6 of this section. Applications shall be made and notice of
282 such filing shall be given to all affected parties pursuant
283 to the rules and regulations of the commission governing
284 applications for certificates of public convenience and
285 necessity. Unless otherwise ordered by the commission for
286 good cause shown, the commission shall rule on such
287 applications not later than one hundred twenty days after
288 the application is properly filed with the secretary of the
289 commission. The commission shall hold evidentiary hearings

to assign service territory between the affected electric service suppliers inside the annexed area and to determine the amount of compensation due any affected electric service supplier for the transfer of plant, facilities or associated lost revenues between electric service suppliers in the annexed area. The commission shall make such determinations based on findings of what best serves the public interest and shall issue its decision by report and order. Review of such commission decisions shall be governed by sections 386.500 to 386.550. The payment of compensation and transfer of title and operation of the facilities shall occur within ninety days after the order and any appeal therefrom becomes final unless the order provides otherwise.

[7.] 8. In reaching its decision under subsection [6] 7 of this section, the commission shall consider the following factors:

(1) Whether the acquisition or transfers sought by the municipally owned electric utility within the annexed area from the affected electric service supplier are, in total, in the public interest, including the preference of the owner of any affected structure, consideration of rate disparities between the competing electric service suppliers, and issues of unjust rate discrimination among customers of a single electric service supplier if the rates to be charged in the annexed areas are lower than those charged to other system customers; and

(2) The fair and reasonable compensation to be paid by the municipally owned electric utility, to the affected electric service supplier with existing system operations within the annexed area, for any proposed acquisitions or transfers; and

(3) Any effect on system operation, including, but not limited to, loss of load and loss of revenue; and

323 (4) Any other issues upon which the municipally owned
324 electric utility and the affected electric service supplier
325 might otherwise agree, including, but not limited to, the
326 valuation formulas and factors contained in subsections [4,
327 5 and 6] 5, 6, and 7, of this section, even if the parties
328 could not voluntarily reach an agreement thereon under those
329 subsections.

330 [8.] 9. The commission is hereby given all necessary
331 jurisdiction over municipally owned electric utilities and
332 rural electric cooperatives to carry out the purposes of
333 this section consistent with other applicable law; provided,
334 however, the commission shall not have jurisdiction to
335 compel the transfer of customers or structures with a
336 connected load greater than one thousand kilowatts. The
337 commission shall by rule set appropriate fees to be charged
338 on a case-by-case basis to municipally owned electric
339 utilities and rural electric cooperatives to cover all
340 necessary costs incurred by the commission in carrying out
341 its duties under this section. Nothing in this section
342 shall be construed as otherwise conferring upon the public
343 service commission jurisdiction over the service, rates,
344 financing, accounting, or management of any rural electric
345 cooperative or municipally owned electric utility, except as
346 provided in this section.

347 10. Notwithstanding sections 394.020 and 394.080 to
348 the contrary, a rural electric cooperative may provide
349 electric service within the corporate boundaries of a
350 municipality if such service is provided:

351 (1) Pursuant to subsections 2 through 9 of this
352 section; and

353 (2) Such service is conditioned upon the execution of
354 the appropriate territorial and municipal franchise
355 agreements, which may include a nondiscriminatory

356 requirement, consistent with other applicable law, that the
357 rural electric cooperative collect and remit a sales tax
358 based on the amount of electricity sold by the rural
359 electric cooperative within the municipality."; and

360 Further amend said bill, page 10, section 393.106, line
361 85, by inserting after all of said line the following:

362 "4. Notwithstanding the provisions of this section,
363 section 91.025, section 394.080, and section 394.315 to the
364 contrary, in the event that a retail electric supplier is
365 providing service to a structure located within a city,
366 town, or village that ceased to be a rural area, and such
367 structure is demolished and replaced by a new structure,
368 such retail electric service supplier may provide permanent
369 service to the new structure upon the request of the owner
370 of the new structure."; and

371 Further amend said bill, page 62, section 393.1715,
372 line 150, by inserting after all of said line the following:

373 "394.020. In this chapter, unless the context
374 otherwise requires,

375 (1) "Member" means each incorporator of a cooperative
376 and each person admitted to and retaining membership
377 therein, and shall include a husband and wife admitted to
378 joint membership;

379 (2) "Person" includes any natural person, firm,
380 association, corporation, business trust, partnership,
381 federal agency, state or political subdivision or agency
382 thereof, or any body politic; and

383 (3) "Rural area" shall be deemed to mean any area of
384 the United States not included within the boundaries of any
385 city, town or village having a population in excess of
386 [fifteen] sixteen hundred inhabitants, and such term shall
387 be deemed to include both the farm and nonfarm population
388 thereof. The number of inhabitants specified in this

389 subsection shall be increased by six percent every ten years
390 after each decennial census beginning in 2030."; and

391 Further amend said bill, page 63, section 394.120, line
392 57, by inserting after all of said line the following:

393 "394.315. 1. As used in this section, the following
394 terms mean:

395 (1) "Permanent service", electrical service provided
396 through facilities which have been permanently installed on
397 a structure and which are designed to provide electric
398 service for the structure's anticipated needs for the
399 indefinite future, as contrasted with facilities installed
400 temporarily to provide electrical service during
401 construction. Service provided temporarily shall be at the
402 risk of the electrical supplier and shall not be
403 determinative of the rights of the provider or recipient of
404 permanent service;

405 (2) "Structure" or "structures", an agricultural,
406 residential, commercial, industrial or other building or a
407 mechanical installation, machinery or apparatus at which
408 retail electric energy is being delivered through a metering
409 device which is located on or adjacent to the structure and
410 connected to the lines of an electrical supplier. Such
411 terms shall include any contiguous or adjacent additions to
412 or expansions of a particular structure. Nothing in this
413 section shall be construed to confer any right on [a rural
414 electric cooperative] an electric supplier to serve new
415 structures on a particular tract of land because it was
416 serving an existing structure on that tract.

417 2. Once a rural electric cooperative, or its
418 predecessor in interest, lawfully commences supplying retail
419 electric energy to a structure through permanent service
420 facilities, it shall have the right to continue serving such
421 structure, and other suppliers of electrical energy shall

422 not have the right to provide service to the structure
423 except as might be otherwise permitted in the context of
424 municipal annexation, pursuant to section 386.800 and
425 section 394.080, or pursuant to a territorial agreement
426 approved under section 394.312. The public service
427 commission, upon application made by an affected party, may
428 order a change of suppliers on the basis that it is in the
429 public interest for a reason other than a rate differential,
430 and the commission is hereby given jurisdiction over rural
431 electric cooperatives to accomplish the purpose of this
432 section. The commission's jurisdiction under this section
433 is limited to public interest determinations and excludes
434 questions as to the lawfulness of the provision of service,
435 such questions being reserved to courts of competent
436 jurisdiction. Except as provided herein, nothing in this
437 section shall be construed as otherwise conferring upon the
438 commission jurisdiction over the service, rates, financing,
439 accounting or management of any such cooperative, and except
440 as provided in this section, nothing contained herein shall
441 affect the rights, privileges or duties of existing
442 cooperatives pursuant to this chapter. Nothing in this
443 section shall be construed to make lawful any provision of
444 service which was unlawful prior to July 11, 1991. Nothing
445 in this section shall be construed to make unlawful the
446 continued lawful provision of service to any structure which
447 may have had a different supplier in the past, if such a
448 change in supplier was lawful at the time it occurred.
449 However, those customers who had cancelled service with
450 their previous supplier or had requested cancellation by May
451 1, 1991, shall be eligible to change suppliers as per
452 previous procedures. No customer shall be allowed to change
453 electric suppliers by disconnecting service between May 1,
454 1991, and July 11, 1991.

455 3. Notwithstanding the provisions of this section,
456 section 91.025, section 393.106, and section 394.080 to the
457 contrary, in the event that a retail electric supplier is
458 providing service to a structure located within a city,
459 town, or village that has ceased to be a rural area, and
460 such structure is demolished and replaced by a new
461 structure, such retail electric service supplier may provide
462 permanent service to the new structure upon the request of
463 the owner of the new structure."; and

464 Further amend the title and enacting clause accordingly.

SENATE AMENDMENT NO. 2

Offered by

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of

CassAmend SS/SCS/HCS/House Bill No. 734, Page 1, Section 67.309, Line 12,

2 By inserting after all of said line the following:

3 "204.569. When an unincorporated sewer subdistrict of
4 a common sewer district has been formed pursuant to sections
5 204.565 to 204.573, the board of trustees of the common
6 sewer district shall have the same powers with regard to the
7 subdistrict as for the common sewer district as a whole,
8 plus the following additional powers:

9 (1) To enter into agreements to accept, take title to,
10 or otherwise acquire, and to operate such sewers, sewer
11 systems, treatment and disposal facilities, and other
12 property, both real and personal, of the political
13 subdivisions included in the subdistrict as the board
14 determines to be in the interest of the common sewer
15 district to acquire or operate, according to such terms and
16 conditions as the board finds reasonable, provided that such
17 authority shall be in addition to the powers of the board of
18 trustees pursuant to section 204.340;

19 (2) To provide for the construction, extension,
20 improvement, and operation of such sewers, sewer systems,
21 and treatment and disposal facilities, as the board
22 determines necessary for the preservation of public health
23 and maintenance of sanitary conditions in the subdistrict;

24 (3) For the purpose of meeting the costs of activities
25 undertaken pursuant to the authority granted in this
26 section, to issue bonds in anticipation of revenues of the

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27 subdistrict in the same manner as set out in sections
28 204.360 to 204.450, for other bonds of the common sewer
29 district. Issuance of such bonds for the subdistrict shall
30 require the assent only of four-sevenths of the voters of
31 the subdistrict voting on the question[, and] except that,
32 as an alternative to such a vote, if the subdistrict is a
33 part of a common sewer district located in whole or in part
34 in any county of the first classification without a charter
35 form of government adjacent to a county of the first
36 classification with a charter form of government and a
37 population of at least six hundred thousand and not more
38 than seven hundred fifty thousand, bonds may be issued for
39 such subdistrict if the question receives the written assent
40 of three-quarters of the customers of the subdistrict in a
41 manner consistent with section 204.370, where "customer", as
42 used in this subdivision, means any political subdivision
43 within the subdistrict that has a service or user agreement
44 with the common sewer district. The principal and interest
45 of such bonds shall be payable only from the revenues of the
46 subdistrict and not from any revenues of the common sewer
47 district as a whole;

48 (4) To charge the costs of the common sewer district
49 for operation and maintenance attributable to the
50 subdistrict, plus a proportionate share of the common sewer
51 district's costs of administration to revenues of the
52 subdistrict and to consider such costs in determining
53 reasonable charges to impose within the subdistrict under
54 section 204.440;

55 (5) With prior concurrence of the subdistrict's
56 advisory board, to provide for the treatment and disposal of
57 sewage from the subdistrict in or by means of facilities of
58 the common sewer district not located within the
59 subdistrict, in which case the board of trustees shall also

60 have authority to charge a proportionate share of the costs
61 of the common sewer district for operation and maintenance
62 to revenues of the subdistrict and to consider such costs in
63 determining reasonable charges to impose within the
64 subdistrict under section 204.440."; and

65 Further amend the title and enacting clause accordingly.

SENATE AMENDMENT NO. 3Offered by Kiddle of 10Amend SS/SCS/HCS/House Bill No. 734, Page 1, Section 67.309, Line 12,

2 by inserting after all of said line the following:

3 "137.123. 1. Beginning January 1, 2022, for purposes
4 of assessing all real property, excluding land, or tangible
5 personal property associated with a project that uses wind
6 energy directly to generate electricity, the following
7 depreciation tables shall be used to determine the true
8 value in money of such property. The first year shown in
9 the table shall be the year immediately following the year
10 of construction of the property. The original costs shall
11 reflect either:

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

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

18 For purposes of this section, and to estimate the value of
19 all real property, excluding land, or tangible personal
20 property associated with a project that uses wind energy
21 directly to generate electricity, each assessor shall apply
22 the percentage shown to the original cost for the first year
23 following the year of construction of the property, and the
24 percentage shown for each succeeding year shall be the

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percentage of the original cost used for January first of
the respective succeeding year as follows:

<u>Year</u>	<u>Percentage</u>
<u>1</u>	<u>40%</u>
<u>2</u>	<u>40%</u>
<u>3</u>	<u>37%</u>
<u>4</u>	<u>37%</u>
<u>5</u>	<u>35%</u>

Any real property, excluding land, or tangible personal
property associated with a project that uses wind energy
directly to generate electricity shall continue in
subsequent years to have the depreciation percentage last
listed in the appropriate column in the table.

2. Nothing in this section shall be construed to
prohibit a project from engaging in enhanced enterprise zone
agreements under sections 135.950 to 135.973 or similar tax
abatement agreements with state or local officials or to
affect any existing enhanced enterprise zone agreements.

153.030. 1. All bridges over streams dividing this
state from any other state owned, used, leased or otherwise
controlled by any person, corporation, railroad company or
joint stock company, and all bridges across or over
navigable streams within this state, where the charge is
made for crossing the same, which are now constructed, which
are in the course of construction, or which shall hereafter
be constructed, and all property, real and tangible
personal, owned, used, leased or otherwise controlled by
telegraph, telephone, electric power and light companies,
electric transmission lines, pipeline companies and express
companies shall be subject to taxation for state, county,

56 municipal and other local purposes to the same extent as the
57 property of private persons.

58 2. And taxes levied thereon shall be levied and
59 collected in the manner as is now or may hereafter be
60 provided by law for the taxation of railroad property in
61 this state, and county commissions, county boards of
62 equalization and the state tax commission are hereby
63 required to perform the same duties and are given the same
64 powers, including punitive powers, in assessing, equalizing
65 and adjusting the taxes on the property set forth in this
66 section as the county commissions and boards of equalization
67 and state tax commission have or may hereafter be empowered
68 with, in assessing, equalizing, and adjusting the taxes on
69 railroad property; and an authorized officer of any such
70 bridge, telegraph, telephone, electric power and light
71 companies, electric transmission lines, pipeline companies,
72 or express company or the owner of any such toll bridge, is
73 hereby required to render reports of the property of such
74 bridge, telegraph, telephone, electric power and light
75 companies, electric transmission lines, pipeline companies,
76 or express companies in like manner as the authorized
77 officer of the railroad company is now or may hereafter be
78 required to render for the taxation of railroad property.

79 3. On or before the fifteenth day of April in the year
80 1946 and each year thereafter an authorized officer of each
81 such company shall furnish the state tax commission and
82 county clerks a report, duly subscribed and sworn to by such
83 authorized officer, which is like in nature and purpose to
84 the reports required of railroads under chapter 151 showing
85 the full amount of all real and tangible personal property
86 owned, used, leased or otherwise controlled by each such
87 company on January first of the year in which the report is
88 due.

89 4. If any telephone company assessed pursuant to
90 chapter 153 has a microwave relay station or stations in a
91 county in which it has no wire mileage but has wire mileage
92 in another county, then, for purposes of apportioning the
93 assessed value of the distributable property of such
94 companies, the straight line distance between such microwave
95 relay stations shall constitute miles of wire. In the event
96 that any public utility company assessed pursuant to this
97 chapter has no distributable property which physically
98 traverses the counties in which it operates, then the
99 assessed value of the distributable property of such company
100 shall be apportioned to the physical location of the
101 distributable property.

102 5. (1) Notwithstanding any provision of law to the
103 contrary, beginning January 1, 2019, a telephone company
104 shall make a one-time election within the tax year to be
105 assessed:

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

108 (b) Using the methodology for property tax purposes as
109 provided under this section for property consisting of land
110 and buildings and be assessed for all other property
111 exclusively using the methodology utilized under section
112 137.122.

113 If a telephone company begins operations, including a merger
114 of multiple telephone companies, after August 28, 2018, it
115 shall make its one-time election to be assessed using the
116 methodology for property tax purposes as described under
117 paragraph (b) of subdivision (1) of this subsection within
118 the year in which the telephone company begins its
119 operations. A telephone company that fails to make a timely
120 election shall be deemed to have elected to be assessed

121 using the methodology for property tax purposes as provided
122 under subsections 1 to 4 of this section.

123 (2) The provisions of this subsection shall not be
124 construed to change the original assessment jurisdiction of
125 the state tax commission.

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

128 (4) (a) The provisions of this subdivision shall
129 ensure that school districts may avoid any fiscal impact as
130 a result of a telephone company being assessed under the
131 provisions of paragraph (b) of subdivision (1) of this
132 subsection. If a school district's current operating levy
133 is below the greater of its most recent voter-approved tax
134 rate or the most recent voter-approved tax rate as adjusted
135 under subdivision (2) of subsection 5 of section 137.073, it
136 shall comply with section 137.073.

137 (b) Beginning January 1, 2019, any school district
138 currently operating at a tax rate equal to the greater of
139 the most recent voter-approved tax rate or the most recent
140 voter-approved tax rate as adjusted under subdivision (2) of
141 subsection 5 of section 137.073 that receives less tax
142 revenue from a specific telephone company under this
143 subsection, on or before January thirty-first of the year
144 following the tax year in which the school district received
145 less revenue from a specific telephone company, may by
146 resolution of the school board impose a fee, as determined
147 under this subsection, in order to obtain such revenue. The
148 resolution shall include all facts that support the
149 imposition of the fee. If the school district receives
150 voter approval to raise its tax rate, the district shall no
151 longer impose the fee authorized in this paragraph.

152 (c) Any fee imposed under paragraph (b) of this
153 subdivision shall be determined by taking the difference

154 between the tax revenue the telephone company paid in the
155 tax year in question and the tax revenue the telephone
156 company would have paid in such year had it not made an
157 election under subdivision (1) of this subsection, which
158 shall be calculated by taking the telephone company
159 valuations in the tax year in question, as determined by the
160 state tax commission under paragraph (d) of this
161 subdivision, and applying such valuations to the
162 apportionment process in subsection 2 of section 151.150.
163 The school district shall issue a billing, as provided in
164 this subdivision, to any such telephone company. A
165 telephone company shall have forty-five days after receipt
166 of a billing to remit its payment of its portion of the fees
167 to the school district. Notwithstanding any other provision
168 of law, the issuance or receipt of such fee shall not be
169 used:

170 a. In determining the amount of state aid that a
171 school district receives under section 163.031;

172 b. In determining the amount that may be collected
173 under a property tax levy by such district; or

174 c. For any other purpose.

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

178 (d) When establishing the valuation of a telephone
179 company assessed under paragraph (b) of subdivision (1) of
180 this subsection, the state tax commission shall also
181 determine the difference between the assessed value of a
182 telephone company if:

183 a. Assessed under paragraph (b) of subdivision (1) of
184 this subsection; and

185 b. Assessed exclusively under subsections 1 to 4 of
186 this section.

187 The state tax commission shall then apportion such amount to
188 each county and provide such information to any school
189 district making a request for such information.

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

192 6. (1) If any public utility company assessed
193 pursuant to this chapter has ownership of any real or
194 personal property associated with a project which uses wind
195 energy directly to generate electricity, such wind energy
196 project property shall be valued and taxed by any local
197 authorities having jurisdiction under the provisions of
198 chapter 137 and other relevant provisions of the law.

199 (2) Notwithstanding any provision of law to the
200 contrary, beginning January 1, 2020, for any public utility
201 company assessed pursuant to this chapter which has a wind
202 energy project, such wind energy project shall be assessed
203 using the methodology for real and personal property as
204 provided in this subsection:

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

207 (b) [Any property consisting of land and buildings
208 related to the wind energy project shall be assessed under
209 chapter 137; and

210 (c)] All other [business] real property, excluding
211 land, or personal property related to the wind energy
212 project shall be assessed using the methodology provided
213 under section [137.122] 137.123.

214 7. (1) If any public utility company assessed
215 pursuant to this chapter has ownership of any real or
216 personal property associated with a generation project which
217 was originally constructed utilizing financing authorized
218 pursuant to chapter 100 for construction, upon the transfer
219 of ownership of such property to the public utility company

220 such property shall be valued and taxed by any local
221 authorities having jurisdiction under the provisions of
222 chapter 137 and other relevant provisions of law.

223 (2) Notwithstanding any provision of law to the
224 contrary, beginning January 1, 2022, for any public utility
225 company assessed pursuant to this chapter which has
226 ownership of any real or personal property associated with a
227 generation project which was originally constructed
228 utilizing financing authorized pursuant to chapter 100 for
229 construction, upon the transfer of ownership of such
230 property to the public utility company such property shall
231 be assessed as follows:

232 (a) Any property associated with a generation project
233 which was originally constructed utilizing financing
234 authorized pursuant to chapter 100 for construction shall be
235 assessed upon the county assessor's local tax rolls. The
236 assessor shall rely on the public utility company for cost
237 information of the generation portion of the property as
238 found in the public utility company's Federal Energy
239 Regulatory Commission Financial Report Form Number One at
240 the time of transfer of ownership, and depreciate the costs
241 provided in a manner similar to other commercial and
242 industrial property.

243 (b) Any property consisting of land and buildings
244 related to the generation property associated with a
245 generation project which was originally constructed
246 utilizing financing pursuant to chapter 100 for construction
247 shall be assessed under chapter 137; and

248 (c) All other business or personal property related to
249 a generation project which was originally constructed
250 utilizing financing pursuant to chapter 100 for construction
251 shall be assessed using the methodology provided under
252 section 137.122.

253 153.034. 1. The term "distributable property" of an
254 electric company shall include all the real or tangible
255 personal property which is used directly in the generation
256 and distribution of electric power, but not property used as
257 a collateral facility nor property held for purposes other
258 than generation and distribution of electricity. Such
259 distributable property includes, but is not limited to:

260 (1) Boiler plant equipment, turbogenerator units and
261 generators;

262 (2) Station equipment;

263 (3) Towers, fixtures, poles, conductors, conduit
264 transformers, services and meters;

265 (4) Substation equipment and fences;

266 (5) Rights-of-way;

267 (6) Reactor, reactor plant equipment, and cooling
268 towers;

269 (7) Communication equipment used for control of
270 generation and distribution of power;

271 (8) Land associated with such distributable property.

272 2. The term "local property" of an electric company
273 shall include all real and tangible personal property owned,
274 used, leased or otherwise controlled by the electric company
275 not used directly in the generation and distribution of
276 power and not defined in subsection 1 of this section as
277 distributable property. Such local property includes, but
278 is not limited to:

279 (1) Motor vehicles;

280 (2) Construction work in progress;

281 (3) Materials and supplies;

282 (4) Office furniture, office equipment, and office
283 fixtures;

284 (5) Coal piles and nuclear fuel;

285 (6) Land held for future use;

286 (7) Workshops, warehouses, office buildings and
287 generating plant structures;

288 (8) Communication equipment not used for control of
289 generation and distribution of power;

290 (9) Roads, railroads, and bridges;

291 (10) Reservoirs, dams, and waterways;

292 (11) Land associated with other locally assessed
293 property and all generating plant land.

294 3. (1) Any real or tangible personal property
295 associated with a project which uses wind energy directly to
296 generate electricity shall be valued and taxed by local
297 authorities having jurisdiction under the provisions of
298 chapter 137 and any other relevant provisions of law. The
299 method of taxation prescribed in subsection 2 of section
300 153.030 and subsection 1 of this section shall not apply to
301 such property.

302 (2) The real or tangible personal property referenced
303 in subdivision (1) of this subsection shall include all
304 equipment whose sole purpose is to support the integration
305 of a wind generation asset into an existing system.
306 Examples of such property may include, but are not limited
307 to, wind chargers, windmills, wind turbines, wind towers,
308 and associated electrical equipment such as inverters, pad
309 mount transformers, power lines, storage equipment directly
310 associated with wind generation assets, and substations.

311 4. For any real or tangible personal property
312 associated with a generation project which was originally
313 constructed utilizing financing authorized under chapter 100
314 for construction, upon the transfer of ownership of such
315 property to a public utility, such property shall be valued
316 and taxed by local authorities having jurisdiction under the
317 provisions of chapter 137 and any other relevant provisions
318 of law. The method of taxation prescribed in subsection 2

319 of section 153.030 and subsection 1 of this section shall
320 not apply to such property."; and

321 Further amend said bill, page 67, Section 400.9-109,
322 line 102, by inserting after all of said line the following:

323 "[393.1073. 1. There is hereby
324 established the "Task Force on Wind Energy",
325 which shall be composed of the following members:

326 (1) Three members of the house of
327 representatives, with two appointed by the
328 speaker of the house of representatives and one
329 appointed by the minority floor leader of the
330 house of representatives;

331 (2) Three members of the senate, with two
332 appointed by the president pro tempore of the
333 senate and one appointed by the minority floor
334 leader of the senate; and

335 (3) Two representatives from Missouri
336 county governments with experience in wind
337 energy valuations, with one being a currently
338 elected county assessor to be appointed by the
339 speaker of the house of representatives, and one
340 being a currently elected county clerk to be
341 appointed by the president pro tempore of the
342 senate.

343 2. The task force shall conduct public
344 hearings and research, and shall compile a
345 report for delivery to the general assembly by
346 no later than December 31, 2019. Such report
347 shall include information on the following:

348 (1) The economic benefits and drawbacks of
349 wind turbines to local communities and the state;

350 (2) The fair, uniform, and standardized
351 assessment and taxation of wind turbines and
352 their connected equipment owned by a public
353 utility company at the county level in all
354 counties;

355 (3) Compliance with existing federal and
356 state programs and regulations; and

357 (4) Potential legislation that will
358 provide a uniform assessment and taxation
359 methodology for wind turbines and their
360 connected equipment owned by a public utility
361 company that will be used in every county of
362 Missouri.

363 3. The task force shall meet within thirty
364 days after its creation and shall organize by
365 selecting a chairperson and vice chairperson,
366 one of whom shall be a member of the senate and
367 the other a member of the house of
368 representatives. Thereafter, the task force may
369 meet as often as necessary in order to
370 accomplish the tasks assigned to it. A majority

371 of the task force shall constitute a quorum, and
372 a majority vote of such quorum shall be required
373 for any action.

374 4. The staff of house research and senate
375 research shall provide necessary clerical,
376 research, fiscal, and legal services to the task
377 force, as the task force may request.

378 5. The members of the task force shall
379 serve without compensation, but any actual and
380 necessary expenses incurred in the performance
381 of the task force's official duties by the task
382 force, its members, and any staff assigned to
383 the task force shall be paid from the joint
384 contingent fund.

385 6. This section shall expire on December
386 31, 2019.]; and

387 Further amend the title and enacting clause accordingly.