

HCS#2 HBs 440 & 1160 -- UTILITIES

SPONSOR: Haden

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Tax Reform by a vote of 9 to 0. Voted "Do Pass with HCS #2" by the Standing Committee on Legislative Review by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules-Legislative by a vote of 6 to 3.

The following is a summary of the House Committee Substitute #2 for HBs 440 & 1160.

Beginning August 28, 2025, for purposes of assessing all real property, excluding land, or tangible personal property associated with a project that uses solar energy directly to generate electricity, the tax liability will be equal to \$2500 per megawatt of nameplate capacity. All land associated with the project that used solar energy will be assessed as commercial property.

As specified in this bill, if any public utility company has ownership of any real or personal property associated with a project which uses solar or wind energy directly to generate electricity, such solar or wind energy project property will be valued and taxed by any local authorities having jurisdiction.

Beginning January 1, 2026, for any public utility company that has a solar energy project, such solar energy project must be assessed with any solar energy property of such company assessed upon the county assessor's local tax rolls, and all other real property, excluding land, or personal property related to the solar energy project assessed using the methodology as specified in the bill.

For all solar energy projects built on or after January 1, 2026, the project will be subject to certain setbacks, specified in the bill, from adjacent property.

A solar energy company must secure all property rights or easements necessary for transmission and interconnection to the electrical grid prior to construction of a solar energy project.

This bill also prohibits the use of eminent domain by electrical corporations for the construction or erection of any plant, tower, panel, or facility that:

(1) Uses, captures, or converts wind or air currents to generate or manufacture electricity; or

(2) Uses, captures, or converts the light or heat generated by the sun to generate or manufacture electricity.

The bill specifies that the authority of any corporation to condemn property must extend to the acquisition of rights needed to construct, operate, and maintain the collection, distribution, communication, and transmission lines, substations, switchyards and other facilities needed to collect and deliver energy generated or manufactured by solar or wind facilities.

Currently, a decree of dissolution to dissolve a public water supply must be passed by a majority of two-thirds of the voters of the district voting on the proposition. This bill reduces the percentage of voters needed to pass the dissolution decree to a majority of four-sevenths of the voters.

This bill requires an underground facility owner to ensure that all new and active underground facilities installed on any real property after August 28, 2025, be installed with a detectable underground location device unless the facility is capable of being detected from above ground with an electronic locating device. Exceptions to this requirement are detailed in the bill.

The bill modifies the composition of the Board of Directors for the notification center. The board must have at least four full voting directors from other damage-prevention stakeholders within the construction industry, of which three must be from a heavy civil, site grading, road or highway contractor and one must be from a utility or underground contractor. None of the directors appointed from the construction industry can work for a contractor that owns or operates an underground facility.

Excavators are required to give notice to the notification center and obtain information concerning the possible location of any underground facilities that can be affected by the excavation before beginning the operation. This notice is to have an operational life ending at 11:59 p.m. twenty-one consecutive calendar days from the start date of the operation.

When the location of the planned excavation cannot be clearly identified, the excavator can designate the planned excavation route or area to be excavated by means specified in the bill and provide the information to the notification center before or with the notice of intent to excavate.

In the event of any damage, dislocation, or disturbance to any underground facility or any protective devices, the person responsible for the excavation operations must report the damage through the notification center.

The bill requires the location of underground facilities provided by a facility owner or operator to any person engaging in scheduled excavating be accurate. If any underground facility becomes damaged by an excavator due to the furnishing of inaccurate information as to its location by the facility owner or operator, the excavator would not be liable for the damage to the underground facility as a result of the excavating, provided that the excavating complies with the safety and notice requirements and current law and there is no evidence visible and obvious to the excavator of the presence of a mismarked underground facility.

Currently, the failure of an underground facility owner to mark his or her facilities or to become a participant in the notification system is a rebuttable presumption of negligence on the part of the owner. The bill adds a locator or other contractor engaged by the owner in the event the failure cause injury, loss, or damage.

Finally, this bill prohibits a new "Wind Energy Conversion System", as defined in the bill, from beginning commercial operations after August 28, 2025, unless that developer, owner, or operator applies to the Federal Aviation Administration (FAA) for installation of a light-mitigating technology system. If the installation is approved by the FAA, the developer, owner, or operator of such wind energy conversion system must install the light-mitigating technology system on approved turbines within 24 months of approval.

Before August 28, 2030, any developer, owner, or operator of a commercial wind energy conversion system without a light-mitigating technology system must apply to the FAA for installation and operation of a system. If the installation is approved by the FAA, the developer, owner, or operator must install the system on approved turbines within 24 months of approval.

Any vendor selected for installation of a light-mitigating technology system must provide to the Department of Natural Resources notice of the progress of the installation of the system. If the installation is delayed beyond the 24-month requirement, the vendor must provide notice to the Department at least every three months, with an update on the reasons for the delay and current status of installation. Any costs associated with the installation, implementation, operation, and maintenance of the system must be the responsibility of the developer, owner, or operator of the wind energy conversion system.

Any developer, owner, or operator approved to install a light-mitigating system, but does not, is liable for a fine of \$5,000 per day, per turbine, until the system is installed.

The following is a summary of the public testimony from the Standing Committee on Legislative Review hearing, which occurred on March 27, 2025. The testimony was based on the HCS version of the bill.

PROPOSERS: Supporters say that the State is in the wild west when it comes to solar energy, and that installations can take upwards of one year, which can result in real and severely negative economic impact on the areas and the areas' residents. If the energy production is being utilized or converted to commercial use, it should also be assessed as such.

Testifying in person for the bill were Representative Haden and Representative Busick.

OPPOSERS: Those who oppose the bill say that if a cap is placed on the amount of land for use to generate energy, that is an infringement on property rights. Additionally, some political subdivisions lack the will to impose restrictions, and have sought the General Assembly's help with a statewide zoning scheme that is more aggressive in its limitations and restrictions than what many local communities have negotiated and adopted.

Testifying in person against the bill were Ameren Missouri; Azimuth Renewables, LLC; and Clean Grid Alliance.

The following is a summary of the public testimony from the Special Committee on Tax Reform hearing, which occurred on February 25, 2025. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the bill attempts to negotiate with solar bills and solar energy, and it addressed how solar facilities are taxed. Supporters also say the bill will provide for fairness in how land used for certain solar energy projects will be appropriately assessed as commercial rather than agricultural. Supporters say the bill allows for more consistency because, currently, solar energy companies are not paying their fair tax load. Supporters also say the energy generating sources will be assessed at a local level.

Testifying in person for the bill were Representative Haden; Leslie Meyer, Audrain County; Gary Jungermann; Kenneth Twillman, Twillman Feed Service LLC; John Burns; Arnie Dienoff; Missouri Farm Bureau; Andy Ekton; Greg Westhusing; and Charles Greg Crawford.

OPPOSERS: Those who oppose the bill say that the bill conflicts with legislation regarding setbacks. The large setbacks in the

bill will lead to more land being pulled from other acres that are meant for food production. Opponents also state that investments have already been made in these projects, so there will need to be some transition period or grandfather condition before needing to make material modifications.

Testifying in person against the bill were Arevon Energy; Ameren Missouri; Susan Burns; David Bunge, Azimuth Renewables, LLC; Clean Grid Alliance; Missouri Solar Energy Industries Association (MOSEIA).

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.