SECOND REGULAR SESSION

HOUSE BILL NO. 2478

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LEWIS.

4225H.02I JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 137.100, 153.030, 153.034, 393.1025, 393.1030, and 523.010, RSMo, and to enact in lieu thereof ten new sections relating to utilities, with an emergency clause for a certain section.

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

Section A. Sections 137.100, 153.030, 153.034, 393.1025, 393.1030, and 523.010, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 67.5350, 137.100, 137.124, 153.030, 153.034, 393.172, 393.1025, 393.1030, 393.1120, and 523.010, to read as follows:

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

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

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

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

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

(2) "Solar farm", a group of photovoltaic interconnected solar panels or arrays that convert sunlight into electricity for the primary purpose of wholesale or retail sales of generated electricity, including all on-site equipment and facilities necessary for the proper operation of the facility, such as electrical collection and transmission lines,

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.

battery storage systems, transformers, substations, and operations and maintenance facilities within at least twenty continuous acres.

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

3. The county commission of any county shall adopt an order or ordinance requiring a permit to construct a solar farm within specified boundaries located in whole or in part in an unincorporated area of a county. Such permit shall require the following:

(1) Any construction to be at least one thousand linear feet from any church, school, or city, town, or village limit, or any private residence or residential property, including, but not limited to, a nursing home or a senior living facility;

(2) Any construction to be at least three hundred linear feet from any other property line, not listed under subdivision (1) of this subsection; or

(3) Any construction to be at least two hundred and fifty linear feet from any public road.

4. A permit under subsection 3 of this section shall require noise levels not to exceed forty-five decibels at any property line.

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

(1) Maximum nameplate capacity of the solar farm;

(2) Safety measures to prevent any fire hazard on the solar farm;

(3) Geographical area and number of acres of the solar farm;

(4) Name, address, and telephone number of the owner or operator of the solar farm;

(5) Notice that the county commission will accept written comments from the public for a period of thirty days on the construction of the solar farm; and

(6) The address of the office of the county commission.

6. No later than ninety days after the public meeting, the county commission shall:

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

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

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

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

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

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

10. The county commission of any county where a solar farm is proposed to be constructed shall require a decommissioning plan that includes removal of the solar farm equipment within twelve months after cessation of operations. The decommissioning plan shall be submitted to the county commission by an owner or operator of the proposed solar farm before construction begins. Decommissioning costs shall be calculated by an engineer licensed in the state. As part of the decommissioning plan, an owner or an operator shall post a bond in an amount of one hundred and twenty-five percent of the estimated decommissioning costs. The decommissioning plan shall be updated every five years by the owner or operator and submitted to the county commission.

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

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

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

(3) Nonprofit cemeteries;

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

(5) All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for

private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but held or used as investment even though the income or rentals received therefrom is used wholly for religious, educational or charitable purposes;

(6) 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~~**] such person's** home or dwelling place;

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

(8) Real or personal property leased or otherwise transferred by an interstate compact agency created pursuant to sections 70.370 to 70.430 or sections 238.010 to 238.100 to another for which or whom such property is not exempt when immediately after the lease or transfer, the interstate compact agency enters into a leaseback or other agreement that directly or indirectly gives such interstate compact agency a right to use, control, and possess the property; provided, however, that in the event of a conveyance of such property, the interstate compact agency must retain an option to purchase the property at a future date or, within the limitations period for reverters, the property must revert back to the interstate compact agency. Property will no longer be exempt under this subdivision in the event of a conveyance as of the date, if any, when:

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

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

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

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

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

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

137.124. 1. Beginning January 1, 2027, 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 and that was built or was contracted to sell power, the tax liability actually owed shall be equal to six thousand dollars per megawatt of nameplate capacity and shall be adjusted for inflation annually based on the Consumer Price Index for All Urban Consumers in the Midwest Region, as recorded by the United Bureau of Labor Statistics.

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.

3. Beginning January 1, 2027, for the purposes of assessing land that is associated with a project that uses solar energy directly to generate electricity, such real property shall be classified as subclass (3) real property and assessed as commercial property under this chapter.

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

2. **[**~~And~~**]** Taxes levied **[**~~thereon~~**] under subsection 1 of this section** shall be levied and collected in the manner as is now or may hereafter be provided by law for the taxation of railroad property in this state, and county commissions, county boards of equalization and the state tax commission are hereby required to perform the same duties and are given the same powers, including punitive powers, in assessing, equalizing and adjusting the taxes on the property set forth in this section as the county commissions and boards of equalization and state tax commission have or may hereafter be empowered with, in assessing, equalizing, and adjusting the taxes on railroad property; and an authorized officer of any such bridge, telegraph, telephone, electric power and light companies, electric transmission lines, pipeline companies, or express company or the owner of any such toll bridge, is hereby required to render reports of the property of such bridge, telegraph, telephone, electric power and light companies, electric transmission lines, pipeline companies, or express companies in like manner as the authorized officer of the railroad company is now or may hereafter be required to render for the taxation of railroad property.

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

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

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

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

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

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

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

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

(4) (a) The provisions of this subdivision shall ensure that school districts may avoid any fiscal impact as a result of a telephone company being assessed under the provisions of paragraph (b) of subdivision (1) of this subsection. If a school district's current operating levy is below the greater of its most recent voter-approved tax rate or the most recent voter-

approved tax rate as adjusted under subdivision (2) of subsection 5 of section 137.073, it shall comply with section 137.073.

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

(c) Any fee imposed under paragraph (b) of this subdivision shall be determined by taking the difference between the tax revenue the telephone company paid in the tax year in question and the tax revenue the telephone company would have paid in such year had it not made an election under subdivision (1) of this subsection, which shall be calculated by taking the telephone company valuations in the tax year in question, as determined by the state tax commission under paragraph (d) of this subdivision, and applying such valuations to the apportionment process in subsection 2 of section 151.150. The school district shall issue a billing, as provided in this subdivision, to any such telephone company. A telephone company shall have forty-five days after receipt of a billing to remit its payment of its portion of the fees to the school district. Notwithstanding any other provision of law, the issuance or receipt of such fee shall not be used:

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

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

c. For any other purpose.

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

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

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

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

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

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

6. (1) If any public utility company assessed pursuant to this chapter 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 shall be valued and taxed by any local authorities having jurisdiction under the provisions of chapter 137 and other relevant provisions of the law.

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

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

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

(3) Notwithstanding any other provision of law to the contrary, beginning January 1, 2027, for any public utility company assessed under this chapter which has a solar energy project, such solar energy project shall be assessed using the methodology for real and personal property as provided in this subsection:

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

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

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

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

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

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

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

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

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

(2) Station equipment;

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

(4) Substation equipment and fences;

(5) Rights-of-way;

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

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

(8) Land associated with such distributable property.

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

(1) Motor vehicles;

(2) Construction work in progress;

(3) Materials and supplies;

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

(5) Coal piles and nuclear fuel;

(6) Land held for future use;

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

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

(9) Roads, railroads, and bridges;

(10) Reservoirs, dams, and waterways;

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

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

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

(3) The real or tangible personal property referenced in subdivision (1) of this subsection shall also include all equipment whose sole purpose is to support the integration of a solar generation asset into an existing system. Examples of such property may include, but are not limited to, solar panels, solar panel mounting racks, and associated electrical equipment such as inverters, battery packs, power meters, power lines, storage equipment directly associated with solar generation assets, and substations.

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

393.172. By March 31, 2027, the public service commission shall adopt rules applicable to electrical corporations that require the entity constructing an electric transmission line under subsection 1 of section 393.170 for which permission is sought from the commission on or after the effective date of this section to adhere to standards to be adopted by such rules relating to construction activities occurring partially or

wholly on privately owned agricultural land. Such standards shall address, at a minimum, landowner communication expectations, expectations with respect to transmission structure design and placement, wet weather construction and remediation practices, agricultural mitigation and restoration practices, construction-related tree and brush clearing, expectations concerning the use and restoration of field entrances and temporary roads, and best practices with respect to erosion prevention. 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, 2026, shall be invalid and void.

393.1025. As used in sections 393.1020 to 393.1030, the following terms mean:

(1) **"Alternative energy resources", electric energy produced from wind, solar thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic agricultural residues, plant residues, methane from landfills, from agricultural operations, or from wastewater treatment, thermal depolymerization or pyrolysis for converting waste material to energy, clean and untreated wood such as pallets, hydropower (not including pumped storage) that does not require a new diversion or impoundment of water and that has a nameplate rating of ten megawatts or less, fuel cells using hydrogen produced by one of the above-named alternative energy sources, and other sources of energy including nuclear that become available after November 4, 2008;**

(2) "Commission", the public service commission;

[~~(2)~~**] (3)** "Department", the department of economic development;

[~~(3)~~**] (4)** "Electric utility", any electrical corporation as defined by section 386.020;

[~~(4)~~**] (5)** "Renewable energy credit" or "REC", a tradeable certificate of proof that one megawatt-hour of electricity has been generated from **[**~~renewable~~**] alternative** energy sources **[**~~; and~~

~~(5) "Renewable energy resources", electric energy produced from wind, solar thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, cellulosic agricultural residues, plant residues, methane from landfills, from agricultural operations, or from wastewater treatment, thermal depolymerization or pyrolysis for converting waste material to energy, clean and untreated wood such as pallets, hydropower (not including pumped storage) that does not require a new diversion or impoundment of~~

~~water and that has a nameplate rating of ten megawatts or less, fuel cells using hydrogen produced by one of the above-named renewable energy sources, and other sources of energy not including nuclear that become available after November 4, 2008, and are certified as renewable by rule by the department~~**]**.

393.1030. 1. The commission shall, in consultation with the department, prescribe by rule a portfolio requirement for all electric utilities to generate or purchase electricity generated from **[**~~renewable~~**] alternative** energy resources. Such portfolio requirement shall provide that electricity from **[**~~renewable~~**] alternative** energy resources shall constitute the following portions of each electric utility's sales:

(1) No less than two percent for calendar years 2011 through 2013;

(2) No less than five percent for calendar years 2014 through 2017;

(3) No less than ten percent for calendar years 2018 through 2020; and

(4) No less than fifteen percent in each calendar year beginning in 2021.

At least two percent of each portfolio requirement shall be derived from solar energy. The portfolio requirements shall apply to all power sold to Missouri consumers whether such power is self-generated or purchased from another source in or outside of this state. A utility may comply with the standard in whole or in part by purchasing RECs. Each kilowatt-hour of eligible energy generated in Missouri shall count as 1.25 kilowatt-hours for purposes of compliance.

2. (1) This subsection applies to electric utilities with more than two hundred fifty thousand but less than one million retail customers in Missouri as of the end of the calendar year 2024.

(2) Energy meeting the criteria of the renewable energy portfolio requirements set forth in subsection 1 of this section that is generated from **[**~~renewable~~**] alternative** energy resources and contracted for by an accelerated renewable buyer shall:

(a) Have all associated renewable energy certificates retired by the accelerated renewable buyer, or on their behalf, and the certificates shall not be used to meet the electric utility's portfolio requirements pursuant to subsection 1 of this section;

(b) Be excluded from the total electric utility's sales used to determine the portfolio requirements pursuant to subsection 1 of this section; and

(c) Be used to offset all or a portion of its electric load for purposes of determining compliance with the portfolio requirements pursuant to subsection 1 of this section.

(3) The accelerated renewable buyer shall be exempt from any renewable energy standard compliance costs as may be established by the utility and approved by the commission, based on the amount of renewable energy certificates retired pursuant to this

subsection in proportion to the accelerated renewable buyer's total electric energy consumption, on an annual basis.

(4) An "accelerated renewable buyer" means a customer of an electric utility, with an aggregate load over eighty average megawatts, that enters into a contract or contracts to obtain:

(a) Renewable energy certificates from **[**~~renewable~~**] alternative** energy resources as defined in section 393.1025; or

(b) Energy and renewable energy certificates from solar or wind generation resources located within the Southwest Power Pool region and initially placed in commercial operation after January 1, 2020, including any contract with the electric utility for such generation resources that does not allocate to or recover from any other customer of the utility the cost of such resources.

(5) Each electric utility shall certify, and verify as necessary, to the commission that the accelerated renewable buyer has satisfied the exemption requirements of this subsection for each year, or an accelerated renewable buyer may choose to certify satisfaction of this exemption by reporting to the commission individually.

(6) The commission may promulgate such rules and regulations as may be necessary to implement the provisions of this subsection. 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, 2025, shall be invalid and void.

(7) Nothing in this section shall be construed as imposing or authorizing the imposition of any reporting, regulatory, or financial burden on an accelerated renewable buyer.

3. The commission, in consultation with the department and within one year of November 4, 2008, shall select a program for tracking and verifying the trading of renewable energy credits. An unused credit may exist for up to three years from the date of its creation. A credit may be used only once to comply with sections 393.1020 to 393.1030 and may not also be used to satisfy any similar nonfederal requirement. An electric utility may not use a credit derived from a green pricing program. Certificates from net-metered sources shall initially be owned by the customer-generator. The commission, except where the department is specified, shall make whatever rules are necessary to enforce the renewable energy standard. Such rules shall include:

(1) A maximum average retail rate increase of one percent determined by estimating and comparing the electric utility's cost of compliance with least-cost renewable generation and the cost of continuing to generate or purchase electricity from entirely nonrenewable sources, taking into proper account future environmental regulatory risk including the risk of greenhouse gas regulation. Notwithstanding the foregoing, until June 30, 2020, if the maximum average retail rate increase would be less than or equal to one percent if an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility is ignored for purposes of calculating the increase, then additional solar rebates shall be paid and included in rates in an amount up to the amount that would produce a retail rate increase equal to the difference between a one percent retail rate increase and the retail rate increase calculated when ignoring an electric utility's investment in solar-related projects initiated, owned, or operated by the electric utility. Notwithstanding any provision to the contrary in this section, even if the payment of additional solar rebates will produce a maximum average retail rate increase of greater than one percent when an electric utility's investment in solar-related projects initiated, owned or operated by the electric utility are included in the calculation, the additional solar rebate costs shall be included in the prudently incurred costs to be recovered as contemplated by subdivision (4) of this subsection;

(2) Penalties of at least twice the average market value of renewable energy credits for the compliance period for failure to meet the targets of subsection 1 of this section. An electric utility will be excused if it proves to the commission that failure was due to events beyond its reasonable control that could not have been reasonably mitigated, or that the maximum average retail rate increase has been reached. Penalties shall not be recovered from customers. Amounts forfeited under this section shall be remitted to the department to purchase renewable energy credits needed for compliance. Any excess forfeited revenues shall be used by the division of energy solely for renewable energy and energy efficiency projects;

(3) Provisions for an annual report to be filed by each electric utility in a format sufficient to document its progress in meeting the targets;

(4) Provision for recovery outside the context of a regular rate case of prudently incurred costs and the pass-through of benefits to customers of any savings achieved by an electrical corporation in meeting the requirements of this section.

4. As provided for in this section, except for those electrical corporations that qualify for an exemption under section 393.1050, each electric utility shall make available to its retail customers a solar rebate for new or expanded solar electric systems sited on customers' premises, up to a maximum of twenty-five kilowatts per system, measured in direct current that were confirmed by the electric utility to have become operational in compliance with the provisions of section 386.890. The solar rebates shall be two dollars per watt for systems

becoming operational on or before June 30, 2014; one dollar and fifty cents per watt for systems becoming operational between July 1, 2014, and June 30, 2015; one dollar per watt for systems becoming operational between July 1, 2015, and June 30, 2016; fifty cents per watt for systems becoming operational between July 1, 2016, and June 30, 2017; fifty cents per watt for systems becoming operational between July 1, 2017, and June 30, 2019; twenty-five cents per watt for systems becoming operational between July 1, 2019, and June 30, 2020; and zero cents per watt for systems becoming operational after June 30, 2020. An electric utility may, through its tariffs, require applications for rebates to be submitted up to one hundred eighty-two days prior to the June thirtieth operational date. Nothing in this section shall prevent an electrical corporation from offering rebates after July 1, 2020, through an approved tariff. If the electric utility determines the maximum average retail rate increase provided for in subdivision (1) of subsection 3 of this section will be reached in any calendar year, the electric utility shall be entitled to cease paying rebates to the extent necessary to avoid exceeding the maximum average retail rate increase if the electrical corporation files with the commission to suspend its rebate tariff for the remainder of that calendar year at least sixty days prior to the change taking effect. The filing with the commission to suspend the electrical corporation's rebate tariff shall include the calculation reflecting that the maximum average retail rate increase will be reached and supporting documentation reflecting that the maximum average retail rate increase will be reached. The commission shall rule on the suspension filing within sixty days of the date it is filed. If the commission determines that the maximum average retail rate increase will be reached, the commission shall approve the tariff suspension. The electric utility shall continue to process and pay applicable solar rebates until a final commission ruling; however, if the continued payment causes the electric utility to pay rebates that cause it to exceed the maximum average retail rate increase, the expenditures shall be considered prudently incurred costs as contemplated by subdivision (4) of subsection 3 of this section and shall be recoverable as such by the electric utility. As a condition of receiving a rebate, customers shall transfer to the electric utility all right, title, and interest in and to the renewable energy credits associated with the new or expanded solar electric system that qualified the customer for the solar rebate for a period of ten years from the date the electric utility confirmed that the solar electric system was installed and operational.

5. The department shall, in consultation with the commission, establish by rule a certification process for electricity generated from renewable resources and used to fulfill the requirements of subsection 1 of this section. Certification criteria for renewable energy generation shall be determined by factors that include fuel type, technology, and the environmental impacts of the generating facility. Renewable energy facilities shall not cause undue adverse air, water, or land use impacts, including impacts associated with the gathering

of generation feedstocks. If any amount of fossil fuel is used with **[**~~renewable~~**] alternative** energy resources, only the portion of electrical output attributable to **[**~~renewable~~**] alternative** energy resources shall be used to fulfill the portfolio requirements.

6. In carrying out the provisions of this section, the commission and the department shall include methane generated from the anaerobic digestion of farm animal waste and thermal depolymerization or pyrolysis for converting waste material to energy as **[**~~renewable~~**] alternative** energy resources for purposes of this section.

7. The commission shall have the authority to promulgate rules for the implementation of this section, but only to the extent such rules are consistent with, and do not delay the implementation of, 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, 2013, shall be invalid and void.

393.1120. 1. The total amount of real property associated with all solar energy projects that are established in any one county in this state shall not exceed an amount greater than two percent of all cropland in such county, as determined by the most recent U.S. Department of Agriculture Census of Agriculture, except as authorized under this section.

2. The county commission or other authorized governing body may increase the percentage of cropland under subsection 1 of this section by order, ordinance, regulation, or a vote of the residents of the county.

3. Any resident of the county shall have standing to bring suit in a circuit court of proper venue to enforce the provisions of subsection 1 of this section against a solar energy project developer if he or she believes that the cap under subsection 1 of this section has been met.

4. For all solar energy projects built on or after January 1, 2027, such project shall be subject to setback distances of at least one thousand feet to the nearest property boundary, including a residence, church, or school in existence at the time of construction. Such distances shall not apply to homeowners who have received a written agreement that has been signed by all affected property owners within the setback distance. This subsection shall not apply to solar energy projects built and operating at capacity on or before December 31, 2026.

5. A solar energy company shall secure, through purchase or contract, all property rights or easements necessary for transmission and interconnection for the solar energy project to connect to the electrical grid prior to beginning construction of the solar energy project.

523.010. 1. In case land, or other property, is sought to be appropriated by any road, railroad, street railway, telephone, telegraph or any electrical corporation organized for the manufacture or transmission of electric current for light, heat or power, including the construction, when that is the case, of necessary dams and appurtenant canals, flumes, tunnels and tailraces and including the erection, when that is the case, of necessary electric steam powerhouses, hydroelectric powerhouses and electric substations or any oil, pipeline or gas corporation engaged in the business of transporting or carrying oil, liquid fertilizer solutions, or gas by means of pipes or pipelines laid underneath the surface of the ground, or other corporation created under the laws of this state for public use, and such corporation and the owners cannot agree upon the proper compensation to be paid, or in the case the owner is incapable of contracting, be unknown, or be a nonresident of the state, such corporation may apply to the circuit court of the county of this state where such land or any part thereof lies by petition setting forth the general directions in which it is desired to construct its road, railroad, street railway, telephone, or telegraph line or electric line, including, when that is the case, the construction and maintenance of necessary dams and appurtenant canals, tunnels, flumes and tailraces and, when that is the case, the appropriation of land submerged by the construction of such dam, and including the erection and maintenance, when that is the case, of necessary electric steam powerhouses, hydroelectric powerhouses and electric substations, or oil, pipeline, liquid fertilizer solution pipeline, or gas line over or underneath the surface of such lands, a description of the real estate, or other property, which the company seeks to acquire; the names of the owners thereof, if known; or if unknown, a pertinent description of the property whose owners are unknown and praying the appointment of three disinterested residents of the county, as commissioners, or a jury, to assess the damages which such owners may severally sustain in consequence of the establishment, erection and maintenance of such road, railroad, street railway, telephone, telegraph line, or electrical line including damages from the construction and maintenance of necessary dams and the condemnation of land submerged thereby, and the construction and maintenance of appurtenant canals, flumes, tunnels and tailraces and the erection and maintenance of necessary electric steam powerhouses, hydroelectric powerhouses and electric substations, or oil, pipeline, or gas line over or underneath the surface of such lands; to which petition the owners of any or all as the plaintiff may elect of such parcels as lie within the county or circuit may be made parties defendant by names if the names are known, and by the description of the unknown owners of the land therein described if their names are unknown.

2. If the proceedings seek to affect the lands of persons under conservatorship, the conservators must be made parties defendant. If the present owner of any land to be affected has less estate than a fee, the person having the next vested estate in remainder may at the option of the petitioners be made party defendant; but if such remaindermen are not made parties, their interest shall not be bound by the proceedings.

3. It shall not be necessary to make any persons party defendants in respect to their ownership unless they are either in actual possession of the premises to be affected claiming title or having a title of the premises appearing of record upon the proper records of the county.

4. Except as provided in subsection 5 of this section, nothing in this chapter shall be construed to give a public utility, as defined in section 386.020, or a rural electric cooperative, as provided in chapter 394, the power to condemn property which is currently used by another provider of public utility service, including a municipality or a special purpose district, when such property is used or useful in providing utility services, if the public utility or cooperative seeking to condemn such property, directly or indirectly, will use or proposes to use the property for the same purpose, or a purpose substantially similar to the purpose for which the property is being used by the provider of the public utility service.

5. A public utility or a rural electric cooperative may only condemn the property of another provider of public utility service, even if the property is used or useful in providing utility services by such provider, if the condemnation is necessary for the public purpose of acquiring a nonexclusive easement or right-of-way across the property of such provider and only if the acquisition will not materially impair or interfere with the current use of such property by the utility or cooperative and will not prevent or materially impair such provider of public utility service from any future expansion of its facilities on such property.

6. If a public utility or rural electric cooperative seeks to condemn the property of another provider of public utility service, and the conditions in subsection 4 of this section do not apply, this section does not limit the condemnation powers otherwise possessed by such public utility or rural electric cooperative.

7. Suits in inverse condemnation or involving dangerous conditions of public property against a municipal corporation established under Article VI, Section 30(a) of the Missouri Constitution shall be brought only in the county where such land or any part thereof lies.

8. For purposes of this chapter, the authority for an electrical corporation as defined in section 386.020, except for an electrical corporation operating under a cooperative business plan as described in section 393.110, to condemn property for purposes of constructing an electric plant subject to a certificate of public convenience and necessity under subsection 1 of section 393.170 shall not extend to the construction of a merchant transmission line with

Federal Energy Regulatory Commission negotiated rate authority unless such line has a substation or converter station located in Missouri which is capable of delivering an amount of its electrical capacity to electrical customers in this state that is greater than or equal to the proportionate number of miles of the line that passes through the state. The provisions of this subsection shall not apply to applications filed pursuant to section 393.170 prior to August 28, 2022.

9. For the purposes of this chapter, the authority of any corporation set forth in subsection 1 of this section to condemn property shall not extend to:

(1) The construction or erection of any plant, tower, panel, or facility that utilizes, captures, or converts wind or air currents to generate or manufacture electricity; or

(2) The construction or erection of any plant, tower, panel, or facility that utilizes, captures, or converts the light or heat generated by the sun to generate or manufacture electricity.

10. Subject to the provisions of subsection 8 of this section, but notwithstanding the provisions of subsection 9 of this section to the contrary, the authority of any corporation set forth in subsection 1 of this section to condemn property shall extend to acquisition of rights needed to construct, operate, and maintain collection lines, distribution lines, transmission lines, communications lines, substations, switchyards, and other facilities needed to collect and deliver energy generated or manufactured by the facilities described in subsection 9 of this section to the distribution or transmission grid.

Section B. Because of the need to ensure that solar farms being currently constructed do not cause disruption to adjoining properties, the enactment of section 67.5350 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of section 67.5350 of section A of this act shall be in full force and effect upon its passage and approval.

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