

HB 2478 -- UTILITIES

SPONSOR: Lewis

The bill modifies provisions relating to utilities.

PERMIT FOR THE CONSTRUCTION OF SOLAR FARMS (Section 67.5350)

The bill requires that prior to obtaining a certificate of public convenience or necessity from the Public Service Commission, any person constructing a solar farm must first submit an application to the county commission in each county where the solar farm is to be located.

The county commission of any county must adopt an order or an ordinance requiring a permit to construct a solar farm within specified boundaries in an unincorporated area within the county. The permit must require construction of the facility to meet specific distances from certain properties as specified in the bill. The permit must also require noise levels not to exceed 45 decibels from any property line.

Within 90 days of receiving an application for a permit, the county commission must hold a public meeting before the issuance of a permit. Notice must be provided at least 14 days prior to the public meeting. The applicant must provide certain information at the public meeting, as described in the bill.

No later than 90 days after the public meeting, the county commission must issue a permit; issue a permit limiting the boundaries of the proposed solar farm; or deny the permit. Any applicant intending to make a material amendment to the permit once it is issued must submit a new application for the permit to the county commission.

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

The Public Service Commission must not issue a certificate of public convenience or necessity to any applicant who did not receive a permit from a county commission in each county where the solar farm is to be located.

The county commission of any county where a solar farm is proposed to be constructed must require a decommissioning plan of the solar farm.

This provision has an emergency clause.

TAXATION OF SOLAR ENERGY PROJECTS (Section 137.100, 137.124, 153.030, & 153.034)

Current law exempts solar energy systems not held for resale from property taxes. The bill repeals such provision and provides that solar energy systems constructed for exclusive use of a

single property can be exempted from property tax at the discretion of the county assessor.

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, the tax liability will be equal to \$6,000 per megawatt of nameplate capacity and adjusted for inflation annually. All land associated with the project that used solar energy will be assessed as commercial property. This does not prohibit a project from engaging in enhanced enterprise zone agreements or certain abatement agreements.

This bill also provides that, for certain public utility companies that have a solar energy project, the solar energy project must be assessed using a specific methodology.

The bill also provides that real or tangible personal property associated with a project which uses solar or wind energy to generate electricity, including equipment used to support the integration of a solar generation asset into an existing system, must be valued and taxed by local authorities.

COMMISSION'S RULEMAKING AUTHORITY RELATING TO THE CONSTRUCTION OF ELECTRIC TRANSMISSION LINES ON AGRICULTURAL LAND (Section 393.172)

By March 31, 2027, the Public Service Commission must promulgate rules applicable to electrical corporations requiring construction of electric transmission lines for which permission is sought from the Commission to adhere to specific standards relating to construction activities occurring partially or wholly on privately owned agricultural land.

ALTERNATIVE ENERGY RESOURCES (Sections 393.1025 and 393.1030)

The bill repeals the definition of "renewable energy resources" for the purpose of the Renewable Energy Standard and replaces it with a definition of "alternative energy resources", which includes nuclear energy.

SOLAR PROJECTS NOT TO EXCEED MORE THAN 2% OF ALL CROPLAND (Section 393.1120)

The total amount of real property associated with all solar energy projects in any county cannot be more than 2% of all cropland in the county. The county commission or other authorized governing body can increase the percentage of cropland by order, ordinance, regulation, or vote of the residents of the county.

Any resident of the county will have standing to bring suit to enforce these provisions against a solar energy project developer.

For all solar energy projects built on or after January 1, 2027, the project will be subject to certain setbacks, specified in the bill, as measured from the nearest occupied dwelling, church, or school to the perimeter of the nearest solar panel. The setbacks do not apply to solar projects built and operating at capacity on or before December 31, 2026.

A solar energy company must secure 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 project.

CONDEMNATION OF PROPERTY (Section 523.010)

The bill 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 extends to the acquisition of rights needed for collection, distribution, communication and transmission lines, as well as substations, switchyards and other facilities needed to collect and deliver energy generated or manufactured by solar or wind facilities.