

HB 2816 -- ENERGY PRODUCTION PROJECTS

SPONSOR: Haden

Currently, the definition of "tangible personal property", for the purposes of property taxation, includes solar panels, racking systems, inverters, and related solar equipment, components, materials, and supplies installed in connection with solar photovoltaic energy systems that were constructed and producing solar energy prior to August 9, 2022. This subclass of tangible personal property is assessed at five percent of its true value in money. This bill removes the limitation that the property must be constructed and producing energy prior to August 9, 2022.

Currently, where real property is used for more than one purpose resulting in different classifications, the county assessor must allocate to each classification the percentage of the true value in money for the property devoted to each use. This bill specifies that any property classified as agricultural property that is used for the purpose of energy production activities for resale must be proportionally calculated, assessed, and reclassified as commercial property.

Beginning January 1, 2027, for purposes of assessing all real property, excluding land, associated with a project that uses solar energy directly to generate electricity, the tax liability will be equal to \$2,500 per megawatt of nameplate capacity and adjusted annually for inflation. 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, and it does not apply to agreements authorized under Chapter 100, RSMo.

Beginning January 1, 2027, land associated with a solar energy project that uses solar energy directly to generate electricity in excess of five megawatts must be classified as subclass (3) real property and assessed as commercial property. 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. This does not apply to agreements authorized under Chapter 100.

The bill also provides that for 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. This does not apply to certain photovoltaic energy systems or to agreements authorized under Chapter 100.

This bill provides that a county commission can choose to opt-in, upon a majority vote, to the provision that limits the total amount of real property associated with all solar energy projects in the county to four percent of all cropland in the county or less. Acres owned by utilities or electrical corporations must not be included in the four percent county calculation. The acreage is determined by the perimeter of the actual solar panels. County commissions choosing to adopt the four percent limit option must have procedures and a severability clause in those procedures.

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. This setback must not apply to an official agreement between the project and the property owner. This setback does not apply to solar energy projects built and operating at capacity on or before December 31, 2025, or to agreements authorized under Chapter 100.

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 is the similar to HB 2402 (2026) and HCS HBs 440 & 1160 (2025).