

HCS HB 2208 -- PROPERTY TAXES

SPONSOR: Christofanelli

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Ways and Means by a vote of 9 to 0.

The following is a summary of the House Committee Substitute for HB 2208.

This bill reclassifies stationary property used for transportation or storage of liquid and gaseous products, including, but not limited to, natural gas that is not propane or LP gas, water, and sewage, from real property to tangible personal property (Section 137.010, RSMo).

Beginning January 1, 2022, the provisions of current law relating to depreciable tangible personal property will apply to all stationary property used for transportation or storage of liquid and gaseous products, including, but not limited to, natural gas that is not LP gas, water, and sewage that was or will be placed in service at any time (Section 137.122).

These provisions of the bill are similar to SB 944 (2022) and HB 757 (2021).

As specified in this bill, electrical corporations, gas corporations, sewer corporations, and water corporations shall defer to a regulatory asset or liability account any difference in state or local property tax expenses actually incurred, and those on which the revenue requirement used to set rates in the corporation's most recently completed general rate proceeding was based. The regulatory asset or liability account balances shall be included in the revenue requirement used to set rates through an amortization over a reasonable period of time in such corporation's subsequent general rate proceedings, without any offset (Section 393.1275).

This provision of the bill is similar to SCS SB 745 (2022).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill standardizes the depreciation for these types of properties across the state. Currently, assessors value these types of property with variation depending on the county. There have been numerous lawsuits and legal proceedings as a result of the value assigned to these types

of property and this bill would reduce the amount of litigation concerning the valuation.

Supporters say that they are looking for consistency throughout the state.

Testifying for the bill were Representative Christofanelli; Associated Industries of Missouri; Missouri Energy Development Association; Missouri Chamber of Commerce; Missouri American Water; Spire Mo; and Matthew Landwehr, Thompson Coburn LLP.

OPPONENTS: Those who oppose the bill submitted online testimony.

Testifying against the bill were Robert L. Adams, Cape Girardeau County, Office of The Assessor; Missouri State Assessors Association; Arnie Dienoff; and the Missouri Association of School Administrators.

OTHERS: Others testifying on the bill say they are currently looking for a solution to assessing these types of properties and that the litigation has been expensive for counties and utility providers.

Testifying on the bill was Boone County.

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