

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 340, Page 1, Section A, Line 2, by
2 inserting immediately after all of said line the following:

3
4 "143.2010. 1. As used in this section, the following terms mean:

5 (1) "Deduction", an amount subtracted from a taxpayer's Missouri adjusted gross income to
6 determine Missouri taxable income for the tax year in which such deduction is claimed;

7 (2) "Solar garden", a facility that generates electricity by means of any solar photovoltaic
8 device that is owned and financed at least in part by customer subscribers who shall receive
9 compensation for ownership interests in the form of rebates or credits to electricity costs at a
10 particular location serviced by the utility operating the solar garden;

11 (3) "Taxpayer", any individual subject to the income tax imposed under this chapter or who
12 has an ownership interest in a solar garden and receives taxable income in the form of a rebate or
13 credit as allowed under section 386.920 and in accordance with Missouri public service commission
14 rules authorized under section 386.920.

15 2. In addition to all deductions listed in this chapter, for all tax years beginning on or after
16 January 1, 2018, a taxpayer who receives income in the form of a rebate or credit issued under
17 section 386.920 shall be allowed a deduction. The deduction amount shall be equal to the full
18 amount of the rebate or credit received by a taxpayer during the requisite tax year. No taxpayer
19 shall claim a tax deduction more than once under this section.

20 3. The department of revenue, in consultation with the public service commission, shall
21 establish the procedure by which the deduction provided under this section may be claimed and may
22 promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that
23 term is defined in section 536.010, that is created under the authority delegated in this section shall
24 become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
25 applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the
26 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
27 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
28 rulemaking authority and any rule proposed or adopted after August 28, 2017, shall be invalid and
29 void."; and

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31 Further amend said bill, Page 6, Section 386.890, Line 196, by inserting immediately after all of
32 said line the following:

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34 "386.920. 1. This section shall be known and may be cited as the "Solar Garden Project
35 Act".

36 2. Beginning August 28, 2018, the public service commission shall promulgate rules to

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1 incentivize the construction and operation of solar garden pilot energy projects by electric utilities
2 subject to regulation by the commission under chapter 386 but shall not include municipal utilities,
3 rural electrical cooperatives, or any foreign or out-of-state electric utility not subject to general
4 regulation by the commission. The solar garden shall be located within the utility service territory
5 of the relevant electric utility while the premise to which the subscription is attributed shall be
6 located within either the same municipality or county as the solar garden or another county adjacent
7 to the county where the solar garden is located.

8 3. A solar garden pilot project is a facility that generates up to two megawatts of electricity
9 by means of any solar photovoltaic device that is owned and financed at least in part by customer-
10 subscribers who shall receive compensation for ownership interests in the form of rebates or credits
11 to electricity costs at a particular location serviced by the utility operating the solar garden. The
12 commission shall enact rules governing the ownership and use of solar gardens, including rules that
13 specify:

14 (1) The rebates or credits proportion to be issued to customer-subscribers to solar gardens in
15 exchange for ownership interests;

16 (2) The definition of the ownership interest as a financial interest in a solar garden that is
17 subject to transfer on the open market but that guarantees only an indefinite rebate or credit based
18 on a particular location served by the utility. If a subscriber ceases to be a customer at the premises
19 where the subscription is based but, within a reasonable period as determined by the commission,
20 becomes a customer at another premise in the service territory of the qualifying retail utility and
21 located in the geographic area served by the community solar garden, the subscription shall continue
22 in effect, but the bill credit and other features of the subscription shall be adjusted as necessary to
23 reflect any differences between the new and previous premises' customer classification and average
24 annual consumption of electricity;

25 (3) A maximum limit on rebate or credit amounts of one hundred twenty percent of a
26 customer-subscriber's average annual electricity consumption. Credits shall be permitted to roll over
27 indefinitely to following months if no payment is due until the subscriber ceases to be a customer;

28 (4) Allowance for the sale of electricity from the utility financed and owned portion of the
29 solar garden and allowance for the sale of any excess energy not necessary to meet the one hundred
30 twenty percent rebate or credit limit on the open market at a value of the solar rate or applicable
31 retail rate;

32 (5) Allowance for no less than one hundred percent of the energy produced by a solar
33 garden to be counted towards the solar or renewable energy mandates of chapter 393 and any future
34 solar or renewable energy mandates required by general law;

35 (6) Requirements for submission of a plan for solar garden construction and interconnection
36 and for approval thereof by the commission prior to the start of construction. The commission may
37 require pre-approval and the issuance of a certificate of convenience and necessity;

38 (7) Rules governing customer subscriber notification, fee, and cost and benefit descriptions;

39 (8) Rules governing individual tax deductions for investment in solar gardens as authorized
40 under section 143.2010; and

41 (9) Rules ensuring that the construction and operation of a particular solar garden are
42 consistent with the public interest.

43 4. Each solar garden shall have at least ten subscribers; however, no single subscriber shall
44 be permitted to purchase more than forty percent of any one particular solar garden's electricity. In
45 addition, each subscription shall be sized to represent at least one kilowatt of the solar garden's
46 generating capacity.

47 5. This section shall not require the mandatory construction or operation of a solar garden
48 pilot energy project. No individual customer subscriber shall be considered an electric utility by

1 reason of a purchase of ownership interests in a solar garden. The transfer and sale of ownership in
2 a solar garden shall not be considered the sale of a stock, bond, or other security subject to
3 regulation under chapter 409.

4 6. The commission may require periodic reporting by regulated utilities on all accounting,
5 financial, and health and safety information relevant to solar garden pilot projects and may enact
6 transparency requirements such as the requirement that utilities allow for both financial and physical
7 audits or inspections of solar gardens.

8 7. The public service commission may promulgate rules and regulations for the
9 administration of this section. Any rule or portion of a rule, as that term is defined in section
10 536.010, that is created under the authority delegated in this section shall become effective only if it
11 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
12 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the
13 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
14 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
15 rule proposed or adopted after August 28, 2017, shall be invalid and void."; and

16
17 Further amend said bill by amending the title, enacting clause, and intersectional references
18 accordingly.