

SECOND REGULAR SESSION

HOUSE BILL NO. 2403

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SANDER.

5064H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to personal property taxes.

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

Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, **for all calendar years ending on or before December 31, 2024**, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. **Except as otherwise provided in subsection 3 of this section and section 137.078, for all calendar years beginning on or after January 1, 2025, the assessor shall annually assess all personal property at thirty-one percent of its true value in money as of January first of each calendar year.** The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such

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.

18 possessory interest in real property, less the total dollar amount of costs paid by a party, other
19 than the political subdivision, towards any new construction or improvements on such real
20 property completed after January 1, 2008, and which are included in the above-mentioned
21 possessory interest, regardless of the year in which such costs were incurred or whether such
22 costs were considered in any prior year. The assessor shall annually assess all real property in
23 the following manner: new assessed values shall be determined as of January first of each
24 odd-numbered year and shall be entered in the assessor's books; those same assessed values
25 shall apply in the following even-numbered year, except for new construction and property
26 improvements which shall be valued as though they had been completed as of January first of
27 the preceding odd-numbered year. The assessor may call at the office, place of doing
28 business, or residence of each person required by this chapter to list property, and require the
29 person to make a correct statement of all taxable tangible personal property owned by the
30 person or under his or her care, charge or management, taxable in the county. On or before
31 January first of each even-numbered year, the assessor shall prepare and submit a two-year
32 assessment maintenance plan to the county governing body and the state tax commission for
33 their respective approval or modification. The county governing body shall approve and
34 forward such plan or its alternative to the plan to the state tax commission by February first.
35 If the county governing body fails to forward the plan or its alternative to the plan to the state
36 tax commission by February first, the assessor's plan shall be considered approved by the
37 county governing body. If the state tax commission fails to approve a plan and if the state tax
38 commission and the assessor and the governing body of the county involved are unable to
39 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,
40 the county or the assessor shall petition the administrative hearing commission, by May first,
41 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement
42 of the parties, the matter may be stayed while the parties proceed with mediation or
43 arbitration upon terms agreed to by the parties. The final decision of the administrative
44 hearing commission shall be subject to judicial review in the circuit court of the county
45 involved. In the event a valuation of subclass (1) real property within any county with a
46 charter form of government, or within a city not within a county, is made by a computer,
47 computer-assisted method or a computer program, the burden of proof, supported by clear,
48 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
49 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
50 presumption that the assessment was made by a computer, computer-assisted method or a
51 computer program. Such evidence shall include, but shall not be limited to, the following:
52 (1) The findings of the assessor based on an appraisal of the property by generally
53 accepted appraisal techniques; and

54 (2) The purchase prices from sales of at least three comparable properties and the
55 address or location thereof. As used in this subdivision, the word "comparable" means that:

56 (a) Such sale was closed at a date relevant to the property valuation; and

57 (b) Such properties are not more than one mile from the site of the disputed property,
58 except where no similar properties exist within one mile of the disputed property, the nearest
59 comparable property shall be used. Such property shall be within five hundred square feet in
60 size of the disputed property, and resemble the disputed property in age, floor plan, number of
61 rooms, and other relevant characteristics.

62 2. Assessors in each county of this state and the City of St. Louis may send personal
63 property assessment forms through the mail.

64 3. The following items of personal property shall each constitute separate subclasses
65 of tangible personal property and shall be assessed and valued for the purposes of taxation at
66 the following percentages of their true value in money, **except as provided in subsection 9**
67 **of this section:**

68 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of
69 one percent;

70 (2) Livestock, twelve percent;

71 (3) Farm machinery, twelve percent;

72 (4) Motor vehicles which are eligible for registration as and are registered as historic
73 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years
74 old and which are used solely for noncommercial purposes and are operated less than two
75 hundred hours per year or aircraft that are home built from a kit, five percent;

76 (5) Poultry, twelve percent; and

77 (6) Tools and equipment used for pollution control and tools and equipment used in
78 retooling for the purpose of introducing new product lines or used for making improvements
79 to existing products by any company which is located in a state enterprise zone and which is
80 identified by any standard industrial classification number cited in subdivision (7) of section
81 135.200, twenty-five percent.

82 4. The person listing the property shall enter a true and correct statement of the
83 property, in a printed blank prepared for that purpose. The statement, after being filled out,
84 shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall
85 then be delivered to the assessor.

86 5. (1) All subclasses of real property, as such subclasses are established in Section 4
87 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
88 at the following percentages of true value:

89 (a) For real property in subclass (1), nineteen percent;

90 (b) For real property in subclass (2), twelve percent; and

91 (c) For real property in subclass (3), thirty-two percent.

92 (2) A taxpayer may apply to the county assessor, or, if not located within a county,
93 then the assessor of such city, for the reclassification of such taxpayer's real property if the use
94 or purpose of such real property is changed after such property is assessed under the
95 provisions of this chapter. If the assessor determines that such property shall be reclassified,
96 he or she shall determine the assessment under this subsection based on the percentage of the
97 tax year that such property was classified in each subclassification.

98 6. Manufactured homes, as defined in section 700.010, which are actually used as
99 dwelling units shall be assessed at the same percentage of true value as residential real
100 property for the purpose of taxation. The percentage of assessment of true value for such
101 manufactured homes shall be the same as for residential real property. If the county collector
102 cannot identify or find the manufactured home when attempting to attach the manufactured
103 home for payment of taxes owed by the manufactured home owner, the county collector may
104 request the county commission to have the manufactured home removed from the tax books,
105 and such request shall be granted within thirty days after the request is made; however, the
106 removal from the tax books does not remove the tax lien on the manufactured home if it is
107 later identified or found. For purposes of this section, a manufactured home located in a
108 manufactured home rental park, rental community or on real estate not owned by the
109 manufactured home owner shall be considered personal property. For purposes of this
110 section, a manufactured home located on real estate owned by the manufactured home owner
111 may be considered real property.

112 7. Each manufactured home assessed shall be considered a parcel for the purpose of
113 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be
114 real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement
115 to the existing real estate parcel.

116 8. Any amount of tax due and owing based on the assessment of a manufactured
117 home shall be included on the personal property tax statement of the manufactured home
118 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of
119 section 442.015, in which case the amount of tax due and owing on the assessment of the
120 manufactured home as a realty improvement to the existing real estate parcel shall be
121 included on the real property tax statement of the real estate owner.

122 9. **To determine the true value in money for motor vehicles and farm machinery,**
123 the assessor of each county and each city not within a county shall use the ~~[trade-in value~~
124 ~~published in the October issue of the National Automobile Dealers' Association Official Used~~
125 ~~Car Guide, or its successor publication, as the recommended guide of information for~~
126 ~~determining the true value of motor vehicles described in such publication. The assessor shall~~
127 ~~not use a value that is greater than the average trade-in value in determining the true value of~~

128 ~~the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles~~
 129 ~~two years old or newer from a vehicle's model year, the assessor may use a value other than~~
 130 ~~average without performing a physical inspection of the motor vehicle. In the absence of a~~
 131 ~~listing for a particular motor vehicle in such publication, the assessor shall use such~~
 132 ~~information or publications which in the assessor's judgment will fairly estimate the true~~
 133 ~~value in money of the motor vehicle.]~~ **manufacturer's suggested retail price for the year of**
 134 **manufacture of a motor vehicle or farm machinery, and shall apply the following**
 135 **depreciation schedule to such value to determine the motor vehicle's or farm**
 136 **machinery's true value in money:**

137	Years since manufacture	Percent Depreciation
138	Current	15
139	1	25
140	2	35
141	3	45
142	4	55
143	5	65
144	6	75
145	7	85
146	8	95
147	9	Minimum value one dollar

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 149 **The state tax commission shall, with the assistance of the Missouri state assessor's**
 150 **association, develop the bid specifications to secure the original manufacturer's**
 151 **suggested retail price from a nationally recognized service. The cost of the guide and**
 152 **programming necessary to allow valuation by vehicle identification number in all**
 153 **certified mass appraisal software systems used in the state shall be paid out of a county's**
 154 **assessment fund established under section 137.750 if the balance in such fund is in**
 155 **excess of one hundred thousand dollars. If the balance in such fund is less than or equal**
 156 **to one hundred thousand dollars, such costs shall be paid by an appropriation secured**
 157 **by the state tax commission from the general assembly. The state tax commission or the**
 158 **state of Missouri shall be the registered user of the value guide with rights to allow all**
 159 **assessors access to the guide and to an online site. Counties shall be responsible for**
 160 **renewals and annual software costs of preparing the data in a usable format for**
 161 **approved personal property software vendors in the state if the balance in such county's**
 162 **assessment fund is in excess of one hundred thousand dollars. If the balance in such**
 163 **fund is less than or equal to one hundred thousand dollars, the state of Missouri or the**
 164 **state tax commission shall be responsible for such renewals and annual software costs.**

165 **If a county creates its own software, it shall meet the same standards as the approved**
166 **vendors. The data shall be available to all vendors by August fifteenth annually. All**
167 **vendors shall have the data available for use in their client counties by October first**
168 **prior to the January first assessment date. When the manufacturer's suggested retail**
169 **price data is not available from the approved source or the assessor deems it not**
170 **appropriate for the vehicle value he or she is valuing, the assessor may obtain a**
171 **manufacturer's suggested retail price from a source he or she deems reliable and apply**
172 **the depreciation schedule set out above.**

173 10. Before the assessor may increase the assessed valuation of any parcel of subclass
174 (1) real property by more than fifteen percent since the last assessment, excluding increases
175 due to new construction or improvements, the assessor shall conduct a physical inspection of
176 such property.

177 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
178 assessor shall notify the property owner of that fact in writing and shall provide the owner
179 clear written notice of the owner's rights relating to the physical inspection. If a physical
180 inspection is required, the property owner may request that an interior inspection be
181 performed during the physical inspection. The owner shall have no less than thirty days to
182 notify the assessor of a request for an interior physical inspection.

183 12. A physical inspection, as required by subsection 10 of this section, shall include,
184 but not be limited to, an on-site personal observation and review of all exterior portions of the
185 land and any buildings and improvements to which the inspector has or may reasonably and
186 lawfully gain external access, and shall include an observation and review of the interior of
187 any buildings or improvements on the property upon the timely request of the owner pursuant
188 to subsection 11 of this section. Mere observation of the property via a drive-by inspection or
189 the like shall not be considered sufficient to constitute a physical inspection as required by
190 this section.

191 13. A county or city collector may accept credit cards as proper form of payment of
192 outstanding property tax or license due. No county or city collector may charge surcharge for
193 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
194 processor, or issuer for its service. A county or city collector may accept payment by
195 electronic transfers of funds in payment of any tax or license and charge the person making
196 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
197 such electronic payment.

198 14. Any county or city not within a county in this state may, by an affirmative vote of
199 the governing body of such county, opt out of the provisions of this section and sections
200 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general
201 assembly, second regular session and section 137.073 as modified by house committee

202 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-
203 second general assembly, second regular session, for the next year of the general
204 reassessment, prior to January first of any year. No county or city not within a county
205 shall exercise this opt-out provision after implementing the provisions of this section and
206 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first
207 general assembly, second regular session and section 137.073 as modified by house
208 committee substitute for senate substitute for senate committee substitute for senate bill no.
209 960, ninety-second general assembly, second regular session, in a year of general
210 reassessment. For the purposes of applying the provisions of this subsection, a political
211 subdivision contained within two or more counties where at least one of such counties has
212 opted out and at least one of such counties has not opted out shall calculate a single tax rate as
213 in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly,
214 second regular session. A governing body of a city not within a county or a county that has
215 opted out under the provisions of this subsection may choose to implement the provisions of
216 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
217 the ninety-first general assembly, second regular session, and section 137.073 as modified by
218 house committee substitute for senate substitute for senate committee substitute for senate bill
219 no. 960, ninety-second general assembly, second regular session, for the next year of general
220 reassessment, by an affirmative vote of the governing body prior to December thirty-first of
221 any year.

222 15. The governing body of any city of the third classification with more than twenty-
223 six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants
224 located in any county that has exercised its authority to opt out under subsection 14 of this
225 section may levy separate and differing tax rates for real and personal property only if such
226 city bills and collects its own property taxes or satisfies the entire cost of the billing and
227 collection of such separate and differing tax rates. Such separate and differing rates shall not
228 exceed such city's tax rate ceiling.

229 16. Any portion of real property that is available as reserve for strip, surface, or coal
230 mining for minerals for purposes of excavation for future use or sale to others that has not
231 been bonded and permitted under chapter 444 shall be assessed based upon how the real
232 property is currently being used. Any information provided to a county assessor, state tax
233 commission, state agency, or political subdivision responsible for the administration of tax
234 policies shall, in the performance of its duties, make available all books, records, and
235 information requested, except such books, records, and information as are by law declared
236 confidential in nature, including individually identifiable information regarding a specific
237 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
238 mean all real property that is in use or readily available as a reserve for strip, surface, or coal

239 mining for minerals for purposes of excavation for current or future use or sale to others that
240 has been bonded and permitted under chapter 444.

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