

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE NO. 2 FOR

HOUSE BILL NO. 713

102ND GENERAL ASSEMBLY

1197H.03P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to motor vehicle assessments, with an emergency clause.

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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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, 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. 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 possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were

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

- 48 (1) The findings of the assessor based on an appraisal of the property by generally
49 accepted appraisal techniques; and
50 (2) The purchase prices from sales of at least three comparable properties and the
51 address or location thereof. As used in this subdivision, the word "comparable" means that:
52 (a) Such sale was closed at a date relevant to the property valuation; and
53 (b) Such properties are not more than one mile from the site of the disputed property,
54 except where no similar properties exist within one mile of the disputed property, the nearest

55 comparable property shall be used. Such property shall be within five hundred square feet in
56 size of the disputed property, and resemble the disputed property in age, floor plan, number of
57 rooms, and other relevant characteristics.

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

60 3. The following items of personal property shall each constitute separate subclasses
61 of tangible personal property and shall be assessed and valued for the purposes of taxation at
62 the following percentages of their true value in money:

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

65 (2) Livestock, twelve percent;

66 (3) Farm machinery, twelve percent;

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

71 (5) Poultry, twelve percent; and

72 (6) Tools and equipment used for pollution control and tools and equipment used in
73 retooling for the purpose of introducing new product lines or used for making improvements
74 to existing products by any company which is located in a state enterprise zone and which is
75 identified by any standard industrial classification number cited in subdivision (7) of section
76 135.200, twenty-five percent.

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

81 5. (1) All subclasses of real property, as such subclasses are established in Section 4
82 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
83 at the following percentages of true value:

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

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

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

87 (2) A taxpayer may apply to the county assessor, or, if not located within a county,
88 then the assessor of such city, for the reclassification of such taxpayer's real property if the use
89 or purpose of such real property is changed after such property is assessed under the
90 provisions of this chapter. If the assessor determines that such property shall be reclassified,

91 he or she shall determine the assessment under this subsection based on the percentage of the
92 tax year that such property was classified in each subclassification.

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

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

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

117 9. **For the tax year ending on or before December 31, 2023**, the assessor of each
118 county and each city not within a county shall use ~~[the trade-in value published in the October~~
119 ~~issue of]~~ **a nationally recognized automotive trade publication such as** the National
120 Automobile Dealers' Association Official Used Car Guide, **Kelley Blue Book**, or ~~[its~~
121 ~~successor publication]~~ **Edmunds, or other similar publication** as the recommended guide of
122 information for determining the true value of motor vehicles described in such publication.
123 **The state tax commission shall determine which publication shall be used. The assessor**
124 **of each county and each city not within a county shall use the trade-in value published in**
125 **the current or any of the three immediately previous years' October issue of the**
126 **publication selected by the state tax commission.** The assessor shall not use a value that is
127 greater than the average trade-in value in determining the true value of the motor vehicle

128 without performing a physical inspection of the motor vehicle. For vehicles two years old or
 129 newer from a vehicle's model year, the assessor may use a value other than average without
 130 performing a physical inspection of the motor vehicle.

131 **10. For all tax years beginning on or after January 1, 2024, the assessor of each**
 132 **county and each city not within a county shall use the manufacturer's suggested retail**
 133 **price for all manufactured motor vehicles as acquired annually by the state tax**
 134 **commission for the original value in money of all motor vehicle assessment valuations.**
 135 **For the purposes of this subsection, the term "original value in money" means the**
 136 **manufacturer's suggested retail price. For the purposes of this subsection, the term**
 137 **"motor vehicles" means trucks, automobiles, motorcycles, boats, trailers, and other**
 138 **motor vehicles required to be registered and titled pursuant to the provisions of the**
 139 **motor vehicle and registration laws of this state. The term "motor vehicles" shall**
 140 **include farm tractors and farm machinery including tractors or machinery designed for**
 141 **off-road use but capable of movement on roads at low speeds. The following fifteen-year**
 142 **depreciation schedule shall be applied to each manufacturer's suggested retail price to**
 143 **develop the annual and historical valuation guide for all motor vehicles. The values**
 144 **shall be delivered to each software vendor not later than November fifteenth annually**
 145 **and vendors shall have the values in place by December fifteenth annually for use in the**
 146 **next assessment year.** In the absence of a listing for a particular motor vehicle in such
 147 publication, the assessor shall use such information or publications which in the assessor's
 148 judgment will fairly estimate the ~~true~~ **original** value in money of the motor vehicle~~[-]~~ **and**
 149 **the assessor shall apply the appropriate depreciation from the table as follows:**

Year	Percent Depreciation
Current	15
1	25
2	32.5
3	39.3
4	45.3
5	50.8
6	55.7
7	60.1

150
151
152
153
154
155
156
157
158

159	8	64.1
160	9	67.7
161	10	71
162	11	75.2
163	12	79.2
164	13	83.2
165	14	87.2
166	15	90
167	Greater than 15	99.9

168

169 **To implement the new schedule without large variations from the current method, the**
170 **assessor shall assume that the last valuation tables prior to October 1, 2024, are fair**
171 **valuations and these valuations shall be depreciated from the above table until the end**
172 **of their useful life. The state tax commission shall, with the assistance of the Missouri**
173 **state assessor's association, develop the bid specifications to secure the original**
174 **manufacturer's suggested retail price from a nationally recognized service. The state**
175 **tax commission shall secure an annual appropriation from the legislature for the guide**
176 **and the programming necessary to allow valuation by vehicle identification number in**
177 **all certified mass appraisal software systems used in the state. The state tax commission**
178 **or the state of Missouri shall be the registered user of the value guide with rights to**
179 **allow all assessors access to the guide and to an online site. The state tax commission or**
180 **state shall be responsible for renewals and annual software cost for preparing the data**
181 **in a usable format for approved personal property software vendors in the state. If a**
182 **county creates its own software, it shall meet the same standards as the approved**
183 **vendors. The data shall be available to all vendors by November fifteenth annually. All**
184 **vendors shall have the data available for use in their client counties by December**
185 **fifteenth prior to the January first assessment date. When the manufacturer's**
186 **suggested retail price data is not available from the approved source or the assessor**
187 **deems it not appropriate for the vehicle value he or she is valuing, the assessor may**
188 **obtain a manufacturer's suggested retail price from a source he or she deems reliable**
189 **and apply the depreciation schedule set out above.**

190 ~~[10-]~~ **11.** Before the assessor may increase the assessed valuation of any parcel of
191 subclass (1) real property by more than fifteen percent since the last assessment, excluding
192 increases due to new construction or improvements, the assessor shall conduct a physical
193 inspection of such property.

194 ~~[11-]~~ **12.** If a physical inspection is required, pursuant to subsection 10 of this section,
195 the assessor shall notify the property owner of that fact in writing and shall provide the owner
196 clear written notice of the owner's rights relating to the physical inspection. If a physical
197 inspection is required, the property owner may request that an interior inspection be
198 performed during the physical inspection. The owner shall have no less than thirty days to
199 notify the assessor of a request for an interior physical inspection.

200 ~~[12-]~~ **13.** A physical inspection, as required by subsection 10 of this section, shall
201 include, but not be limited to, an on-site personal observation and review of all exterior
202 portions of the land and any buildings and improvements to which the inspector has or may
203 reasonably and lawfully gain external access, and shall include an observation and review of
204 the interior of any buildings or improvements on the property upon the timely request of the
205 owner pursuant to subsection 11 of this section. Mere observation of the property via a drive-
206 by inspection or the like shall not be considered sufficient to constitute a physical inspection
207 as required by this section.

208 ~~[13-]~~ **14.** A county or city collector may accept credit cards as proper form of payment
209 of outstanding property tax or license due. No county or city collector may charge surcharge
210 for payment by credit card which exceeds the fee or surcharge charged by the credit card
211 bank, processor, or issuer for its service. A county or city collector may accept payment by
212 electronic transfers of funds in payment of any tax or license and charge the person making
213 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
214 such electronic payment.

215 ~~[14-]~~ **15.** Any county or city not within a county in this state may, by an affirmative
216 vote of the governing body of such county, opt out of the provisions of this section and
217 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first
218 general assembly, second regular session and section 137.073 as modified by house
219 committee substitute for senate substitute for senate committee substitute for senate bill no.
220 960, ninety-second general assembly, second regular session, for the next year of the general
221 reassessment, prior to January first of any year. No county or city not within a county shall
222 exercise this opt-out provision after implementing the provisions of this section and sections
223 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general
224 assembly, second regular session and section 137.073 as modified by house committee
225 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-
226 second general assembly, second regular session, in a year of general reassessment. For the

227 purposes of applying the provisions of this subsection, a political subdivision contained
228 within two or more counties where at least one of such counties has opted out and at least one
229 of such counties has not opted out shall calculate a single tax rate as in effect prior to the
230 enactment of house bill no. 1150 of the ninety-first general assembly, second regular session.
231 A governing body of a city not within a county or a county that has opted out under the
232 provisions of this subsection may choose to implement the provisions of this section and
233 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first
234 general assembly, second regular session, and section 137.073 as modified by house
235 committee substitute for senate substitute for senate committee substitute for senate bill no.
236 960, ninety-second general assembly, second regular session, for the next year of general
237 reassessment, by an affirmative vote of the governing body prior to December thirty-first of
238 any year.

239 ~~[15-]~~ 16. The governing body of any city of the third classification with more than
240 twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred
241 inhabitants located in any county that has exercised its authority to opt out under subsection
242 14 of this section may levy separate and differing tax rates for real and personal property only
243 if such city bills and collects its own property taxes or satisfies the entire cost of the billing
244 and collection of such separate and differing tax rates. Such separate and differing rates shall
245 not exceed such city's tax rate ceiling.

246 ~~[16-]~~ 17. Any portion of real property that is available as reserve for strip, surface, or
247 coal mining for minerals for purposes of excavation for future use or sale to others that has
248 not been bonded and permitted under chapter 444 shall be assessed based upon how the real
249 property is currently being used. Any information provided to a county assessor, state tax
250 commission, state agency, or political subdivision responsible for the administration of tax
251 policies shall, in the performance of its duties, make available all books, records, and
252 information requested, except such books, records, and information as are by law declared
253 confidential in nature, including individually identifiable information regarding a specific
254 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
255 mean all real property that is in use or readily available as a reserve for strip, surface, or coal
256 mining for minerals for purposes of excavation for current or future use or sale to others that
257 has been bonded and permitted under chapter 444.

Section B. Because immediate action is necessary to protect taxpayers from inflated
2 values and rapidly increasing prices, the repeal and reenactment of section 137.115 of section
3 A of this act is deemed necessary for the immediate preservation of the public health, welfare,
4 peace, and safety, and is hereby declared to be an emergency act within the meaning of the

5 constitution, and the repeal and reenactment of section 137.115 of section A of this act shall
6 be in full force and effect upon its passage and approval.

✓