

FIRST EXTRAORDINARY SESSION OF THE
FIRST REGULAR SESSION

HOUSE BILL NO. 8

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SAULS.

2564H.02I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 137.115 and 138.060, RSMo, and to enact in lieu thereof two new sections relating to property tax assessments, with an emergency clause for a certain section.

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

Section A. Sections 137.115 and 138.060, RSMo, are repealed and two new sections 2 enacted in lieu thereof, to be known as sections 137.115 and 138.060, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's 2 deputies in all counties of this state including the City of St. Louis shall annually make a list of 3 all real and tangible personal property taxable in the assessor's city, county, town or district. 4 Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor 5 shall annually assess all personal property at thirty-three and one-third percent of its true value 6 in money as of January first of each calendar year. The assessor shall annually assess all real 7 property, including any new construction and improvements to real property, and possessory 8 interests in real property at the percent of its true value in money set in subsection 5 of this 9 section. The true value in money of any possessory interest in real property in subclass (3), 10 where such real property is on or lies within the ultimate airport boundary as shown by a federal 11 airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 12 certification and owned by a political subdivision, shall be the otherwise applicable true value 13 in money of any such possessory interest in real property, less the total dollar amount of costs 14 paid by a party, other than the political subdivision, towards any new construction or 15 improvements on such real property completed after January 1, 2008, and which are included in

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.

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

- 47 (1) The findings of the assessor based on an appraisal of the property by generally
48 accepted appraisal techniques; and
- 49 (2) The purchase prices from sales of at least three comparable properties and the address
50 or location thereof. As used in this subdivision, the word "comparable" means that:
 - 51 (a) Such sale was closed at a date relevant to the property valuation; and

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

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

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

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

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

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

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in
72 retooling for the purpose of introducing new product lines or used for making improvements to
73 existing products by any company which is located in a state enterprise zone and which is
74 identified by any standard industrial classification number cited in subdivision (5) of section
75 135.200, twenty-five percent.

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

80 5. (1) All subclasses of real property, as such subclasses are established in Section 4(b)
81 of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the
82 following percentages of true value:

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

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

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

86 (2) A taxpayer may apply to the county assessor, or, if not located within a county, then
87 the assessor of such city, for the reclassification of such taxpayer's real property if the use or

88 purpose of such real property is changed after such property is assessed under the provisions of
89 this chapter. If the assessor determines that such property shall be reclassified, he or she shall
90 determine the assessment under this subsection based on the percentage of the tax year that such
91 property was classified in each subclassification.

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

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

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

115 9. The assessor of each county and each city not within a county shall use the trade-in
116 value published in the October issue of the National Automobile Dealers' Association Official
117 Used Car Guide, or its successor publication, as the recommended guide of information for
118 determining the true value of motor vehicles described in such publication. The assessor shall
119 not use a value that is greater than the average trade-in value in determining the true value of the
120 motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two
121 years old or newer from a vehicle's model year, the assessor may use a value other than average
122 without performing a physical inspection of the motor vehicle. In the absence of a listing for a
123 particular motor vehicle in such publication, the assessor shall use such information or

124 publications which in the assessor's judgment will fairly estimate the true value in money of the
125 motor vehicle.

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

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

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

143 13. The provisions of subsections 11 and 12 of this section shall only apply in any county
144 with a charter form of government **and** with more than ~~one million~~ **nine hundred fifty**
145 **thousand** inhabitants **and in any county with a charter form of government and with more**
146 **than six hundred thousand but fewer than seven hundred thousand inhabitants.**

147 14. A county or city collector may accept credit cards as proper form of payment of
148 outstanding property tax or license due. No county or city collector may charge surcharge for
149 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
150 processor, or issuer for its service. A county or city collector may accept payment by electronic
151 transfers of funds in payment of any tax or license and charge the person making such payment
152 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic
153 payment.

154 15. Any county or city not within a county in this state may, by an affirmative vote of
155 the governing body of such county, opt out of the provisions of this section and sections 137.073,
156 138.060, and 138.100 ~~as enacted by house bill no. 1150 of the ninety-first general assembly;~~
157 ~~second regular session and section 137.073 as modified by house committee substitute for senate~~
158 ~~substitute for senate committee substitute for senate bill no. 960, ninety-second general~~
159 ~~assembly, second regular session]~~, for the next year of the general reassessment, prior to January

160 first of any year. No county or city not within a county shall exercise this opt-out provision after
161 implementing the provisions of this section and sections 137.073, 138.060, and 138.100 ~~[as~~
162 ~~enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and~~
163 ~~section 137.073 as modified by house committee substitute for senate substitute for senate~~
164 ~~committee substitute for senate bill no. 960, ninety-second general assembly, second regular~~
165 ~~session]~~, in a year of general reassessment. For the purposes of applying the provisions of this
166 subsection, a political subdivision contained within two or more counties where at least one of
167 such counties has opted out and at least one of such counties has not opted out shall calculate a
168 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general
169 assembly, second regular session. A governing body of a city not within a county or a county
170 that has opted out under the provisions of this subsection may choose to implement the
171 provisions of this section and sections 137.073, 138.060, and 138.100 ~~[as enacted by house bill~~
172 ~~no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as~~
173 ~~modified by house committee substitute for senate substitute for senate committee substitute for~~
174 ~~senate bill no. 960, ninety-second general assembly, second regular session]~~, for the next year
175 of general reassessment, by an affirmative vote of the governing body prior to December
176 thirty-first of any year.

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

184 17. Any portion of real property that is available as reserve for strip, surface, or coal
185 mining for minerals for purposes of excavation for future use or sale to others that has not been
186 bonded and permitted under chapter 444 shall be assessed based upon how the real property is
187 currently being used. Any information provided to a county assessor, state tax commission, state
188 agency, or political subdivision responsible for the administration of tax policies shall, in the
189 performance of its duties, make available all books, records, and information requested, except
190 such books, records, and information as are by law declared confidential in nature, including
191 individually identifiable information regarding a specific taxpayer or taxpayer's mine property.
192 For purposes of this subsection, "mine property" shall mean all real property that is in use or
193 readily available as a reserve for strip, surface, or coal mining for minerals for purposes of
194 excavation for current or future use or sale to others that has been bonded and permitted under
195 chapter 444.

138.060. 1. The county board of equalization shall, in a summary way, determine all
2 appeals from the valuation of property made by the assessor, and shall correct and adjust the
3 assessment accordingly. There shall be no presumption that the assessor's valuation is correct.
4 In any county with a charter form of government [with a population greater than two hundred
5 eighty thousand inhabitants but less than two hundred eighty-five thousand] and with more than
6 **three hundred thousand but fewer than four hundred fifty thousand** inhabitants, [and in]
7 any county with a charter form of government with [greater than one million] greater than nine
8 **hundred fifty thousand** inhabitants, **any county with a charter form of government and with**
9 **more than six hundred thousand but fewer than seven hundred thousand inhabitants**, and
10 [in] any city not within a county, the assessor shall have the burden to prove that the assessor's
11 valuation does not exceed the true market value of the subject property. In such county or city,
12 in the event a physical inspection of the subject property is required by subsection 10 of section
13 137.115, the assessor shall have the burden to establish the manner in which the physical
14 inspection was performed and shall have the burden to prove that the physical inspection was
15 performed in accordance with section 137.115. In such county or city, in the event the assessor
16 fails to provide sufficient evidence to establish that the physical inspection was performed in
17 accordance with section 137.115, the property owner shall prevail on the appeal as a matter of
18 law. At any hearing before the state tax commission or a court of competent jurisdiction of an
19 appeal of assessment from a first class charter county or a city not within a county, the assessor
20 shall not advocate nor present evidence advocating a valuation higher than that value finally
21 determined by the assessor or the value determined by the board of equalization, whichever is
22 higher, for that assessment period.

23 2. The county clerk shall keep an accurate record of the proceedings and orders of the
24 board, and the assessor shall correct all erroneous assessments, and the clerk shall adjust the tax
25 book according to the orders of such board and the orders of the state tax commission, except
26 that in adding or deducting such percent to each tract or parcel of real estate as required by such
27 board or state tax commission, he shall add or deduct in each case any fractional sum of less than
28 fifty cents, so that the value of any separate tract shall contain no fractions of a dollar.

Section B. Because immediate action is necessary to address property tax assessment
2 challenges in certain parts of this state, the repeal and reenactment of section 138.060 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 138.060 of section A of this act shall be
6 in full force and effect upon its passage and approval.