

FIRST REGULAR SESSION

SENATE BILL NO. 109

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

0479S.01H

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 137.115 and 137.180, RSMo, and to enact in lieu thereof two new sections relating to property tax assessments.

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

Section A. Sections 137.115 and 137.180, RSMo, are
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 137.115 and 137.180, to read as follows:

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

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 FAR Part 139 certification and owned by a political
20 subdivision, shall be the otherwise applicable true value in
21 money of any such possessory interest in real property, less
22 the total dollar amount of costs paid by a party, other than
23 the political subdivision, towards any new construction or
24 improvements on such real property completed after January
25 1, 2008, and which are included in the above-mentioned
26 possessory interest, regardless of the year in which such
27 costs were incurred or whether such costs were considered in
28 any prior year. The assessor shall annually assess all real
29 property in the following manner: new assessed values shall
30 be determined as of January first of each odd-numbered year
31 and shall be entered in the assessor's books; [those same]
32 **if such new assessed values do not exceed the assessed**
33 **values from the previous odd-numbered year by more than**
34 **fifteen percent, the new** assessed values shall apply in the
35 following even-numbered year, except for new construction
36 and property improvements which shall be valued as though
37 they had been completed as of January first of the preceding
38 odd-numbered year. **If such new assessed values exceed the**
39 **assessed values from the previous odd-numbered year by more**
40 **than fifteen percent, half of the growth in the new assessed**
41 **value over the previous assessed value shall be applied in**
42 **the odd-numbered year, and the remaining growth shall be**
43 **applied in the following even-numbered year.** The assessor
44 may call at the office, place of doing business, or
45 residence of each person required by this chapter to list
46 property, and require the person to make a correct statement
47 of all taxable tangible personal property owned by the
48 person or under his or her care, charge or management,
49 taxable in the county. On or before January first of each
50 even-numbered year, the assessor shall prepare and submit a

51 two-year assessment maintenance plan to the county governing
52 body and the state tax commission for their respective
53 approval or modification. The county governing body shall
54 approve and forward such plan or its alternative to the plan
55 to the state tax commission by February first. If the
56 county governing body fails to forward the plan or its
57 alternative to the plan to the state tax commission by
58 February first, the assessor's plan shall be considered
59 approved by the county governing body. If the state tax
60 commission fails to approve a plan and if the state tax
61 commission and the assessor and the governing body of the
62 county involved are unable to resolve the differences, in
63 order to receive state cost-share funds outlined in section
64 137.750, the county or the assessor shall petition the
65 administrative hearing commission, by May first, to decide
66 all matters in dispute regarding the assessment maintenance
67 plan. Upon agreement of the parties, the matter may be
68 stayed while the parties proceed with mediation or
69 arbitration upon terms agreed to by the parties. The final
70 decision of the administrative hearing commission shall be
71 subject to judicial review in the circuit court of the
72 county involved. In the event a valuation of subclass (1)
73 real property within any county with a charter form of
74 government, or within a city not within a county, is made by
75 a computer, computer-assisted method or a computer program,
76 the burden of proof, supported by clear, convincing and
77 cogent evidence to sustain such valuation, shall be on the
78 assessor at any hearing or appeal. In any such county,
79 unless the assessor proves otherwise, there shall be a
80 presumption that the assessment was made by a computer,
81 computer-assisted method or a computer program. Such

82 evidence shall include, but shall not be limited to, the
83 following:

84 (1) The findings of the assessor based on an appraisal
85 of the property by generally accepted appraisal techniques;
86 and

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

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

93 (b) Such properties are not more than one mile from
94 the site of the disputed property, except where no similar
95 properties exist within one mile of the disputed property,
96 the nearest comparable property shall be used. Such
97 property shall be within five hundred square feet in size of
98 the disputed property, and resemble the disputed property in
99 age, floor plan, number of rooms, and other relevant
100 characteristics.

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

104 3. The following items of personal property shall each
105 constitute separate subclasses of tangible personal property
106 and shall be assessed and valued for the purposes of
107 taxation at the following percentages of their true value in
108 money:

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

111 (2) Livestock, twelve percent;

112 (3) Farm machinery, twelve percent;

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

119 (5) Poultry, twelve percent; and

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

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

133 5. (1) All subclasses of real property, as such
134 subclasses are established in Section 4(b) of Article X of
135 the Missouri Constitution and defined in section 137.016,
136 shall be assessed at the following percentages of true value:

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

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

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

143 (2) A taxpayer may apply to the county assessor, or,
144 if not located within a county, then the assessor of such

145 city, for the reclassification of such taxpayer's real
146 property if the use or purpose of such real property is
147 changed after such property is assessed under the provisions
148 of this chapter. If the assessor determines that such
149 property shall be reclassified, he or she shall determine
150 the assessment under this subsection based on the percentage
151 of the tax year that such property was classified in each
152 subclassification.

153 6. Manufactured homes, as defined in section 700.010,
154 which are actually used as dwelling units shall be assessed
155 at the same percentage of true value as residential real
156 property for the purpose of taxation. The percentage of
157 assessment of true value for such manufactured homes shall
158 be the same as for residential real property. If the county
159 collector cannot identify or find the manufactured home when
160 attempting to attach the manufactured home for payment of
161 taxes owed by the manufactured home owner, the county
162 collector may request the county commission to have the
163 manufactured home removed from the tax books, and such
164 request shall be granted within thirty days after the
165 request is made; however, the removal from the tax books
166 does not remove the tax lien on the manufactured home if it
167 is later identified or found. For purposes of this section,
168 a manufactured home located in a manufactured home rental
169 park, rental community or on real estate not owned by the
170 manufactured home owner shall be considered personal
171 property. For purposes of this section, a manufactured home
172 located on real estate owned by the manufactured home owner
173 may be considered real property.

174 7. Each manufactured home assessed shall be considered
175 a parcel for the purpose of reimbursement pursuant to
176 section 137.750, unless the manufactured home is real estate

177 as defined in subsection 7 of section 442.015 and assessed
178 as a realty improvement to the existing real estate parcel.

179 8. Any amount of tax due and owing based on the
180 assessment of a manufactured home shall be included on the
181 personal property tax statement of the manufactured home
182 owner unless the manufactured home is real estate as defined
183 in subsection 7 of section 442.015, in which case the amount
184 of tax due and owing on the assessment of the manufactured
185 home as a realty improvement to the existing real estate
186 parcel shall be included on the real property tax statement
187 of the real estate owner.

188 9. The assessor of each county and each city not
189 within a county shall use the trade-in value published in
190 the October issue of the National Automobile Dealers'
191 Association Official Used Car Guide, or its successor
192 publication, as the recommended guide of information for
193 determining the true value of motor vehicles described in
194 such publication. The assessor shall not use a value that
195 is greater than the average trade-in value in determining
196 the true value of the motor vehicle without performing a
197 physical inspection of the motor vehicle. For vehicles two
198 years old or newer from a vehicle's model year, the assessor
199 may use a value other than average without performing a
200 physical inspection of the motor vehicle. In the absence of
201 a listing for a particular motor vehicle in such
202 publication, the assessor shall use such information or
203 publications which in the assessor's judgment will fairly
204 estimate the true value in money of the motor vehicle.

205 10. Before the assessor may increase the assessed
206 valuation of any parcel of subclass (1) real property by
207 more than fifteen percent since the last assessment,
208 excluding increases due to new construction or improvements,

209 the assessor shall conduct a physical inspection of such
210 property.

211 11. If a physical inspection is required, pursuant to
212 subsection 10 of this section, the assessor shall notify the
213 property owner of that fact in writing and shall provide the
214 owner clear written notice of the owner's rights relating to
215 the physical inspection. If a physical inspection is
216 required, the property owner may request that an interior
217 inspection be performed during the physical inspection. The
218 owner shall have no less than thirty days to notify the
219 assessor of a request for an interior physical inspection.

220 12. A physical inspection, as required by subsection
221 10 of this section, shall include, but not be limited to, an
222 on-site personal observation and review of all exterior
223 portions of the land and any buildings and improvements to
224 which the inspector has or may reasonably and lawfully gain
225 external access, and shall include an observation and review
226 of the interior of any buildings or improvements on the
227 property upon the timely request of the owner pursuant to
228 subsection 11 of this section. Mere observation of the
229 property via a drive-by inspection or the like shall not be
230 considered sufficient to constitute a physical inspection as
231 required by this section.

232 13. A county or city collector may accept credit cards
233 as proper form of payment of outstanding property tax or
234 license due. No county or city collector may charge
235 surcharge for payment by credit card which exceeds the fee
236 or surcharge charged by the credit card bank, processor, or
237 issuer for its service. A county or city collector may
238 accept payment by electronic transfers of funds in payment
239 of any tax or license and charge the person making such

240 payment a fee equal to the fee charged the county by the
241 bank, processor, or issuer of such electronic payment.

242 14. Any county or city not within a county in this
243 state may, by an affirmative vote of the governing body of
244 such county, opt out of the provisions of this section and
245 sections 137.073, 138.060, and 138.100 as enacted by house
246 bill no. 1150 of the ninety-first general assembly, second
247 regular session and section 137.073 as modified by house
248 committee substitute for senate substitute for senate
249 committee substitute for senate bill no. 960, ninety-second
250 general assembly, second regular session, for the next year
251 of the general reassessment, prior to January first of any
252 year. No county or city not within a county shall exercise
253 this opt-out provision after implementing the provisions of
254 this section and sections 137.073, 138.060, and 138.100 as
255 enacted by house bill no. 1150 of the ninety-first general
256 assembly, second regular session and section 137.073 as
257 modified by house committee substitute for senate substitute
258 for senate committee substitute for senate bill no. 960,
259 ninety-second general assembly, second regular session, in a
260 year of general reassessment. For the purposes of applying
261 the provisions of this subsection, a political subdivision
262 contained within two or more counties where at least one of
263 such counties has opted out and at least one of such
264 counties has not opted out shall calculate a single tax rate
265 as in effect prior to the enactment of house bill no. 1150
266 of the ninety-first general assembly, second regular
267 session. A governing body of a city not within a county or
268 a county that has opted out under the provisions of this
269 subsection may choose to implement the provisions of this
270 section and sections 137.073, 138.060, and 138.100 as
271 enacted by house bill no. 1150 of the ninety-first general

272 assembly, second regular session, and section 137.073 as
273 modified by house committee substitute for senate substitute
274 for senate committee substitute for senate bill no. 960,
275 ninety-second general assembly, second regular session, for
276 the next year of general reassessment, by an affirmative
277 vote of the governing body prior to December thirty-first of
278 any year.

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

290 16. Any portion of real property that is available as
291 reserve for strip, surface, or coal mining for minerals for
292 purposes of excavation for future use or sale to others that
293 has not been bonded and permitted under chapter 444 shall be
294 assessed based upon how the real property is currently being
295 used. Any information provided to a county assessor, state
296 tax commission, state agency, or political subdivision
297 responsible for the administration of tax policies shall, in
298 the performance of its duties, make available all books,
299 records, and information requested, except such books,
300 records, and information as are by law declared confidential
301 in nature, including individually identifiable information
302 regarding a specific taxpayer or taxpayer's mine property.
303 For purposes of this subsection, "mine property" shall mean

304 all real property that is in use or readily available as a
305 reserve for strip, surface, or coal mining for minerals for
306 purposes of excavation for current or future use or sale to
307 others that has been bonded and permitted under chapter 444.

137.180. 1. Whenever any assessor shall increase the
2 valuation of any real property he shall forthwith notify the
3 record owner of such increase, either in person, or by mail
4 directed to the last known address; every such increase in
5 assessed valuation made by the assessor shall be subject to
6 review by the county board of equalization whereat the
7 landowner shall be entitled to be heard, and the notice to
8 the landowner shall so state.

9 2. Effective January 1, 2009, for all counties with a
10 charter form of government, other than any county adopting a
11 charter form of government after January 1, 2008, whenever
12 any assessor shall increase the valuation of any real
13 property, he or she shall forthwith notify the record owner
14 on or before June fifteenth of such increase and, in a year
15 of general reassessment, the county shall notify the record
16 owner of the projected tax liability likely to result from
17 such an increase, either in person, or by mail directed to
18 the last known address; every such increase in assessed
19 valuation made by the assessor shall be subject to review by
20 the county board of equalization whereat the landowner shall
21 be entitled to be heard, and the notice to the landowner
22 shall so state. Notice of the projected tax liability from
23 the county shall accompany the notice of increased valuation
24 from the assessor.

25 3. For all calendar years prior to the first day of
26 January of the year following receipt of software necessary
27 for the implementation of the requirements provided under
28 subsections 4 and 5 of this section from the state tax

29 commission, for any county not subject to the provisions of
30 subsection 2 of this section or subsection 2 of section
31 137.355, whenever any assessor shall increase the valuation
32 of any real property, he or she shall forthwith notify the
33 record owner on or before June fifteenth of the previous
34 assessed value and such increase either in person, or by
35 mail directed to the last known address and include in such
36 notice a statement indicating that the change in assessed
37 value may impact the record owner's tax liability and
38 provide all processes and deadlines for appealing
39 determinations of the assessed value of such property. Such
40 notice shall be provided in a font and format sufficient to
41 alert a record owner of the potential impact upon tax
42 liability and the appellate processes available.

43 4. Effective January first of the year following
44 receipt of software necessary for the implementation of the
45 requirements provided under this subsection and subsection 5
46 of this section from the state tax commission, for all
47 counties not subject to the provisions of subsection 2 of
48 this section or subsection 2 of section 137.355, whenever
49 any assessor shall increase the valuation of any real
50 property, he or she shall forthwith notify the record owner
51 on or before June fifteenth of such increase and, in a year
52 of general reassessment, the county shall notify the record
53 owner of the projected tax liability likely to result from
54 such an increase, either in person, or by mail directed to
55 the last known address; every such increase in assessed
56 valuation made by the assessor shall be subject to review by
57 the county board of equalization whereat the landowner shall
58 be entitled to be heard, and the notice to the landowner
59 shall so state. Notice of the projected tax liability from

60 the county shall accompany the notice of increased valuation
61 from the assessor.

62 5. The notice of projected tax liability, required
63 under subsections 2 and 4 of this section, from the county
64 shall include:

65 (1) The record owner's name, address, and the parcel
66 number of the property;

67 (2) A list of all political subdivisions levying a tax
68 upon the property of the record owner;

69 (3) The projected tax rate for each political
70 subdivision levying a tax upon the property of the record
71 owner, and the purpose for each levy of such political
72 subdivisions;

73 (4) The previous year's tax rates for each individual
74 tax levy imposed by each political subdivision levying a tax
75 upon the property of the record owner;

76 (5) The tax rate ceiling for each levy imposed by each
77 political subdivision levying a tax upon the property of the
78 record owner;

79 (6) The contact information for each political
80 subdivision levying a tax upon the property of the record
81 owner;

82 (7) A statement identifying any projected tax rates
83 for political subdivisions levying a tax upon the property
84 of the record owner, which were not calculated and provided
85 by the political subdivision levying the tax; and

86 (8) The total projected property tax liability of the
87 taxpayer.

88 6. In addition to the requirements provided under
89 subsections 1, 2, and 5 of this section, effective January
90 1, 2011, in any county with a charter form of government and
91 with more than one million inhabitants, whenever any

92 assessor shall notify a record owner of any change in
93 assessed value, such assessor shall provide notice that
94 information regarding the assessment method and computation
95 of value for such property is available on the assessor's
96 website and provide the exact website address at which such
97 information may be accessed. Such notification shall
98 provide the assessor's contact information to enable
99 taxpayers without internet access to request and receive
100 information regarding the assessment method and computation
101 of value for such property.

102 **7. Notwithstanding the provisions of this section,**
103 **section 137.275, or section 137.385 to the contrary, for all**
104 **counties and cities not within a county, in addition to the**
105 **requirements provided under subsections 1 to 6 of this**
106 **section, if the assessed valuation of any parcel of subclass**
107 **(1) real property exceeds the previous assessed valuation of**
108 **such parcel by more than fifteen percent, such assessed**
109 **valuation shall be automatically reviewed by the county**
110 **board of equalization, regardless of whether a timely appeal**
111 **has been filed by the property owner under section 137.275**
112 **or 137.385. The provisions of chapter 138 shall apply to**
113 **all such automatic reviews. The assessor shall notify the**
114 **property owner in writing of the review of the assessed**
115 **valuation, and that the property owner shall be entitled to**
116 **be heard at the hearing of the board of equalization.**

✓