

SECOND REGULAR SESSION

# SENATE BILL NO. 579

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3476S.011

## AN ACT

To repeal sections 137.073, 137.115, 137.180, and 138.060, RSMo, and to enact in lieu thereof four new sections relating to property tax assessments.

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

Section A. Sections 137.073, 137.115, 137.180, and 138.060, RSMo, are  
2 repealed and four new sections enacted in lieu thereof, to be known as sections  
3 137.073, 137.115, 137.180, and 138.060, to read as follows:

137.073. 1. As used in this section, the following terms mean:

2 (1) "General reassessment", changes in value, entered in the assessor's  
3 books, of a substantial portion of the parcels of real property within a county  
4 resulting wholly or partly from reappraisal of value or other actions of the  
5 assessor or county equalization body or ordered by the state tax commission or  
6 any court;

7 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax  
8 rate for each purpose of taxation of property a taxing authority is authorized to  
9 levy without a vote and any tax rate authorized by election, including bond  
10 interest and sinking fund;

11 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to  
12 comply with the provisions of this section or when a court has determined the tax  
13 rate; except that, other provisions of law to the contrary notwithstanding, a school  
14 district may levy the operating levy for school purposes required for the current  
15 year pursuant to subsection 2 of section 163.021, less all adjustments required  
16 pursuant to Article X, Section 22 of the Missouri Constitution, if such tax rate  
17 does not exceed the highest tax rate in effect subsequent to the 1980 tax  
18 year. This is the maximum tax rate that may be levied, unless a higher tax rate

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

19 ceiling is approved by voters of the political subdivision as provided in this  
20 section;

21 (4) "Tax revenue", when referring to the previous year, means the actual  
22 receipts from ad valorem levies on all classes of property, including state-assessed  
23 property, in the immediately preceding fiscal year of the political subdivision,  
24 plus an allowance for taxes billed but not collected in the fiscal year and plus an  
25 additional allowance for the revenue which would have been collected from  
26 property which was annexed by such political subdivision but which was not  
27 previously used in determining tax revenue pursuant to this section. The term  
28 "tax revenue" shall not include any receipts from ad valorem levies on any  
29 property of a railroad corporation or a public utility, as these terms are defined  
30 in section 386.020, which were assessed by the assessor of a county or city in the  
31 previous year but are assessed by the state tax commission in the current year.  
32 All school districts and those counties levying sales taxes pursuant to chapter 67  
33 shall include in the calculation of tax revenue an amount equivalent to that by  
34 which they reduced property tax levies as a result of sales tax pursuant to section  
35 67.505 and section 164.013 [or as excess home dock city or county fees as  
36 provided in subsection 4 of section 313.820] in the immediately preceding fiscal  
37 year but not including any amount calculated to adjust for prior years. For  
38 purposes of political subdivisions which were authorized to levy a tax in the prior  
39 year but which did not levy such tax or levied a reduced rate, the term "tax  
40 revenue", as used in relation to the revision of tax levies mandated by law, shall  
41 mean the revenues equal to the amount that would have been available if the  
42 voluntary rate reduction had not been made.

43 2. Whenever changes in assessed valuation are entered in the assessor's  
44 books for any personal property, in the aggregate, or for any subclass of real  
45 property as such subclasses are established in Section 4(b) of Article X of the  
46 Missouri Constitution and defined in section 137.016, the county clerk in all  
47 counties and the assessor of St. Louis City shall notify each political subdivision  
48 wholly or partially within the county or St. Louis City of the change in valuation  
49 of each subclass of real property, individually, and personal property, in the  
50 aggregate, exclusive of new construction and improvements. All political  
51 subdivisions shall immediately revise the applicable rates of levy for each purpose  
52 for each subclass of real property, individually, and personal property, in the  
53 aggregate, for which taxes are levied to the extent necessary to produce from all  
54 taxable property, exclusive of new construction and improvements, substantially

55 the same amount of tax revenue as was produced in the previous year for each  
56 subclass of real property, individually, and personal property, in the aggregate,  
57 except that the rate shall not exceed the greater of the most recent  
58 voter-approved rate or the most recent voter-approved rate as adjusted under  
59 subdivision (2) of subsection 5 of this section. Any political subdivision that has  
60 received approval from voters for a tax increase after August 27, 2008, may levy  
61 a rate to collect substantially the same amount of tax revenue as the amount of  
62 revenue that would have been derived by applying the voter-approved increased  
63 tax rate ceiling to the total assessed valuation of the political subdivision as most  
64 recently certified by the city or county clerk on or before the date of the election  
65 in which such increase is approved, increased by the percentage increase in the  
66 consumer price index, as provided by law, except that the rate shall not exceed  
67 the greater of the most recent voter-approved rate or the most recent  
68 voter-approved rate as adjusted under subdivision (2) of subsection 5 of this  
69 section. Such tax revenue shall not include any receipts from ad valorem levies  
70 on any real property which was assessed by the assessor of a county or city in  
71 such previous year but is assessed by the assessor of a county or city in the  
72 current year in a different subclass of real property. Where the taxing authority  
73 is a school district for the purposes of revising the applicable rates of levy for  
74 each subclass of real property, the tax revenues from state-assessed railroad and  
75 utility property shall be apportioned and attributed to each subclass of real  
76 property based on the percentage of the total assessed valuation of the county  
77 that each subclass of real property represents in the current taxable year. As  
78 provided in Section 22 of Article X of the constitution, a political subdivision may  
79 also revise each levy to allow for inflationary assessment growth occurring within  
80 the political subdivision. The inflationary growth factor for any such subclass of  
81 real property or personal property shall be limited to the actual assessment  
82 growth in such subclass or class, exclusive of new construction and improvements,  
83 and exclusive of the assessed value on any real property which was assessed by  
84 the assessor of a county or city in the current year in a different subclass of real  
85 property, but not to exceed **eighty percent** of the consumer price index or five  
86 percent, whichever is lower. Should the tax revenue of a political subdivision  
87 from the various tax rates determined in this subsection be different than the tax  
88 revenue that would have been determined from a single tax rate as calculated  
89 pursuant to the method of calculation in this subsection prior to January 1, 2003,  
90 then the political subdivision shall revise the tax rates of those subclasses of real

91 property, individually, and/or personal property, in the aggregate, in which there  
92 is a tax rate reduction, pursuant to the provisions of this subsection. Such  
93 revision shall yield an amount equal to such difference and shall be apportioned  
94 among such subclasses of real property, individually, and/or personal property,  
95 in the aggregate, based on the relative assessed valuation of the class or  
96 subclasses of property experiencing a tax rate reduction. Such revision in the tax  
97 rates of each class or subclass shall be made by computing the percentage of  
98 current year adjusted assessed valuation of each class or subclass with a tax rate  
99 reduction to the total current year adjusted assessed valuation of the class or  
100 subclasses with a tax rate reduction, multiplying the resulting percentages by the  
101 revenue difference between the single rate calculation and the calculations  
102 pursuant to this subsection and dividing by the respective adjusted current year  
103 assessed valuation of each class or subclass to determine the adjustment to the  
104 rate to be levied upon each class or subclass of property. The adjustment  
105 computed herein shall be multiplied by one hundred, rounded to four decimals in  
106 the manner provided in this subsection, and added to the initial rate computed  
107 for each class or subclass of property. For school districts that levy separate tax  
108 rates on each subclass of real property and personal property in the aggregate,  
109 if voters approved a ballot before January 1, 2011, that presented separate stated  
110 tax rates to be applied to the different subclasses of real property and personal  
111 property in the aggregate, or increases the separate rates that may be levied on  
112 the different subclasses of real property and personal property in the aggregate  
113 by different amounts, the tax rate that shall be used for the single tax rate  
114 calculation shall be a blended rate, calculated in the manner provided under  
115 subdivision (1) of subsection 6 of this section. Notwithstanding any provision of  
116 this subsection to the contrary, no revision to the rate of levy for personal  
117 property shall cause such levy to increase over the levy for personal property from  
118 the prior year.

119         3. (1) Where the taxing authority is a school district, it shall be required  
120 to revise the rates of levy to the extent necessary to produce from all taxable  
121 property, including state-assessed railroad and utility property, which shall be  
122 separately estimated in addition to other data required in complying with section  
123 164.011, substantially the amount of tax revenue permitted in this section. In  
124 the year following tax rate reduction, the tax rate ceiling may be adjusted to  
125 offset such district's reduction in the apportionment of state school moneys due  
126 to its reduced tax rate. However, in the event any school district, in calculating

127 a tax rate ceiling pursuant to this section, requiring the estimating of effects of  
128 state-assessed railroad and utility valuation or loss of state aid, discovers that the  
129 estimates used result in receipt of excess revenues, which would have required  
130 a lower rate if the actual information had been known, the school district shall  
131 reduce the tax rate ceiling in the following year to compensate for the excess  
132 receipts, and the recalculated rate shall become the tax rate ceiling for purposes  
133 of this section.

134 (2) For any political subdivision which experiences a reduction in the  
135 amount of assessed valuation relating to a prior year, due to decisions of the state  
136 tax commission or a court pursuant to sections 138.430 to 138.433, or due to  
137 clerical errors or corrections in the calculation or recordation of any assessed  
138 valuation:

139 (a) Such political subdivision may revise the tax rate ceiling for each  
140 purpose it levies taxes to compensate for the reduction in assessed value  
141 occurring after the political subdivision calculated the tax rate ceiling for the  
142 particular subclass of real property or for personal property, in the aggregate, in  
143 a prior year. Such revision by the political subdivision shall be made at the time  
144 of the next calculation of the tax rate for the particular subclass of real property  
145 or for personal property, in the aggregate, after the reduction in assessed  
146 valuation has been determined and shall be calculated in a manner that results  
147 in the revised tax rate ceiling being the same as it would have been had the  
148 corrected or finalized assessment been available at the time of the prior  
149 calculation;

150 (b) In addition, for up to three years following the determination of the  
151 reduction in assessed valuation as a result of circumstances defined in this  
152 subdivision, such political subdivision may levy a tax rate for each purpose it  
153 levies taxes above the revised tax rate ceiling provided in paragraph (a) of this  
154 subdivision to recoup any revenues it was entitled to receive had the corrected or  
155 finalized assessment been available at the time of the prior calculation.

156 4. (1) In order to implement the provisions of this section and Section 22  
157 of Article X of the Constitution of Missouri, the term improvements shall apply  
158 to both real and personal property. In order to determine the value of new  
159 construction and improvements, each county assessor shall maintain a record of  
160 real property valuations in such a manner as to identify each year the increase  
161 in valuation for each political subdivision in the county as a result of new  
162 construction and improvements. The value of new construction and

163 improvements shall include the additional assessed value of all improvements or  
164 additions to real property which were begun after and were not part of the prior  
165 year's assessment, except that the additional assessed value of all improvements  
166 or additions to real property which had been totally or partially exempt from ad  
167 valorem taxes pursuant to sections 99.800 to 99.865, sections 135.200 to 135.255,  
168 and section 353.110 shall be included in the value of new construction and  
169 improvements when the property becomes totally or partially subject to  
170 assessment and payment of all ad valorem taxes. The aggregate increase in  
171 valuation of personal property for the current year over that of the previous year  
172 is the equivalent of the new construction and improvements factor for personal  
173 property. Notwithstanding any opt-out implemented pursuant to subsection 15  
174 of section 137.115, the assessor shall certify the amount of new construction and  
175 improvements and the amount of assessed value on any real property which was  
176 assessed by the assessor of a county or city in such previous year but is assessed  
177 by the assessor of a county or city in the current year in a different subclass of  
178 real property separately for each of the three subclasses of real property for each  
179 political subdivision to the county clerk in order that political subdivisions shall  
180 have this information for the purpose of calculating tax rates pursuant to this  
181 section and Section 22, Article X, Constitution of Missouri. In addition, the state  
182 tax commission shall certify each year to each county clerk the increase in the  
183 general price level as measured by the Consumer Price Index for All Urban  
184 Consumers for the United States, or its successor publications, as defined and  
185 officially reported by the United States Department of Labor, or its successor  
186 agency. The state tax commission shall certify the increase in such index on the  
187 latest twelve-month basis available on February first of each year over the  
188 immediately preceding prior twelve-month period in order that political  
189 subdivisions shall have this information available in setting their tax rates  
190 according to law and Section 22 of Article X of the Constitution of Missouri. For  
191 purposes of implementing the provisions of this section and Section 22 of Article  
192 X of the Missouri Constitution, the term "property" means all taxable property,  
193 including state-assessed property.

194           (2) Each political subdivision required to revise rates of levy pursuant to  
195 this section or Section 22 of Article X of the Constitution of Missouri shall  
196 calculate each tax rate it is authorized to levy and, in establishing each tax rate,  
197 shall consider each provision for tax rate revision provided in this section and  
198 Section 22 of Article X of the Constitution of Missouri, separately and without

199 regard to annual tax rate reductions provided in section 67.505 and section  
200 164.013. Each political subdivision shall set each tax rate it is authorized to levy  
201 using the calculation that produces the lowest tax rate ceiling. It is further the  
202 intent of the general assembly, pursuant to the authority of Section 10(c) of  
203 Article X of the Constitution of Missouri, that the provisions of such section be  
204 applicable to tax rate revisions mandated pursuant to Section 22 of Article X of  
205 the Constitution of Missouri as to reestablishing tax rates as revised in  
206 subsequent years, enforcement provisions, and other provisions not in conflict  
207 with Section 22 of Article X of the Constitution of Missouri. Annual tax rate  
208 reductions provided in section 67.505 and section 164.013 shall be applied to the  
209 tax rate as established pursuant to this section and Section 22 of Article X of the  
210 Constitution of Missouri, unless otherwise provided by law.

211         5. (1) In all political subdivisions, the tax rate ceiling established  
212 pursuant to this section shall not be increased unless approved by a vote of the  
213 people. Approval of the higher tax rate shall be by at least a majority of votes  
214 cast. When a proposed higher tax rate requires approval by more than a simple  
215 majority pursuant to any provision of law or the constitution, the tax rate  
216 increase must receive approval by at least the majority required.

217         (2) When voters approve an increase in the tax rate, the amount of the  
218 increase shall be added to the tax rate ceiling as calculated pursuant to this  
219 section to the extent the total rate does not exceed any maximum rate prescribed  
220 by law. If a ballot question presents a stated tax rate for approval rather than  
221 describing the amount of increase in the question, the stated tax rate approved  
222 shall be adjusted as provided in this section and, so adjusted, shall be the current  
223 tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted  
224 such that when applied to the current total assessed valuation of the political  
225 subdivision, excluding new construction and improvements since the date of the  
226 election approving such increase, the revenue derived from the adjusted tax rate  
227 ceiling is equal to the sum of: the amount of revenue which would have been  
228 derived by applying the voter-approved increased tax rate ceiling to total assessed  
229 valuation of the political subdivision, as most recently certified by the city or  
230 county clerk on or before the date of the election in which such increase is  
231 approved, increased by the percentage increase in the consumer price index, as  
232 provided by law. Such adjusted tax rate ceiling may be applied to the total  
233 assessed valuation of the political subdivision at the setting of the next tax rate.  
234 If a ballot question presents a phased-in tax rate increase, upon voter approval,

235 each tax rate increase shall be adjusted in the manner prescribed in this section  
236 to yield the sum of: the amount of revenue that would be derived by applying  
237 such voter-approved increased rate to the total assessed valuation, as most  
238 recently certified by the city or county clerk on or before the date of the election  
239 in which such increase was approved, increased by the percentage increase in the  
240 consumer price index, as provided by law, from the date of the election to the time  
241 of such increase and, so adjusted, shall be the current tax rate ceiling.

242 (3) The governing body of any political subdivision may levy a tax rate  
243 lower than its tax rate ceiling and may, in a nonreassessment year, increase that  
244 lowered tax rate to a level not exceeding the tax rate ceiling without voter  
245 approval in the manner provided under subdivision (4) of this  
246 subsection. Nothing in this section shall be construed as prohibiting a political  
247 subdivision from voluntarily levying a tax rate lower than that which is required  
248 under the provisions of this section or from seeking voter approval of a reduction  
249 to such political subdivision's tax rate ceiling.

250 (4) In a year of general reassessment, a governing body whose tax rate is  
251 lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions  
252 of subsection 4 of this section as if its tax rate was at the tax rate ceiling. In a  
253 year following general reassessment, if such governing body intends to increase  
254 its tax rate, the governing body shall conduct a public hearing, and in a public  
255 meeting it shall adopt an ordinance, resolution, or policy statement justifying its  
256 action prior to setting and certifying its tax rate. The provisions of this  
257 subdivision shall not apply to any political subdivision which levies a tax rate  
258 lower than its tax rate ceiling solely due to a reduction required by law resulting  
259 from sales tax collections. The provisions of this subdivision shall not apply to  
260 any political subdivision which has received voter approval for an increase to its  
261 tax rate ceiling subsequent to setting its most recent tax rate.

262 6. (1) For the purposes of calculating state aid for public schools pursuant  
263 to section 163.031, each taxing authority which is a school district shall  
264 determine its proposed tax rate as a blended rate of the classes or subclasses of  
265 property. Such blended rate shall be calculated by first determining the total tax  
266 revenue of the property within the jurisdiction of the taxing authority, which  
267 amount shall be equal to the sum of the products of multiplying the assessed  
268 valuation of each class and subclass of property by the corresponding tax rate for  
269 such class or subclass, then dividing the total tax revenue by the total assessed  
270 valuation of the same jurisdiction, and then multiplying the resulting quotient



271 by a factor of one hundred. Where the taxing authority is a school district, such  
272 blended rate shall also be used by such school district for calculating revenue  
273 from state-assessed railroad and utility property as defined in chapter 151 and  
274 for apportioning the tax rate by purpose.

275 (2) Each taxing authority proposing to levy a tax rate in any year shall  
276 notify the clerk of the county commission in the county or counties where the tax  
277 rate applies of its tax rate ceiling and its proposed tax rate. Each taxing  
278 authority shall express its proposed tax rate in a fraction equal to the nearest  
279 one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then  
280 one/one-hundredth of a cent. If a taxing authority shall round to  
281 one/one-hundredth of a cent, it shall round up a fraction greater than or equal to  
282 five/one-thousandth of one cent to the next higher one/one-hundredth of a cent;  
283 if a taxing authority shall round to one-tenth of a cent, it shall round up a  
284 fraction greater than or equal to five/one-hundredths of a cent to the next higher  
285 one-tenth of a cent. Any taxing authority levying a property tax rate shall  
286 provide data, in such form as shall be prescribed by the state auditor by rule,  
287 substantiating such tax rate complies with Missouri law. All forms for the  
288 calculation of rates pursuant to this section shall be promulgated as a rule and  
289 shall not be incorporated by reference. The state auditor shall promulgate rules  
290 for any and all forms for the calculation of rates pursuant to this section which  
291 do not currently exist in rule form or that have been incorporated by reference.  
292 In addition, each taxing authority proposing to levy a tax rate for debt service  
293 shall provide data, in such form as shall be prescribed by the state auditor by  
294 rule, substantiating the tax rate for debt service complies with Missouri law. A  
295 tax rate proposed for annual debt service requirements will be prima facie valid  
296 if, after making the payment for which the tax was levied, bonds remain  
297 outstanding and the debt fund reserves do not exceed the following year's  
298 payments. The county clerk shall keep on file and available for public inspection  
299 all such information for a period of three years. The clerk shall, within three  
300 days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling  
301 and proposed tax rate and any substantiating data to the state auditor. The state  
302 auditor shall, within fifteen days of the date of receipt, examine such information  
303 and return to the county clerk his or her findings as to compliance of the tax rate  
304 ceiling with this section and as to compliance of any proposed tax rate for debt  
305 service with Missouri law. If the state auditor believes that a taxing authority's  
306 proposed tax rate does not comply with Missouri law, then the state auditor's

307 findings shall include a recalculated tax rate, and the state auditor may request  
308 a taxing authority to submit documentation supporting such taxing authority's  
309 proposed tax rate. The county clerk shall immediately forward a copy of the  
310 auditor's findings to the taxing authority and shall file a copy of the findings with  
311 the information received from the taxing authority. The taxing authority shall  
312 have fifteen days from the date of receipt from the county clerk of the state  
313 auditor's findings and any request for supporting documentation to accept or  
314 reject in writing the rate change certified by the state auditor and to submit all  
315 requested information to the state auditor. A copy of the taxing authority's  
316 acceptance or rejection and any information submitted to the state auditor shall  
317 also be mailed to the county clerk. If a taxing authority rejects a rate change  
318 certified by the state auditor and the state auditor does not receive supporting  
319 information which justifies the taxing authority's original or any subsequent  
320 proposed tax rate, then the state auditor shall refer the perceived violations of  
321 such taxing authority to the attorney general's office and the attorney general is  
322 authorized to obtain injunctive relief to prevent the taxing authority from levying  
323 a violative tax rate.

324 (3) In the event that the taxing authority incorrectly completes the forms  
325 created and promulgated under subdivision (2) of this subsection, or makes a  
326 clerical error, the taxing authority may submit amended forms with an  
327 explanation for the needed changes. If such amended forms are filed under  
328 regulations prescribed by the state auditor, the state auditor shall take into  
329 consideration such amended forms for the purposes of this subsection.

330 7. No tax rate shall be extended on the tax rolls by the county clerk unless  
331 the political subdivision has complied with the foregoing provisions of this  
332 section.

333 8. Whenever a taxpayer has cause to believe that a taxing authority has  
334 not complied with the provisions of this section, the taxpayer may make a formal  
335 complaint with the prosecuting attorney of the county. Where the prosecuting  
336 attorney fails to bring an action within ten days of the filing of the complaint, the  
337 taxpayer may bring a civil action pursuant to this section and institute an action  
338 as representative of a class of all taxpayers within a taxing authority if the class  
339 is so numerous that joinder of all members is impracticable, if there are questions  
340 of law or fact common to the class, if the claims or defenses of the representative  
341 parties are typical of the claims or defenses of the class, and if the representative  
342 parties will fairly and adequately protect the interests of the class. In any class

343 action maintained pursuant to this section, the court may direct to the members  
344 of the class a notice to be published at least once each week for four consecutive  
345 weeks in a newspaper of general circulation published in the county where the  
346 civil action is commenced and in other counties within the jurisdiction of a taxing  
347 authority. The notice shall advise each member that the court will exclude him  
348 or her from the class if he or she so requests by a specified date, that the  
349 judgment, whether favorable or not, will include all members who do not request  
350 exclusion, and that any member who does not request exclusion may, if he or she  
351 desires, enter an appearance. In any class action brought pursuant to this  
352 section, the court, in addition to the relief requested, shall assess against the  
353 taxing authority found to be in violation of this section the reasonable costs of  
354 bringing the action, including reasonable attorney's fees, provided no attorney's  
355 fees shall be awarded any attorney or association of attorneys who receive public  
356 funds from any source for their services. Any action brought pursuant to this  
357 section shall be set for hearing as soon as practicable after the cause is at issue.

358         9. If in any action, including a class action, the court issues an order  
359 requiring a taxing authority to revise the tax rates as provided in this section or  
360 enjoins a taxing authority from the collection of a tax because of its failure to  
361 revise the rate of levy as provided in this section, any taxpayer paying his or her  
362 taxes when an improper rate is applied has erroneously paid his or her taxes in  
363 part, whether or not the taxes are paid under protest as provided in section  
364 139.031 or otherwise contested. The part of the taxes paid erroneously is the  
365 difference in the amount produced by the original levy and the amount produced  
366 by the revised levy. The township or county collector of taxes or the collector of  
367 taxes in any city shall refund the amount of the tax erroneously paid. The taxing  
368 authority refusing to revise the rate of levy as provided in this section shall make  
369 available to the collector all funds necessary to make refunds pursuant to this  
370 subsection. No taxpayer shall receive any interest on any money erroneously paid  
371 by him or her pursuant to this subsection. Effective in the 1994 tax year, nothing  
372 in this section shall be construed to require a taxing authority to refund any tax  
373 erroneously paid prior to or during the third tax year preceding the current tax  
374 year.

375         10. Any rule or portion of a rule, as that term is defined in section  
376 536.010, that is created under the authority delegated in this section shall  
377 become effective only if it complies with and is subject to all of the provisions of  
378 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are

379 nonseverable and if any of the powers vested with the general assembly pursuant  
380 to chapter 536 to review, to delay the effective date, or to disapprove and annul  
381 a rule are subsequently held unconstitutional, then the grant of rulemaking  
382 authority and any rule proposed or adopted after August 28, 2004, shall be  
383 invalid and void.

137.115. 1. All other laws to the contrary notwithstanding, the assessor  
2 or the assessor's deputies in all counties of this state including the City of St.  
3 Louis shall annually make a list of all real and tangible personal property taxable  
4 in the assessor's city, county, town or district. Except as otherwise provided in  
5 subsection 3 of this section and section 137.078, the assessor shall annually  
6 assess all personal property at thirty-three and one-third percent of its true value  
7 in money as of January first of each calendar year. The assessor shall annually  
8 assess all real property, including any new construction and improvements to real  
9 property, and possessory interests in real property at the percent of its true value  
10 in money set in subsection 5 of this section. The true value in money of any  
11 possessory interest in real property in subclass (3), where such real property is  
12 on or lies within the ultimate airport boundary as shown by a federal airport  
13 layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR  
14 Part 139 certification and owned by a political subdivision, shall be the otherwise  
15 applicable true value in money of any such possessory interest in real property,  
16 less the total dollar amount of costs paid by a party, other than the political  
17 subdivision, towards any new construction or improvements on such real property  
18 completed after January 1, 2008, and which are included in the above-mentioned  
19 possessory interest, regardless of the year in which such costs were incurred or  
20 whether such costs were considered in any prior year. The assessor shall  
21 annually assess all real property in the following manner: new assessed values  
22 shall be determined as of January first of each odd-numbered year and shall be  
23 entered in the assessor's books; **[those same] if such new assessed values do**  
24 **not exceed the assessed values from the previous odd-numbered year**  
25 **by more than fifteen percent, the new** assessed values shall apply in the  
26 following even-numbered year, except for new construction and property  
27 improvements which shall be valued as though they had been completed as of  
28 January first of the preceding odd-numbered year. **If such new assessed**  
29 **values exceed the assessed values from the previous odd-numbered year**  
30 **by more than fifteen percent, half of the growth in the new assessed**  
31 **value over the previous assessed value shall be applied in the odd-**

32 **numbered year, and the remaining growth shall be applied in the**  
33 **following even-numbered year.** The assessor may call at the office, place of  
34 doing business, or residence of each person required by this chapter to list  
35 property, and require the person to make a correct statement of all taxable  
36 tangible personal property owned by the person or under his or her care, charge  
37 or management, taxable in the county. On or before January first of each  
38 even-numbered year, the assessor shall prepare and submit a two-year  
39 assessment maintenance plan to the county governing body and the state tax  
40 commission for their respective approval or modification. The county governing  
41 body shall approve and forward such plan or its alternative to the plan to the  
42 state tax commission by February first. If the county governing body fails to  
43 forward the plan or its alternative to the plan to the state tax commission by  
44 February first, the assessor's plan shall be considered approved by the county  
45 governing body. If the state tax commission fails to approve a plan and if the  
46 state tax commission and the assessor and the governing body of the county  
47 involved are unable to resolve the differences, in order to receive state cost-share  
48 funds outlined in section 137.750, the county or the assessor shall petition the  
49 administrative hearing commission, by May first, to decide all matters in dispute  
50 regarding the assessment maintenance plan. Upon agreement of the parties, the  
51 matter may be stayed while the parties proceed with mediation or arbitration  
52 upon terms agreed to by the parties. The final decision of the administrative  
53 hearing commission shall be subject to judicial review in the circuit court of the  
54 county involved. In the event a valuation of subclass (1) real property within any  
55 county with a charter form of government, or within a city not within a county,  
56 is made by a computer, computer-assisted method or a computer program, the  
57 burden of proof, supported by clear, convincing and cogent evidence to sustain  
58 such valuation, shall be on the assessor at any hearing or appeal. In any such  
59 county, unless the assessor proves otherwise, there shall be a presumption that  
60 the assessment was made by a computer, computer-assisted method or a  
61 computer program. Such evidence shall include, but shall not be limited to, the  
62 following:

63 (1) The findings of the assessor based on an appraisal of the property by  
64 generally accepted appraisal techniques; and

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

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

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

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

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

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

82 (2) Livestock, twelve percent;

83 (3) Farm machinery, twelve percent;

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

89 (5) Poultry, twelve percent; and

90 (6) Tools and equipment used for pollution control and tools and  
91 equipment used in retooling for the purpose of introducing new product lines or  
92 used for making improvements to existing products by any company which is  
93 located in a state enterprise zone and which is identified by any standard  
94 industrial classification number cited in subdivision [(5)] (7) of section 135.200,  
95 twenty-five percent.

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

100 5. (1) All subclasses of real property, as such subclasses are established  
101 in Section 4(b) of Article X of the Missouri Constitution and defined in section  
102 137.016, shall be assessed at the following percentages of true value:

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

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

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

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

113 6. Manufactured homes, as defined in section 700.010, which are actually  
114 used as dwelling units shall be assessed at the same percentage of true value as  
115 residential real property for the purpose of taxation. The percentage of  
116 assessment of true value for such manufactured homes shall be the same as for  
117 residential real property. If the county collector cannot identify or find the  
118 manufactured home when attempting to attach the manufactured home for  
119 payment of taxes owed by the manufactured home owner, the county collector  
120 may request the county commission to have the manufactured home removed from  
121 the tax books, and such request shall be granted within thirty days after the  
122 request is made; however, the removal from the tax books does not remove the tax  
123 lien on the manufactured home if it is later identified or found. For purposes of  
124 this section, a manufactured home located in a manufactured home rental park,  
125 rental community or on real estate not owned by the manufactured home owner  
126 shall be considered personal property. For purposes of this section, a  
127 manufactured home located on real estate owned by the manufactured home  
128 owner may be considered real property.

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

133 8. Any amount of tax due and owing based on the assessment of a  
134 manufactured home shall be included on the personal property tax statement of  
135 the manufactured home owner unless the manufactured home is real estate as  
136 defined in subsection 7 of section 442.015, in which case the amount of tax due  
137 and owing on the assessment of the manufactured home as a realty improvement  
138 to the existing real estate parcel shall be included on the real property tax  
139 statement of the real estate owner.

140           9. The assessor of each county and each city not within a county shall use  
141 the trade-in value published in the October issue of the National Automobile  
142 Dealers' Association Official Used Car Guide, or its successor publication, as the  
143 recommended guide of information for determining the true value of motor  
144 vehicles described in such publication. The assessor shall not use a value that  
145 is greater than the average trade-in value in determining the true value of the  
146 motor vehicle without performing a physical inspection of the motor vehicle. For  
147 vehicles two years old or newer from a vehicle's model year, the assessor may use  
148 a value other than average without performing a physical inspection of the motor  
149 vehicle. In the absence of a listing for a particular motor vehicle in such  
150 publication, the assessor shall use such information or publications which in the  
151 assessor's judgment will fairly estimate the true value in money of the motor  
152 vehicle.

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

157           11. If a physical inspection is required, pursuant to subsection 10 of this  
158 section, the assessor shall notify the property owner of that fact in writing and  
159 shall provide the owner clear written notice of the owner's rights relating to the  
160 physical inspection. If a physical inspection is required, the property owner may  
161 request that an interior inspection be performed during the physical  
162 inspection. The owner shall have no less than thirty days to notify the assessor  
163 of a request for an interior physical inspection.

164           12. A physical inspection, as required by subsection 10 of this section,  
165 shall include, but not be limited to, an on-site personal observation and review  
166 of all exterior portions of the land and any buildings and improvements to which  
167 the inspector has or may reasonably and lawfully gain external access, and shall  
168 include an observation and review of the interior of any buildings or  
169 improvements on the property upon the timely request of the owner pursuant to  
170 subsection 11 of this section. Mere observation of the property via a drive-by  
171 inspection or the like shall not be considered sufficient to constitute a physical  
172 inspection as required by this section.

173           13. [The provisions of subsections 11 and 12 of this section shall only  
174 apply in any county with a charter form of government with more than one  
175 million inhabitants.



176           14.] A county or city collector may accept credit cards as proper form of  
177 payment of outstanding property tax or license due. No county or city collector  
178 may charge surcharge for payment by credit card which exceeds the fee or  
179 surcharge charged by the credit card bank, processor, or issuer for its service. A  
180 county or city collector may accept payment by electronic transfers of funds in  
181 payment of any tax or license and charge the person making such payment a fee  
182 equal to the fee charged the county by the bank, processor, or issuer of such  
183 electronic payment.

184           [15.] 14. Any county or city not within a county in this state may, by an  
185 affirmative vote of the governing body of such county, opt out of the provisions of  
186 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill  
187 no. 1150 of the ninety-first general assembly, second regular session and section  
188 137.073 as modified by house committee substitute for senate substitute for  
189 senate committee substitute for senate bill no. 960, ninety-second general  
190 assembly, second regular session, for the next year of the general reassessment,  
191 prior to January first of any year. No county or city not within a county shall  
192 exercise this opt-out provision after implementing the provisions of this section  
193 and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of  
194 the ninety-first general assembly, second regular session and section 137.073 as  
195 modified by house committee substitute for senate substitute for senate  
196 committee substitute for senate bill no. 960, ninety-second general assembly,  
197 second regular session, in a year of general reassessment. For the purposes of  
198 applying the provisions of this subsection, a political subdivision contained within  
199 two or more counties where at least one of such counties has opted out and at  
200 least one of such counties has not opted out shall calculate a single tax rate as  
201 in effect prior to the enactment of house bill no. 1150 of the ninety-first general  
202 assembly, second regular session. A governing body of a city not within a county  
203 or a county that has opted out under the provisions of this subsection may choose  
204 to implement the provisions of this section and sections 137.073, 138.060, and  
205 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,  
206 second regular session, and section 137.073 as modified by house committee  
207 substitute for senate substitute for senate committee substitute for senate bill no.  
208 960, ninety-second general assembly, second regular session, for the next year of  
209 general reassessment, by an affirmative vote of the governing body prior to  
210 December thirty-first of any year.

211           [16.] 15. The governing body of any city of the third classification with

212 more than twenty-six thousand three hundred but fewer than twenty-six  
213 thousand seven hundred inhabitants located in any county that has exercised its  
214 authority to opt out under subsection 15 of this section may levy separate and  
215 differing tax rates for real and personal property only if such city bills and  
216 collects its own property taxes or satisfies the entire cost of the billing and  
217 collection of such separate and differing tax rates. Such separate and differing  
218 rates shall not exceed such city's tax rate ceiling.

219 [17.] 16. Any portion of real property that is available as reserve for  
220 strip, surface, or coal mining for minerals for purposes of excavation for future  
221 use or sale to others that has not been bonded and permitted under chapter 444  
222 shall be assessed based upon how the real property is currently being used. Any  
223 information provided to a county assessor, state tax commission, state agency, or  
224 political subdivision responsible for the administration of tax policies shall, in the  
225 performance of its duties, make available all books, records, and information  
226 requested, except such books, records, and information as are by law declared  
227 confidential in nature, including individually identifiable information regarding  
228 a specific taxpayer or taxpayer's mine property. For purposes of this subsection,  
229 "mine property" shall mean all real property that is in use or readily available as  
230 a reserve for strip, surface, or coal mining for minerals for purposes of excavation  
231 for current or future use or sale to others that has been bonded and permitted  
232 under chapter 444.

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

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

16 entitled to be heard, and the notice to the landowner shall so state. Notice of the  
17 projected tax liability from the county shall accompany the notice of increased  
18 valuation from the assessor.

19         3. For all calendar years prior to the first day of January of the year  
20 following receipt of software necessary for the implementation of the  
21 requirements provided under subsections 4 and 5 of this section from the state  
22 tax commission, for any county not subject to the provisions of subsection 2 of this  
23 section or subsection 2 of section 137.355, whenever any assessor shall increase  
24 the valuation of any real property, he or she shall forthwith notify the record  
25 owner on or before June fifteenth of the previous assessed value and such  
26 increase either in person, or by mail directed to the last known address and  
27 include in such notice a statement indicating that the change in assessed value  
28 may impact the record owner's tax liability and provide all processes and  
29 deadlines for appealing determinations of the assessed value of such  
30 property. Such notice shall be provided in a font and format sufficient to alert  
31 a record owner of the potential impact upon tax liability and the appellate  
32 processes available.

33         4. Effective January first of the year following receipt of software  
34 necessary for the implementation of the requirements provided under this  
35 subsection and subsection 5 of this section from the state tax commission, for all  
36 counties not subject to the provisions of subsection 2 of this section or subsection  
37 2 of section 137.355, whenever any assessor shall increase the valuation of any  
38 real property, he or she shall forthwith notify the record owner on or before June  
39 fifteenth of such increase and, in a year of general reassessment, the county shall  
40 notify the record owner of the projected tax liability likely to result from such an  
41 increase, either in person, or by mail directed to the last known address; every  
42 such increase in assessed valuation made by the assessor shall be subject to  
43 review by the county board of equalization whereat the landowner shall be  
44 entitled to be heard, and the notice to the landowner shall so state. Notice of the  
45 projected tax liability from the county shall accompany the notice of increased  
46 valuation from the assessor.

47         5. The notice of projected tax liability, required under subsections 2 and  
48 4 of this section, from the county shall include:

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

51             (2) A list of all political subdivisions levying a tax upon the property of

52 the record owner;

53 (3) The projected tax rate for each political subdivision levying a tax upon  
54 the property of the record owner, and the purpose for each levy of such political  
55 subdivisions;

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

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

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

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

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

66 6. In addition to the requirements provided under subsections 1, 2, and  
67 5 of this section, effective January 1, 2011, in any county with a charter form of  
68 government and with more than one million inhabitants, whenever any assessor  
69 shall notify a record owner of any change in assessed value, such assessor shall  
70 provide notice that information regarding the assessment method and  
71 computation of value for such property is available on the assessor's website and  
72 provide the exact website address at which such information may be  
73 accessed. Such notification shall provide the assessor's contact information to  
74 enable taxpayers without internet access to request and receive information  
75 regarding the assessment method and computation of value for such property.

76 **7. Notwithstanding the provisions of this section, section 137.275,**  
77 **or section 137.385 to the contrary, for all counties and cities not within**  
78 **a county, in addition to the requirements provided under subsections**  
79 **1 to 6 of this section, if the assessed valuation of any parcel of subclass**  
80 **(1) real property exceeds the previous assessed valuation of such parcel**  
81 **by more than fifteen percent, such assessed valuation shall be**  
82 **automatically reviewed by the county board of equalization, regardless**  
83 **of whether a timely appeal has been filed by the property owner under**  
84 **section 137.275 or 137.385. The provisions of chapter 138 shall apply to**  
85 **all such automatic reviews. The assessor shall notify the property**  
86 **owner in writing of the review of the assessed valuation, and that the**  
87 **property owner shall be entitled to be heard at the hearing of the board**

**88 of equalization.**

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

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

✓