

SENATE BILL NO. 649

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

4106S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

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

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

Section A. Section 137.115, RSMo, is repealed and one new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

137.115. 1. **(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. **Beginning January 1, 2023, the**
11 **assessor shall annually reduce the percentage of true value**
12 **in money at which personal property is assessed pursuant to**
13 **this subsection such that the amount by which the revenue**
14 **generated by taxes levied on such personal property is**
15 **substantially equal to one hundred percent of the growth in**
16 **revenue generated by real property assessment growth.**
17 **Annual reductions shall be made pursuant to this subdivision**
18 **until December 31, 2073. Thereafter, the percentage of true**

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

19 value in money at which personal property is assessed shall
20 be equal to the percentage in effect on December 31, 2073.

21 (2) The provisions of subdivision (1) of this
22 subsection shall not be construed to relieve a political
23 subdivision from adjustments to property tax levies as
24 required by section 137.073.

25 (3) For the purposes of subdivision (1) of this
26 subsection, "real property assessment growth" shall mean the
27 growth in revenue from increases in the total assessed
28 valuation of all real property in a political subdivision
29 over the revenue generated from the assessed valuation of
30 such real property from the previous calendar year. Real
31 property assessment growth shall not include any revenue in
32 excess of the percent increase in the consumer price index,
33 as described in subsection 2 of section 137.073.

34 (4) Notwithstanding the provisions of subdivisions (1)
35 to (4) of this subsection to the contrary, for the purposes
36 of the tax levied pursuant to Article III, Section 38(b) of
37 the Missouri Constitution, the assessor shall assess all
38 personal property at thirty-three and one-third percent of
39 its true value in money as of January first of each calendar
40 year.

41 2. The assessor shall annually assess all real
42 property, including any new construction and improvements to
43 real property, and possessory interests in real property at
44 the percent of its true value in money set in subsection [5]
45 6 of this section. The true value in money of any
46 possessory interest in real property in subclass (3), where
47 such real property is on or lies within the ultimate airport
48 boundary as shown by a federal airport layout plan, as
49 defined by 14 CFR 151.5, of a commercial airport having a
50 FAR Part 139 certification and owned by a political

51 subdivision, shall be the otherwise applicable true value in
52 money of any such possessory interest in real property, less
53 the total dollar amount of costs paid by a party, other than
54 the political subdivision, towards any new construction or
55 improvements on such real property completed after January
56 1, 2008, and which are included in the above-mentioned
57 possessory interest, regardless of the year in which such
58 costs were incurred or whether such costs were considered in
59 any prior year. The assessor shall annually assess all real
60 property in the following manner: new assessed values shall
61 be determined as of January first of each odd-numbered year
62 and shall be entered in the assessor's books; those same
63 assessed values shall apply in the following even-numbered
64 year, except for new construction and property improvements
65 which shall be valued as though they had been completed as
66 of January first of the preceding odd-numbered year. The
67 assessor may call at the office, place of doing business, or
68 residence of each person required by this chapter to list
69 property, and require the person to make a correct statement
70 of all taxable tangible personal property owned by the
71 person or under his or her care, charge or management,
72 taxable in the county. On or before January first of each
73 even-numbered year, the assessor shall prepare and submit a
74 two-year assessment maintenance plan to the county governing
75 body and the state tax commission for their respective
76 approval or modification. The county governing body shall
77 approve and forward such plan or its alternative to the plan
78 to the state tax commission by February first. If the
79 county governing body fails to forward the plan or its
80 alternative to the plan to the state tax commission by
81 February first, the assessor's plan shall be considered
82 approved by the county governing body. If the state tax

83 commission fails to approve a plan and if the state tax
84 commission and the assessor and the governing body of the
85 county involved are unable to resolve the differences, in
86 order to receive state cost-share funds outlined in section
87 137.750, the county or the assessor shall petition the
88 administrative hearing commission, by May first, to decide
89 all matters in dispute regarding the assessment maintenance
90 plan. Upon agreement of the parties, the matter may be
91 stayed while the parties proceed with mediation or
92 arbitration upon terms agreed to by the parties. The final
93 decision of the administrative hearing commission shall be
94 subject to judicial review in the circuit court of the
95 county involved. In the event a valuation of subclass (1)
96 real property within any county with a charter form of
97 government, or within a city not within a county, is made by
98 a computer, computer-assisted method or a computer program,
99 the burden of proof, supported by clear, convincing and
100 cogent evidence to sustain such valuation, shall be on the
101 assessor at any hearing or appeal. In any such county,
102 unless the assessor proves otherwise, there shall be a
103 presumption that the assessment was made by a computer,
104 computer-assisted method or a computer program. Such
105 evidence shall include, but shall not be limited to, the
106 following:

107 (1) The findings of the assessor based on an appraisal
108 of the property by generally accepted appraisal techniques;
109 and

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

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

116 (b) Such properties are not more than one mile from
117 the site of the disputed property, except where no similar
118 properties exist within one mile of the disputed property,
119 the nearest comparable property shall be used. Such
120 property shall be within five hundred square feet in size of
121 the disputed property, and resemble the disputed property in
122 age, floor plan, number of rooms, and other relevant
123 characteristics.

124 [2.] 3. Assessors in each county of this state and the
125 City of St. Louis may send personal property assessment
126 forms through the mail.

127 [3.] 4. The following items of personal property shall
128 each constitute separate subclasses of tangible personal
129 property and shall be assessed and valued for the purposes
130 of taxation at the following percentages of their true value
131 in money:

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

134 (2) Livestock, twelve percent;

135 (3) Farm machinery, twelve percent;

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

143 (5) Poultry, twelve percent; and

144 (6) Tools and equipment used for pollution control and
145 tools and equipment used in retooling for the purpose of

146 introducing new product lines or used for making
147 improvements to existing products by any company which is
148 located in a state enterprise zone and which is identified
149 by any standard industrial classification number cited in
150 subdivision (7) of section 135.200, twenty-five percent.

151 [4.] 5. The person listing the property shall enter a
152 true and correct statement of the property, in a printed
153 blank prepared for that purpose. The statement, after being
154 filled out, shall be signed and either affirmed or sworn to
155 as provided in section 137.155. The list shall then be
156 delivered to the assessor.

157 [5.] 6. (1) All subclasses of real property, as such
158 subclasses are established in Section 4(b) of Article X of
159 the Missouri Constitution and defined in section 137.016,
160 shall be assessed at the following percentages of true value:

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

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

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

167 (2) A taxpayer may apply to the county assessor, or,
168 if not located within a county, then the assessor of such
169 city, for the reclassification of such taxpayer's real
170 property if the use or purpose of such real property is
171 changed after such property is assessed under the provisions
172 of this chapter. If the assessor determines that such
173 property shall be reclassified, he or she shall determine
174 the assessment under this subsection based on the percentage
175 of the tax year that such property was classified in each
176 subclassification.

177 [6.] 7. Manufactured homes, as defined in section
178 700.010, which are actually used as dwelling units shall be
179 assessed at the same percentage of true value as residential
180 real property for the purpose of taxation. The percentage
181 of assessment of true value for such manufactured homes
182 shall be the same as for residential real property. If the
183 county collector cannot identify or find the manufactured
184 home when attempting to attach the manufactured home for
185 payment of taxes owed by the manufactured home owner, the
186 county collector may request the county commission to have
187 the manufactured home removed from the tax books, and such
188 request shall be granted within thirty days after the
189 request is made; however, the removal from the tax books
190 does not remove the tax lien on the manufactured home if it
191 is later identified or found. For purposes of this section,
192 a manufactured home located in a manufactured home rental
193 park, rental community or on real estate not owned by the
194 manufactured home owner shall be considered personal
195 property. For purposes of this section, a manufactured home
196 located on real estate owned by the manufactured home owner
197 may be considered real property.

198 [7.] 8. Each manufactured home assessed shall be
199 considered a parcel for the purpose of reimbursement
200 pursuant to section 137.750, unless the manufactured home is
201 deemed to be real estate as defined in subsection 7 of
202 section 442.015 and assessed as a realty improvement to the
203 existing real estate parcel.

204 [8.] 9. Any amount of tax due and owing based on the
205 assessment of a manufactured home shall be included on the
206 personal property tax statement of the manufactured home
207 owner unless the manufactured home is deemed to be real
208 estate as defined in subsection 7 of section 442.015, in

209 which case the amount of tax due and owing on the assessment
210 of the manufactured home as a realty improvement to the
211 existing real estate parcel shall be included on the real
212 property tax statement of the real estate owner.

213 [9.] 10. The assessor of each county and each city not
214 within a county shall use the trade-in value published in
215 the October issue of the National Automobile Dealers'
216 Association Official Used Car Guide, or its successor
217 publication, as the recommended guide of information for
218 determining the true value of motor vehicles described in
219 such publication. The assessor shall not use a value that
220 is greater than the average trade-in value in determining
221 the true value of the motor vehicle without performing a
222 physical inspection of the motor vehicle. For vehicles two
223 years old or newer from a vehicle's model year, the assessor
224 may use a value other than average without performing a
225 physical inspection of the motor vehicle. In the absence of
226 a listing for a particular motor vehicle in such
227 publication, the assessor shall use such information or
228 publications which in the assessor's judgment will fairly
229 estimate the true value in money of the motor vehicle.

230 [10.] 11. Before the assessor may increase the
231 assessed valuation of any parcel of subclass (1) real
232 property by more than fifteen percent since the last
233 assessment, excluding increases due to new construction or
234 improvements, the assessor shall conduct a physical
235 inspection of such property.

236 [11.] 12. If a physical inspection is required,
237 pursuant to subsection [10] 11 of this section, the assessor
238 shall notify the property owner of that fact in writing and
239 shall provide the owner clear written notice of the owner's
240 rights relating to the physical inspection. If a physical

241 inspection is required, the property owner may request that
242 an interior inspection be performed during the physical
243 inspection. The owner shall have no less than thirty days
244 to notify the assessor of a request for an interior physical
245 inspection.

246 [12.] 13. A physical inspection, as required by
247 subsection [10] 11 of this section, shall include, but not
248 be limited to, an on-site personal observation and review of
249 all exterior portions of the land and any buildings and
250 improvements to which the inspector has or may reasonably
251 and lawfully gain external access, and shall include an
252 observation and review of the interior of any buildings or
253 improvements on the property upon the timely request of the
254 owner pursuant to subsection [11] 12 of this section. Mere
255 observation of the property via a drive-by inspection or the
256 like shall not be considered sufficient to constitute a
257 physical inspection as required by this section.

258 [13.] 14. A county or city collector may accept credit
259 cards as proper form of payment of outstanding property tax
260 or license due. No county or city collector may charge
261 surcharge for payment by credit card which exceeds the fee
262 or surcharge charged by the credit card bank, processor, or
263 issuer for its service. A county or city collector may
264 accept payment by electronic transfers of funds in payment
265 of any tax or license and charge the person making such
266 payment a fee equal to the fee charged the county by the
267 bank, processor, or issuer of such electronic payment.

268 [14.] 15. Any county or city not within a county in
269 this state may, by an affirmative vote of the governing body
270 of such county, opt out of the provisions of this section
271 and sections 137.073, 138.060, and 138.100 as enacted by
272 house bill no. 1150 of the ninety-first general assembly,

273 second regular session and section 137.073 as modified by
274 house committee substitute for senate substitute for senate
275 committee substitute for senate bill no. 960, ninety-second
276 general assembly, second regular session, for the next year
277 of the general reassessment, prior to January first of any
278 year. No county or city not within a county shall exercise
279 this opt-out provision after implementing the provisions of
280 this section and sections 137.073, 138.060, and 138.100 as
281 enacted by house bill no. 1150 of the ninety-first general
282 assembly, second regular session and section 137.073 as
283 modified by house committee substitute for senate substitute
284 for senate committee substitute for senate bill no. 960,
285 ninety-second general assembly, second regular session, in a
286 year of general reassessment. For the purposes of applying
287 the provisions of this subsection, a political subdivision
288 contained within two or more counties where at least one of
289 such counties has opted out and at least one of such
290 counties has not opted out shall calculate a single tax rate
291 as in effect prior to the enactment of house bill no. 1150
292 of the ninety-first general assembly, second regular
293 session. A governing body of a city not within a county or
294 a county that has opted out under the provisions of this
295 subsection may choose to implement the provisions of this
296 section and sections 137.073, 138.060, and 138.100 as
297 enacted by house bill no. 1150 of the ninety-first general
298 assembly, second regular session, and section 137.073 as
299 modified by house committee substitute for senate substitute
300 for senate committee substitute for senate bill no. 960,
301 ninety-second general assembly, second regular session, for
302 the next year of general reassessment, by an affirmative
303 vote of the governing body prior to December thirty-first of
304 any year.

305 [15.] 16. The governing body of any city of the third
306 classification with more than twenty-six thousand three
307 hundred but fewer than twenty-six thousand seven hundred
308 inhabitants located in any county that has exercised its
309 authority to opt out under subsection [14] 15 of this
310 section may levy separate and differing tax rates for real
311 and personal property only if such city bills and collects
312 its own property taxes or satisfies the entire cost of the
313 billing and collection of such separate and differing tax
314 rates. Such separate and differing rates shall not exceed
315 such city's tax rate ceiling.

316 [16.] 17. Any portion of real property that is
317 available as reserve for strip, surface, or coal mining for
318 minerals for purposes of excavation for future use or sale
319 to others that has not been bonded and permitted under
320 chapter 444 shall be assessed based upon how the real
321 property is currently being used. Any information provided
322 to a county assessor, state tax commission, state agency, or
323 political subdivision responsible for the administration of
324 tax policies shall, in the performance of its duties, make
325 available all books, records, and information requested,
326 except such books, records, and information as are by law
327 declared confidential in nature, including individually
328 identifiable information regarding a specific taxpayer or
329 taxpayer's mine property. For purposes of this subsection,
330 "mine property" shall mean all real property that is in use
331 or readily available as a reserve for strip, surface, or
332 coal mining for minerals for purposes of excavation for
333 current or future use or sale to others that has been bonded
334 and permitted under chapter 444.

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