

SECOND REGULAR SESSION

# SENATE BILL NO. 680

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR LUETKEMEYER.

3717S.01H

ADRIANE D. CROUSE, Secretary

## AN ACT

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

*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Section A. Section 137.115, RSMo, is repealed and one new  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. 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

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 assessed values shall apply in the following even-numbered  
33 year, except for new construction and property improvements  
34 which shall be valued as though they had been completed as  
35 of January first of the preceding odd-numbered year,  
36 **provided that no real residential property shall be assessed**  
37 **at a value that exceeds the previous assessed value for such**  
38 **property, exclusive of new construction and improvements, by**  
39 **more than the percentage increase in the consumer price**  
40 **index or five percent, whichever is greater.** The assessor  
41 may call at the office, place of doing business, or  
42 residence of each person required by this chapter to list  
43 property, and require the person to make a correct statement  
44 of all taxable tangible personal property owned by the  
45 person or under his or her care, charge or management,  
46 taxable in the county. On or before January first of each  
47 even-numbered year, the assessor shall prepare and submit a  
48 two-year assessment maintenance plan to the county governing  
49 body and the state tax commission for their respective  
50 approval or modification. The county governing body shall

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

81 (1) The findings of the assessor based on an appraisal  
82 of the property by generally accepted appraisal techniques;  
83 and

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

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

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

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

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

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

108 (2) Livestock, twelve percent;

109 (3) Farm machinery, twelve percent;

110 (4) Motor vehicles which are eligible for registration  
111 as and are registered as historic motor vehicles pursuant to  
112 section 301.131 and aircraft which are at least twenty-five

113 years old and which are used solely for noncommercial  
114 purposes and are operated less than two hundred hours per  
115 year or aircraft that are home built from a kit, five  
116 percent;

117 (5) Poultry, twelve percent; and

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

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

131 5. (1) All subclasses of real property, as such  
132 subclasses are established in Section 4(b) of Article X of  
133 the Missouri Constitution and defined in section 137.016,  
134 shall be assessed at the following percentages of true value:

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

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

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

141 (2) A taxpayer may apply to the county assessor, or,  
142 if not located within a county, then the assessor of such  
143 city, for the reclassification of such taxpayer's real  
144 property if the use or purpose of such real property is

145 changed after such property is assessed under the provisions  
146 of this chapter. If the assessor determines that such  
147 property shall be reclassified, he or she shall determine  
148 the assessment under this subsection based on the percentage  
149 of the tax year that such property was classified in each  
150 subclassification.

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

172         7. Each manufactured home assessed shall be considered  
173 a parcel for the purpose of reimbursement pursuant to  
174 section 137.750, unless the manufactured home is deemed to  
175 be real estate as defined in subsection 7 of section 442.015

176 and assessed as a realty improvement to the existing real  
177 estate parcel.

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

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

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

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

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

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

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



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

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

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

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

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

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

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