

SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 799

102ND GENERAL ASSEMBLY

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KRISTINA MARTIN, Secretary

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## AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to motor vehicle assessments, with an emergency clause.

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Section A. Section 137.115, RSMo, is repealed and one new  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

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

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. The  
36 assessor may call at the office, place of doing business, or  
37 residence of each person required by this chapter to list  
38 property, and require the person to make a correct statement  
39 of all taxable tangible personal property owned by the  
40 person or under his or her care, charge or management,  
41 taxable in the county. On or before January first of each  
42 even-numbered year, the assessor shall prepare and submit a  
43 two-year assessment maintenance plan to the county governing  
44 body and the state tax commission for their respective  
45 approval or modification. The county governing body shall  
46 approve and forward such plan or its alternative to the plan  
47 to the state tax commission by February first. If the  
48 county governing body fails to forward the plan or its  
49 alternative to the plan to the state tax commission by

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

76 (1) The findings of the assessor based on an appraisal  
77 of the property by generally accepted appraisal techniques;  
78 and

79 (2) The purchase prices from sales of at least three  
80 comparable properties and the address or location thereof.

81 As used in this subdivision, the word "comparable" means  
82 that:

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

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

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

96 3. The following items of personal property shall each  
97 constitute separate subclasses of tangible personal property  
98 and shall be assessed and valued for the purposes of  
99 taxation at the following percentages of their true value in  
100 money:

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

103 (2) Livestock, twelve percent;

104 (3) Farm machinery, twelve percent;

105 (4) Motor vehicles which are eligible for registration  
106 as and are registered as historic motor vehicles pursuant to  
107 section 301.131 and aircraft which are at least twenty-five  
108 years old and which are used solely for noncommercial  
109 purposes and are operated less than two hundred hours per  
110 year or aircraft that are home built from a kit, five  
111 percent;

112 (5) Poultry, twelve percent; and

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

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

126           5. (1) All subclasses of real property, as such  
127 subclasses are established in Section 4(b) of Article X of  
128 the Missouri Constitution and defined in section 137.016,  
129 shall be assessed at the following percentages of true value:

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

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

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

136           (2) A taxpayer may apply to the county assessor, or,  
137 if not located within a county, then the assessor of such  
138 city, for the reclassification of such taxpayer's real  
139 property if the use or purpose of such real property is  
140 changed after such property is assessed under the provisions  
141 of this chapter. If the assessor determines that such  
142 property shall be reclassified, he or she shall determine  
143 the assessment under this subsection based on the percentage

144 of the tax year that such property was classified in each  
145 subclassification.

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

167         7. Each manufactured home assessed shall be considered  
168 a parcel for the purpose of reimbursement pursuant to  
169 section 137.750, unless the manufactured home is deemed to  
170 be real estate as defined in subsection 7 of section 442.015  
171 and assessed as a realty improvement to the existing real  
172 estate parcel.

173         8. Any amount of tax due and owing based on the  
174 assessment of a manufactured home shall be included on the  
175 personal property tax statement of the manufactured home

176 owner unless the manufactured home is deemed to be real  
177 estate as defined in subsection 7 of section 442.015, in  
178 which case the amount of tax due and owing on the assessment  
179 of the manufactured home as a realty improvement to the  
180 existing real estate parcel shall be included on the real  
181 property tax statement of the real estate owner.

182       **9. For the tax year ending on or before December 31,**  
183 **2024,** the assessor of each county and each city not within a  
184 county shall use [the trade-in value published in the  
185 October issue of] **a nationally recognized automotive trade**  
186 **publication such as** the National Automobile Dealers'  
187 Association Official Used Car Guide, [or its successor  
188 publication] **Kelley Blue Book, Edmunds, or other similar**  
189 **publication** as the recommended guide of information for  
190 determining the true value of motor vehicles described in  
191 such publication. **The state tax commission shall determine**  
192 **which publication shall be used. The assessor of each**  
193 **county and each city not within a county shall use the trade-**  
194 **in value published in the current or any of the three**  
195 **immediately previous years' October issue of the publication**  
196 **selected by the state tax commission.** The assessor shall  
197 not use a value that is greater than the average trade-in  
198 value in determining the true value of the motor vehicle  
199 without performing a physical inspection of the motor  
200 vehicle. For vehicles two years old or newer from a  
201 vehicle's model year, the assessor may use a value other  
202 than average without performing a physical inspection of the  
203 motor vehicle.

204       **10. For all tax years beginning on or after January 1,**  
205 **2025,** the assessor of each county and each city not within a  
206 county shall use the manufacturer's suggested retail price  
207 **for all manufactured motor vehicles as acquired annually by**

208 the state tax commission for the original value in money of  
 209 all motor vehicle assessment valuations. For the purposes  
 210 of this subsection, the term "original value in money" means  
 211 the manufacturer's suggested retail price. For the purposes  
 212 of this subsection, the term "motor vehicles" means trucks,  
 213 automobiles, motorcycles, boats, trailers, and other motor  
 214 vehicles required to be registered and titled pursuant to  
 215 the provisions of the motor vehicle registration laws of  
 216 this state. The term "motor vehicles" shall include farm  
 217 tractors and farm machinery including tractors or machinery  
 218 designed for off-road use but capable of movement on roads  
 219 at low speeds. The following fifteen-year depreciation  
 220 schedule shall be applied to each manufacturer's suggested  
 221 retail price to develop the annual and historical valuation  
 222 guide for all motor vehicles. The values shall be delivered  
 223 to each software vendor not later than November fifteenth  
 224 annually and vendors shall have the values in place by  
 225 December fifteenth annually for use in the next assessment  
 226 year. In the absence of a listing for a particular motor  
 227 vehicle in such publication, the assessor shall use such  
 228 information or publications which in the assessor's judgment  
 229 will fairly estimate the [true] original value in money of  
 230 the motor vehicle[.] and the assessor shall apply the  
 231 appropriate depreciation from the table as follows:

232	Year	Percent Depreciation
233	Current	15
234	1	22
235	2	29
236	3	36
237	4	43



238	5	50
239	6	57
240	7	64
241	8	71
242	9	78
243	10	85
244	11	92
245	Greater than 12	99.9

246 To implement the new schedule without large variations from  
247 the current method, the assessor shall assume that the last  
248 valuation tables prior to October 1, 2025, are fair  
249 valuations and these valuations shall be depreciated from  
250 the above table until the end of their useful life. The  
251 state tax commission shall, with the assistance of the  
252 Missouri state assessor's association, develop the bid  
253 specifications to secure the original manufacturer's  
254 suggested retail price from a nationally recognized  
255 service. The state tax commission shall secure an annual  
256 appropriation from the general assembly for the guide and  
257 the programming necessary to allow valuation by vehicle  
258 identification number in all certified mass appraisal  
259 software systems used in the state. The state tax  
260 commission or the state of Missouri shall be the registered  
261 user of the value guide with rights to allow all assessors  
262 access to the guide and to an online site. The state tax  
263 commission or state shall be responsible for renewals and  
264 annual software cost for preparing the data in a usable  
265 format for approved personal property software vendors in  
266 the state. If a county creates its own software, it shall

267 meet the same standards as the approved vendors. The data  
268 shall be available to all vendors by November fifteenth  
269 annually. All vendors shall have the data available for use  
270 in their client counties by December fifteenth prior to the  
271 January first assessment date. When the manufacturer's  
272 suggested retail price data is not available from the  
273 approved source or the assessor deems it not appropriate for  
274 the vehicle value he or she is valuing, the assessor may  
275 obtain a manufacturer's suggested retail price from a source  
276 he or she deems reliable and apply the depreciation schedule  
277 set out above.

278 [10.] 11. Before the assessor may increase the  
279 assessed valuation of any parcel of subclass (1) real  
280 property by more than fifteen percent since the last  
281 assessment, excluding increases due to new construction or  
282 improvements, the assessor shall conduct a physical  
283 inspection of such property.

284 [11.] 12. If a physical inspection is required,  
285 pursuant to subsection [10] 11 of this section, the assessor  
286 shall notify the property owner of that fact in writing and  
287 shall provide the owner clear written notice of the owner's  
288 rights relating to the physical inspection. If a physical  
289 inspection is required, the property owner may request that  
290 an interior inspection be performed during the physical  
291 inspection. The owner shall have no less than thirty days  
292 to notify the assessor of a request for an interior physical  
293 inspection.

294 [12.] 13. A physical inspection, as required by  
295 subsection [10] 11 of this section, shall include, but not  
296 be limited to, an on-site personal observation and review of  
297 all exterior portions of the land and any buildings and  
298 improvements to which the inspector has or may reasonably

299 and lawfully gain external access, and shall include an  
300 observation and review of the interior of any buildings or  
301 improvements on the property upon the timely request of the  
302 owner pursuant to subsection [11] 12 of this section. Mere  
303 observation of the property via a drive-by inspection or the  
304 like shall not be considered sufficient to constitute a  
305 physical inspection as required by this section.

306 [13.] 14. A county or city collector may accept credit  
307 cards as proper form of payment of outstanding property tax  
308 or license due. No county or city collector may charge  
309 surcharge for payment by credit card which exceeds the fee  
310 or surcharge charged by the credit card bank, processor, or  
311 issuer for its service. A county or city collector may  
312 accept payment by electronic transfers of funds in payment  
313 of any tax or license and charge the person making such  
314 payment a fee equal to the fee charged the county by the  
315 bank, processor, or issuer of such electronic payment.

316 [14.] 15. Any county or city not within a county in  
317 this state may, by an affirmative vote of the governing body  
318 of such county, opt out of the provisions of this section  
319 and sections 137.073, 138.060, and 138.100 as enacted by  
320 house bill no. 1150 of the ninety-first general assembly,  
321 second regular session and section 137.073 as modified by  
322 house committee substitute for senate substitute for senate  
323 committee substitute for senate bill no. 960, ninety-second  
324 general assembly, second regular session, for the next year  
325 of the general reassessment, prior to January first of any  
326 year. No county or city not within a county shall exercise  
327 this opt-out provision after implementing the provisions of  
328 this section and sections 137.073, 138.060, and 138.100 as  
329 enacted by house bill no. 1150 of the ninety-first general  
330 assembly, second regular session and section 137.073 as

331 modified by house committee substitute for senate substitute  
332 for senate committee substitute for senate bill no. 960,  
333 ninety-second general assembly, second regular session, in a  
334 year of general reassessment. For the purposes of applying  
335 the provisions of this subsection, a political subdivision  
336 contained within two or more counties where at least one of  
337 such counties has opted out and at least one of such  
338 counties has not opted out shall calculate a single tax rate  
339 as in effect prior to the enactment of house bill no. 1150  
340 of the ninety-first general assembly, second regular  
341 session. A governing body of a city not within a county or  
342 a county that has opted out under the provisions of this  
343 subsection may choose to implement the provisions of this  
344 section and sections 137.073, 138.060, and 138.100 as  
345 enacted by house bill no. 1150 of the ninety-first general  
346 assembly, second regular session, and section 137.073 as  
347 modified by house committee substitute for senate substitute  
348 for senate committee substitute for senate bill no. 960,  
349 ninety-second general assembly, second regular session, for  
350 the next year of general reassessment, by an affirmative  
351 vote of the governing body prior to December thirty-first of  
352 any year.

353 **[15.] 16.** The governing body of any city of the third  
354 classification with more than twenty-six thousand three  
355 hundred but fewer than twenty-six thousand seven hundred  
356 inhabitants located in any county that has exercised its  
357 authority to opt out under subsection **[14] 15** of this  
358 section may levy separate and differing tax rates for real  
359 and personal property only if such city bills and collects  
360 its own property taxes or satisfies the entire cost of the  
361 billing and collection of such separate and differing tax

362 rates. Such separate and differing rates shall not exceed  
363 such city's tax rate ceiling.

364 [16.] 17. Any portion of real property that is  
365 available as reserve for strip, surface, or coal mining for  
366 minerals for purposes of excavation for future use or sale  
367 to others that has not been bonded and permitted under  
368 chapter 444 shall be assessed based upon how the real  
369 property is currently being used. Any information provided  
370 to a county assessor, state tax commission, state agency, or  
371 political subdivision responsible for the administration of  
372 tax policies shall, in the performance of its duties, make  
373 available all books, records, and information requested,  
374 except such books, records, and information as are by law  
375 declared confidential in nature, including individually  
376 identifiable information regarding a specific taxpayer or  
377 taxpayer's mine property. For purposes of this subsection,  
378 "mine property" shall mean all real property that is in use  
379 or readily available as a reserve for strip, surface, or  
380 coal mining for minerals for purposes of excavation for  
381 current or future use or sale to others that has been bonded  
382 and permitted under chapter 444.

Section B. Because immediate action is necessary to  
2 protect taxpayers from inflated values and rapidly  
3 increasing prices, the repeal and reenactment of section  
4 137.115 of this act is deemed necessary for the immediate  
5 preservation of the public health, welfare, peace, and  
6 safety, and is hereby declared to be an emergency act within  
7 the meaning of the constitution, and the repeal and  
8 reenactment of section 137.115 of this act shall be in full  
9 force and effect upon its passage and approval.

✓