

SECOND REGULAR SESSION

HOUSE BILL NO. 1513

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CORLEW.

5016H.021

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to property 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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the ~~percent~~ **percentage** of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in any prior year. The assessor shall annually assess all

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 real property in the following manner: new assessed values shall be determined as of January
19 first of each odd-numbered year and shall be entered in the assessor's books; those same assessed
20 values shall apply in the following even-numbered year, except for new construction and
21 property improvements which shall be valued as though they had been completed as of January
22 first of the preceding odd-numbered year. The assessor may call at the office, place of doing
23 business, or residence of each person required by this chapter to list property, and require the
24 person to make a correct statement of all taxable tangible personal property owned by the person
25 or under his or her care, charge or management, taxable in the county. On or before January first
26 of each even-numbered year, the assessor shall prepare and submit a two-year assessment
27 maintenance plan to the county governing body and the state tax commission for their respective
28 approval or modification. The county governing body shall approve and forward such plan or
29 its alternative to the plan to the state tax commission by February first. If the county governing
30 body fails to forward the plan or its alternative to the plan to the state tax commission by
31 February first, the assessor's plan shall be considered approved by the county governing body.
32 If the state tax commission fails to approve a plan and if the state tax commission and the
33 assessor and the governing body of the county involved are unable to resolve the differences, in
34 order to receive state cost-share funds outlined in section 137.750, the county or the assessor
35 shall petition the administrative hearing commission, by May first, to decide all matters in
36 dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter
37 may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by
38 the parties. The final decision of the administrative hearing commission shall be subject to
39 judicial review in the circuit court of the county involved. In the event a valuation of subclass
40 (1) real property within any county with a charter form of government, or within a city not within
41 a county, is made by a computer, computer-assisted method or a computer program, the burden
42 of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be
43 on the assessor at any hearing or appeal. In any such county, unless the assessor proves
44 otherwise, there shall be a presumption that the assessment was made by a computer,
45 computer-assisted method or a computer program. Such evidence shall include, but shall not be
46 limited to, the following:

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

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

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

52 (b) Such properties are not more than one mile from the site of the disputed property,
53 except where no similar properties exist within one mile of the disputed property, the nearest

54 comparable property shall be used. Such property shall be within five hundred square feet in size
55 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,
56 and other relevant characteristics.

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

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

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

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

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

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in
72 retooling for the purpose of introducing new product lines or used for making improvements to
73 existing products by any company which is located in a state enterprise zone and which is
74 identified by any standard industrial classification number cited in subdivision (5) of section
75 135.200, twenty-five percent.

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

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

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

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

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

86 6. Manufactured homes, as defined in section 700.010, which are actually used as
87 dwelling units shall be assessed at the same percentage of true value as residential real property
88 for the purpose of taxation. The percentage of assessment of true value for such manufactured
89 homes shall be the same as for residential real property. If the county collector cannot identify

90 or find the manufactured home when attempting to attach the manufactured home for payment
91 of taxes owed by the manufactured home owner, the county collector may request the county
92 commission to have the manufactured home removed from the tax books, and such request shall
93 be granted within thirty days after the request is made; however, the removal from the tax books
94 does not remove the tax lien on the manufactured home if it is later identified or found. For
95 purposes of this section, a manufactured home located in a manufactured home rental park, rental
96 community or on real estate not owned by the manufactured home owner shall be considered
97 personal property. For purposes of this section, a manufactured home located on real estate
98 owned by the manufactured home owner may be considered real property.

99 7. Each manufactured home assessed shall be considered a parcel for the purpose of
100 reimbursement pursuant to section 137.750, unless the manufactured home is **deemed to be** real
101 estate [~~as defined in~~] **under** subsection 7 of section 442.015 and assessed as a realty
102 improvement to the existing real estate parcel.

103 8. Any amount of tax due and owing based on the assessment of a manufactured home
104 shall be included on the personal property tax statement of the manufactured home owner unless
105 the manufactured home is **deemed to be** real estate [~~as defined in~~] **under** subsection 7 of section
106 442.015, in which case the amount of tax due and owing on the assessment of the manufactured
107 home as a realty improvement to the existing real estate parcel shall be included on the real
108 property tax statement of the real estate owner.

109 9. The assessor of each county and each city not within a county shall use the trade-in
110 value published in the October issue of the National Automobile Dealers' Association Official
111 Used Car Guide, or its successor publication, as the recommended guide of information for
112 determining the true value of motor vehicles described in such publication. The assessor shall
113 not use a value that is greater than the average trade-in value in determining the true value of the
114 motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two
115 years old or newer from a vehicle's model year, the assessor may use a value other than average
116 without performing a physical inspection of the motor vehicle. In the absence of a listing for a
117 particular motor vehicle in such publication, the assessor shall use such information or
118 publications which in the assessor's judgment will fairly estimate the true value in money of the
119 motor vehicle.

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

124 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
125 assessor shall notify the property owner of that fact in writing and shall provide the owner clear

126 written notice of the owner's rights relating to the physical inspection. If a physical inspection
127 is required, the property owner may request that an interior inspection be performed during the
128 physical inspection. The owner shall have no less than thirty days to notify the assessor of a
129 request for an interior physical inspection.

130 12. A physical inspection, as required by subsection 10 of this section, shall include, but
131 not be limited to, an on-site personal observation and review of all exterior portions of the land
132 and any buildings and improvements to which the inspector has or may reasonably and lawfully
133 gain external access, and shall include an observation and review of the interior of any buildings
134 or improvements on the property upon the timely request of the owner pursuant to subsection 11
135 of this section. Mere observation of the property via a drive-by inspection or the like shall not
136 be considered sufficient to constitute a physical inspection as required by this section.

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

139 14. A county or city collector may accept credit cards as proper form of payment of
140 outstanding property tax or license due. No county or city collector may charge surcharge for
141 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
142 processor, or issuer for its service. A county or city collector may accept payment by electronic
143 transfers of funds in payment of any tax or license and charge the person making such payment
144 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic
145 payment.

146 15. Any county or city not within a county in this state may, by an affirmative vote of
147 the governing body of such county, opt out of the provisions of this section and sections 137.073,
148 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,
149 second regular session and section 137.073 as modified by house committee substitute for senate
150 substitute for senate committee substitute for senate bill no. 960, ninety-second general
151 assembly, second regular session, for the next year of the general reassessment, prior to January
152 first of any year. No county or city not within a county shall exercise this opt-out provision after
153 implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as
154 enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and
155 section 137.073 as modified by house committee substitute for senate substitute for senate
156 committee substitute for senate bill no. 960, ninety-second general assembly, second regular
157 session, in a year of general reassessment. For the purposes of applying the provisions of this
158 subsection, a political subdivision contained within two or more counties where at least one of
159 such counties has opted out and at least one of such counties has not opted out shall calculate a
160 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general
161 assembly, second regular session. A governing body of a city not within a county or a county

162 that has opted out under the provisions of this subsection may choose to implement the
163 provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill
164 no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as
165 modified by house committee substitute for senate substitute for senate committee substitute for
166 senate bill no. 960, ninety-second general assembly, second regular session, for the next year of
167 general reassessment, by an affirmative vote of the governing body prior to December thirty-first
168 of any year.

169 16. The governing body of any city of the third classification with more than twenty-six
170 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located
171 in any county that has exercised its authority to opt out under subsection 15 of this section may
172 levy separate and differing tax rates for real and personal property only if such city bills and
173 collects its own property taxes or satisfies the entire cost of the billing and collection of such
174 separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax
175 rate ceiling.

176 17. Any portion of real property that is available as reserve for strip, surface, or coal
177 mining for minerals for purposes of excavation for future use or sale to others that has not been
178 bonded and permitted under chapter 444 shall be assessed based upon how the real property is
179 currently being used. Any information provided to a county assessor, state tax commission, state
180 agency, or political subdivision responsible for the administration of tax policies shall, in the
181 performance of its duties, make available all books, records, and information requested, except
182 such books, records, and information as are by law declared confidential in nature, including
183 individually identifiable information regarding a specific taxpayer or taxpayer's mine property.
184 For purposes of this subsection, "mine property" shall mean all real property that is in use or
185 readily available as a reserve for strip, surface, or coal mining for minerals for purposes of
186 excavation for current or future use or sale to others that has been bonded and permitted under
187 chapter 444.

188 **18. (1) As used in this subsection, the following terms mean:**

189 **(a) "Disabled", totally and permanently disabled or blind and receiving federal**
190 **Social Security disability benefits, federal supplemental security income benefits, Veterans**
191 **Affairs disability compensation, state blind pension under sections 209.010 to 209.160, state**
192 **aid to blind persons under section 209.240, or state supplemental payments under section**
193 **208.030;**

194 **(b) "Maximum upper limit", in the calendar year 2018, the federal adjusted gross**
195 **income sum of sixty thousand dollars for taxpayers with single filing status and sixty-eight**
196 **thousand dollars for taxpayers with married filing jointly status. In each successive**

197 calendar year, this amount shall be raised by the incremental increase in the general price
198 level as defined under article X, section 17 of the Constitution of Missouri;

199 (c) "Principal residence", real property owned and occupied by or held in trust for
200 a qualified taxpayer, or real property jointly owned and occupied by or held in trust for
201 any individuals, any of whom is a qualified taxpayer;

202 (d) "Qualified taxpayer", any individual who:

203 a. Owns and occupies a principal residence or who, as grantor, has transferred
204 ownership of his or her principal residence into a living trust and occupies the principal
205 residence;

206 b. Is seventy years of age or older or is disabled; and

207 c. Had a federal adjusted gross income not exceeding the maximum upper limit in
208 the year prior to becoming qualified under this subsection.

209 (2) The provisions authorized under this subsection shall not apply to any county
210 of this state or city not within a county unless the county commission issues an order
211 stating the county's intention to adopt this subsection.

212 (3) Notwithstanding any other provision of law to the contrary and for all property
213 assessments conducted after December 31, 2018, the assessed valuation of a qualified
214 taxpayer's principal residence shall not increase by a percentage greater than the
215 percentage increase of the qualified taxpayer's Social Security benefits from the previous
216 year except as otherwise provided in this subsection.

217 (4) This subsection shall not apply to any increase in the assessed valuation of a
218 principal residence attributable to an improvement made on the principal residence that
219 expands the square footage of the principal residence, unless the improvement was made
220 solely for increased accessibility for individuals with physical disabilities.

221 (5) This subsection shall not apply to any increase in the assessed valuation of a
222 principal residence after the principal residence is conveyed to an individual who is not a
223 qualified taxpayer. The assessed valuation of such principal residence shall be the assessed
224 valuation as provided under subsections 1 to 17 of this section in the next annual
225 assessment.

226 (6) Any individual who meets the requirements of a qualified taxpayer before the
227 next assessment shall provide the county assessor with proof that he or she is a qualified
228 taxpayer. An individual may provide such proof by submitting an affidavit certifying
229 under penalty of perjury that the individual satisfies the requirements of a qualified
230 taxpayer under this subsection. The state tax commission shall determine sources of
231 documentation that an individual may present, in lieu of an affidavit, as proof that he or

232 she is a qualified taxpayer. Any such source documents shall not be kept by the county or
233 state and shall be deemed closed records under sections 610.010 to 610.225.

234 (7) The state tax commission may promulgate rules to implement the provisions of
235 this subsection. Any rule or portion of a rule, as that term is defined in section 536.010,
236 that is created under the authority delegated in this subsection shall become effective only
237 if it complies with and is subject to all of the provisions of chapter 536 and, if applicable,
238 section 536.028. This subsection and chapter 536 are nonseverable, and if any of the
239 powers vested with the general assembly pursuant to chapter 536 to review, to delay the
240 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
241 then the grant of rulemaking authority and any rule proposed or adopted after August 28,
242 2018, shall be invalid and void.

243 (8) A qualified taxpayer's principal residence to which this subsection applies shall
244 be exempt from any county ratio study.

245 (9) Under section 23.253 of the Missouri sunset act:

246 (a) The provisions of the new program authorized under this subsection shall
247 automatically sunset on December thirty-first six years after the effective date of this
248 subsection unless reauthorized by an act of the general assembly;

249 (b) If such program is reauthorized, the program authorized under this subsection
250 shall automatically sunset on December thirty-first twelve years after the effective date of
251 the reauthorization of this subsection; and

252 (c) This subsection shall terminate on September first of the calendar year
253 immediately following the calendar year in which the program authorized under this
254 subsection is sunset.

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