

SECOND REGULAR SESSION

# HOUSE BILL NO. 1806

99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MATTHIESEN.

5374H.011

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal sections 137.010, 137.016, and 137.017, RSMo, and to enact in lieu thereof three new sections relating to property assessments of certain airports.

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

Section A. Sections 137.010, 137.016, and 137.017, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 137.010, 137.016, and 137.017, to read as follows:

137.010. The following words, terms and phrases when used in laws governing taxation and revenue in the state of Missouri shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning:

(1) "Grain and other agricultural crops in an unmanufactured condition" shall mean grains and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, kafir, rye, flax, grain sorghums, cotton, and such other products as are usually stored in grain and other elevators and on farms; but excluding such grains and other agricultural crops after being processed into products of such processing, when packaged or sacked. The term "processing" shall not include hulling, cleaning, drying, grating, or polishing;

(2) "Hydroelectric power generating equipment", very-low-head turbine generators with a nameplate generating capacity of at least four hundred kilowatts but not more than six hundred kilowatts and machinery and equipment used directly in the production, generation, conversion, storage, or conveyance of hydroelectric power to land-based devices and appurtenances used in the transmission of electrical energy;

(3) "Intangible personal property", for the purpose of taxation, shall include all property other than real property and tangible personal property, as defined by this section;

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.

17 (4) "Real property" includes land itself, whether laid out in town lots or otherwise, and  
18 all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon,  
19 hydroelectric power generating equipment, the installed poles used in the transmission or  
20 reception of electrical energy, audio signals, video signals or similar purposes, provided the  
21 owner of such installed poles is also an owner of a fee simple interest, possessor of an easement,  
22 holder of a license or franchise, or is the beneficiary of a right-of-way dedicated for public utility  
23 purposes for the underlying land; attached wires, transformers, amplifiers, substations, and other  
24 such devices and appurtenances used in the transmission or reception of electrical energy, audio  
25 signals, video signals or similar purposes when owned by the owner of the installed poles,  
26 otherwise such items are considered personal property; and stationary property used for  
27 transportation or storage of liquid and gaseous products, including, but not limited to, petroleum  
28 products, natural gas, propane or LP gas equipment, water, and sewage;

29 (5) **"Reliever airport", any land and improvements, exclusive of structures, on**  
30 **privately owned airports that qualify as reliever airports under the National Plan of**  
31 **Integrated Airports System that may receive federal airport improvement project funds**  
32 **through the Federal Aviation Administration;**

33 (6) "Tangible personal property" includes every tangible thing being the subject of  
34 ownership or part ownership whether animate or inanimate, other than money, and not forming  
35 part or parcel of real property as herein defined, but does not include household goods, furniture,  
36 wearing apparel and articles of personal use and adornment, as defined by the state tax  
37 commission, owned and used by a person in his home or dwelling place.

137.016. 1. As used in Section 4(b) of Article X of the Missouri Constitution, the  
2 following terms mean:

3 (1) "Residential property", all real property improved by a structure which is used or  
4 intended to be used for residential living by human occupants, vacant land in connection with  
5 an airport, land used as a golf course, manufactured home parks, bed and breakfast inns in which  
6 the owner resides and uses as a primary residence with six or fewer rooms for rent, and  
7 time-share units as defined in section 407.600, except to the extent such units are actually rented  
8 and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential  
9 property shall not include other similar facilities used primarily for transient housing. For the  
10 purposes of this section, "transient housing" means all rooms available for rent or lease for which  
11 the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to  
12 subdivision (6) of subsection 1 of section 144.020;

13 (2) "Agricultural and horticultural property", all real property used for agricultural  
14 purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding  
15 and management of livestock which shall include breeding, showing, and boarding of horses; to

16 dairying, or to any other combination thereof; and buildings and structures customarily  
17 associated with farming, agricultural, and horticultural uses. Agricultural and horticultural  
18 property shall also include land devoted to and qualifying for payments or other compensation  
19 under a soil conservation or agricultural assistance program under an agreement with an agency  
20 of the federal government. Agricultural and horticultural property shall further include ~~land and~~  
21 ~~improvements, exclusive of structures, on privately owned airports that qualify as reliever~~  
22 ~~airports under the National Plan of Integrated Airports System, to receive federal airport~~  
23 ~~improvement project funds through the Federal Aviation Administration]~~ **any reliever airport.**  
24 Real property classified as forest croplands shall not be agricultural or horticultural property so  
25 long as it is classified as forest croplands and shall be taxed in accordance with the laws enacted  
26 to implement Section 7 of Article X of the Missouri Constitution. Agricultural and horticultural  
27 property shall also include any sawmill or planing mill defined in the U.S. Department of Labor's  
28 Standard Industrial Classification (SIC) Manual under Industry Group 242 with the SIC number  
29 2421;

30 (3) "Utility, industrial, commercial, railroad and other real property", all real property  
31 used directly or indirectly for any commercial, mining, industrial, manufacturing, trade,  
32 professional, business, or similar purpose, including all property centrally assessed by the state  
33 tax commission but shall not include floating docks, portions of which are separately owned and  
34 the remainder of which is designated for common ownership and in which no one person or  
35 business entity owns more than five individual units. All other real property not included in the  
36 property listed in subclasses (1) and (2) of Section 4(b) of Article X of the Missouri Constitution,  
37 as such property is defined in this section, shall be deemed to be included in the term "utility,  
38 industrial, commercial, railroad and other real property".

39 2. Pursuant to Article X of the state constitution, any taxing district may adjust its  
40 operating levy to recoup any loss of property tax revenue, except revenues from the surtax  
41 imposed pursuant to Article X, Subsection 2 of Section 6 of the constitution, as the result of  
42 changing the classification of structures intended to be used for residential living by human  
43 occupants which contain five or more dwelling units if such adjustment of the levy does not  
44 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this  
45 section, loss in revenue shall include the difference between the revenue that would have been  
46 collected on such property under its classification prior to enactment of this section and the  
47 amount to be collected under its classification under this section. The county assessor of each  
48 county or city not within a county shall provide information to each taxing district within its  
49 boundaries regarding the difference in assessed valuation of such property as the result of such  
50 change in classification.

51           3. All reclassification of property as the result of changing the classification of structures  
52 intended to be used for residential living by human occupants which contain five or more  
53 dwelling units shall apply to assessments made after December 31, 1994.

54           4. Where real property is used or held for use for more than one purpose and such uses  
55 result in different classifications, the county assessor shall allocate to each classification the  
56 percentage of the true value in money of the property devoted to each use; except that, where  
57 agricultural and horticultural property, as defined in this section, also contains a dwelling unit  
58 or units, the farm dwelling, appurtenant residential-related structures and up to five acres  
59 immediately surrounding such farm dwelling shall be residential property, as defined in this  
60 section. **This subsection shall not apply to any reliever airport.**

61           5. All real property which is vacant, unused, or held for future use; which is used for a  
62 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service  
63 organization, or similar entity; or for which a determination as to its classification cannot be  
64 made under the definitions set out in subsection 1 of this section, shall be classified according  
65 to its immediate most suitable economic use, which use shall be determined after consideration  
66 of:

67           (1) Immediate prior use, if any, of such property;

68           (2) Location of such property;

69           (3) Zoning classification of such property; except that, such zoning classification shall  
70 not be considered conclusive if, upon consideration of all factors, it is determined that such  
71 zoning classification does not reflect the immediate most suitable economic use of the property;

72           (4) Other legal restrictions on the use of such property;

73           (5) Availability of water, electricity, gas, sewers, street lighting, and other public services  
74 for such property;

75           (6) Size of such property;

76           (7) Access of such property to public thoroughfares; and

77           (8) Any other factors relevant to a determination of the immediate most suitable  
78 economic use of such property.

79           6. All lands classified as forest croplands shall not, for taxation purposes, be classified  
80 as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in  
81 Section 4(b) of Article X of the Missouri Constitution and defined in this section, but shall be  
82 taxed in accordance with the laws enacted to implement Section 7 of Article X of the Missouri  
83 Constitution.

137.017. 1. For general property assessment purposes, the true value in money of land  
2 which is in use as agricultural and horticultural property, as defined in section 137.016, shall be  
3 that value which such land has for agricultural or horticultural use. The true value of buildings

4 or other structures customarily associated with farming, agricultural, and horticultural uses,  
5 excluding residential dwellings and related land, shall be added to the use value of the  
6 agricultural and horticultural land to determine the value of the agricultural and horticultural  
7 property under sections 137.017 to 137.021.

8         2. After it has been established that the land is actually agricultural and horticultural  
9 property, as defined in section 137.016, and is being valued and assessed accordingly, the land  
10 shall remain in this category as long as the owner of the land complies with the provisions of  
11 sections 137.017 to 137.021.

12         3. Continuance of valuation and assessment for general property taxation under the  
13 provisions of sections 137.017 to 137.021 shall depend upon continuance of the land being used  
14 as agricultural and horticultural property, as defined in section 137.016, and compliance with the  
15 other requirements of sections 137.017 to 137.021 and not upon continuance in the same owner  
16 of title to the land.

17         4. For general property assessment purposes, the true value in money of vacant and  
18 unused land which is classified as agricultural and horticultural property under subsection 3 of  
19 section 137.016 shall be its fair market value. **This subsection shall not apply to any reliever**  
20 **airport.**

21         **5. For general property assessment purposes, the true value in money of a reliever**  
22 **airport shall be that value which such land has for agricultural or horticultural use.**

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