

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1836
102ND GENERAL ASSEMBLY

3632H.03C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 137.010, 137.080, and 137.115, RSMo, and to enact in lieu thereof five new sections relating to the assessment of solar property.

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

Section A. Sections 137.010, 137.080, and 137.115, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 137.010, 137.077, 137.080, 137.115, and 137.2000, to read as follows: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,
18 and all growing crops, buildings, structures, improvements and fixtures of whatever kind
19 thereon, hydroelectric power generating equipment, the installed poles used in the
20 transmission or reception of electrical energy, audio signals, video signals or similar
21 purposes, provided the owner of such installed poles is also an owner of a fee simple interest,
22 possessor of an easement, holder of a license or franchise, or is the beneficiary of a right-of-
23 way dedicated for public utility purposes for the underlying land; attached wires,
24 transformers, amplifiers, substations, and other such devices and appurtenances used in the
25 transmission or reception of electrical energy, audio signals, video signals or similar purposes
26 when owned by the owner of the installed poles, otherwise such items are considered personal
27 property; and stationary property used for transportation or storage of liquid and gaseous
28 products, including, but not limited to, petroleum products, natural gas, propane or LP gas
29 equipment, water, and sewage;

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

34 (6) "Tangible personal property" includes every tangible thing being the subject of
35 ownership or part ownership whether animate or inanimate, other than money, and not
36 forming part or parcel of real property as herein defined, but does not include household
37 goods, furniture, wearing apparel and articles of personal use and adornment, as defined by
38 the state tax commission, owned and used by a person in his home or dwelling place.
39 **"Tangible personal property" shall include solar panels, racking systems, inverters, and**
40 **related solar equipment, components, materials, and supplies installed at commercial**
41 **solar photovoltaic energy systems, as described in subdivision (46) of subsection 2 of**
42 **section 144.030, that were constructed and producing solar energy prior to August 9,**
43 **2022.**

137.077. 1. (1) **Beginning January 1, 2025, for purposes of assessment, all real**
2 **property, excluding land, or tangible personal property associated with a project that**
3 **uses solar energy directly to generate electricity and that was built, or was contracted to**
4 **sell power, on or after January 1, 2025, if such property is used primarily for solar**
5 **energy production, it shall be subject to the provisions of subdivision (2) of this**
6 **subsection and if such property is not used primarily for solar energy production, it**
7 **shall be classed and assessed without regard to the solar energy system. The assessor**
8 **shall request any documentation necessary to determine the true value in money of such**
9 **property.**

10 **(2) Notwithstanding the provisions of subdivision (1) of this section to the**
11 **contrary, the tax liability actually owed for solar energy property that was built or was**
12 **contracted to sell power on or after August 9, 2022, but on or before December 31, 2024,**
13 **shall not exceed one thousand dollars per megawatt, and for all solar energy property**
14 **that was built or was contracted to sell power on or after January 1, 2025, shall not**
15 **exceed two thousand dollars per megawatt. For projects for which the land associated**
16 **with such project is reclassified due to the project, the property tax liability incurred**
17 **from such land shall be included in the limit established in this subdivision.**

18 **2. Nothing in this section shall be construed to prohibit an entity from engaging**
19 **in a project that was originally constructed utilizing financing authorized under chapter**
20 **100 for construction, to prohibit an entity from engaging in enhanced enterprise zone**
21 **agreements under sections 135.950 to 135.973 or similar tax abatement agreements**
22 **authorized pursuant to state law with state or local officials, or to affect any existing**
23 **enhanced enterprise zone or chapter 100 agreements.**

 137.080. Real estate and tangible personal property shall be assessed annually at the
2 assessment which commences on the first day of January. For purposes of assessing and
3 taxing tangible personal property, all tangible personal property shall be divided into the
4 following subclasses:

- 5 (1) Grain and other agricultural crops in an unmanufactured condition;
- 6 (2) Livestock;
- 7 (3) Farm machinery;
- 8 (4) Vehicles, including recreational vehicles, but not including manufactured homes,
9 as defined in section 700.010, which are actually used as dwelling units;
- 10 (5) Manufactured homes, as defined in section 700.010, which are actually used as
11 dwelling units;
- 12 (6) Motor vehicles which are eligible for registration and are registered as historic
13 motor vehicles under section 301.131;
- 14 (7) **Solar panels, racking systems, inverters, and related solar equipment,**
15 **components, materials, and supplies installed at commercial solar photovoltaic energy**
16 **systems, as described in subdivision (46) of subsection 2 of section 144.030, that were**
17 **constructed and producing solar energy prior to August 9, 2022; and**
- 18 (8) All taxable tangible personal property not included in subclass (1), subclass (2),
19 subclass (3), subclass (4), subclass (5), ~~subclass (6)~~, or subclass (7).

 137.115. 1. All other laws to the contrary notwithstanding, the assessor or the
2 assessor's deputies in all counties of this state including the City of St. Louis shall annually
3 make a list of all real and tangible personal property taxable in the assessor's city, county,
4 town or district. Except as otherwise provided in subsection 3 of this section and section

5 137.078, the assessor shall annually assess all personal property at thirty-three and one-third
6 percent of its true value in money as of January first of each calendar year. The assessor shall
7 annually assess all real property, including any new construction and improvements to real
8 property, and possessory interests in real property at the percent of its true value in money set
9 in subsection 5 of this section. The true value in money of any possessory interest in real
10 property in subclass (3), where such real property is on or lies within the ultimate airport
11 boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a
12 commercial airport having a FAR Part 139 certification and owned by a political subdivision,
13 shall be the otherwise applicable true value in money of any such possessory interest in real
14 property, less the total dollar amount of costs paid by a party, other than the political
15 subdivision, towards any new construction or improvements on such real property completed
16 after January 1, 2008, and which are included in the above-mentioned possessory interest,
17 regardless of the year in which such costs were incurred or whether such costs were
18 considered in any prior year. The assessor shall annually assess all real property in the
19 following manner: new assessed values shall be determined as of January first of each odd-
20 numbered year and shall be entered in the assessor's books; those same assessed values shall
21 apply in the following even-numbered year, except for new construction and property
22 improvements which shall be valued as though they had been completed as of January first of
23 the preceding odd-numbered year. The assessor may call at the office, place of doing
24 business, or residence of each person required by this chapter to list property, and require the
25 person to make a correct statement of all taxable tangible personal property owned by the
26 person or under his or her care, charge or management, taxable in the county. On or before
27 January first of each even-numbered year, the assessor shall prepare and submit a two-year
28 assessment maintenance plan to the county governing body and the state tax commission for
29 their respective approval or modification. The county governing body shall approve and
30 forward such plan or its alternative to the plan to the state tax commission by February first.
31 If the county governing body fails to forward the plan or its alternative to the plan to the state
32 tax commission by February first, the assessor's plan shall be considered approved by the
33 county governing body. If the state tax commission fails to approve a plan and if the state tax
34 commission and the assessor and the governing body of the county involved are unable to
35 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,
36 the county or the assessor shall petition the administrative hearing commission, by May first,
37 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement
38 of the parties, the matter may be stayed while the parties proceed with mediation or
39 arbitration upon terms agreed to by the parties. The final decision of the administrative
40 hearing commission shall be subject to judicial review in the circuit court of the county
41 involved. In the event a valuation of subclass (1) real property within any county with a

42 charter form of government, or within a city not within a county, is made by a computer,
43 computer-assisted method or a computer program, the burden of proof, supported by clear,
44 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
45 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
46 presumption that the assessment was made by a computer, computer-assisted method or a
47 computer program. Such evidence shall include, but shall not be limited to, the following:

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

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

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

53 (b) Such properties are not more than one mile from the site of the disputed property,
54 except where no similar properties exist within one mile of the disputed property, the nearest
55 comparable property shall be used. Such property shall be within five hundred square feet in
56 size of the disputed property, and resemble the disputed property in age, floor plan, number of
57 rooms, and other relevant characteristics.

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

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

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

65 (2) Livestock, twelve percent;

66 (3) Farm machinery, twelve percent;

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

71 (5) Poultry, twelve percent; ~~and~~

72 (6) Tools and equipment used for pollution control and tools and equipment used in
73 retooling for the purpose of introducing new product lines or used for making improvements
74 to existing products by any company which is located in a state enterprise zone and which is
75 identified by any standard industrial classification number cited in subdivision (7) of section
76 135.200, twenty-five percent; **and**

77 (7) **Solar panels, racking systems, inverters, and related solar equipment,**
78 **components, materials, and supplies installed at commercial solar photovoltaic energy**

79 **systems, as described in subdivision (46) of subsection 2 of section 144.030, that were**
80 **constructed and producing solar energy prior to August 9, 2022, three percent.**

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

85 5. (1) All subclasses of real property, as such subclasses are established in Section 4
86 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
87 at the following percentages of true value:

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

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

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

91 (2) A taxpayer may apply to the county assessor, or, if not located within a county,
92 then the assessor of such city, for the reclassification of such taxpayer's real property if the use
93 or purpose of such real property is changed after such property is assessed under the
94 provisions of this chapter. If the assessor determines that such property shall be reclassified,
95 he or she shall determine the assessment under this subsection based on the percentage of the
96 tax year that such property was classified in each subclassification.

97 6. Manufactured homes, as defined in section 700.010, which are actually used as
98 dwelling units shall be assessed at the same percentage of true value as residential real
99 property for the purpose of taxation. The percentage of assessment of true value for such
100 manufactured homes shall be the same as for residential real property. If the county collector
101 cannot identify or find the manufactured home when attempting to attach the manufactured
102 home for payment of taxes owed by the manufactured home owner, the county collector may
103 request the county commission to have the manufactured home removed from the tax books,
104 and such request shall be granted within thirty days after the request is made; however, the
105 removal from the tax books does not remove the tax lien on the manufactured home if it is
106 later identified or found. For purposes of this section, a manufactured home located in a
107 manufactured home rental park, rental community or on real estate not owned by the
108 manufactured home owner shall be considered personal property. For purposes of this
109 section, a manufactured home located on real estate owned by the manufactured home owner
110 may be considered real property.

111 7. Each manufactured home assessed shall be considered a parcel for the purpose of
112 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be
113 real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement
114 to the existing real estate parcel.

115 8. Any amount of tax due and owing based on the assessment of a manufactured
116 home shall be included on the personal property tax statement of the manufactured home
117 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of
118 section 442.015, in which case the amount of tax due and owing on the assessment of the
119 manufactured home as a realty improvement to the existing real estate parcel shall be
120 included on the real property tax statement of the real estate owner.

121 9. The assessor of each county and each city not within a county shall use the trade-in
122 value published in the October issue of the National Automobile Dealers' Association Official
123 Used Car Guide, or its successor publication, as the recommended guide of information for
124 determining the true value of motor vehicles described in such publication. The assessor shall
125 not use a value that is greater than the average trade-in value in determining the true value of
126 the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles
127 two years old or newer from a vehicle's model year, the assessor may use a value other than
128 average without performing a physical inspection of the motor vehicle. In the absence of a
129 listing for a particular motor vehicle in such publication, the assessor shall use such
130 information or publications which in the assessor's judgment will fairly estimate the true
131 value in money of the motor vehicle.

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

136 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
137 assessor shall notify the property owner of that fact in writing and shall provide the owner
138 clear written notice of the owner's rights relating to the physical inspection. If a physical
139 inspection is required, the property owner may request that an interior inspection be
140 performed during the physical inspection. The owner shall have no less than thirty days to
141 notify the assessor of a request for an interior physical inspection.

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

150 13. A county or city collector may accept credit cards as proper form of payment of
151 outstanding property tax or license due. No county or city collector may charge surcharge for

152 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
153 processor, or issuer for its service. A county or city collector may accept payment by
154 electronic transfers of funds in payment of any tax or license and charge the person making
155 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
156 such electronic payment.

157 14. Any county or city not within a county in this state may, by an affirmative vote of
158 the governing body of such county, opt out of the provisions of this section and sections
159 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general
160 assembly, second regular session and section 137.073 as modified by house committee
161 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-
162 second general assembly, second regular session, for the next year of the general
163 reassessment, prior to January first of any year. No county or city not within a county
164 shall exercise this opt-out provision after implementing the provisions of this section and
165 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first
166 general assembly, second regular session and section 137.073 as modified by house
167 committee substitute for senate substitute for senate committee substitute for senate bill no.
168 960, ninety-second general assembly, second regular session, in a year of general
169 reassessment. For the purposes of applying the provisions of this subsection, a political
170 subdivision contained within two or more counties where at least one of such counties has
171 opted out and at least one of such counties has not opted out shall calculate a single tax rate as
172 in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly,
173 second regular session. A governing body of a city not within a county or a county that has
174 opted out under the provisions of this subsection may choose to implement the provisions of
175 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
176 the ninety-first general assembly, second regular session, and section 137.073 as modified by
177 house committee substitute for senate substitute for senate committee substitute for senate bill
178 no. 960, ninety-second general assembly, second regular session, for the next year of general
179 reassessment, by an affirmative vote of the governing body prior to December thirty-first of
180 any year.

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

188 16. Any portion of real property that is available as reserve for strip, surface, or coal
189 mining for minerals for purposes of excavation for future use or sale to others that has not
190 been bonded and permitted under chapter 444 shall be assessed based upon how the real
191 property is currently being used. Any information provided to a county assessor, state tax
192 commission, state agency, or political subdivision responsible for the administration of tax
193 policies shall, in the performance of its duties, make available all books, records, and
194 information requested, except such books, records, and information as are by law declared
195 confidential in nature, including individually identifiable information regarding a specific
196 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
197 mean all real property that is in use or readily available as a reserve for strip, surface, or coal
198 mining for minerals for purposes of excavation for current or future use or sale to others that
199 has been bonded and permitted under chapter 444.

**137.2000. If any provision of section 137.010, 137.077, 137.080, or 137.115 or the
2 application thereof to any person or circumstance is held invalid, such determination
3 shall not affect the provisions or applications of section 137.010, 137.077, 137.080, or
4 137.115 which may be given effect without the invalid provision or application, and to
5 that end the provisions of section 137.010, 137.077, 137.080, and 137.115 are severable.**

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