

HOUSE BILL NO. 2705

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FREDERICK.

6761H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 137.076, RSMo, and to enact in lieu thereof one new section relating to property assessment.

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

Section A. Section 137.076, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.076, to read as follows:

137.076. 1. In establishing the value of a parcel of real property the county assessor shall consider current market conditions and previous decisions of the county board of equalization, the state tax commission or a court of competent jurisdiction that affected the value of such parcel. For purposes of this section, the term "current market conditions", shall include the impact upon the housing market of foreclosures and bank sales.

2. In establishing the value of a parcel of real property, the county assessor shall use an income-based approach for assessment of parcels of real property with federal or state imposed restrictions in regard to rent limitations, operations requirements, or any other restrictions imposed upon the property in connection with:

(1) The property being eligible for any income tax credits under Section 42 of the Internal Revenue Code of 1986, as amended;

(2) Property constructed with the use of the United States Department of Housing and Urban Development HOME investment partnerships program;

(3) Property constructed with the use of incentives provided by the United States Department of Agriculture Rural Development; [or]

(4) Property receiving any other state or federal subsidies provided with respect to use of the property for housing purposes; **or**

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 **(5) Property eligible for the Missouri low-income housing tax credit created under**
19 **section 135.352.**

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21 For the purposes of this subsection, the term "income-based approach" shall include the use of
22 direct capitalization methodology and computed by dividing the net operating income of the
23 parcel of property by an appropriate capitalization rate not to exceed the average of the current
24 market data available in the county of said parcel of property. **No federal [and] or state tax**
25 **[credits] credit or other [subsidies] subsidy, except the Missouri low-income housing tax**
26 **credit,** shall [not] be used when calculating the capitalization rate. Upon expiration of a land use
27 restriction agreement, such parcel of property shall no longer be subject to this subsection.

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