

# SENATE BILL NO. 1519

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

4164S.01I

KRISTINA MARTIN, Secretary

## AN ACT

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

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Section A. Section 137.076, RSMo, is repealed and one new  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

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

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

15 (1) The property being eligible for any income tax  
16 credits under Section 42 of the Internal Revenue Code of  
17 1986, as amended;

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

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

24 (4) Property receiving any other state or federal  
 25 subsidies provided with respect to use of the property for  
 26 housing purposes.

27 For the purposes of this subsection, the term "income-based  
 28 approach" shall include the use of direct capitalization  
 29 methodology and computed by dividing the net operating  
 30 income of the parcel of property by an appropriate  
 31 capitalization rate not to exceed the average of the current  
 32 market data available in the county of said parcel of  
 33 property. Federal and state tax credits or other subsidies  
 34 shall not be used when calculating the capitalization rate.  
 35 Upon expiration of a land use restriction agreement, such  
 36 parcel of property shall no longer be subject to this  
 37 subsection.

38 **3. (1) For all reassessment years beginning on or**  
 39 **after January 1, 2025, the true value in money of**  
 40 **residential real property shall be equal to the amount paid**  
 41 **to obtain title to such property by the taxpayer owning such**  
 42 **property as of January first of the year of reassessment.**  
 43 **The true value in money of such property in each successive**  
 44 **reassessment year shall be determined by applying the**  
 45 **following depreciation schedule to the value determined**  
 46 **during the 2025 reassessment year:**

47 **Year** **Percent Depreciation**

48	<b>Current</b>	<b>0</b>
49	<b>1</b>	<b>5</b>
50	<b>2</b>	<b>10</b>
51	<b>3</b>	<b>15</b>
52	<b>4</b>	<b>20</b>
53	<b>5</b>	<b>25</b>
54	<b>6</b>	<b>30</b>
55	<b>7</b>	<b>35</b>
56	<b>8</b>	<b>40</b>
57	<b>9</b>	<b>45</b>
58	<b>10</b>	<b>50</b>
59	<b>11</b>	<b>55</b>
60	<b>12</b>	<b>60</b>
61	<b>13</b>	<b>65</b>
62	<b>14</b>	<b>70</b>
63	<b>15</b>	<b>75</b>
64	<b>16</b>	<b>80</b>
65	<b>17</b>	<b>85</b>
66	<b>18</b>	<b>90</b>
67	<b>19</b>	<b>95</b>

68           (2) For residential real property that is sold  
69 subsequent to the 2025 reassessment year, the true value in  
70 money for such property shall be equal to the amount paid to  
71 obtain title to such property by the taxpayer purchasing  
72 such property. The true value in money of such property in  
73 each successive reassessment year shall be determined by  
74 applying the depreciation schedule provided in subdivision  
75 (1) of this subsection to the value determined during the

76 year such property was purchased by the taxpayer owning such  
77 property as of January first of the year of reassessment.

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