

SENATE BILL NO. 24

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

6012S.011

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to property taxes.

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Section A. Section 137.115, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 137.115,
3 to read as follows:

137.115. 1. All other laws to the contrary
2 notwithstanding, the assessor or the assessor's deputies in
3 all counties of this state including the City of St. Louis
4 shall annually make a list of all real and tangible personal
5 property taxable in the assessor's city, county, town or
6 district. Except as otherwise provided in subsection 3 of
7 this section and section 137.078, the assessor shall
8 annually assess all personal property at thirty-three and
9 one-third percent of its true value in money as of January
10 first of each calendar year. **Beginning January 1, 2023, all**
11 **personal property shall be annually assessed at a percent of**
12 **its true value in money as of January first of each calendar**
13 **year as follows:**

14 (1) A political subdivision shall annually reduce the
15 percentage of true value in money at which personal property
16 is assessed pursuant to this subsection such that the amount
17 by which the revenue generated by taxes levied on such
18 personal property is substantially equal to one hundred
19 percent of the growth in revenue generated by real property
20 assessment growth. Annual reductions shall be made pursuant

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

21 to this subdivision until December 31, 2073. Thereafter,
22 the percentage of true value in money at which personal
23 property is assessed shall be equal to the percentage in
24 effect on December 31, 2073.

25 (2) The provisions of subdivision (1) of this
26 subsection shall not be construed to relieve a political
27 subdivision from adjustments to property tax levies as
28 required by section 137.073.

29 (3) For the purposes of subdivision (1) of this
30 subsection, "real property assessment growth" shall mean the
31 growth in revenue from increases in the total assessed
32 valuation of all real property in a political subdivision
33 over the revenue generated from the assessed valuation of
34 such real property from the previous calendar year. Real
35 property assessment growth shall not include any revenue in
36 excess of the percent increase in the consumer price index,
37 as described in subsection 2 of section 137.073.

38 (4) Notwithstanding the provisions of subdivisions (1)
39 to (4) of this subsection to the contrary, for the purposes
40 of the tax levied pursuant to Article III, Section 38(b) of
41 the Missouri Constitution, all personal property shall be
42 assessed at thirty-three and one-third percent of its true
43 value in money as of January first of each calendar year.

44 2. The assessor shall annually assess all real
45 property, including any new construction and improvements to
46 real property, and possessory interests in real property at
47 the percent of its true value in money set in subsection [5]
48 6 of this section. The true value in money of any
49 possessory interest in real property in subclass (3), where
50 such real property is on or lies within the ultimate airport
51 boundary as shown by a federal airport layout plan, as
52 defined by 14 CFR 151.5, of a commercial airport having a

53 FAR Part 139 certification and owned by a political
54 subdivision, shall be the otherwise applicable true value in
55 money of any such possessory interest in real property, less
56 the total dollar amount of costs paid by a party, other than
57 the political subdivision, towards any new construction or
58 improvements on such real property completed after January
59 1, 2008, and which are included in the above-mentioned
60 possessory interest, regardless of the year in which such
61 costs were incurred or whether such costs were considered in
62 any prior year. The assessor shall annually assess all real
63 property in the following manner: new assessed values shall
64 be determined as of January first of each odd-numbered year
65 and shall be entered in the assessor's books; those same
66 assessed values shall apply in the following even-numbered
67 year, except for new construction and property improvements
68 which shall be valued as though they had been completed as
69 of January first of the preceding odd-numbered year. The
70 assessor may call at the office, place of doing business, or
71 residence of each person required by this chapter to list
72 property, and require the person to make a correct statement
73 of all taxable tangible personal property owned by the
74 person or under his or her care, charge or management,
75 taxable in the county. On or before January first of each
76 even-numbered year, the assessor shall prepare and submit a
77 two-year assessment maintenance plan to the county governing
78 body and the state tax commission for their respective
79 approval or modification. The county governing body shall
80 approve and forward such plan or its alternative to the plan
81 to the state tax commission by February first. If the
82 county governing body fails to forward the plan or its
83 alternative to the plan to the state tax commission by
84 February first, the assessor's plan shall be considered

85 approved by the county governing body. If the state tax
86 commission fails to approve a plan and if the state tax
87 commission and the assessor and the governing body of the
88 county involved are unable to resolve the differences, in
89 order to receive state cost-share funds outlined in section
90 137.750, the county or the assessor shall petition the
91 administrative hearing commission, by May first, to decide
92 all matters in dispute regarding the assessment maintenance
93 plan. Upon agreement of the parties, the matter may be
94 stayed while the parties proceed with mediation or
95 arbitration upon terms agreed to by the parties. The final
96 decision of the administrative hearing commission shall be
97 subject to judicial review in the circuit court of the
98 county involved. In the event a valuation of subclass (1)
99 real property within any county with a charter form of
100 government, or within a city not within a county, is made by
101 a computer, computer-assisted method or a computer program,
102 the burden of proof, supported by clear, convincing and
103 cogent evidence to sustain such valuation, shall be on the
104 assessor at any hearing or appeal. In any such county,
105 unless the assessor proves otherwise, there shall be a
106 presumption that the assessment was made by a computer,
107 computer-assisted method or a computer program. Such
108 evidence shall include, but shall not be limited to, the
109 following:

110 (1) The findings of the assessor based on an appraisal
111 of the property by generally accepted appraisal techniques;
112 and

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

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

119 (b) Such properties are not more than one mile from
120 the site of the disputed property, except where no similar
121 properties exist within one mile of the disputed property,
122 the nearest comparable property shall be used. Such
123 property shall be within five hundred square feet in size of
124 the disputed property, and resemble the disputed property in
125 age, floor plan, number of rooms, and other relevant
126 characteristics.

127 [2.] 3. Assessors in each county of this state and the
128 City of St. Louis may send personal property assessment
129 forms through the mail.

130 [3.] 4. The following items of personal property shall
131 each constitute separate subclasses of tangible personal
132 property and shall be assessed and valued for the purposes
133 of taxation at the following percentages of their true value
134 in money:

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

137 (2) Livestock, twelve percent;

138 (3) Farm machinery, twelve percent;

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

146 (5) Poultry, twelve percent; and

147 (6) Tools and equipment used for pollution control and
148 tools and equipment used in retooling for the purpose of

149 introducing new product lines or used for making
150 improvements to existing products by any company which is
151 located in a state enterprise zone and which is identified
152 by any standard industrial classification number cited in
153 subdivision (7) of section 135.200, twenty-five percent.

154 [4.] 5. The person listing the property shall enter a
155 true and correct statement of the property, in a printed
156 blank prepared for that purpose. The statement, after being
157 filled out, shall be signed and either affirmed or sworn to
158 as provided in section 137.155. The list shall then be
159 delivered to the assessor.

160 [5.] 6. (1) All subclasses of real property, as such
161 subclasses are established in Section 4(b) of Article X of
162 the Missouri Constitution and defined in section 137.016,
163 shall be assessed at the following percentages of true value:

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

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

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

170 (2) A taxpayer may apply to the county assessor, or,
171 if not located within a county, then the assessor of such
172 city, for the reclassification of such taxpayer's real
173 property if the use or purpose of such real property is
174 changed after such property is assessed under the provisions
175 of this chapter. If the assessor determines that such
176 property shall be reclassified, he or she shall determine
177 the assessment under this subsection based on the percentage
178 of the tax year that such property was classified in each
179 subclassification.

180 [6.] 7. Manufactured homes, as defined in section
181 700.010, which are actually used as dwelling units shall be
182 assessed at the same percentage of true value as residential
183 real property for the purpose of taxation. The percentage
184 of assessment of true value for such manufactured homes
185 shall be the same as for residential real property. If the
186 county collector cannot identify or find the manufactured
187 home when attempting to attach the manufactured home for
188 payment of taxes owed by the manufactured home owner, the
189 county collector may request the county commission to have
190 the manufactured home removed from the tax books, and such
191 request shall be granted within thirty days after the
192 request is made; however, the removal from the tax books
193 does not remove the tax lien on the manufactured home if it
194 is later identified or found. For purposes of this section,
195 a manufactured home located in a manufactured home rental
196 park, rental community or on real estate not owned by the
197 manufactured home owner shall be considered personal
198 property. For purposes of this section, a manufactured home
199 located on real estate owned by the manufactured home owner
200 may be considered real property.

201 [7.] 8. Each manufactured home assessed shall be
202 considered a parcel for the purpose of reimbursement
203 pursuant to section 137.750, unless the manufactured home is
204 deemed to be real estate as defined in subsection 7 of
205 section 442.015 and assessed as a realty improvement to the
206 existing real estate parcel.

207 [8.] 9. Any amount of tax due and owing based on the
208 assessment of a manufactured home shall be included on the
209 personal property tax statement of the manufactured home
210 owner unless the manufactured home is deemed to be real
211 estate as defined in subsection 7 of section 442.015, in

212 which case the amount of tax due and owing on the assessment
213 of the manufactured home as a realty improvement to the
214 existing real estate parcel shall be included on the real
215 property tax statement of the real estate owner.

216 [9.] 10. The assessor of each county and each city not
217 within a county shall use the trade-in value published in
218 the October issue of the National Automobile Dealers'
219 Association Official Used Car Guide, or its successor
220 publication, as the recommended guide of information for
221 determining the true value of motor vehicles described in
222 such publication. The assessor shall not use a value that
223 is greater than the average trade-in value in determining
224 the true value of the motor vehicle without performing a
225 physical inspection of the motor vehicle. For vehicles two
226 years old or newer from a vehicle's model year, the assessor
227 may use a value other than average without performing a
228 physical inspection of the motor vehicle. In the absence of
229 a listing for a particular motor vehicle in such
230 publication, the assessor shall use such information or
231 publications which in the assessor's judgment will fairly
232 estimate the true value in money of the motor vehicle.

233 [10.] 11. Before the assessor may increase the
234 assessed valuation of any parcel of subclass (1) real
235 property by more than fifteen percent since the last
236 assessment, excluding increases due to new construction or
237 improvements, the assessor shall conduct a physical
238 inspection of such property.

239 [11.] 12. If a physical inspection is required,
240 pursuant to subsection [10] 11 of this section, the assessor
241 shall notify the property owner of that fact in writing and
242 shall provide the owner clear written notice of the owner's
243 rights relating to the physical inspection. If a physical

244 inspection is required, the property owner may request that
245 an interior inspection be performed during the physical
246 inspection. The owner shall have no less than thirty days
247 to notify the assessor of a request for an interior physical
248 inspection.

249 [12.] 13. A physical inspection, as required by
250 subsection [10] 11 of this section, shall include, but not
251 be limited to, an on-site personal observation and review of
252 all exterior portions of the land and any buildings and
253 improvements to which the inspector has or may reasonably
254 and lawfully gain external access, and shall include an
255 observation and review of the interior of any buildings or
256 improvements on the property upon the timely request of the
257 owner pursuant to subsection [11] 12 of this section. Mere
258 observation of the property via a drive-by inspection or the
259 like shall not be considered sufficient to constitute a
260 physical inspection as required by this section.

261 [13.] 14. A county or city collector may accept credit
262 cards as proper form of payment of outstanding property tax
263 or license due. No county or city collector may charge
264 surcharge for payment by credit card which exceeds the fee
265 or surcharge charged by the credit card bank, processor, or
266 issuer for its service. A county or city collector may
267 accept payment by electronic transfers of funds in payment
268 of any tax or license and charge the person making such
269 payment a fee equal to the fee charged the county by the
270 bank, processor, or issuer of such electronic payment.

271 [14.] 15. Any county or city not within a county in
272 this state may, by an affirmative vote of the governing body
273 of such county, opt out of the provisions of this section
274 and sections 137.073, 138.060, and 138.100 as enacted by
275 house bill no. 1150 of the ninety-first general assembly,

276 second regular session and section 137.073 as modified by
277 house committee substitute for senate substitute for senate
278 committee substitute for senate bill no. 960, ninety-second
279 general assembly, second regular session, for the next year
280 of the general reassessment, prior to January first of any
281 year. No county or city not within a county shall exercise
282 this opt-out provision after implementing the provisions of
283 this section and sections 137.073, 138.060, and 138.100 as
284 enacted by house bill no. 1150 of the ninety-first general
285 assembly, second regular session and section 137.073 as
286 modified by house committee substitute for senate substitute
287 for senate committee substitute for senate bill no. 960,
288 ninety-second general assembly, second regular session, in a
289 year of general reassessment. For the purposes of applying
290 the provisions of this subsection, a political subdivision
291 contained within two or more counties where at least one of
292 such counties has opted out and at least one of such
293 counties has not opted out shall calculate a single tax rate
294 as in effect prior to the enactment of house bill no. 1150
295 of the ninety-first general assembly, second regular
296 session. A governing body of a city not within a county or
297 a county that has opted out under the provisions of this
298 subsection may choose to implement the provisions of this
299 section and sections 137.073, 138.060, and 138.100 as
300 enacted by house bill no. 1150 of the ninety-first general
301 assembly, second regular session, and section 137.073 as
302 modified by house committee substitute for senate substitute
303 for senate committee substitute for senate bill no. 960,
304 ninety-second general assembly, second regular session, for
305 the next year of general reassessment, by an affirmative
306 vote of the governing body prior to December thirty-first of
307 any year.

308 [15.] 16. The governing body of any city of the third
309 classification with more than twenty-six thousand three
310 hundred but fewer than twenty-six thousand seven hundred
311 inhabitants located in any county that has exercised its
312 authority to opt out under subsection [14] 15 of this
313 section may levy separate and differing tax rates for real
314 and personal property only if such city bills and collects
315 its own property taxes or satisfies the entire cost of the
316 billing and collection of such separate and differing tax
317 rates. Such separate and differing rates shall not exceed
318 such city's tax rate ceiling.

319 [16.] 17. Any portion of real property that is
320 available as reserve for strip, surface, or coal mining for
321 minerals for purposes of excavation for future use or sale
322 to others that has not been bonded and permitted under
323 chapter 444 shall be assessed based upon how the real
324 property is currently being used. Any information provided
325 to a county assessor, state tax commission, state agency, or
326 political subdivision responsible for the administration of
327 tax policies shall, in the performance of its duties, make
328 available all books, records, and information requested,
329 except such books, records, and information as are by law
330 declared confidential in nature, including individually
331 identifiable information regarding a specific taxpayer or
332 taxpayer's mine property. For purposes of this subsection,
333 "mine property" shall mean all real property that is in use
334 or readily available as a reserve for strip, surface, or
335 coal mining for minerals for purposes of excavation for
336 current or future use or sale to others that has been bonded
337 and permitted under chapter 444.

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